Sompo Holdings

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Corporate Citizenship Activities

Basic concept

Concept and Policy

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

Corporate Citizenship Policy

Structure

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

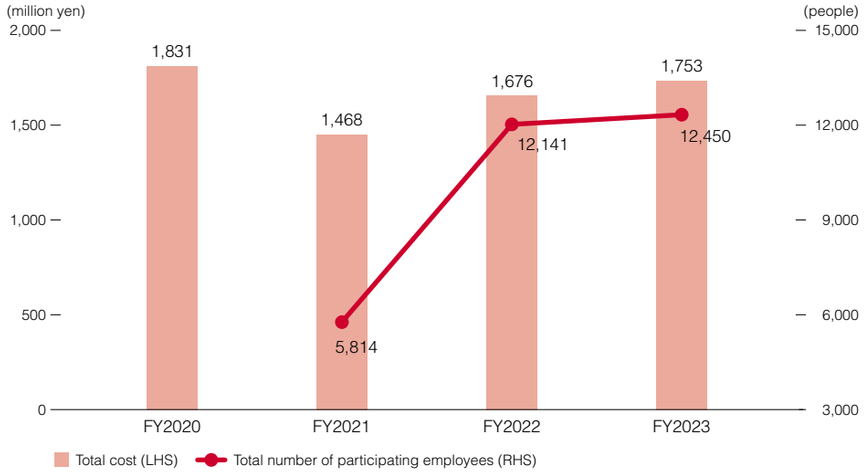
As a corporate citizen, we promote our activities for future generations mainly through our foundations with focus on the following three areas: fine arts, welfare, and the environment. We also support and encourage individual employees to proactively take part in community outreach activities mainly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

Social contribution expenses and participants

Activities and Achievements

Our activities are centered on three areas (fine arts, welfare, and the environment) with an awareness of nurturing the next generation. In FY2023, we spent 1.75266 billion yen on social contribution activities. Moreover, a total of 12,450 Group employees participated in social contribution activities.

Social contribution expenses and total number of participating employees



Reference: Programs to support and encourage employee efforts

Volunteer work leave

At Sompo Japan, employees are entitled to take short-term volunteer leave (up to 10 days per year) and long-term volunteer leave (from six to 18 months) in addition to annual paid leave.

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Corporate Citizenship Activities

Volunteer organization: Sompo Chikyu (Earth) Club

Structure | Activities and Achievements

Sompo Chikyu (Earth) Club

The members of the Sompo Chikyu (Earth) Club – a volunteer organization – consist of the Group's executives and employees. They voluntarily and proactively undertake social contribution activities for the purpose of cultivating a heightened sensitivity to social issues and contributing to the building of a resilient and sustainable society.

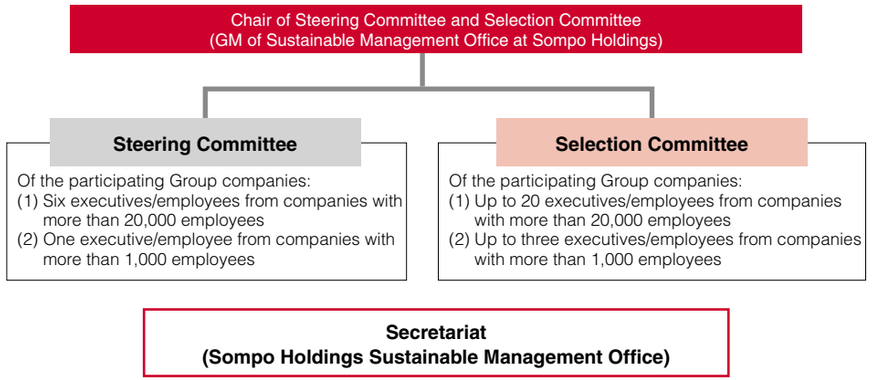
Since its establishment in 1993, the Club has undertaken various volunteer activities in collaboration with agencies and the like, including forest conservation, food banks, and visiting welfare facilities to repair and clean wheelchairs. For more than thirty years, each project has been tailored according to the needs and characteristics of the local communities nationwide.

Operation structure

The Sompo Chikyu (Earth) Club has a Steering Committee and a Selection Committee, each comprising representatives of the Club's members.

The chair of both these committees is the general manager of the Sustainable Management Office at Sompo Holdings. The secretariat is also located within the Sustainable Management Office.

Organization



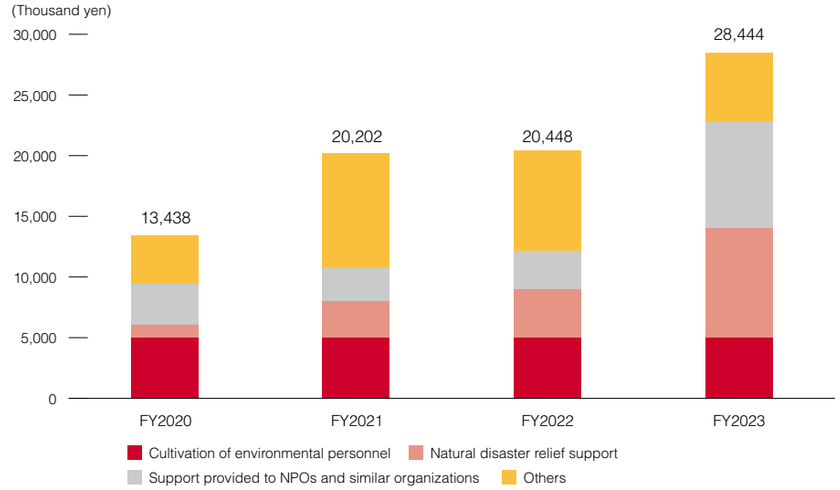
Sompo Chikyu (Earth) Club Corporate Citizenship Fund

Group executives and employees voluntarily donate money to this fund through salary deductions. The funds are then put towards social contribution activities carried out by the Sompo Chikyu (Earth) Club. The funds raised are used primarily for community outreach activities, such as the payment of expenses of volunteer activities performed across Japan, support for disaster relief and donations to NPOs and other organizations supported by the Club's members.

Utilization of the Corporate Citizenship Fund

In FY2023, a total of ¥28.44 million from the Corporate Citizenship Fund was used to finance social contribution activities.

Sompo Chikyu (Earth) Club Corporate Citizenship Fund spending



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Corporate Citizenship Activities

Assisting in the disaster-stricken region and victims of the Noto Peninsula Earthquake in 2024

Structure Activities and Achievements

The Group has provided the assistance indicated below to help restore the lives of people affected by the Noto Peninsula Earthquake (January 1, 2024) and support various types of relief activities in cooperation with the affected municipalities.

Main forms of assistance

Provision of food (20,000 emergency rations and 20,000 pre-cooked meals suitable for elderly residents)

Through Sompo Japan's sales offices, we have provided residents of the disaster-stricken region with 20,000 emergency rations that were sold by one of our Group companies, Alpha Foods Co., Ltd. We have also furnished senior care facilities and other such locations in the disaster-stricken region with 20,000 pre-cooked meals suitable for elderly residents, which Sompo Care Foods Inc. provides to long-term care facilities.

Dispatch of caregivers

We have dispatched Sompo Care caregivers to evacuation shelters in order to provide support and assistance to elderly residents.

Relief funds

To support the affected region and victims of the disaster, the Sompo Group donated approximately 129 million yen and the volunteer organization Sompo Chikyu (Earth) Club, which consists of executives and employees of the Group, donated 1 million yen.

In addition, the Group has arranged contributions from its executives and employees and donated disaster relief funds that total approximately 21 million yen.



Providing food to Nanao City's Senior Citizens Support Section



Evacuation shelter

Running "SOMPO-style children's cafeterias" as community exchange hubs

Activities and Achievements

In November 2022, Sompo Care started running SOMPO-style children's cafeterias at mainly residential facilities, such as the nursing homes it operates nationwide. It currently operates these cafeterias once a month at approximately 460 residential facilities and day-care service centers.

As of the end of May 2024, a total of 24,008 meals had been provided to children in the community. Both the facility users and the children have enjoyed these intergenerational exchange opportunities by sitting down to eat a meal together or engaging in recreational activities.

By running these SOMPO-style children's cafeterias, Sompo Care aims to provide community exchange hubs, bring more smiles and energy to its facility users, and continue enhancing the job satisfaction of staff members. Furthermore, by providing children with the opportunity to experience caregiving work, they can get a feel for what it might be like to work as a caregiver, thereby helping to solve the multitude of social issues in the community.





SOMPO-style children's cafeteria

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Corporate Citizenship Activities

Donation of "Yellow Badges" with traffic personal accident insurance

Activities and Achievements

Four companies—Sompo Japan, Mizuho Financial Group, Meiji Yasuda Life Insurance Company, and Dai-ichi Life Insurance Company—jointly conduct a road traffic safety program that donates Yellow Badges to first-grade students just entering elementary school across Japan. To mark the program's 60th anniversary, commemorative Yellow Pikachu Badges were distributed in FY2024 in collaboration with The Pokémon Company.

Having been linked to traffic personal accident insurance coverage since 1968, the Yellow Badges will pay the insurance benefit if a new first-grader who has been provided with a Yellow Badge should be killed or permanently disabled in a road traffic accident on their way to or from school. The aim of the Yellow Badges is to raise schoolchildren's awareness of road traffic safety and enlist the cooperation of guardians and car drivers to reduce road traffic accidents.





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Provision of "The Action!—SDGs Card Game—," an SDGs promotional tool

Activities and Achievements

Sompo Japan and Project Design Inc. have jointly developed "The Action!—SDGs Card Game—" which allows players to experience working to resolve social issues and achieve the SDGs while exploring specific actions toward a better future.

In workshops using this content, participants can experience a journey from the present to the year 2030 as they carry out project activities using the time and money given to them in the game world that simulates real society to achieve their goals.

Since its launch in 2021, the content has been promoted to companies, municipalities, schools, and other organizations with the aim of providing local community members with the opportunity to feel closer to the SDGs. As of now, we have hosted over 400 workshops in different parts of Japan, with a total of approximately 9,000 participants.

Through this content, we collaborate with bases and stakeholders across Japan and continue with our efforts toward achieving the SDGs, thereby contributing to the resolution of social issues and the realization of a more sustainable society.



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Disaster prevention and mitigation initiatives (Sompo Japan Insurance)

Activities and Achievements

Bosai JAPAN-DA Project

In this project, we host experience-based workshops and puppet shows to teach children—society's future leaders—and their guardians how to protect themselves and others in emergency situations. In December 2023, we fully launched a new SOMPO-style workshop on the creation of Nige-Chizu Escape Maps. This workshop, which enables participants to communicate among themselves through an evacuation simulation, aims to promote "mutual aid"—in other words, community members helping each other. As of March 2024, these events have been held a total of 685 times across Japan, attracting approximately 96,000 people.



SOMPO-style Evacuation Map "Nigechizu*" Workshops

The Nigechizu is a hand-made map that visualizes evacuation routes by color-coding the times required to indicate how to reach the evacuation areas in the event of disasters. Having grown in scale, frequency and severity over time, natural disasters clearly present the most significant social problem to local communities. This workshop facilitates risk communication between participants, thereby contributing to the promotion of both "mutual aid" (which enables community members to help each other) and a spirit of "self-help" (with which people can seek to protect themselves) by making disaster prevention and evacuation as their own personal issues.



Promotion of Psychological First Aid (PFA) for Children

Psychological First Aid (PFA) for Children is about how children can be supported after experiencing natural disasters and other emergencies. In collaboration with Save the Children, Sompo Japan produced a video and a leaflet on "PFA for Children"and supported Save the Children's awareness-raising activities on PFA for Children. We also supported PFA training and disaster preparedness workshops for after-school program staff in Kumamoto and Saga Prefectures. PFA has been incorporated in our SOMPO-style Evacuation Map "Nigechizu*" Workshops to further raise awareness. As part of Save the Children's emergency response, the PFA leaflets were distributed at evacuation centers and other places in the aftermath of the Noto Peninsula Earthquake in January 2024.



*Nigechizu is a registered trademark of NIKKEN SEKKEI LTD.

Web For more details, please visit the website and watch the video (in Japanese):
Psychological First Aid (PFA) for Children.

Tsunagaru Bosai Project

We have been implementing Tsunagaru Bosai Project (or Inclusive Disaster Prevention Project) since October 2022 in collaboration with the Japan NPO Center and the Foundation for Promoting Sound Growth of Children. We support various events, such as the creation of disaster prevention maps involving people who require special care* at children's centers, training programs and lecture meetings. These efforts, help raise public awareness about community-based disaster prevention and foster more connected, sustainable communities. As of March 2024, we have held 158 events, attracting approximately 14,000 participants in total.



* Senior citizens, infants, people with disabilities, people from other countries, and others stipulated by the Disaster Countermeasure Basic Act

Partnership agreements with NPOs

Sompo Japan collaborates with municipalities in different parts of Japan on the SDGs and works in partnership with NPOs. In March 2022, we signed a partnership agreement to promote the proliferation of the online service for the adjustment of relief supplies called the Dekirukamo List (List of Possible Assistance)*, which resulted from the experience of the torrential rain that had pounded parts of western Japan. Operated by the Okayama NPO Center and other organizations, we registered ourselves as the first supporter on the list. In October 2022, a new relief supply transport scheme was jointly built with local transport business operators based on this list. The list helps expand the aid network, leading to the creation of local communities that are more resistant to disasters.

* A new mechanism that enables companies to select goods and other forms of aid that they could provide in the event of disasters from a catalog of pre-listed alternatives and register themselves as potential supporters.

Real SOMPO Park

Given our current weather anomalies, even "once-in-a-million-years" disasters have occurred almost every year in recent years. "What can we do to make local communities more resistant to disasters and prevent anyone from suffering from them?" Employees who were enthusiastic about addressing this challenge in different parts of Japan voluntarily gathered and launched a new project, the Real SOMPO Park. The space was established on the first floor of the Sompo Japan Nihonbashi Building on September 1, 2023, with the hope that it would help people learn basic knowledge about disaster prevention and better prepare to protect lives in the event of disasters.



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Corporate Citizenship Activities

Okinawa Children's Future Work Experience Event

Activities and Achievements

This is a work experience workshop that the Okinawa branch of Sompo Japan hosts for elementary school students and their guardians. Based on the challenge of resolving Okinawa's issue of child poverty, this workshop aims to show local children what future options they have and inspire them to become more ambitious. At the end of the workshop, participants will receive a salary and even gain some shopping experience with the money they have earned. This is also designed to help children learn better about money. The second event, which was held in August 2023, helped expand the possibilities of children under the special sponsorship of 30 companies and other organizations of varied actions (which ran their respective booths at the event).



SOMPO Tochigi Park

Activities and Achievements

The Tochigi Branch and Tochigi Automobile Sales Department of Sompo Japan have been working in partnership and collaboration with stakeholders in Tochigi Prefecture to improve health, wellbeing and financial protection of local communities. By transcending the boundaries of different Group companies, they have addressed the issues faced by local governments.

In May 2024, a regional revitalization event entitled "SOMPO Tochigi Park—for health, wellbeing and financial protection" was held to provide local people with the opportunity to see with their own eyes and feel the efforts of Sompo Japan. This event provided 89 contents, organized in collaboration with 60 municipalities, companies, and other organizations with the theme of creating communities resistant to accidents and disasters. It included booths run by individual companies, hands-on experience programs and seminars, and it attracted 8,860 visitors.



SOMPO Smile Kids Edogawabashi Nursery (Accredited)

Activities and Achievements

SOMPO Smile Kids Foundation, established in 2011, operates the SOMPO Smile Kids Edogawabashi Nursery, an accredited nursery school in Tokyo's Bunkyo Ward.

It accommodates 64 children up to preschool. Day by day, children grow and thrive in the district of Edogawabashi, which is blessed with a bounty of natural beauty, including many parks and cherry blossom trees along the Kanda River, despite its central urban location.

A nursery is both a place of daily life and education. The nursery school aims to enable children to shine as individuals while fulfilling group experiences at the same time and to ensure that the guardians and local residents can see the benefits of this good quality of life.

Efforts are also made to improve the working environment of childcare workers, and this led us to be recognized by the Tokyo Metropolitan Government as a company working earnestly to promote work-life balance and be drawn so much public attention that we have received media coverage as a nursery that is easy to work for.





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Corporate Citizenship Activities of Group companies

Activities and Achievements

Our Group companies carry out a wide variety of corporate citizenship activities in collaboration with local stakeholders.

[Sompo International]

Volunteer activities through "AgriSompo" and sponsorship



In addition to conducting a wide range of volunteer activities through "AgriSompo," a global integrated platform for providing agriculture insurance solutions, Sompo International sponsors the 2024 Borlaug-Ruan International Internship program, provided by the World Food Prize Foundation.

[All Group companies]

Criacao Shinjuku: Cheering on matches and volunteering to clean up

As part of its efforts to achieve its purpose, the Sompo Group has signed a partnership agreement with Criacao Shinjuku. Based in Shinjuku (the same location as found in the Group's head office), this soccer club seeks to contribute to the local community, thereby making it more symbiotic by combining the liveliness of Shinjuku and the power of sports.

A night game featuring Criacao Shinjuku took place at the Japan National Stadium on Friday, June 7, 2024, when the Sompo Chikyu (Earth) Club ran the event "Criacao Shinjuku Cheering & Cleanup Volunteering." Our Group employees voluntarily attended the game as Criacao Shinjuku supporters from a corporate partner. After the game, about 130 employees of our Group companies participated in the volunteer activity organized by the Sompo Chikyu (Earth) Club to clean up the stadium. In addition, about 10 employees also participated in the home game administration volunteer work together on the same day. This provided our Group employees with the opportunity to increase their autonomy, spontaneity, and social connections.

In the future, we plan to expand these partnership-based initiatives to the entire Group to stimulate the activities of the Sompo Chikyu (Earth) Club and promote a greater sense of unity within the Group.

[Sompo Japan Insurance and three other Group companies]

Volunteer work at the Saga International Balloon Fiesta



Four Group companies—Sompo Japan Insurance, Saison Automobile and Fire Insurance Company, Sompo Japan Partners, and Sompo Corporate Service—conducted volunteer work at the 2023 Saga International Balloon Fiesta. This included launching and collecting hot-air balloons and guiding and controlling the flow of the audience in the early morning and during the night mooring.

[Sompo Himawari Life Insurance]

Selling bread baked at a welfare workshop



Members from a welfare workshop sell bread fresh from the oven in the Sompo Himawari Life Insurance Head Office Building once a month, which company employees purchase. "Welfare workshops" are employment support facilities for people with disabilities, where those mainly with intellectual disabilities engage in different types of work, thereby participating in their local communities.

[Sompo Systems]

Holding programming events at schools



Since FY2016, Sompo Systems has been holding programming events at schools in collaboration with NPO Code for Everyone.

In FY2023, the company hosted programming events at two elementary schools in the Tama District of Tokyo, where its head office is located, to help local children enjoy technology with a creative approach. Seventy pupils joined the events.

[Prime Assistance]

Sponsorship and participation in the distribution event of the mini-sized mimosa bouquets



Prime Assistance sponsored and participated in the distribution event of the mini-sized mimosa bouquets held at commercial facilities in Kagoshima City during International Women's Day on March 8 to provide people in Kagoshima Prefecture with the opportunity to think about gender equality.

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Initiatives of Supporting Activities and Researches for Social Welfare

Sompo Welfare Foundation

Activities and Achievements

The Sompo Welfare Foundation, established in 1977, conducts various programs such as providing financial assistance to civil society organizations in the social welfare field in Japan, ASEAN countries, India and South Africa, holding academic conferences and funding research on social welfare, social security, insurance and gerontology, and awarding outstanding academic papers. The objective is to contribute to the advancement and improvement of social welfare.

Aware of the rapid aging of society, the foundation also promotes activities that help to resolve increasingly complex social issues, including supporting families that provide home care to senior citizens with dementia or other conditions and providing scholarships for students studying to become certified care workers. Its programs are designed to meet contemporary needs through both research and practice in the field of social welfare.

Support for purchase of vehicles

Since 1999, the foundation has financially supported organizations that need to purchase vehicles for their welfare activities for people with disabilities.

In FY2023, the foundation invited applications from Eastern Japan and selected ten organizations. These vehicles allow organizations to expand the range and scale of their activities and to increase the income of people with disabilities and the number of users of their welfare services.



Supporting the purchase of wheelchair-accessible vehicles

Support for organizational and operational reinforcement of civil society groups

In 2004, the foundation started to provide financial support for organizational and operational reinforcement of civil society organizations that render welfare services to communities.

In FY2023, financial support was provided to 32 organizations in total through programs to promote their organizational and operational reinforcement, to help them acquire official status as approved specified non-profit corporations, and to support citizen-participatory activities through which local residents work to provide comprehensive support to address life tasks. The foundation offers support not only to help create quality incorporated civil society organizations that can work sustainably by playing core roles in their respective communities but also to contribute to realizing more inclusive local communities.



Aiming to develop the rich imagination of children through sponsorship of the All-Japan Kids Comedy Competition

Support for overseas welfare activities

The foundation has supported civil society organizations in the social welfare field in ASEAN countries, India, and South Africa since 2010. In FY2023, the foundation provided grants to five organizations in five countries. Specifically, these comprised the following: a grant for hearing aids and other forms of assistance needed for the development of hearing-impaired pupils (Indonesia); assistance for WAO's shelter program for violence survivors in need of a one-year supply of food at shelters (Malaysia); assistance for a healthcare and wellness program needed to pay medical and food expenses for poor senior citizens and plant vegetable and fruit seedlings for them (the Philippines); a grant for charity food bags provided to poor students and their families in cooperation with schools (Singapore); and assistance for a music appreciation event as part of an educational enrichment project for children who have lost their parents to COVID-19 (Vietnam).



Donation ceremony in Philippines



Donation ceremony in Indonesia

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Initiatives of Supporting Activities and Researches for Social Welfare

Sompo welfare foundation award

The foundation has awarded outstanding academic literature in the field of social welfare since FY1999. In FY2023, Mr. Fuminori Tamba received the award for "Double-Track Recovery from the Nuclear Disaster: Path to Supporting Sufferers." Furthermore, Mr. Yugaku Ikawa received the Encouragement Award for "Buddhist social work in modern Japan : with reference to public space and Buddhist social ethics." The presentation ceremony was held in March 2024, and the commemorative lecture and symposium by Fuminori Tamba in July 2024.



Prof. Tamba (recipient of the Foundation Award) and President Nishizawa



Presentation ceremony in Tokyo

Support for networking and learning of family caregivers for the elderly

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



Training for improving their care-giving skills

Scholarships for students studying to become certified care workers

To boost the workforce of caregivers, which is facing a shortage of workers, the foundation offers scholarships for students in two year vocational school programs and high school students in the welfare field.

In 2023, the foundation gave scholarships to ten first-year vocational school students and three second-year high school students. After graduating from the school, many of them are playing an active role as care professionals.



Practicum for students to become certified care workers

Financial support for gerontology research

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



Study groups on the Insurance Business Act

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Contributing to Community through the Arts and Culture

Sompo Fine Art Foundation (Sompo Museum of Art)

Activities and Achievements

The Sompo Museum of Art opened its doors in Shinjuku in 1976 based on the desire to provide the general public with a venue for art appreciation as part of our corporate citizenship activities.

The only museum in Asia where you can view Van Gogh's "Sunflowers" painting, it also hosts unique and captivating exhibitions covering a wide range of themes, from Western paintings to contemporary art. The museum aims to bring about a culturally enriched society mainly by expanding the horizons for art appreciation by lending out its collections. Moreover, the museum seeks to leverage knowledge from art and culture to solve issues in society, mainly with educational initiatives focused on interactive art appreciation and open-call exhibitions that support new and emerging artists.

The museum is working to create a space that attracts visitors of all ages from within Japan and overseas and will continue to contribute to society by further promoting culture and art.

Exhibitions in FY2023

In FY2023, when Japan downgraded COVID-19 to Category 5 so museums began returning to their normal operations, the Sompo Museum of Art hosted "La lumière et le vent en Bretagne" in spring, "100th Anniversary of the Birth of Yamashita Kiyoshi: A Retrospective" in summer, "Van Gogh and Still Life" in autumn, and "FACE (Frontier Artists Contest Exhibition) 2024" (an open-call exhibition) in winter. In particular, although the "Van Gogh and Still Life" exhibition had originally been scheduled for 2020 to commemorate the opening of the new building but was canceled due to the COVID-19 pandemic, it was finally held three years later, attracting many visitors.

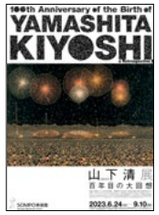
La lumière et le vent en Bretagne, collection du musée des beaux-arts de Quimper



Brittany is a peninsula in the north-west of France, known for its abundance of nature and unique culture characterized by deep-rooted Celtic traditions and heritage. This exhibition introduced a wide range of history, scenery, and customs through the works of artists who have been fascinated by the allure of Brittany. The exhibition consists of 69 oil paintings, prints, and drawings by 45 artists, mainly from the collection of the Musée des beaux-arts de Quimper, which is known for the finest collections of Brittany-themed paintings in France. It offered an opportunity for Japanese viewers to vicariously experience the curiosity of these artists from the 19th and 20th centuries who discovered the attractions of this "frontier region," which is generally lesser known to Japanese people, as another world within their own country.

Exhibition Period: March 25, 2023 to June 11, 2023

100th Anniversary of the Birth of Yamashita Kiyoshi: A Retrospective



Known as a wandering painter of artistic genius, Kiyoshi Yamashita (1922-1971) captured the hearts of many people with his hari-e collages of nostalgic Japanese landscapes and sites of scenic beauty. Celebrating the 100th anniversary of his birth, this exhibition took viewers through the life of Kiyoshi Yamashita. Providing about 190 works, it provided them with an opportunity to examine anew his true self as a prolific artist who continued to create works of art until his death at the age of 49. They included not only his representative hari-e collages but also his pencil sketches from when he was a child, his oil paintings, ceramics and pen drawings from his later years, as well as the array of related materials such as his backpack and yukata, which he had used during his wanderings around Japan.



Completed worksheet kit

The museum also created a worksheet kit in association with this exhibition and provided it to elementary school students who visited. The purpose of worksheet kits is for children to have fun while developing a deeper understanding of artists and their works through experiencing some techniques used in exhibited works. The museum has utilized these worksheets for many different exhibitions held during the summer vacation in the past. This kit is entitled "Creating a Hari-e Calendar Featuring Van Gogh's Sunflowers!" The theme is "hari-e," the unique collage technique that Kiyoshi Yamashita used. To create a calendar, the user first tears colored paper into tiny fragments, next pastes them onto a sheet of paper printed with a line drawing of Van Gogh's "Sunflowers" from the museum's collection and finally writes down numbers and schedules. This kit can be downloaded from the museum's website. The museum has also created and released a three-minute how-to video.

Exhibition Period: June 24, 2023 to September 10, 2023

Van Gogh and Still Life: From Tradition to Innovation



One slogan for the exhibition was "You cannot talk about Van Gogh without understanding still life," essentially focusing on the relationship between "still life" and Van Gogh (1853-1890). To introduce how still life first evolved and how Van Gogh became Van Gogh, the exhibition showed 25 still-life works by Van Gogh alongside those by other artists from the 17th century through the early 20th century, including Claesz, Delacroix, Manet, Renoir, Cézanne, Gauguin and Vlaminck.

In addition, a wide variety of original merchandise was created exclusively for this exhibition and sold at the museum shop. The cans of cookies featuring Van Gogh's "Irises," the main feature of this exhibition, are decorated with a special exhibition logo.



"Irises" canned cookies

Exhibition Period: October 17, 2023 to January 21, 2024

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Wellness Management
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Disaster Prevention and Mitigation (Improving Society's Resilience to Natural Disasters)
Contributing to a Safe and Secure Mobility Society
Extending Life Expectancy
Contributing to a Sustainable Social Security System
Improving the Quality of Customer Services
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Art appreciation education and initiatives in the welfare field in FY2023

Art appreciation education

The dialogue-based art appreciation education support project for elementary and junior high schools in Shinjuku Ward is now in its 16th year. The art appreciation classes finally escaped the constraints of the COVID-19 pandemic. Children were able to encounter real-life works of art in person and enjoy "looking at," "feeling," "thinking about," "talking about," and "hearing about" them.

In FY2023, we were able to support art appreciation lessons at all 29 elementary schools and at seven of the 10 junior high schools. As a new initiative, we launched and created "Multilingual art appreciation cards" in English, Korean, and Chinese (simplified and traditional) as a communication tool and have begun using them in the exhibition rooms. The goal was to deliver art appreciation classes that included pupils and students of different nationalities.

This fiscal year, 12 new students (from the 15th group of graduates) joined the ranks of volunteers working at the museum, bringing the total number of gallery guides to 80. At the summer lecture meeting, Director Hiroko Mizutani of the Almond Community Network, a specified non-profit organization, gave a lecture themed on "listening." Participants relearned about "attentiveness," the most important element of dialogues with children.

Initiatives in the welfare field

In response to the revision of the Museum Act, the museum started a new initiative in the welfare field this fiscal year by creating a video series to be used in art appreciation sessions, mainly in welfare facilities for senior citizens, entitled "Ten Minutes of Art by the Sompo Museum of Art (Episode 1: Sunflowers by Van Gogh)."

Another of the museum's initiatives aimed at contributing to welfare was the distribution of the "Creating a Hari-e Calendar Featuring Van Gogh's Sunflowers!" worksheet kit to nursing homes for senior citizens (about 450 facilities run by the Group company Sompo Care). Residents of each facility enjoyed art with elementary school students who visited them through the Children's Cafeteria event.



Art appreciation in the gallery



Children's Cafeteria program

Support and recognition of artists

Nationwide Call for "FACE" and the Holding of the "FACE Exhibition"

The nationwide public contemporary painting competition, known as FACE, first took place in FY2012. In the 12th FACE exhibition in 2024, there were 1,184 pieces submitted from all over Japan. The five judges were Mr. Reiichi Noguchi (Senior Curator, Mitsubishi Ichigokan Museum), Mr. Tetsuya Oshima (Professor, Tama Art University), Ms. Kae Moritani (Curator, Kanagawa Prefectural Gallery), Ms. Mio Akita (Researcher, Curation Department, The National Museum of Western Art), and Mr. Takefumi Umemoto (Director, Sompo Museum of Art at that time). Following a process of preliminary screening and selection for awards, 78 works were chosen for display, with nine pieces being selected for an award. The FACE 2024 Exhibition, held at the Sompo Museum of Art, showcased selected works that "have a genuine power and the potential to be internationally recognized in the future" by capturing the essence of the times with various techniques and motifs. An audience award was also presented to one of the pieces in the exhibition based on visitor votes.



Hikari Tsumura
"Tokete"
2023
Soluble vat color batik print on a cotton cloth panel
160×200cm

The grand prize was awarded to Ms. Hikari Tsumura (born in 2000). The results were announced on the museum's website and elsewhere, and during the presentation ceremony and private viewing, the recipients were awarded with a shield trophy. The award winners and all the other artists were also provided the opportunity to connect with the judges, other people in the art community, and the media.

We hope that this open competition serves as a gateway for new and emerging artists, regardless of age or affiliation, and will be a source of support for many years to come for emerging talent.
FACE (Frontier Artists Contest Exhibition) 2024
Exhibition Period: February 17, 2024 to March 10, 2024

Provision of the Sompo Museum of Art Award

The SOMPO Museum Award was provided to a public exhibition run by 21 art associations for the purpose of supporting and nurturing emerging artists.

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Cooperating on loaning out major works

In FY2023, seven works from the museum's collection were loaned out to five different exhibitions. The "Surrealism and Japan" exhibition was also held at the Itabashi Art Museum and Mie Prefectural Art Museum from March 2023 to FY2024.

"Jewelry" by Pablo Picasso
Imaged and Imagined: Spain Seen through Prints from Japanese Collections
(April 8 to June 11 at Nagasaki Prefectural Art Museum & July 4 to September 3 at the National Museum of Western Art)

"Shogyo Mujo: Time" by Yukimasa Yokosuka
Yukimasa Yokosuka Exhibition: Seaside Prism
(May 31 to July 30 at Joyo Geibun Center)

"nature morte sur deux tables" by Seiichi Kasai & "Moon, Reminiscence" by Kojiro Kosugi
Étrangers du nouvel âge
(September 16 to November 19 at Kosugi Hoan Museum of Art, Nikko)

"Surrealistic Stroll" by Seiji Togo
The 100th Anniversary of "Manifeste du Surréalisme" - Surrealism and Japan
(December 16, 2023 to February 4, 2024 at the Museum of Kyoto)

"Parisienne" & "Spanish Actress" by Seiji Togo
Marie Laurencin: An Eye for Her Time
(December 9, 2023 to March 3, 2024 at Artizon Museum)

The Puppet Theater "Himawari Hall"

Activities and Achievements

The Himawari Hall puppet theater on the Nagoya Building has been jointly operated by the local NPO Aichi Puppetry Center which was established by people involving puppet shows in the region and our Group since its opening in 1989.

The Himawari Hall puppet theater continue to offer a wide range of activities that gain national attention in regions known for their vibrant puppet theater scene. For example, we host domestic and international puppet shows at the Himawari Hall, run workshops, hold children's art festivals utilizing the entire Sompo Japan Nagoya Building, and host the P-Shinjinsho NEXT workshops, which are geared towards uncovering new talent that will shape the future of puppet theater.

Since 2023, Sompo Care has been focused on social contribution activities in the local community. For example, it organizes touring puppet performances alongside hosting the children's cafeteria program at Sompo Care's nursing facilities in Aichi Prefecture.



Performance at Himawari Hall
Puppet Show "Hogi Uta"



Puppet show performance at Sompo Care's nursing homes

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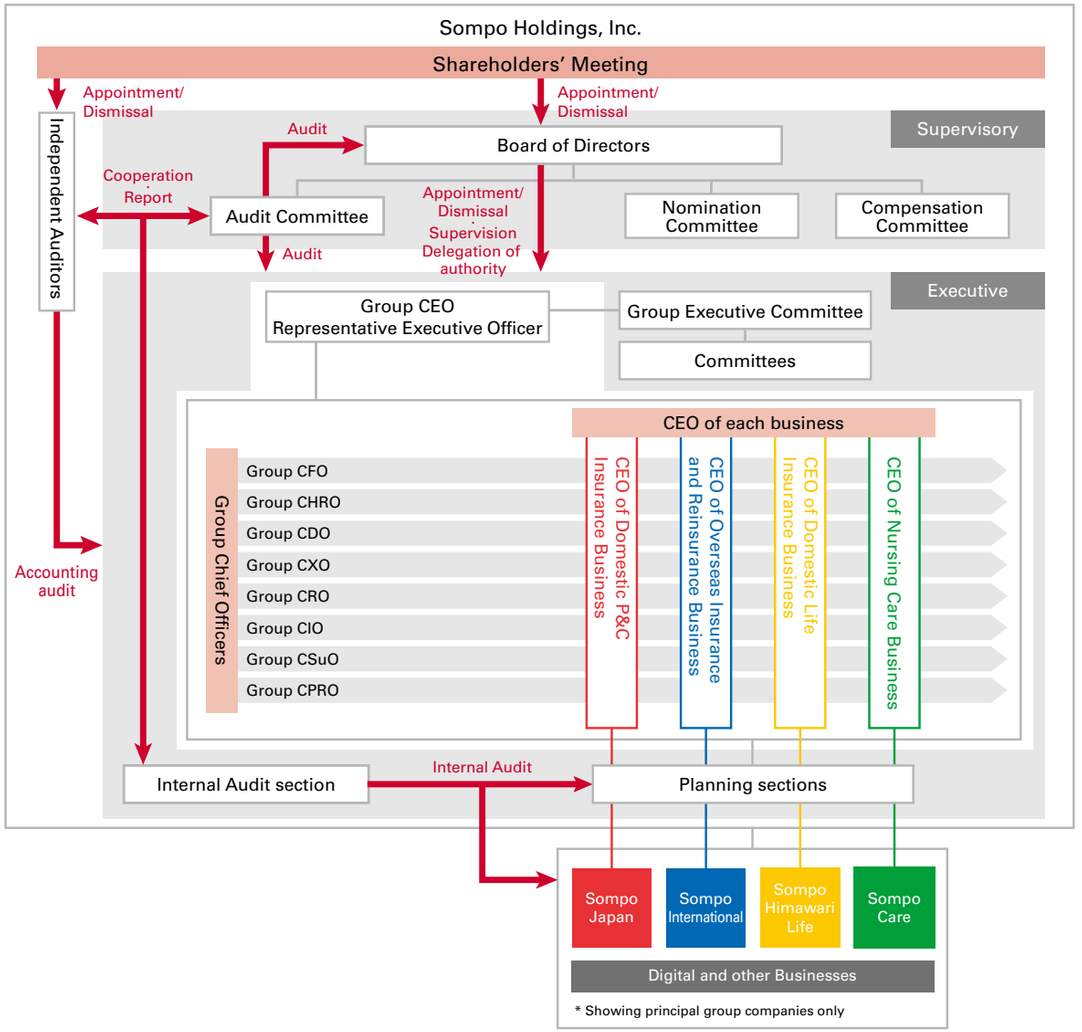
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Overview of corporate governance structure

*As of April 1, 2024

Structure



Group CEO and other abbreviated titles represent the following positions:
Group CEO : Group Chief Executive Officer
Group CFO : Group Chief Financial Officer
Group CHRO : Group Chief Human Resource Officer
Group CDO : Group Chief Digital Officer
Group CXO : Group Chief Transformation Officer
Group CRO : Group Chief Risk Officer
Group CIO : Group Chief Information Officer
Group CSuO : Group Chief Sustainability Officer
Group CPRO : Group Chief Public Relations Officer

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Characteristics of the Board of Directors

*As of July 1, 2024

Structure Activities and Achievements

Function and role of the Board of Directors

The Board of Directors fulfills its responsibilities as stipulated by laws and regulations and the Articles of Incorporation. It also makes decisions on important business matters as set forth in the Rules of Board of Directors, whilst also exercising its supervisory function regarding business execution.

In April 2024, we adopted a system under which an Independent director serves as the chair of the Board of Directors. This change aims to enhance the fairness of management discussions at the Board level, strengthen the supervisory functions over the executive divisions, and improve the objectivity and transparency of management practices.

A briefing for outside directors is held every time the Board convenes a meeting so that the outside directors can be briefed on the agenda items. Opinions and questions from the outside directors raised during the briefing are shared with all members of the Board before the meeting. In this way, the Board meeting and the briefing are managed in an integrated manner. In addition, the Company's executive divisions and the secretariat for the Board of Directors provide information when needed. Through these efforts, we aim to ensure constructive and substantial discussions at Board meetings, as well as effectiveness in the way the meetings are run.

Efforts to ensure and improve the effectiveness of the Board of Directors

To guarantee and improve the effectiveness of the Board, we have established a cycle of constantly engaging in discussions and utilizing opinions to share timely and appropriate information about the Company's business over the course of the year with the following specific initiatives.

Preliminary briefing sessions for the Board of Directors

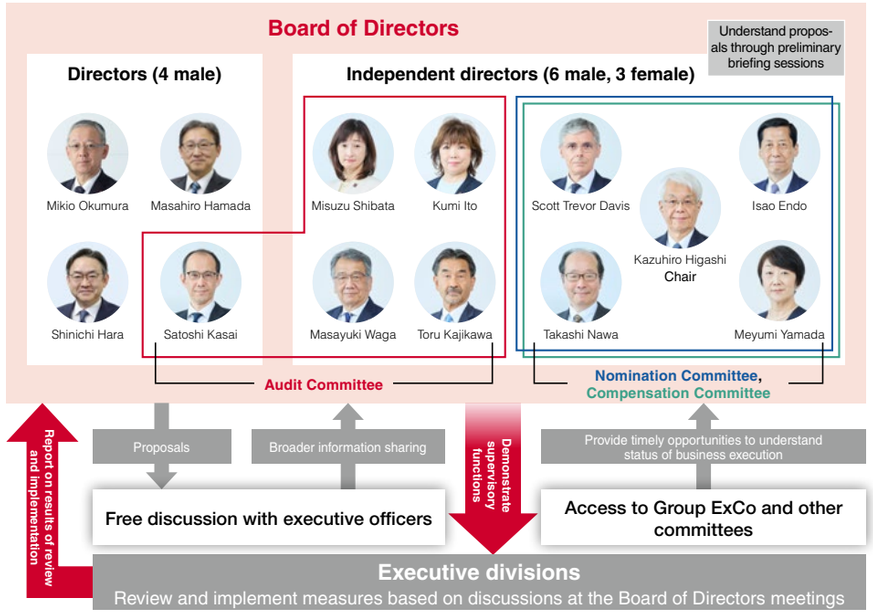
In order to ensure that the discussions of the Board of Directors are constructive and productive, preliminary briefing sessions are held for all outside directors before every meeting of the Board. During the Board meetings, discussions are informed by the opinions and questions raised at these sessions.

Integrating preliminary briefings and Board meetings in this way allows for discussions to be both efficient and substantial, and ensures that the knowledge and perspectives of outside directors are also directly reflected in how the Board operates.

Giving scope to the supervisory function of the Board of Directors

We actively undertake initiatives that help the Board demonstrate its supervisory function, such as by strengthening information sharing so that the directors can better understand how business is being executed. This ensures sufficient communication is maintained without creating a sense of distance between the Board of Directors and the executive divisions.

A virtuous cycle created by demonstrating the supervisory function of the Board of Directors



Evaluating of the effectiveness of the Board of Directors

We also attach great value to initiatives designed to actively incorporate the opinions of directors. For example, we conduct a questionnaire every year that includes a self-assessment section to be completed by each director. It provides us with an opportunity to analyze and evaluate the overall effectiveness of the Board of Directors.

Web For further details, please refer to the section about Evaluating the effectiveness of the Board of Directors (P.44) in Sompo Holdings Integrated Annual Report 2024.

Specific initiatives

- Appropriate business execution reports by the Group CEO, business CEOs, and Group Chief Officers at Board meetings
- Participation of directors as observers at Group ExCo and access to other meeting committees
- Securing opportunities to provide timely updates to outside directors regarding items of business execution, without restricting the discussions solely to Board agenda items
- Holding free discussions about information concerning business operations
- Having outside directors and representative executive officers exchange opinions, etc.

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Main activities of the Board of Directors

In fiscal 2023, the Board of Directors met a total of 13 times. The main agenda items of the Board of Directors in fiscal 2023 are outlined below.

Topic	Details
Steps to prevent recurrence of misconduct based on business improvement order	The Board assessed the responses taken to address the serious cases of misconduct in the Group that came to light this fiscal year and made recommendations for effective Group governance, including the drafting of business improvement plans. The Board also deliberated on important policies, such as measures to prevent recurrence, including the strengthening of Group governance and internal controls.
The Group's vision and Mid-Term Management Plan	In light of changes in the Group's operating environment, the Board considered rewording SOMPO's Purpose to better align with the Group's vision and the steps needed to achieve it. The Board also examined the initiatives in the Mid-Term Management Plan (FY2024–2026), including the business strategy, financial strategy, HR strategy, and data and digital strategy, with a view to achieving the Group's vision.
Management that is mindful of capital costs and return on capital	The Board examined the Group's approach to capital allocation to improve ROE, as well as the details of KPIs. It also reviewed the future direction of investments in light of past results.
Policy on constructive communication with the capital markets	The Board reviewed the summary of IR activities for fiscal 2022 and the IR implementation plan for fiscal 2023, including further expansion of investor communication to enhance corporate value. It also confirmed and addressed the need to deliver appropriate explanations to the public regarding business operations and in the event of serious cases of misconduct.

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Nomination Committee

Activities and Achievements

The Nomination Committee aims to improve transparency and fairness in the Group's governance by introducing a third-party perspective to deliberations concerning the appointment and dismissal of Directors, Executive Officers, and Senior Vice Presidents at all Group companies. Aiming for the realization of SOMPO's Purpose, the Company is currently promoting the enhancement of resilience in the P&C insurance business, and the provision of seamless services to our customers in the Wellbeing Business, as part of the Group's vision. Selecting key personnel for critical leadership positions is of utmost importance to further drive our transformation and growth. When deliberating on individual appointments of Directors and Executive Officers, as well as the development of succession plans, the Nomination Committee continuously engages in discussions on how to ensure stable and effective development of high-caliber talent with diverse expertise and backgrounds, as well as how to nominate such talent for the positions.

In fiscal year 2023, in addition to executing the succession plan to nominate the new Group CEO, we adopted a number of resolutions in light of the serious misconduct that surfaced within the Group last year, including appointing an Independent director as chairperson of our Board of Directors. This was part of our efforts to revise our management structure, as well as to enhance the effectiveness of our supervisory and advisory functions, and the execution of business operations.

We will continue to build a portfolio of executives within our group that is rich in diversity and specialized expertise, such as will contribute to the realization of the Group's Purpose and enhancement of corporate value.

In fiscal 2023, the Nomination Committee met a total of 16 times. Its main agenda items are listed below.

Topic	Details
Overhauling the management structure in response to the surfacing of the serious misconduct and other issues	In light of the serious misconduct that surfaced in fiscal year 2023, the Committee reviewed and adopted a resolution to establish a new management structure with a focus on strengthening group governance and internal controls.
Executing the succession plan to nominate the new Group CEO	To bring about further transformation and growth of the Group with the coming compilation of the Post-MTMP in mind, the Committee deliberated on the nomination of the new Group CEO throughout the fiscal year, and adopted a resolution thereon.
Strengthening of the segregation of business execution and supervision	In order to realize more effective supervisory and advising functions in business management, as well as business execution, the Committee adopted a resolution to appoint an Independent director to chair Board of Directors meetings.
Appointing Director candidates	After considering the criteria for the appointment of Directors and the balance of the Board of Directors as a whole, the Committee adopted a resolution on the appointment of Director candidates to be submitted to the Annual General Meeting of Shareholders.
Appointing Executive Officers and Senior Vice Presidents	The Committee adopted a resolution on the appointment of Executive Officers and Senior Vice Presidents, to be submitted to the Board of Directors.
Appointing Directors at Sompo Japan Insurance and Sompo Himawari Life Insurance	The Committee adopted a resolution on the appointment of Director candidates at Sompo Japan Insurance and Sompo Himawari Life Insurance to be recommended to the Board of Directors of both companies.

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Audit Committee

Activities and Achievements

The Audit Committee consists of five audit committee members, four of whom are outside audit committee members. The committee is composed primarily of outside audit committee members, ensuring a highly independent and objective structure. Under this framework, the committee conducts audit activities with the mission to protect the interests of stakeholders, through facilitation of information sharing and active discussions among audit committee members, and by working closely with the Internal Audit Department.

The Audit Committee formulates basic policies for audits and audit plans, carries out audits year-round in accordance with these plans, and compiles an audit report and a summary of its auditing activities at the end of each fiscal year. A report is provided to the Audit Committee following the completion of each audit activity, enabling the Committee to regularly verify the progress of the audit plan.

As for the Committee's year-round auditing activities, in addition to attending Board Meetings and other important meetings on business execution, and verifying important decisions, the Committee provides oversight on, and necessary comments and suggestions to the business execution by the Directors and Executive Officers. This is done by collecting information through meetings with Representative Executive Officers, Business CEOs, Group CxOs, general managers of departments and offices, and through meetings with Group company directors and executives.

In fiscal year 2023, in light of the serious misconduct incident that surfaced within the Group, the Audit Committee revised its audit plan compiled at the start of the fiscal year to strengthen its auditing activities on the incident, continuously provided oversight for the Group's response to the incident, and provided recommendations and opinions as necessary. In fiscal year 2023, the Audit Committee met a total of 14 times.

In fiscal year 2024 which marks the initial year of the new MTMP, the Audit Committee will designate the following as key audit focus areas: (1) efforts related to the MTMP, (2) the status of risk controls, and (3) the progress on the business improvement plan in response to the serious misconduct. The committee will thereby closely monitor risk management to ensure it is executed under appropriate governance.

Our auditing activities for fiscal 2023 are outlined below.

Topic	Details
Compiling the basic auditing policy and audit plans	Established key audit focus areas after taking into consideration the Sompo Group's vision, and the issues found through the activities of the Audit Committee in the previous fiscal year, and also compiled the basic auditing policy and audit plans.
Attending key meetings related to business execution	The Committee members attended key meetings related to business execution and reviewed relevant documents to monitor the Company's decision-making processes on important issues and the execution of its operations, and expressed their opinions where necessary.
Conducting meetings with the Representative Executive Officers, Business CEOs, Group CxOs, general managers of departments and offices, and Group company executives	The Committee members made efforts to gauge their awareness of issues and grasp the actual business conditions through these meetings. They reviewed the progress made and collected their opinions on the key audit focus areas, while also engaging in open and constructive discussions.
Response in light of the occurrence of the serious misconduct and other issues	In fiscal 2023, in light of the serious misconduct that surfaced within the Group, the Committee strengthened its auditing activities on the incidents, continuously supervised the Group's response to the incidents, and provided recommendations and opinions as necessary.

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Compensation Committee

Activities and Achievements

The Compensation Committee aims to improve transparency and fairness in the Group's governance by introducing a third-party perspective to deliberations concerning the compensation for Directors, Executive Officers, and Senior Vice Presidents at all Group companies. It is imperative that the executive compensation structure not only imparts positive effects on governance, but also provides real incentives for Group officers to contribute to the enhancement of corporate value.

In fiscal year 2023, the Compensation Committee confirmed the necessity of conducting a review of the basic principles and system of executive compensation from aspects including the appropriateness of the overall executive compensation structure, the effectiveness of incentives, and stakeholder acceptance. The committee resolved to carry out an overall assessment throughout fiscal year 2024. It also resolved to reduce fringe benefits for executives, such as company cars, offices, and company housing, based on the principle that these benefits should be limited to what is truly necessary for each executive to fulfill their mission, and to enhance fairness and transparency.

The committee will continue to discuss the Sompo Group's executive compensation structure, with a view to increasing its incentivizing effects to contribute to the enhancement of corporate value.

In fiscal 2023, the Compensation Committee met a total of 11 times. Its main agenda items are listed below.

Topic	Details
Ideal executive compensation structure	• The Committee confirmed the necessity of conducting a review of the basic principles and system of executive compensation, from aspects including the appropriateness of the overall executive compensation structure, the effectiveness of incentives, and stakeholder acceptance. The Committee resolved to carry out an overall assessment throughout fiscal year 2024. • The Committee resolved to reduce fringe benefits for executives, such as company cars, offices, and company housing, based on the principle that these benefits should be limited to what is truly necessary for each executive to fulfill their mission, and to enhance fairness and transparency.
Performance-linked compensation of the Group CEO	The Committee resolved the Group CEO's fiscal year 2024 strategic goals, and the base amount of compensation for fiscal year 2024 based on such strategic goals.
Performance-linked compensation of Executive Officers and Senior Vice Presidents	The Committee resolved the performance-linked compensation payment rates and payment amounts for each Executive Officers and Senior Vice Presidents based on their fiscal year 2023 performance appraisal, taking into consideration their degree of management responsibility in relation to the serious misconduct incidents that surfaced within the Group in fiscal year 2023.
Strategic goals and base amount of compensation of Executive Officers and Senior Vice Presidents	The Committee resolved the fiscal year 2024 strategic goals, and the base amount of compensation for fiscal year 2024 based on such strategic goals for each Executive Officers and Senior Vice Presidents.
Compensation structure of Senior Vice Presidents of major operating companies	The Committee made a recommendation to the Board of Directors of each major operating company to revise the composition ratio of fixed and performance-linked compensation for its Senior Vice Presidents, as a means to provide such officers with a constructive incentive more effectively, in order to accelerate the execution of the Group's business strategy geared to realizing SOMPO's Purpose.

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Composition of the Board of Directors

Structure

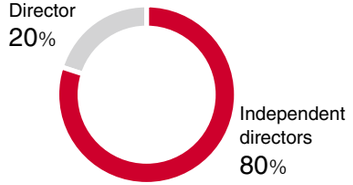
Name	Mikio Okumura	Masahiro Hamada	Shinichi Hara	Scott Trevor Davis	Isao Endo	Kazuhiro Higashi	Misuzu Shibata	Takashi Nawa	Meyumi Yamada	Kumi Ito	Masayuki Waga	Toru Kajikawa	Satoshi Kasai
Reappointment/new appointment	Reappointment	New appointment	New appointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment
Positions	Director	Director	Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Director
Tenure	2 years	—	—	10 years	10 years	4 years	4 years	4 years	3 years	3 years	2 years	1 year	2 years
Chair of the Board	—	—	—	—	—	●	—	—	—	—	—	—	—
Nomination Committee	—	—	—	●(Chair)	●	●	—	●	●	—	—	—	—
Audit Committee	—	—	—	—	—	—	●(Chair)	—	—	●	●	●	●
Compensation Committee	—	—	—	●	●	●	—	●	●(Chair)	—	—	—	—
Expected roles, skills and areas of expertise: 1) Business strategy	●	●	●	●	●	●	●	●	●	●	●	●	●
2) Global management	●	●	●	●	●	●	●	●	●	●	●	●	●
3) ESG, SDGs	●	●	—	●	—	●	●	●	●	—	●	—	—
4) Transformation strategies	●	●	●	●	●	●	—	●	●	●	●	—	●
5) Digital	●	●	—	—	●	—	—	●	●	●	—	—	—
6) Talent strategy	●	—	●	●	●	●	—	●	—	●	●	●	●
7) Finance, accounting	●	●	●	—	●	●	—	—	●	●	●	●	—
8) Corporate governance	●	●	●	●	—	●	●	●	●	—	●	●	●
9) Legal, risk management	●	—	●	—	—	●	●	—	—	—	●	●	—

* Details of each skill and area of expertise are as follows.
Items 1) and 2): Skills and areas of expertise where all Directors are expected to provide useful advice and supervision to the executive sector
Items 3) through 9): Skills and areas of expertise where each Director is expected to provide useful advice and supervision to the executive sector based on professional knowledge gained through his or her specific insight and experience
The above tables show skills and areas of expertise particularly expected for each director and do not indicate all of the skills and areas of expertise possessed by each director.
* As of July 1, 2024

Nomination Committee



Audit Committee



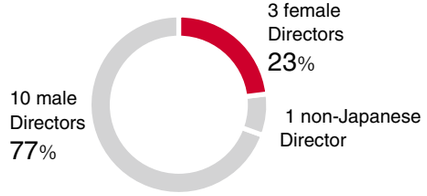
Compensation Committee



The Nomination Committee and Compensation Committee are comprised of Independent directors only
The Audit Committee is comprised mainly of Independent directors

Diversity of the Board of Directors

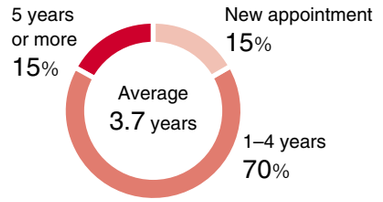
Of the 13 members of the Board of Directors,
3 are female and 10 are male;
1 of the male Directors is non-Japanese



Director tenure

The average tenure of the Directors is 3.7 years
(including previous periods as a director)

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



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Succession plan

*As of August 1, 2024

1. Goals of the succession plan

With a view to achieving SOMPO's Purpose and to also drive further transformation and growth of the Group, we are formulating succession plans for key leadership positions with the aim of establishing a system to reliably and effectively produce high-quality personnel with different specializations and backgrounds.

2. Positions covered in the plan

The succession plans are for a total of 98 key posts in the Group, including key positions in our business lines 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. Criteria for Selecting Candidates

Succession candidates are selected according to the categories listed below. 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.

(1) Candidate category

Talent who might assume key positions within 5 years	N (Next) talent
Talent who might assume key positions in 5 to 10 years	F (Future) talent

(2) Criteria for selecting candidates with the goal of increasing diversity of talent pool

- Six or more N talent candidates and F talent candidates must be selected for each position.
- Women must account for 50% or more of N talent candidates and F talent candidates for each position.
- An age distribution ratio for candidates must be set for each position.
- At least one candidate from either another business within the Sompo Group or an external candidate from outside the Sompo Group must be selected for each position.

4. Procedures for Considering the Succession Plan

The Succession Plan is formulated by the Nomination Committee according to predetermined evaluation criteria. The roles, functions, and required skills and experience for each position are defined both for the present and the future. Based on these definitions, a wide range of succession candidates for each position is selected both from inside and outside the Company. The Succession Plan is drawn up using the diverse and expert insight of the members of the Nomination Committee. The Committee also engages in proactive and constructive discussions to build a stronger and more diverse pool of candidates.



5. Coordinating the Succession Plan with the Appointment, Placement, and Development of Executive Officers and Senior Vice Presidents

For the purpose of effectively linking the formulated succession plan with the appointment, placement, and development of Sompo Group Executive Officers and Senior Vice Presidents, we disclose selected facts to each candidate and then at a Group-wide roundtable meeting we formulate placement and development plans for each post, including tough assignments, investing in talent based on individual challenges, and sending candidates to management training programs. Appropriate training plans are then implemented based on these plans.

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Policies for appointment of Directors and Executive Officers

Concept and Policy

The appointment of Directors and Executive Officers is conducted in accordance with the following policies for appointment of Directors and Executive Officers. The candidates for Directors selected by the Nomination Committee are approved at the General Shareholders Meeting, and the candidates for Executive Officers are selected by the Nomination Committee and approved by the Board of Directors.

Policies for appointment of Directors

The Company supervises and guides its subsidiaries, formulates management strategy for the Group that encompasses management strategies for subsidiaries that are engaged in the P&C insurance business and other various businesses, and is responsible for ensuring the execution and realization of these strategies. From this perspective, the Board of Directors selects Outside Directors to facilitate objective decision-making with respect to management issues from a diverse and independent viewpoint and perspective with consideration of diversity such as gender and nationalities, and the majority of the Board of Directors consists of Outside Directors.

Additionally, the Directors are selected based on the selection criteria that incorporate the Comprehensive Guidelines for Supervision of Insurance Companies. Outside Directors are selected based on 1) "Ability Requirements", 2) "Standards regarding Independence of Outside Directors", and 3) "Requirements for Terms of Office". For the purpose of carrying out substantive discussions, the number of Directors shall be limited to 15 in accordance with the Articles of Incorporation.

*In this policy, gender refers to all gender-related events, knowledge, and values, including the existence of the gender division of labor and LGBTQ.

1) Ability Requirements

The Company selects Outside Directors from corporate executives, academic experts, and legal professionals who have a wide range of knowledge and experiences in various fields or individuals who have expert knowledge of finance and accounting. In addition, the appointment shall require him/her to be in a position where he/she is able to devote the time and effort necessary to fulfill the role and responsibilities of Director appropriately.

2) Standards regarding Independence of Outside Directors

The Company will determine the independence from the Company of Outside Directors based on the matters set forth below:

a) Personal Relationships: A kinship between the candidate and any officer or employee of the Group, status of mutual appointments of officers between the Company and the company which the candidate is originally from.
b) Capital Relationships: The holding of shares in the Company by the candidate and the status of shareholding by the Group.
c) Business Relationships: Business transactions or donations between the Group and the candidate.
d) Significant interests other than the above.

3) Requirements for Terms of Office

If the total terms of office as Outside Director or Outside Audit & Supervisory Board Member of the Company exceeds eight years, the Company will carefully consider whether there are any positive reasons for reappointment, and if there are any reasons, the Company shall not preclude reappointment.

Policies for the composition and criteria for appointment of Executive Officers and Senior Vice Presidents

1) Policies for the composition of Executive Officers and Senior Vice Presidents

The Company implements systematic development of managerial talent based on the succession plan. As for the composition of Executive Officers and Senior Vice Presidents as a whole, the Company places emphasis on diversity including gender, age, experience, and nationalities as well as the balance in the management team.

2) Criteria for appointment of Executive Officers and Senior Vice Presidents

The Company selects Executive Officers and Senior Vice Presidents in accordance with the following criteria:

- Able to realize transformation based on SOMPO's Purpose
- Able to develop the next generation of leaders who will drive transformation
- Able to foster a culture in which employees have confidence and pride, and boldly take on challenges with high aspirations
- Is driven by one's own mission and able to take actions
- Has a high level of expertise and insight regarding the mission and roles to be assumed
- Has experience and a track record related to the mission and roles to be assumed
- Understands the value of diversity and is able to leverage it for value creation
- Has the ability to make fair and impartial judgments and to achieve goals
- Has a fair and honest personality

Outside Director support system

Structure

Prior to meetings of the Board of Directors, Outside Directors are provided with explanations by the Corporate Legal Department of the secretariat of the Board of Directors, and by the departments in charge of each agenda item. Additionally, the Human Capital Department provides assistance to Outside Directors as the secretariat of the Nomination Committee and the Compensation Committee, and the Audit Committee Office provides assistance to Outside Directors as the secretariat of the Audit Committee.

The Company also makes efforts to provide Outside Directors with various types of information, including the Integrated Annual Report, Annual Securities Report, and IR presentation materials.

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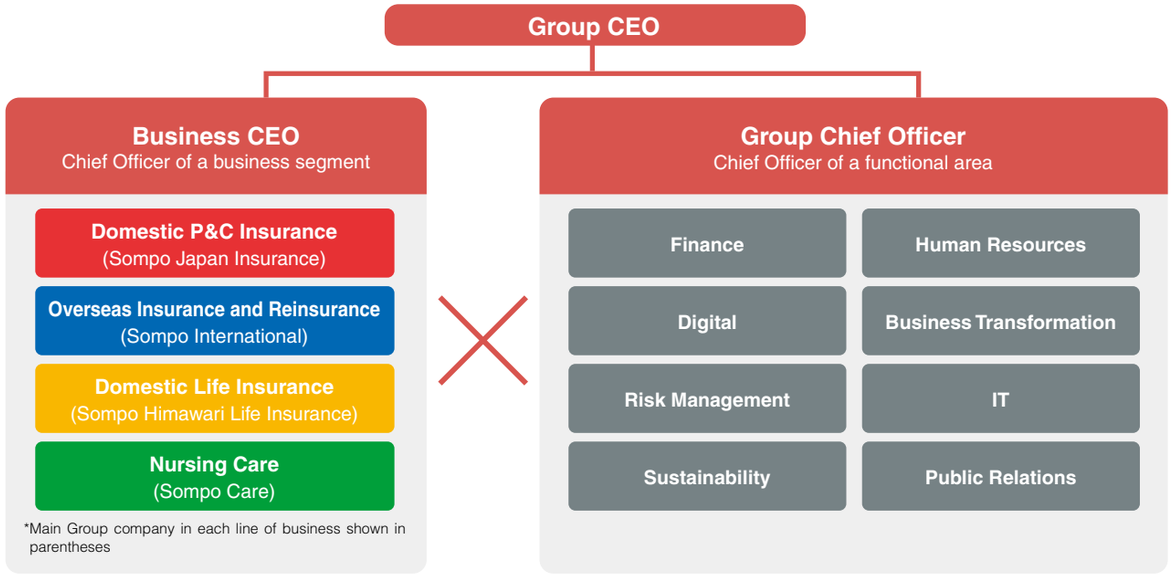
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Executive structure

*As of July 31, 2024

Structure

We employ a matrix-style executive framework that is a combination of the Business Segment System and Group Chief Officer (CxO) System. It enables the Company to make agile and flexible decisions and conduct business even in such rapidly changing times.



*Main Group company in each line of business shown in parentheses

Business Segment System

With this system, the business CEOs drive the Group's growth and expansion by formulating business policies, accomplishing business plans, and improving the quality of business operations as the Chief Officers of business segments.

Group CxO System

This system enables the Group CxOs – all of whom possess a high degree of expertise in their functional areas – to exert as much influence required throughout the Group to help realize SOMPO's Purpose and enhance corporate value.

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Business execution structure

Executive Officers and Senior Vice Presidents

Executive Officers are responsible for making decisions and executing business operations delegated by the Board of Directors. They execute business operations in accordance with the Group's management strategies within the scope of their duties in accordance with laws and regulations, the Articles of Incorporation, and internal rules. Senior Vice Presidents, having received a partial delegation of business execution authority from the Executive Officers, are in charge of the execution of business operations.

Group CEO

The Group CEO oversees overall operation of the Group as the Chief Executive Officer of the Group by strategically assigning Business CEOs who are the Chief Officers of business segments and Group CxOs who are the Chief Officers of functional areas of the Group to realize agile and flexible business operation in response to discontinuous changes in business environment.

Business CEO

The Business CEO (CEO of Domestic P&C Insurance Business, CEO of Overseas Insurance and Reinsurance Business, CEO of Domestic Life Insurance Business, and CEO of Nursing Care Business) are delegated authority as Chief Officer of a business segment for business strategy formulation, investment decisions, and personnel deployment to enable agile and flexible decision-making and business execution in each business segment that is close to customers.

Group CxO

The Group CxO oversees group-wide operation of each function (Group CFO (finance), Group CHRO (human resources), Group CDO (digital), Group CXO (business transformation), Group CRO (risk management), Group CIO (IT), Group CSuO (sustainability), and Group CPRO (public relations)) as Chief Officer of a functional area of the Group to enable agile and flexible decision-making, and group-wide business execution in the Group's best interest.

Group Executive Committee

The Group Executive Committee serves as both an advisory body to the Group CEO and a committee of executives, discussing topics that have a significant impact on management, such as Group-wide management strategy and business execution policies. The Group Executive Committee is chaired by the Group CEO and is comprised of the Business CEOs, Group CxOs, Executive Officers in charge of specific areas, and others. It also cooperates with the Board of Directors to ensure thorough communication for the Directors to obtain a clear understanding of the status of business execution.

Committees

Group ERM Committee

Established as a subcommittee of the Group Executive Committee, the Group ERM Committee holds management discussions across the Group on important issues in the Group's strategic risk management and on material risks faced by the Group.

Global Transaction Committee

Established as a subcommittee of the Group Executive Committee, the Global Transaction Committee conducts flexible and substantive discussions regarding investment considerations in the Overseas Insurance and Reinsurance Business, and post acquisition integration.

Investment Committee

Established as a subcommittee of the Group Executive Committee, the Investment Committee evaluates investment activities undertaken by the Group for business expansion, new business development, and other purposes from a specialist and impartial perspective.

Wellbeing Committee

Established as a subcommittee of the Group Executive Committee, the Wellbeing Committee conducts management discussions on strategies and policies related to the Wellbeing Business.

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Name	Current title
Mikio OKUMURA	Group CEO President and Representative Executive Officer
Masahiro HAMADA	Group CFO Senior Executive Vice President and Representative Executive Officer
Shinichi HARA	Group CHRO Senior Executive Vice President and Representative Executive Officer in charge of Legal Affairs and Internal Audit
Koji ISHIKAWA	CEO of Domestic P&C Insurance Business Senior Vice President and Executive Officer
James SHEA	CEO of Overseas Insurance and Reinsurance Business Senior Vice President
Yasuhiro OBA	CEO of Domestic Life Insurance Business Senior Vice President and Executive Officer
Takamitsu WASHIMI	CEO of Nursing Care Business Senior Vice President and Executive Officer
Koichi NARASAKI	Group CDO Senior Executive Vice President and Executive Officer
Katsuyuki TAJIRI	Senior Executive Vice President in charge of Corporate Strategy and Overseas M&A General Manager, Office of Group CEO General Manager, Global Strategy Office
Kazufumi WATANABE	Group CXO Executive Vice President and Executive Officer
Yoshihiro UOTANI	Group CRO Executive Vice President and Executive Officer

Name	Current title
Albert CHU	Group Co-CDO Senior Vice President
Yoshiyasu SUZUKI	Group CIO Senior Vice President and Executive Officer General Manager, IT Strategy Planning Department
Ryoko SHIMOKAWA	Group CSuO Senior Vice President and Executive Officer
Hirofumi SHINJIN	Group CPRO Senior Vice President and Executive Officer
Kenneth REILLY	Executive Vice President General Manager, Global Business Department
Hiroshi HORIE	Executive Vice President in charge of Compliance
Yuji KAWAUCHI	Executive Vice President in charge of Overseas Business, Wellbeing
Yasuki KUME	Executive Vice President Deputy Head of Wellbeing
Tsutomu YAMAGUCHI	Senior Vice President Group Deputy CFO
Yohei NAMIKI	Senior Vice President in charge of Wellbeing General Manager, Wellbeing Business Department
Yuko NAKAGAWA	Senior Vice President in charge of Wellbeing

*The official name of each position is as follows
Group CEO : Group Chief Executive Officer
Group CFO : Group Chief Financial Officer
Group CHRO : Group Chief Human Resource Officer
Group CDO : Group Chief Digital Officer
Group CXO : Group Chief Transformation Officer
Group CRO : Group Chief Risk Officer
Group CIO : Group Chief Information Officer
Group CSuO : Group Chief Sustainability Officer
Group CPRO : Group Chief Public Relations Officer
*Executive structure and the officers are as of July 1, 2024

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Executive compensation structure

Structure

The Company regards its executive compensation structure as an important aspect of corporate governance. The goal of the executive compensation structure is to increase corporate value and to share interests with shareholders. The executive compensation structure is formulated by the Compensation Committee, which is chaired by the independent director, and incorporates objective points of view. It is based on the basic policies outlined below. The Company's Policies on Decisions Pertaining to Executive Compensation describes the Basic Policies on Executive Compensation, the composition of executive compensation, how compensation is determined for each position, and the details of each type of compensation.

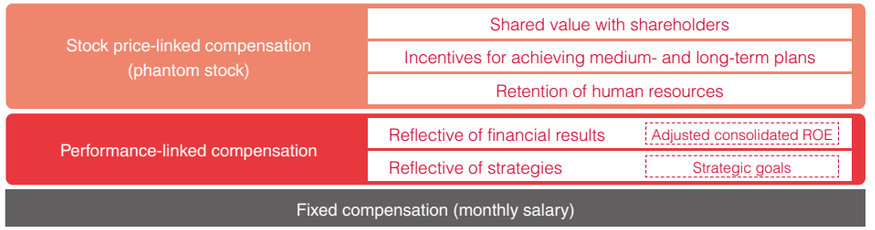
Basic concept of Compensation for Directors and Executive Officers (Group-wide policy)

(i) The level and system of compensation ensures acquisition and retention of top talent as management of the Group.
(ii) The compensation system for Directors and Executive Officers shall be consistent with business strategy and heightens the Directors' and Executive Officers' awareness of performance improvement for the Group's growth.
(iii) Compensation shall reflect medium to long-term results and initiatives of Directors and Executive Officers, not just performance in a single fiscal year.
(iv) Compensation shall be determined in accordance with the magnitude of the mission with a forward-looking mindset and accomplishments. Additionally, fixed factors associated with specific job title or position may be taken into consideration.
(v) The compensation system of the Company and major subsidiaries shall have objectivity, transparency and fairness to fulfill accountability to stakeholders through the deliberation process at the Compensation Committee of the Company.

Overview of executive compensation structure

Under the new MTMP, commencing from fiscal year 2024, the Group is promoting the enhancement of resilience in the P&C insurance business, and the provision of seamless services to our customers in the Wellbeing business as part of the Group's vision. The Company positions executive compensation as a governance and incentive mechanism for the officers leading these initiatives, linking it to the scale of the mission, the efforts undertaken, and the Company's performance.

Scale of mission and approach to realizing a transformation and earnings-linked executive compensation structure



The Company believes that all officers should demonstrate and act in accordance with their own duties and mission, based on the principles of being mission-driven (having a sense of mission and job satisfaction, and working with a sense of personal involvement) and of being results-oriented. The executive compensation structure is not designed to award officers a fixed compensation amount based only on their duties or position; instead, compensation is determined in accordance with the scale of the future-oriented mission they are undertaking, and with the results of these missions.

The Company assigns a grade to each position according to its responsibilities, with Group CEO being the position with the highest grade. The standard amount of total compensation packages for each position are determined according to these grades. The base amount of the total compensation package for each officer is determined every fiscal year, and reflects the scale of the mission assigned to the officer in question.

We also introduced malus clauses for stock price-linked compensation and clawback clauses for both performance-linked compensation and stock price-linked compensation as mechanisms to further enhance governance.

The Compensation Committee deliberates and determines the amount and composition of compensation for each Director and Executive Officer at the Company, in accordance with the decision-making process and calculation methods described in the following pages.

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(1) Decision-making process for total compensation packages

The Company sets compensation levels for each officer on an individual basis, according to the scale of the mission assigned to each officer and their own personal performance. The Company does not adopt the conventional approach of determining compensation according to a table that assigns different amounts of compensation for each officer rank.

Setting missions	Deciding total compensation packages	Deciding composition of compensation
Missions are set for each officer based on the future vision of the Sompo Group and the prevailing business environment.	Total compensation is determined based on the specific mission and other factors, and with reference to compensation levels in peer groups and the labor market.	The composition of compensation is determined based on the roles and responsibilities of each officer.

(2) Composition of compensation for officers

Compensation for officers consists of: fixed compensation (monthly salary), which is based on the duties and responsibilities of each officer; and variable compensation, which is linked to performance. Variable compensation comprises: performance-linked cash compensation, which is compensation linked to short-term performance paid out every fiscal year in accordance with fiscal-year performance; and performance-linked stock compensation, which is compensation linked to long-term performance, and whose goal is to increase the association between compensation and medium- to long-term growth in corporate value. The composition of compensation is designed to incentivize officers to make decisions based not only from a single-fiscal-year perspective but from medium- and long-term perspectives, and to take Company performance and share price into consideration.

Overview of executive compensation system

	Type of compensation	% of total		Comments
		Group CEO	Other officers	
Fixed compensation	Monthly salary	33.4%	50-70%	• Set for each officer in accordance with the roles and duties of their position • Cash compensation paid monthly
Variable compensation	Performance-linked cash compensation	33.3%	15-25%	• A base amount is set; actual payment is determined based on annual performance • Based on an assessment of each officer's level of achievement for financial and strategic goals • Paid in cash in June after the conclusion of the fiscal year
	Stock price-linked compensation	33.3%	15-25%	• Payment amount is determined in accordance with the share price in order to share value with shareholders and promote medium- and long-term growth of the Group • Payment in cash at any time after a certain period has elapsed since the granting of units up until retirement and also upon retirement
	Subtotal	66.6%	30%-50%	
Total		100%	100%	

(3) Approaches and calculation methods for each of type of compensation

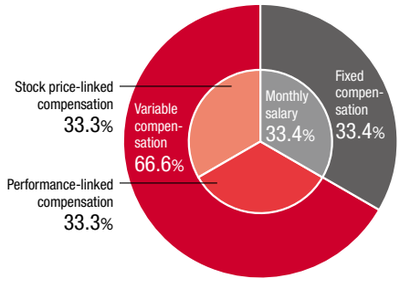
1) Fixed compensation (monthly salary)

The Company sets fixed compensation (monthly salary) in accordance with the responsibilities of each officer's position. In principle, an equal amount is paid each month.

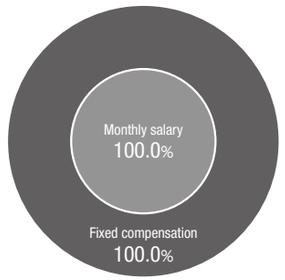
An appropriate level of fixed compensation (monthly salary) is set according to the following parameters: the standard amount of fixed compensation is based on the total compensation package for the grade assigned to the officer's position; the base amount takes into consideration the mission of the individual officer, and the nature of the officer's roles and responsibilities. Reference is also made to market compensation levels, as quantified by officer compensation surveys conducted by third-party compensation consulting firms.

Examples of compensation structure by position

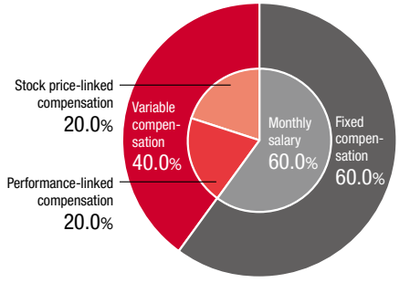
Group CEO



Outside Director



Executive Officer (example)



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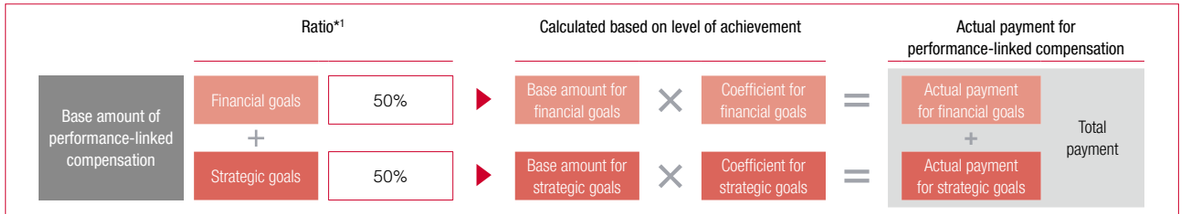
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2) Performance-linked compensation

The Company operates a performance-linked compensation system that rewards officers for the contributions they made to each business's single-fiscal-year performance.

In order to ensure that performance-linked compensation reflects both the financial performance and the strategic performance goals associated with management plans in a balanced manner, the Company adopts a performance-linked compensation system that comprises "financial performance-linked compensation" and "strategic performance-linked compensation." To provide stronger incentives, the Company applies a coefficient to the base amounts of performance-linked compensation. This coefficient varies according to the level of achievement of strategic goals set for the mission assigned to each officer, ranging from 0% to 200%.

- To determine performance-linked compensation, the Company first sets a base amount of performance-linked compensation. This base amount is then multiplied by a coefficient that reflects the level of achievement of single-fiscal-year financial goals and strategic goals.
- The base amount of performance-linked compensation is defined as the amount to be paid if financial goals and strategic goals are fully achieved. The base amount is determined individually for each officer.
- Performance-linked compensation comprises financial performance-linked compensation and strategic performance-linked compensation. The allocation ratio of these two compensations is determined by the Compensation Committee in accordance with the nature of the mission assigned to each officer.
- The performance indicators adopted as the financial goals include adjusted consolidated ROE, among others, for the fiscal year, and the coefficient is determined according to the actual results versus the targets in the business plan.
- The performance indicators applied to the strategic goals are the metrics agreed on by the Group CEO, Business CEO, or other Director or Executive Officer responsible for appraisals, in accordance with the mission of each Director and Executive Officer, and the coefficient is determined according to the level of achievement.

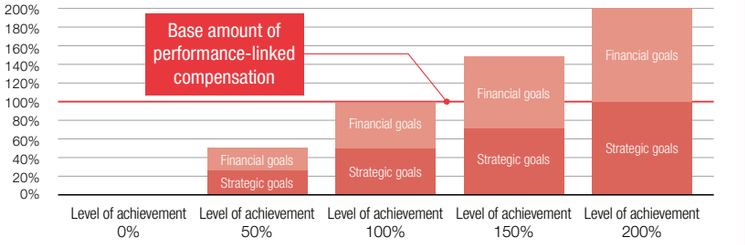


*1 The initial ratio of base amount for financial goals to base amount for strategic goals is set at 50:50; this ratio is adjusted individually for each officer in accordance with their duties.

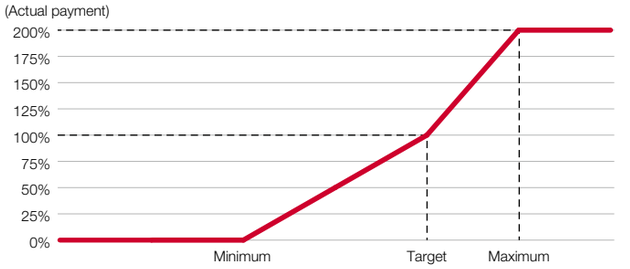
Actual payment ranges between 0% and 200% of the base amount of performance-linked compensation, depending on the level of achievement of financial targets and strategic targets by each officer.

*2 The chart on the right shows payments in cases where the ratio of financial goals to strategic goals is 50:50, and where levels of achievement are equal for both financial goals and strategic goals.

Payment of performance-linked compensation, by level of achievement*2



Financial goals



The financial goal coefficient is 100% when the targeted financial performance is achieved; in this case, the base amount of compensation will be paid. Depending on the level of achievement of financial goals, actual payment will range from 0% to 200% of the base amount.
*The graph above indicates the relationship between level of achievement and actual payment.

Strategic goals

Description	Level of achievement
Results better than expected	200%
	175%
	150%
	125%
Results as expected	100%
Results worse than expected	75%
	50%
	25%
	0%

The coefficient is determined in accordance with the level of achievement of strategic goals established for each officer; this coefficient is then multiplied with the base amount. A coefficient of 100% is used when strategic targets have been fully met; 200% is the maximum and 0% the minimum.

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Indicators used for performance-linked compensation

The table on the right summarizes the financial indicators used to determine performance-linked compensation. Financial indicators are set for each business; strategic goals are set for each officer.

Business domain	Financial indicators for FY2023
Entire Group	Adjusted profit, Adjusted consolidated ROE
Domestic P&C Insurance Business	Adjusted profit
Overseas Insurance and Reinsurance Business	Adjusted profit
Domestic Life Insurance Business	Adjusted profit, Increase in adjusted EV
Nursing Care Business	Adjusted profit
Digital	Adjusted profit, Revenue

*1 The financial indicator applied to the president of SOMPO Care in the Nursing Care Business, is non-consolidated adjusted profit of Sompo Care.
*2 Adjusted profit and sales in the Digital are those of Palantir Technologies Japan on a non-consolidated basis.

3) Stock price-linked compensation

The Company believes it is vital that the Group as a whole grows sustainably over the long term. For the purpose of maintaining the link between compensation for directors and executive officers and stock value, as well as further raising the awareness and talent retention that contributes to stronger earnings and greater corporate value over the medium-to-long term, we discontinued the previous performance-linked stock compensation plan and introduced a new stock price-linked compensation (phantom stock, or PS), effective from April 1, 2023.

For this compensation, PS offering the same economic value as cash stock is issued to the directors and executive officers. An overview of this system is as follows.

- The number of units granted is determined by multiplying the stock price-linked compensation base amount, which varies depending on the magnitude of the mission of each director and executive officer, by the previous year's strategic goal evaluation coefficient and dividing it by the Company's share price.

(Stock price-linked compensation base amount × Strategic goal evaluation coefficient from previous FY) ÷ Company's closing share price on the grant date = Number of units granted

- The units granted will vest at the end of the fiscal year three years after the grant date. Once vested, they will be categorized into PS 1 and PS 2. If the director or executive officer resigns voluntarily before the vesting date, the units will not be eligible for vesting.
- PS 1 and PS 2 units will be divided evenly (50% each) and be subject to the following.

PS 1: After vesting, an amount based on the current share price at any time up until retirement, along with an equivalent cumulative dividend amount, will be paid in cash.

PS 2: Upon retirement, an amount based on the share price calculated with a prescribed method, along with an equivalent cumulative dividend amount, will be paid in cash.

- The payment amount will be determined as follows.

Payment based on the exercise of rights for PS 1 at any time

(Number of PS 1 units designated by the director or executive officer × Closing share price on the day the director or executive officer indicated their intention to receive PS 1) + Equivalent cumulative dividend amount

Payment based on the exercise of rights for PS 1 and PS 2 upon retirement

(Number of unexercised PS 1 and PS 2 units up until the day of retirement × Share price at the time of retirement (calculated based on a prescribed method)) + Equivalent cumulative dividend amount

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Total compensation, total compensation by type, and number of eligible officers for each officer category, in FY2023

The total compensation, total compensation by type, and the number of eligible officers for each officer classification in the current fiscal year are outlined below.

Officer category	Total compensation (million yen)	Compensation by type (million yen)				Non-cash compensation included in the left	No. of eligible executives
		Fixed compensation No. of eligible executives (monthly compensation)	Retirement benefits, etc.	Performance-linked compensation			
				Performance-linked cash compensation	Stock price-linked compensation		
Directors (excluding outside directors)	52	50	—	1	—	—	4
Outside directors	180	180	—	—	—	—	11
Executive Officers	1,120	743	—	364	13	—	14
Total	1,353	974	—	365	13	—	27

*1 The amounts for total compensation, total compensation by type, and the number of eligible directors and executive officers include: one executive officer who resigned on March 31, 2021; two executive officers who resigned on March 31, 2023, and three directors who resigned at the end of the 13th Annual General Meeting of Shareholders held on June 26, 2023.
*2 Compensation for the two Directors who concurrently serve as Executive Officers, is separated into Director compensation and Executive Officer compensation; the compensation for each position is included in the applicable total compensation amount. For this reason, the total number of eligible Directors and Executive Officers differs from the combined number for each classification.
*3 "Performance-linked compensation," included in "Performance-linked compensation, etc.," is comprised of compensation based on performance in the previous fiscal year and provisions booked for compensation based on performance in the current fiscal year (less provisions booked in the previous fiscal year). "Stock price-linked compensation," included in "Performance-linked compensation, etc.," is the amount expensed in the current fiscal year.
*4 All compensation for Directors and Executive Officers is compensation from the insurance holding company. There is no compensation from the parent of the insurance holding company.

Total consolidated compensation for each officer in FY2023

Executives who received compensation totaling 100 million yen or more are listed below.

Name	Total compensation from the Company and its consolidated subsidiaries (million yen)	Officer category	Company category	Total compensation by type from the Company and its consolidated subsidiaries (million yen)				
				Fixed compensation No. of eligible executives (monthly compensation)	Retirement benefits, etc.	Performance-linked compensation		Non-cash compensation included in the left
						Performance-linked cash compensation	Stock price-linked compensation	
Kengo Sakurada	262	Director	Sompo Holdings, Inc.	6	—	1	—	—
		Executive Officer		127	—	127	—	—
		Director	Sompo Japan Insurance Inc.	—	—	—	—	—
Mikio Okumura	164	Director	Sompo Holdings, Inc.	6	—	1	—	—
		Executive Officer		97	—	59	—	—
		Director	Sompo International Holdings Ltd.	—	—	—	—	—
James Shea	467	Executive Officer	Sompo Holdings, Inc.	264	—	—	—	—
		Director	Sompo International Holdings Ltd.	—	—	203	—	—
Nigel Frudd	103	Executive Officer	Sompo Holdings, Inc.	—	—	103	—	—

*1 The amounts of performance-linked compensation show compensation paid in the current fiscal year; provisions to reserves in the current fiscal year are not included.
*2 For compensation paid in foreign currencies, the amounts show yen equivalents.
*3 James Shea resigned as Executive Officer on March 31, 2023 and was appointed Senior Vice President on April 1, 2023.
*4 Nigel Frudd resigned as Executive Officer on March 31, 2021 and was appointed Senior Vice President on April 1, 2021.
*5 Compensation, etc. for James Shea and Nigel Frudd is the compensation, etc. paid to them in the relevant fiscal year for their services during their tenure as Executive Officer.

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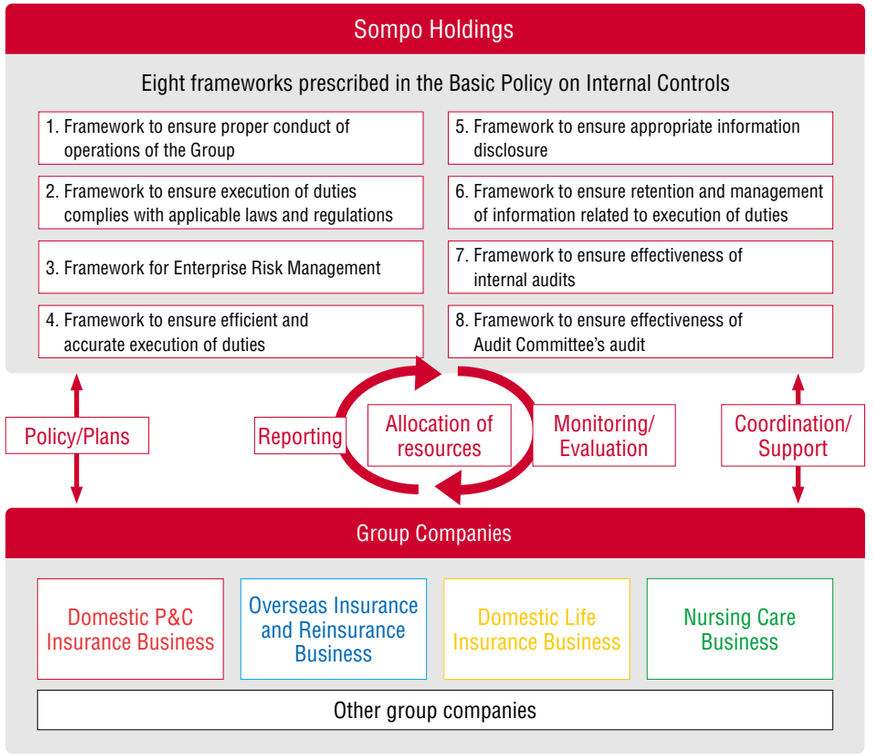
Group internal controls to support corporate governance

Concept and Policy

The Board of Directors has established eight frameworks in the Basic Policy on Internal Controls as a foundation for improving corporate value and for ensuring the proper conduct of operations within the Group.

Despite the existence of such internal control frameworks, it was pointed out by regulatory authorities in relation to our response to the fraudulent auto insurance claims involving our domestic P&C insurance subsidiary, that our framework for monitoring key initiatives, as well as the information sharing and reporting requirements with regard to the subsidiary, had weaknesses in their effectiveness. In response to the above, we have established a business improvement plan, which we are steadily implementing to enhance our internal control framework.

Group internal controls systems



Web For further details, please visit the website: Basic Policy on Internal Controls

Group internal audits

Concept and Policy

Status of internal Audits

We have established the Internal Audit Department with organizational and operational independence, as the department responsible for conducting internal audits within the Company and overseeing internal audits across Group companies. The Internal Audit Department has a total staff of 16, as of August 1, 2024, who have extensive experience in the management of the Group's businesses including overseas activities. We are also actively promoting acquisition of qualifications such as Certified Internal Auditor, a professional qualification on internal control.

Based on the Sompo Group Basic Policy on Internal Audits, the Internal Audit Department conducts audits of the status of business execution of each Company department, as well as requests the internal audit sections of each Group company to carry out highly effective internal audits. The Internal Audit Department compiles summaries and analyses of the audit results and progress of follow-up activities to rectify the findings/issues, etc., which are reported to the Audit Committee and Board of Directors.

Developing the Group's internal audit framework

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

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

In addition, we are preparing to undergo verification by external evaluation agencies of our internal audit framework including those of domestic and overseas insurance business companies in fiscal year 2024.

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Compliance

Basic concept and policy

Concept and Policy

As part of its commitment to compliance, the Sompo Group has formulated various policies and codes of conduct, such as the Sompo Group Basic Policy on Compliance, and established compliance systems, and raised awareness of these policies among Group officers and employees. As a company seeking to maintain a sound social presence which does not view compliance solely as compliance with laws and regulations, we are striving to foster a corporate culture where each employee can proactively and autonomously act in accordance with corporate ethics and social norms, through the steady implementation of the business improvement plan devised in response to the fraudulent auto insurance claims.

Basic Policy on Compliance

The Company Group shall comply with laws and regulations in accordance with the following policy and realize corporate activities that are in conformity with social norms and corporate ethics.

Basic Policy on Compliance (Overview)

1. Compliance as the major premise for business operations
With the deep awareness that profits gained by disregarding compliance is not sustainable, we will set compliance as the precondition for our business operations.

2. Nurturing and enhancing compliance awareness of officers and employees
We will nurture and enhance the awareness that compliance must be taken seriously so that officers and employees will comply with laws and regulations and act in conformity with social norms and corporate ethics.

3. Systematic efforts to ensure compliance
With the deep awareness that continuous and perpetual efforts are needed to ensure compliance, we will systematically work toward the realization of it.

4. Early detection of issues and prompt actions
We will establish an early detection system in order to be prepared for any occurrence of compliance issues in association with business operations, and take prompt and appropriate actions if any issue occurs.

Web For specific compliance-related policies, please visit the website (in Japanese): Management of Conflict of Interest Transactions, Protection of Customer Information, and Response to Anti-social Forces

Sompo Group Compliance Code of Conduct

The Group has established the Sompo Group Basic Policy on Compliance (collectively, "Basic Policy") with the aim of being a corporate group trusted by society by remaining constantly aware of the important public mission and social responsibility of its businesses and providing customers with the highest-quality services and sense of security through appropriate corporate activities that comply with laws and regulations, societal norms, and corporate ethics.

The Sompo Group Compliance Code of Conduct lays down the norms to ensure that, based on the Basic Policy, all officers and employees of the Sompo Group understand the importance of compliance and act in ways that take compliance seriously. All officers and employees must act in compliance with the Code of Conduct shown below. In addition, if anyone becomes aware of any compliance or ethical concerns, or issues involving themselves or their colleagues that may violate the Code of Conduct, they are obligated not to ignore or conceal, but to promptly report such concerns or issues to their supervisors or the consultation desk.

Web For further details, see the following: Sompo Group Compliance Code of Conduct

Sompo Group Compliance Code of Conduct

1. Compliance with Laws, Regulations and Internal Rules
We will act with integrity and good sense in compliance with laws, regulations and internal rules, and based on social norms and corporate ethics.

2. Respect for Human Rights
We will respect human rights in every aspect of our business activities.

3. Maintain and Promote a Healthy and Safe Working Environment
We will aim to maintain and promote a healthy and safe working environment in which Employees can have peace of mind and demonstrate their abilities fully without any concerns that threaten their mental or physical safety.

4. Protection of Company Assets
We will only use the assets of the Group for the Group's business activities and properly protect them.

5. Proper Document Creation and Management
We will properly create and manage documents, emails, and data, etc. related to our transactions and operations in accordance with laws, regulations and internal rules.

6. Fair and Free Competition
We will conduct our business under fair and free competition in accordance with laws, regulations, and internal rules related to Anti-Trust and Anti-Competition. We will not engage in unfair business practices such as cartels, bid riggings, and other acts that restrict competition or take advantage of our business position.

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7. Prohibition of Bribery
To contribute to the maintenance and development of an orderly free competitive market, we will promote fair business activities with high ethical sense and will not engage in bribery.

8. Prohibition of Conflict of Interest
Under situations where the interests of Employees conflict with the interests of the company, we will take actions with preference to the interests of the company in accordance with related laws, regulations and internal rules.

9. Protection and Management of Personal and Confidential Information
We will properly deal with personal information, confidential information that we obtain and data, etc. that we create in connection with our business in accordance with laws, regulations and internal rules.

10. Protection of Intellectual Property
We will protect intellectual property possessed by the Group, and will not infringe it possessed by third parties.

11. Prohibition of Insider Trading
By strictly prohibiting insider trading by Employees, we will ensure investors' trust in the securities market.

12. Elimination of Relationships with Organized Crime Forces
We will strive not to have any relationship with organized crime forces, maintain public confidence, and realize a safe society and sound corporate management.

13. Prevention of Money Laundering and Terrorist Financing
We will strive to ensure that the Group's products and services are not used to transfer proceeds from crime, to finance terrorists, or to proliferate weapons of mass destruction.

14. Appropriate Political Activities
As a corporation, we will conduct fair business activities while maintaining an appropriate relationship with politics. In addition, we will clarify the distinction between public and private regarding personal political activities of Employees.

15. Appropriate Financial Reporting, Tax Processing Based on Laws and Regulations
We will accurately record financial information and appropriately report and disclose such information in a timely and appropriate manner so that shareholders, investors, and other stakeholders can make decisions fairly and equitably, and also aim to maintain and improve tax compliance in accordance with tax related laws and regulations.

Initiatives

Structure Activities and Achievements

The Company was subjected to a business improvement order regarding our responses to the fraudulent auto insurance claims involving our domestic P&C insurance subsidiary, to which it compiled a business improvement plan on March 15, 2024. In addition, in light of the business improvement order regarding the premium adjustment practices, etc. of the same subsidiary, the Company is making fundamental efforts to strengthen our management structure by taking measures such as appointing an officer in charge of compliance and establishing the Compliance Office, in order to enhance Group governance and improve its effectiveness. Through the implementation of the initiatives in the business improvement plan, we will strive to ensure "compliance with laws and regulations" and "customer-oriented business operations" on a Group-wide basis.

Looking at our business environment, in addition to the Domestic P&C Insurance Business and Overseas Insurance and Reinsurance Business, the Group engages in the Wellbeing Business, which involves the provision of various solutions related to health/nursing care/retirement savings through our Domestic Life Insurance Business and the Nursing Care Business. In developing our compliance framework, it is imperative that we consider not only the relevant laws, but also the business characteristics, scale, and operating conditions of each Group company, as well as the potential risks involved in their business models and industry practices. In collaboration with our Group companies, to not only ensure compliance with laws and regulations but also respond to societal and public demands, we are actively addressing conduct risk and will continue to strive to establish a compliance framework that aligns with our Group strategy and the external environment.

In our whistleblowing/consultation system, which is an important mechanism for early detection of problem events, we are considering the creation of a new contact point that accepts not only reports but also concerns in order to enhance the effectiveness of identifying early warning signs. In fiscal year 2023, there were 252 internal reports or consultations.

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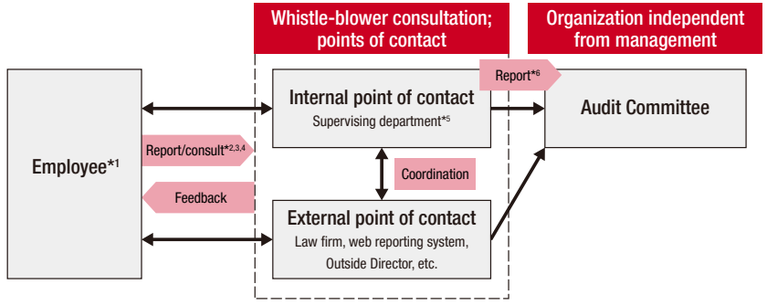
Compliance

Whistle-blowing and consultation system

- With the aim of preventing misconduct, including violations of laws and regulations, as well as harassment and other problematic behavior, and maintaining and enhancing corporate value through self-regulation, the Sompo Group maintains a whistle-blowing system for internal reporting and consultation by establishing external hotlines in addition to internal hotlines at each Group company, and by continuously informing employees of these hotlines.
- Each Group company has a system in place in accordance with the relevant laws and regulations of each country. In Japan, we have a system in place in accordance with the revised Whistleblower Protection Act (effective June 2022), and overseas, we have a system in place based on both local laws and Group system development standards.

System for receiving reports and consultations	• Reports and consultations are handled by a specific person in charge ("Response Person"), who is obliged to maintain confidentiality. • Reports and consultations received through external hotlines will be appropriately forwarded to the supervisory division, taking into consideration the intentions of the whistle-blowing or consulter. • The results of the investigation will be reported back to the whistleblower or consulter by the internal or external hotlines as appropriate.
Protection of reports and consulters	We are working to strengthen protections for whistleblowers and those seeking consultation, and we have prepared an internal reporting and consultation system that can be used quickly and safely when problems that are difficult to resolve at work occur. • We require our Response Person to maintain strict confidentiality. • We prohibit any attempt to identify the whistleblower or person seeking consultation, or any disadvantageous treatment of them, and clearly stipulate the disciplinary measures to be taken against those who violate the rules.

Flow of procedures after receiving reports or consultations



*1 This includes persons who have resigned from their jobs within one year, and persons who are employed by other companies and engaged in work for SOMPO in Japan (eligibility varies depending on circumstances in each country).
*2 Anonymous reporting is also accepted.
*3 Email, telephone, and other reporting and consultation methods are available (available methods vary depending on circumstances in each country).
*4 Consultations regarding how to use the system and how whistleblowers and consulters are protected are also available (scope of consultation available varies depending on circumstances in each country).
*5 The supervisory department is responsible for leading investigations and corrective actions in cases, as well as analyzing trends and formulating countermeasures.
*6 Significant reports (including reports in which directors and executive officers are suspected to be involved) shall be reported to the Audit Committee which is an independent body from the management, and response policies shall be determined by the Audit Committee.

Examples of receiving reports and consultations

■ Work environment ■ Harassment ■ Violation of human rights ■ Violation of laws and rules etc.

Information on how to contact customers and stakeholders is available on each company's website.

Number of whistle-blowing cases

Item	FY2021	FY2022	FY2023	Companies covered		
				Consolidated companies in Japan		Overseas consolidated companies
				Sompo Japan	Other group companies	
Number of whistle-blowing cases	256	261	252	●	●	●
Number of reports and consultations regarding human rights violations, including harassment	175	180	167	●	●	●

Compliance training

The Sompo Group systematically implements compliance-related education and training to ensure that officers and employees comply with laws and regulations and act in accordance with social norms and corporate ethics.

Item	FY2020	FY2021	FY2022	FY2023	Companies covered		
					Consolidated companies in Japan		Overseas consol-idated companies
					Sompo Japan	Other group companies	
Ratio of employees who received compliance training	93.9%	98.7%	92.8%	93.2%	●	●*	●

*Covers all consolidated subsidiaries excluding the Nursing Care Business.

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Compliance

Establishment of Group Tax Policy

Concept and Policy

In recent years, the environment surrounding taxation has been characterized as follows;

1. The progress of the BEPS* project by the OECD has brought tax compliance into the spotlight on a global scale.
2. In Japan, there are calls for large companies to enhance and improve their corporate governance with respect to taxation, and the importance and necessity of active involvement and guidance by top management and the formulation of a "global transfer pricing policy (transfer pricing strategy for the entire group)" are pointed out as examples of such efforts.

Against these backgrounds, we established the Group Tax Policy in August 2018 as a practical guideline for the entire SOMPO Group, including overseas Group companies.

*BEPS: Base Erosion and Profit Shifting

Group Tax Policy

1. Regulatory Compliance

The Sompo Group sets out a basic principle of "Compliance with applicable laws and regulations relevant to its business activities in each country." The Group aims to maintain and improve its tax compliance in accordance with tax related laws, regulations and standards published by international organizations, such as OECD, EU and UN guidelines, as well as the domestic laws, regulations and standards of each country and region, and fulfills its corporate social responsibility by properly paying its taxes.

2. Approach to International Taxation

The Sompo Group strives to mitigate any risk of damaging corporate value by exposing the Group to tax penalties and/or double taxation, based on understanding the purpose of the BEPS initiative led by the OECD.

International transactions between intra-group entities are conducted at an arm's length price. The Sompo Group also ensures international income is allocated between parties on an appropriate basis.

3. Optimization of Tax Burden

In order to maximize corporate value, the Sompo Group aims to minimize tax risks and to make appropriate and effective use of tax mitigation measures in accordance with each jurisdiction's laws and morals. The Sompo Group does not perform tax avoidance by, for example, utilizing excessive tax saving practices based on interpretations and/or applications that deviate from the actual content, meaning and/or intention of the relevant laws and regulations.

4. Relationship with the Tax Authorities

The Sompo Group seeks to maintain a positive relationship with the tax authorities of each country by ensuring that its explanations of its positions are always sincere, transparent and based on true facts.

The tax filing and payment practices of the Sompo Group will be timely and appropriate, and tax-related information will be submitted to the tax authorities when it is requested. On this basis, in cases where it is agreed with the tax authorities that there is a need for corrective and remedial measures, such measures will be appropriately taken by the Sompo Group.

Tax Management System of SOMPO Group

Structure

In principle, the head of each region's domestic tax department is responsible for managing tax issues in each region. However, since global transactions within the group affect multilateral, tax management is conducted to consider the tax systems of multiple countries and examine tax issues from multiple perspectives.

Specifically, the global tax sections in Japan, US and UK handle any tax issues on a global basis, and regular meetings by the three sections are held to exchange information closely and discuss various global tax-related issues. The appropriate solutions are then presented to the CFOs and/or each business unit as necessary.

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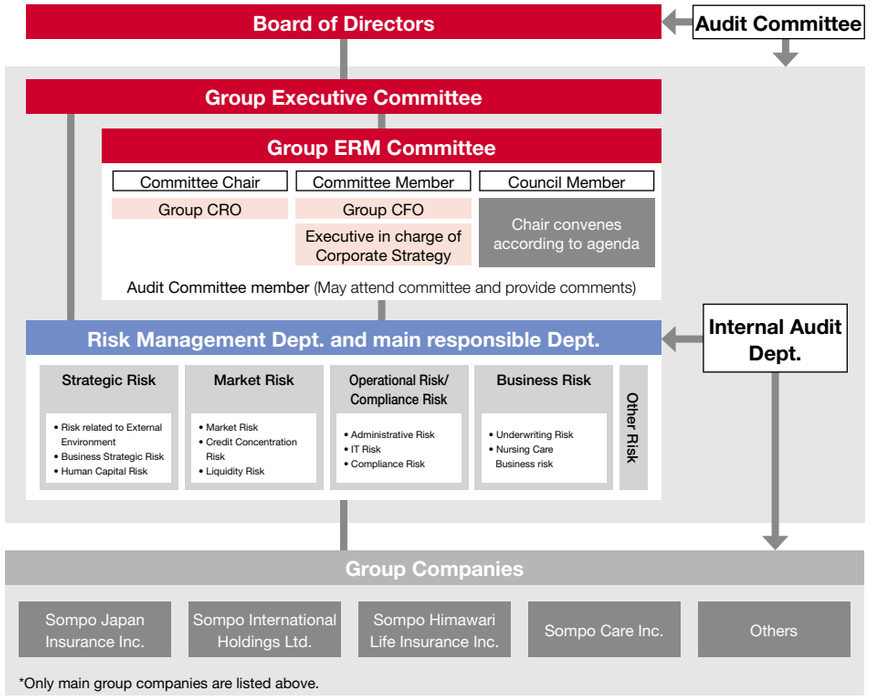
Our basic approach to ERM

Concept and Policy | Structure

Through the practice of Enterprise Risk Management (ERM), which is a framework for risk management, the Sompo Group aims to minimize unexpected losses, improve profits by effectively utilizing capital, and maximize corporate value, based on the Sompo Group Basic Policy on ERM established by the Board of Directors.

In order to ensure the effectiveness of the Group's ERM, the company has established the Sompo Group's Risk Appetite Statement to act as guidance for risk taking. Additionally, in the Group ERM Committee, a subordinate organization to the Group Executive Committee, important matters related to the Group's risk management strategies, including risk-taking strategies and the control of material risks across the Group, are confirmed and discussed to implement an ERM that responds to the changing business environment.

Risk Management Governance Structure



*Only main group companies are listed above.

1. ERM as the "Compass of Management"

The increased severity and frequency of natural disasters caused by climate change, heightened geopolitical risks, the threat of cyberattacks, and the rapid advancement of AI and other digital technologies, among other factors, are increasing uncertainty in our business environment.

The Sompo Group is striving to maximize its corporate value by setting "Increase Resilience" and "connect with customers and deliver connected services" as its goals in its MTMP (FY2024-2026).The ERM framework, which is the enterprise risk management framework underpinning the achievement of these goals, acts as our "compass of management," serving to guide the Group in the best direction, to not only avoid losses before they happen, but to reduce opportunity losses, such as missed investments in new businesses. This is achieved through (1) accurately analyzing and grasping the Group's current position (multifaceted analysis), (2) sensitively detecting potential future risks (accurately understanding and addressing key risks), and (3) clearly indicating which course the Group should be taking (recommendation of an optimal business portfolio).

2. Pursuing resilience from two aspects

The COVID-19 pandemic served as a valuable lesson for companies about the importance of resilience in the face of operational disruptions and interruptions. Amid widening geopolitical divisions, and further sophisticated cyberattacks enabled by emerging technologies, the Group's ERM requires "resilience" from two aspects.

The first aspect involves the "establishment of a resilient portfolio" by continually reviewing "risks that should be taken" and "risks that should be avoided," taking into account the rapidly changing internal and external business environment.

The second aspect involves analyzing and visualizing the potential impact of new risks, such as cyberattacks and climate change risks, on the Group, striving to prevent occurrence of risks, and "establishing resilient operations" capable of continuously providing businesses and services from the customer's perspective, assuming the actual occurrence of risks.

Pursuing these two aspects of resilience in our ERM will contribute to the sustained growth of the Group.

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ERM of the Sompo Group

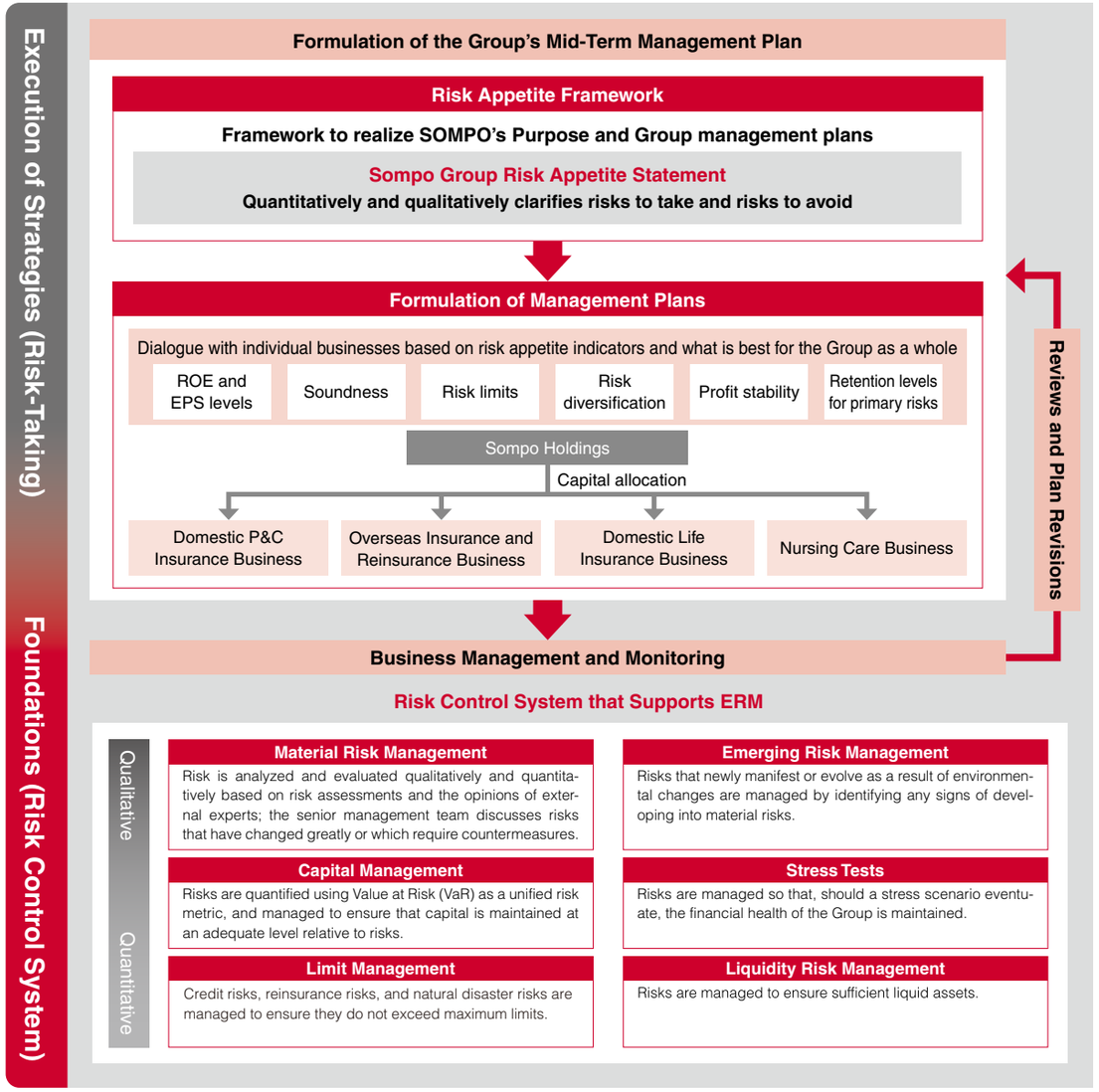
Activities and Achievements

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

1. Risk appetite framework

From the perspective of risk-taking, we utilize a risk appetite framework as the main tool for analyzing capital, risk, and return, which we then apply to important management decisions. The "Risk Appetite Framework" is a system for increasing the certainty of achieving the Group's strategic goals - as set forth in SOMPO's Purpose, and the Group Management Plan - by conducting risk-taking based on the Group's "Risk Appetite Statement," which clearly states the risks to be taken and the risks to be avoided. We formulate a Group Management Plan and allocate capital to each business, after dialogue with the respective management teams, based on risk appetite indicators and the perspective of overall optimization as a Group.

Overview of the Sompo Group's Enterprise Risk Management



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2. Risk Control System

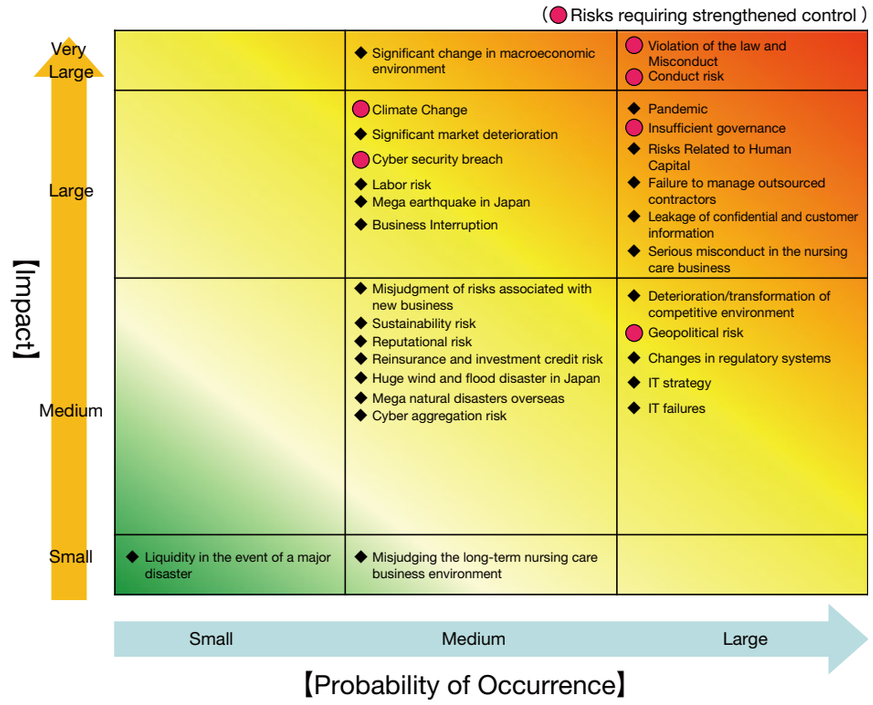
On the aspect of risk control, the Group utilizes a "Risk Control System" that identifies, analyzes, and evaluates the various risks surrounding the Group. We define risks that could have a significant impact on business as "material risks," and comprehensively identify and evaluate the risks associated with our businesses through a bottom-up risk assessment process, combined with top-down reviews and deliberations by the Board of Directors and other relevant organs. In conducting risk assessments, we refined our criteria to focus on the potential reputational damage to our stakeholders, including customers and the broader community, in addition to the aspects of financial losses and business continuity. We comprehensively identify material risks through risk assessments and expert opinions, assess the impact of the risks on the Group based on concrete scenarios, evaluate the probability of occurrence and the degree of impact from both qualitative and quantitative aspects, and then discuss the adequacy of our countermeasures. Evaluation of material risks, probability of their occurrence, and degree of impact is as shown in the Material Risks Heat Map (Probability of Occurrence and Degree of Impact) on the right.

Additionally, the Group defines "emerging risks" as risks that are difficult to assess based on concrete scenarios at present, but have the potential to emerge or transform, through changes in the environment or other factors, such that they would have a significant impact on the Group in the future. We manage emerging risks by linking such risks to individual material risks. Outline of emerging risks and response measures thereon are as shown in the "List of Emerging Risks" on the following page.

Through "Capital Adequacy Management," "Stress Testing," "Limit Management," and "Liquidity Risk Management," we strive to minimize unexpected losses and stabilize profits.

Web For further details on the "Risk Appetite Framework" and the "Risk Control System," please visit the website: ERM Framework

Material Risk Heat Map



	Impact			Probability of occurrence
	Economic loss	Business continuity	Reputational damage	
Maximum	Over 500 billion yen	Cancellation of operating license	Extremely serious loss of trust	Once or more a year
Major	Over 200 billion yen	Suspension of major operations	Serious loss of trust (taking five years or more to regain trust)	Once or more in ten years
Medium	Over 10 billion yen	Partial suspension of operations	Loss of trust (taking two to three years or more to regain trust)	Once or more in 100 years
Minor	Less than 10 billion yen	—	Low risk of trust loss	Less than once in 100 years

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List of Emerging Risks

No.	Emerging risk	Outline of risk	Response examples
1	Innovative medical technologies	Change of insurance needs due to changes in methods of treatment for illness and injury	Monitoring of innovative medical technologies
2	Loss of biodiversity	Physical risks associated with biodiversity (degradation of natural capital through feedback loops with climate change), and transition risks (stricter regulations and reputational damage)	Monitoring of impacts of changes in governmental policy, consumer preferences, and disclosure requirements, as well as engaging in issue-solving attempts
3	New risks posed by generative AI and other technologies	Opportunity losses and reputational damage resulting from the rapid advancement and widespread adoption of AI and other technologies, coupled with evolving societal expectations	Establishing a governance framework to support the appropriate internal use of generative AI and other technologies, while ensuring compliance with various regulations and societal demands
4	Failure of crucial infrastructure (including risks associated with highly uncertain factors such as space storms)	Large-scale, long-term outages of critical physical or digital infrastructure due to inadequate security	Investigating and analyzing scenarios where critical infrastructure becomes disrupted due to a combination of factors, such as aging infrastructure and external factors

Initiatives to foster and embed a risk culture

Activities and Achievements

Within our Group, a domestic P&C insurance subsidiary was subjected to a business improvement order on the premium adjustment practices, etc. the Company and the subsidiary together received a business improvement order regarding fraudulent auto insurance claims and related matters, to which the Group is making best efforts to implement measures to prevent recurrence. On risk control, we are revising our Group risk identification and evaluation processes to make them more effective.

In today's society, the business environment is becoming increasingly uncertain, and the needs of stakeholders, including customers, are constantly evolving. In such an environment, it is crucial to not only avoid risks but also take the risks that are necessary in order to continuously provide customers with services that contribute to their "health, wellbeing and financial protection," as well as to enhance corporate value. In order to foster and embed a sound risk culture, we will promote risk awareness and dialogue through training and other measures and will also develop and institutionalize a system where each employee, in addition to complying with laws and regulations, is encouraged to proactively think, judge, and act in accordance with the expectations of our customers and society.

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Crisis Management and Business Continuity

Basic concept

Concept and Policy

In order to fulfill its social mission and role in times of crisis, the Sompo Group is striving to systematically improve its systems in a manner that ensures the continuation and early recovery of important operations in each of its businesses.

Damage estimates for an earthquake directly hitting the Tokyo metropolitan area predict that major infrastructure will be shut down or severely restricted for a significant period. The Group is striving to improve the reliability of business continuity by establishing alternate bases outside the Tokyo metropolitan area, and strengthening infrastructure, such as deploying communications and emergency power supplies to key locations.

We are constantly updating our countermeasures based on the latest information on potential threats, including weather disasters (typhoons, torrential rain, floods, etc.) which are expected to become more severe due to climate change.

Initiatives

Activities and Achievements

Preparing alternate business continuity bases: Establishment of an interim alternate base in the Kansai region

The headquarters and other important offices of Group companies are concentrated in the Tokyo metropolitan area. We are preparing alternate business continuity bases, mainly in the Kansai region, to mitigate the impact on business continuity in the event of a disruption to functions in the Tokyo metropolitan area.

For example, in the case of Sompo Japan Insurance Inc., if a major earthquake in the Tokyo metropolitan area forces a shutdown of the head office functions, a system and manuals are in place for the interim base in Osaka to take over crisis response and critical operations, for which scenario drills are held on an annual basis. In addition, the Group has established a system in which crisis response personnel are stationed at all times in the Kansai region to oversee the Group's crisis response.

Occurrence of a major earthquake, etc.

Headquarters (Tokyo)	→	Alternate base (Kansai)
Shutdown of functions		Business continuity

Strengthening communication countermeasures: Introduction of Starlink satellite communications

In the event of a large-scale earthquake, communications may stop or become severely overloaded, rendering not only telephone calls but also the Internet unusable.

The Sompo Group has therefore deployed the Starlink satellite communications system, which became a hot topic at the start of the conflict in Ukraine, at the Group's alternate base in Nishitokyo City, which will enable the Group to carry out some of its important operations.



Starlink kit

Deployment of emergency power sources: Deployment of EVs at Sompo Care's nursing care facilities

Anticipating that power may not be supplied to its nursing care facilities in the event of a disaster, SOMPO Care is proceeding with the deployment of electric vehicles (EVs) and hybrid vehicles (PHVs) that can be used as emergency power sources. (Approximately 50 vehicles as of June 2024)

This will ensure the minimum amount of electricity required to operate the facilities and protect the precious lives of the residents.



Deployment of emergency power supply

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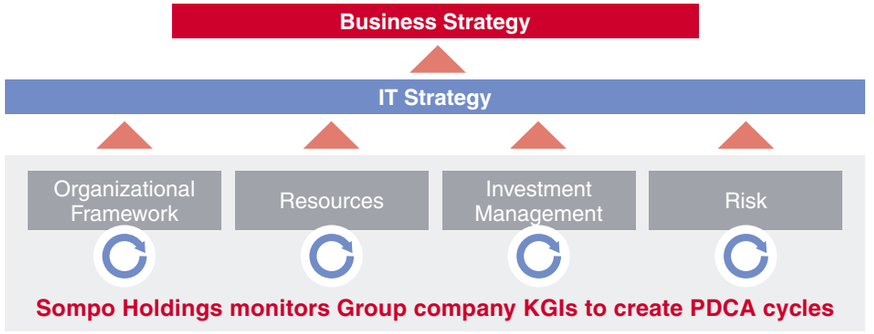
IT Governance/Cybersecurity

Basic approach to IT Governance

Concept and Policy | Structure

Monitoring KGIs to create PDCA cycles

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

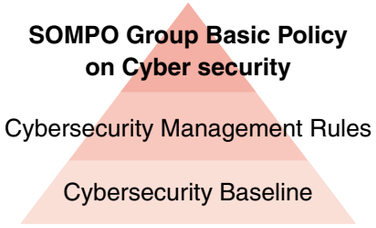


Basic approach to cybersecurity

Concept and Policy

Promoting Group-wide cybersecurity measures

Recognizing that it is the social responsibility of enterprises to build a safe and secure society by devoting themselves to cybersecurity, the Sompo Group has established the "SOMPO Group Basic Policy on Cyber security" as the cornerstone to continuously improve the efficiency and effectiveness of its cyber risk management. The risk related to cyberattacks is positioned as an important risk to be managed in the Group, and under the leadership of management, we are promoting Groupwide cybersecurity measures.



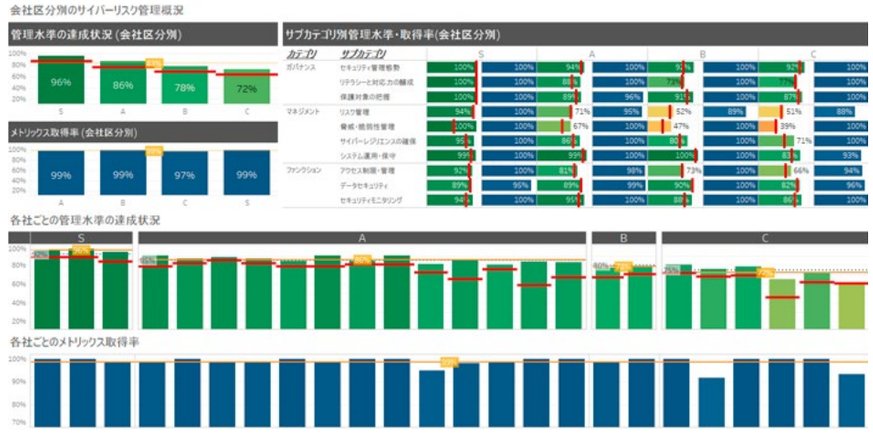
Visualizing the status of cybersecurity measures

Recognizing that it is of the utmost importance to establish a corporate culture that respects cybersecurity and to continuously improve our ability to respond to cyberattacks, which are becoming increasingly sophisticated and ingenious every day, the Group is working together to improve and maintain its cybersecurity management system.

We have formulated basic concepts and standards for cybersecurity based on global standard frameworks such as the NIST* CSF (Cyber Security Framework), and each Group company is working to strengthen its cybersecurity and resilience measures and systems under their respective roles and responsibilities. To ensure the continuous improvement of these initiatives in a PDCA cycle, we have built a "Cyber Metrics" tool to quantitatively monitor and visualize the status of cybersecurity measures at Group companies, and we use it to ascertain the status of measures at each company, as well as to formulate and manage KPIs. Through this series of ongoing initiatives, we aim to turn cybersecurity into a competitive advantage in Group management by linking it not only with Group defense and operational risk mitigation, but also with various strategies such as cyber insurance and the promotion of digital transformation.

*NIST: National Institute of Standards and Technology

Image of visualization of cybersecurity countermeasures by Cyber Metrics



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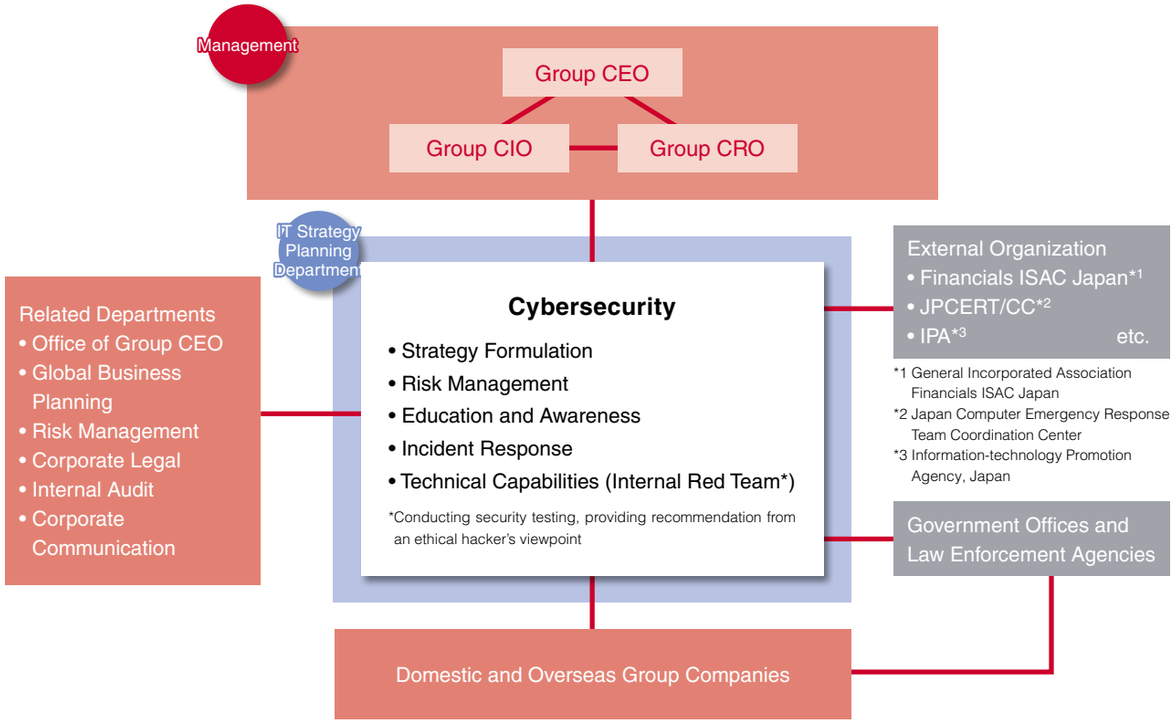
Promotion structure

Structure

A team of cyber experts that transcends departmental boundaries

Cybersecurity is a domain in which the environment is constantly changing, and knowledge and application of cutting-edge technologies are required. We have therefore established a Cyber Center of Excellence (COE) structure within SOMPO Holdings, in which cybersecurity personnel with the relevant qualifications, such as Registered Information Security Specialists and Certified Information Systems Security Professionals (CISSP), play a central role in promoting effective enhancement of the structure based on a division of roles among the companies at a global level. The policy and direction have been decided based on discussions by relevant executives, led by the Group CIO. In particular, in addition to the IT departments, the Office of Group CEO, Risk Management Department, and other related departments are working together to increase resilience, which requires action that transcends departmental boundaries. Similarly, in preparation for the occurrence of security incidents, we have established HD-CSIRT (Computer Security Incident Response Team) within Sompo Holdings. In this way, we have an organizational structure in place that enables quick and timely actions, including information sharing, decision-making, and forensic investigations, in response to a variety of emergencies.

HD-CSIRT also collaborates with other companies in the industry and security-related organizations to improve the level of maturity not only of the Group but also of the entire security community.



Global risk response framework

Cyber risk knows no borders. To address this global risk, we have established cybersecurity response centers overseas as well as in Tokyo. These cyber units at overseas bases are staffed by highly knowledgeable and skilled "white hat hackers" who conduct various security tests, train each company's security personnel, and conduct research and investigations of cyber technology.

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Implementing protection measures

In addition to management-side measures such as organizational systems and rules, the Sompo Group has put in place comprehensive technical measures with a precondition for defense in depth. For networks, in particular, we are striving to ensure security by introducing the Secure Access Service Edge (SASE) platform, an integrated security model, and conducting monitoring activities at our Security Operation Center (SOC). These efforts are made to respond flexibly to changes in work style and system configurations, based on the concept of "zero trust security" which involves authenticating the security of all communications. Moreover, we implement various measures, including the application of security guardrails to prevent errors in cloud configurations, cyber patrol activities to monitor and protect Internet assets regardless of country or region, and vulnerability assessment and penetration tests for the IT assets of domestic and overseas Group companies. We monitor the safety of assets within the Group under normal conditions, and issue Group-wide warnings and provide technical support when we identify urgent vulnerabilities in our assets, suspected information leaks, or attacker activities.

Nurturing cybersecurity personnel

Cybersecurity measures sometimes require expertise. For this reason, we have established the Cyber Lab, a cybersecurity R&D center, within Sompo Holdings to support and train each company's cybersecurity personnel through cybersecurity-related technical research and hands-on training. The Cyber Lab hosts regular "Cyber Tech Talk" to share knowledge about cybersecurity. At these events, our global network of cybersecurity personnel shares its knowledge and expertise and promotes the cultivation of future talent while learning from each other in a spirit of mutual encouragement. This Cyber Tech Talk initiative is based on the idea that in order to respond to cyber risks that are spreading on a global scale, it is necessary to have a network where the Group's cybersecurity personnel can connect and interact with each other. The goal is to create an environment where information can be exchanged beyond the boundaries of one's organization, country, region, or language.

Adapting to new technologies

The Group is also actively researching new technologies, such as AI and Web 3.0, in order to incorporate and utilize them. Similarly, with regard to security, we work with the relevant departments to formulate procedures, rules, and guidelines for the safe use of new technologies and take the necessary measures to introduce innovations in a safe manner. New technologies can be applied not only to business applications but also to security. In addition to researching how new technologies can be used in cyberattacks and other threats, we conduct research and investigation on a daily basis so that we can stay alert to changes in various IT environments and always adopt the latest security measures. The Cyber Lab is also used as a base for this research and investigation. The Cyber Lab has a dedicated network environment that is isolated from the normal business environment, making it possible to conduct technical verification and similar activities safely.



Monitoring activities by the Security Operation Center (SOC)



Cyber Tech Talk at the Cyber Lab



Cyber Lab set up at the headquarters in Shinjuku

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Fostering a culture of security and security education

To ensure cybersecurity, it is essential to foster a "security culture" in which each employee understands the importance of cybersecurity and is aware of how to use IT assets safely.

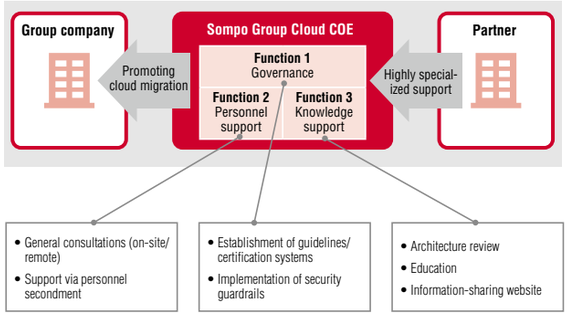
The Group implements educational programs at multiple levels, from employees to management. We are also working to acquire knowledge related to cyberattacks and raise awareness at Group companies through e-learning, phishing email training, cyber incident drills, and newsletters. In recent years, we have been focusing on increasing resilience across the entire business and in management; for example, in our cyber incident exercises, we have introduced ransomware attack scenarios that incorporate more hands-on elements.



Security newsletter distributed to Group company personnel

Promoting cloud migration

The Group has established a Cloud Center of Excellence (COE) system within Sompo Holdings to promote cloud migration as a means of responding flexibly to the constantly evolving business environment while remaining competitive. The Cloud COE establishes guidelines for the safe and secure use of public cloud systems, and provides personnel and knowledge support to enable the promotion of cloud migration among Group companies. Cloud migration enables us to reduce costs and to ensure scalability and service availability, as well as security through common security functions, among other benefits. It also helps us to contribute to reducing carbon emissions by actively adopting public cloud systems that are committed to and invest in clean energy.



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ESG Risk Management

Basic concept and policy

Concept and Policy

By providing services and products that contribute to health, wellbeing and financial protection, the Sompo Group aims to promote the realization of a resilient and sustainable society as a solutions provider. As stated in our Group Sustainability Vision and other policies, we incorporate considerations for climate change, human rights, and local communities into our business processes, and engage in insurance underwriting, investments and loans in a way that takes into account the environment, society, and governance.

The Group's Policy for ESG-related Underwriting, Investments and Loans are as follows.

Policy for ESG-related Underwriting, Investments and Loans

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, 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.

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Sensitive projects and sectors

Concept and Policy

When considering insurance underwriting, investments and loans, we identify businesses that require attention because of their potential negative impact on the environment and society as shown in the table below. In identifying specific project within the target businesses, we conduct assessments based on dialogue with stakeholders and in collaboration with Sompo Risk Management.

Insurance underwriting

For insurance underwriting, Sompo Japan prohibits "Anti Social" corporations and persons, which threatens the order of civil society and the safety of citizens. The company also identifies projects which have potentially negative environmental or social impact, evaluates their impact on the environmental and society, and takes an appropriate approach. As necessary, the Sustainability Department discusses with the sales department and underwriting department on matters to be addressed from the perspective of ESG.

Investment and loans

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

List of sensitive projects/sectors

Category	Related to
Environmental	■ Projects with negative impact on UNESCO World Heritage Sites ■ Projects with negative impact on Ramsar-listed wetlands
Social	■ Human rights violations Projects on child labor and forced labor ■ Inhumane weapons Nuclear, biological or chemical weapons, anti-personnel mines and other inhumane weapons

ESG risk response structure

Structure

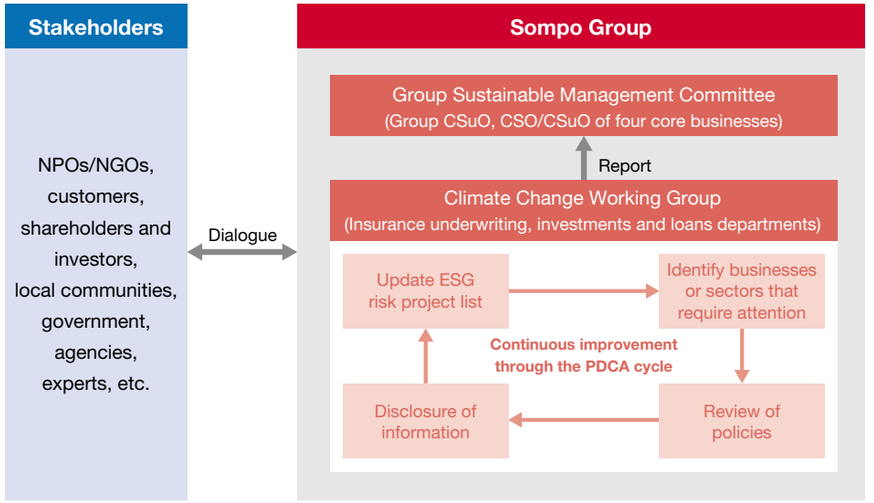
ESG risk management through the ERM framework

The Sompo Group considers ESG-related risk to be one of its material sustainability risks, with the potential to exert a significant impact on the Group, and manages it within its ERM framework.

Incorporating ESG factors into business processes

In terms of matters that are recognized as highly important in the business of insurance underwriting, investments and loans through collecting information and exchanging opinions with stakeholders, the Group Sustainable Management Committee and its subordinate organizations discuss them. In addition, we regularly update the list of projects with ESG risks, identify businesses and sectors that require attention, and review various policies.

In FY2023, the list of projects with ESG risks was updated to 85 projects.



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Sustainability Data

General information on ESG data

To identify our ESG-related issues, we have conducted ESG surveys targeting our Group companies since fiscal year 2011.

The tables below show our major ESG data, as obtained from the survey results. The survey is conducted on Sompo Holdings and its consolidated companies in and outside Japan.

Organizations surveyed in FY2023

<Company Name>

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

Other 46 companies

Scope of the report and coverage ratio

Scope of the report by category		Coverage ratio based on sales revenue*		
Consolidated companies in Japan	Sompo Japan	54.5%	41.4%	100%
	Other group companies		13.1%	
Overseas consolidated companies		45.5%	45.5%	

* Formula for coverage ratio

$$\text{Coverage ratio (\%)} = \frac{\text{Total sales revenue of Group companies for which data are valid}}{\text{Total sales revenue of domestic and overseas consolidated companies}} \times 100$$

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

Reporting period

[1] Companies with head office in Japan

Unless otherwise stated, data reported are for fiscal year 2023 (April 2023 to March 2024).

[2] Companies other than [1]

Unless otherwise stated, data reported are for calendar year 2023 (January to December 2023).

Changes in the scope of ESG data acquisition

- FY2021: Expansion of the scope of data acquisition through the acquisition of Diversified Crop Insurance Services (2020); addition of Sompo Care to the scope of "water consumption" data acquisition
- FY2022: Establishment of SOMPO Light Vortex (2021), expansion of data acquisition scope through acquisition of ND Software (2022), addition of Sompo Care to the scope of data acquisition for "paper consumption," etc.
- FY2023: Expanded the scope of GHG calculation to the entire Sompo Holdings' consolidated companies; expanded the scope of data acquisition for "Upstream transportation & distribution" and "Employee commuting" to the entire Group

Group employee data

Number of employees (by employment status)

Item	Unit	Male	Female	Total
Regular employees	People	20,349	28,072	48,421
Temporary employees	People	1,489	12,655	14,144
Total	People	21,838	40,727	62,565

Number of employees (by region)*1

Item	Unit	Japan	Asia & Middle East	Europe & North/ South America	Total
Regular employees	People	41,125	2,577	4,719	48,421
Temporary employees	People	14,083	48	13	14,144
Total	People	55,208	2,625	4,732	62,565

Ratio of employees (by nationality)*2

Item	Unit	Japanese nationals	Asian nationals	U.S. or European nationals	Total
Employees	%	99.55	0.44	0.01	100
(Managers and above)	%	99.82	0.10	0.08	100

*1 Number of employees by region is calculated based on the locations of consolidated companies under Sompo International.

*2 Calculated for employees of Sompo Holdings, Sompo Japan, Sompo Himawari Life and Sompo Care.

Reporting of greenhouse gas (GHG)

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

Scope	Category		Activity items subject to calculation
Scope 1	Direct emissions		City gas consumption, class A heavy oil consumption, kerosene consumption, LPG consumption, fuel consumption by company fleets, Diesel oil usage, chlorofluorohydrocarbon leakage, LNG consumption, Lubricating oil consumption
Scope 2	Indirect emissions from energy sources		Electricity consumption, heat (steam) consumption
Scope 3	Category 1	Purchased goods & services	Paper consumption, servers, municipal water
	Category 3	Fuel- and energy-related activities not included in Scope 1 and 2	City gas consumption, class A heavy oil consumption, kerosene consumption, LPG consumption, fuel consumption by company fleets, electricity consumption, heat (steam) consumption, Diesel oil usage, LNG consumption
	Category 4	Upstream transportation&distribution	Mail, home delivery, interoffice mail, office relocation, employee residence relocation
	Category 5	Waste generated in operations	Industrial waste, general waste
	Category 6	Business travel	Domestic (sales, trips, new appointments, overnight or longer stays), international (trips, new appointments, overnight or longer stays)
	Category 7	Employee commuting	Train, bus, private car
	Category 15	Investments(Equities)	Listed equity
		Investments(Bonds)	Publicly traded corporate bonds

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Sustainability Data

Environmental performance data

Environmental data*1

Item			Unit	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Companies covered: Consolidated companies in Japan: Sompo Japan	Companies covered: Consolidated companies in Japan: Other group companies	Companies covered: Overseas consolidated companies	Third Party Assurance
GHG (Scope 1-3) Total (excluding Scope 3 Category 15) *2			t-CO_2e	412,771	400,469	384,454	345,225	309,207	308,692	306,876	●	●	●	✔
GHG (Scope 1)*2			t-CO_2e	43,784	42,822	42,250	37,818	33,778	35,421	39,311	●	●	●	✔
GHG (Scope 2)*2			t-CO_2e	196,233	187,866	178,258	165,785	142,977	134,311	128,054	●	●	●	✔
GHG (Scope 3)*2	Total (excluding Category 15)		t-CO_2e	172,753	169,781	163,946	141,622	132,452	138,958	139,511	●	●	●	✔
	Category1		t-CO_2e	29,333	28,011	27,432	25,314	22,806	23,621	22,168	●	●	●	✔
	Category3		t-CO_2e	41,760	40,422	40,124	37,637	34,836	34,312	34,826	●	●	●	✔
	Category4		t-CO_2e	29,852	29,487	28,528	27,344	23,697	22,929	21,641	●	●	●	✔
	Category5		t-CO_2e	17,676	17,361	16,558	15,936	15,922	17,830	19,208	●	●	●	✔
	Category6		t-CO_2e	29,477	30,539	29,003	13,047	12,754	21,038	22,880	●	●	●	✔
	Category7		t-CO_2e	24,656	23,960	22,301	22,344	22,438	19,227	18,788	●	●	●	✔
	Category15	Total	t-CO_2e	—	—	2,072,536	1,854,737	1,841,714	1,643,161	—	●	●	●	✔
		Equities	t-CO_2e	—	—	1,013,157	948,530	931,821	867,087	—	●	●	●	✔
		Bonds	t-CO_2e	—	—	1,059,379	906,207	909,893	776,074	—	●	●	●	✔
Total GHG emissions per employee			t-CO_2e	6.32	6.16	6.18	5.50	5.00	4.96	4.90	●	●	●	
City gas consumption			m^3-N	4,705,878	4,612,788	5,062,377	4,816,802	4,990,164	5,025,276	5,147,507	●	●	●	✔
Class A heavy oil consumption			kℓ	223	200	216	202	181	40	38	●	●	●	✔
Kerosene consumption			kℓ	303	280	272	257	302	250	248	●	●	●	✔
Diesel oil consumption			kℓ	19	19	20	21	21	25	15	●	●	●	✔
LPG consumption			t	1,809	1,780	1,811	1,729	629	626	618	●	●	●	✔
Fuel consumption by company fleets			kℓ	11,253	10,996	10,190	8,645	8,398	8,704	10,518	●	●	●	
Electricity consumption			kWh	392,644,738	383,834,812	377,864,446	358,500,426	332,926,224	322,729,309	315,184,001	●	●	●	✔
Heat (steam) consumption			MJ	137,688,790	115,510,682	132,525,070	130,079,109	126,192,255	128,180,096	127,231,813	●	●	●	✔
Paper consumption			t	16,058	15,111	15,002	13,744	12,266	12,059	10,863	●	●	●	✔
Clean water usage			kℓ	5,935,500	4,372,844	4,467,640	4,229,784	2,402,025	3,717,593	4,175,391	●	●	●	✔
Wastewater discharge			kℓ	5,914,224	4,352,028	4,449,191	4,209,016	2,428,958	3,690,581	4,155,566	●	●	●	✔
Total amount of waste generated			t	23,141	21,676	21,150	18,652	19,461	19,285	19,504	●	●	●	
Amount of waste recycled			t	8,258	7,151	7,185	5,828	6,363	6,171	5,298	●	●	●	
Amount of non-recycled waste (total amount disposed)			t	14,883	14,525	13,964	12,824	13,099	13,114	14,206	●	●	●	
Breakdown by disposal method	landfill		t	4	4	6	6	24	20	11	●	●	●	
	Incineration (with thermal)		t	14,599	14,245	13,678	12,551	12,795	12,808	13,889	●	●	●	
	Incineration (without thermal)		t	0	0	0	0	7	10	2	●	●	●	
	Other Dispositions		t	280	275	278	266	272	274	304	●	●	●	
	Disposal method unknown		t	0	0	0	0	0	0	0	●	●	●	
Total floor space*3			m^2	1,394,190	1,607,397	1,516,395	1,499,409	1,460,206	1,401,330	1,381,037	●	●	●	
Share of green purchasing			%	89.4	94.6	52.2	52.3	46.5	45.9	44.9	●			
Human development of environmental field	Attendees of Public Seminars on the Environment*4		Persons	1,428	1,415	1,173	7,176	5,610	7,146	6,878	—	—	—	
	Students who completed the CSO Learning Program, which supports internships for environmental NPO/NGOs*5		Persons	59	55	74	62	78	71	81	—	—	—	
	Participants of SAVE JAPAN Project*6		Persons	5,234	5,426	2,652	1,502	907	2,517	2,658	—	—	—	

*1 The scope was expanded from "major domestic and overseas consolidated subsidiaries" to "all domestic and overseas consolidated subsidiaries" when calculating FY2023 results, and the figures for FY2022 and earlier were also recalculated. (This includes some estimated calculations.)
*2 The Group has been received an annual Assurance Statement by a third-party certification organization.
The coverage of the survey is Sompo Holdings, Inc., and its all domestic and overseas consolidated subsidiaries, and in the process of data collection in FY2023, we reviewed and recalculated the data collected and calculated prior to FY2022.
*3 Total floor space includes the results of Sompo Holding and its domestic and overseas consolidated subsidiaries, excluding Sompo Care.
*4 The "Public Seminars on the Environment" has shifted from a traditional face-to-face format to an online program from FY2020 onward.
*5 The number of students who completed the CSO Learning Program includes those who have completed the NGO Learning Internship in Indonesia for FY2019 onward.
*6 The number of participants in the "SAVE JAPAN Project" includes participants in online-type events.

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GHG emissions from investments and loans, and insurance underwriting

We calculate the GHG emissions*1 of the companies to which our group invest and underwrite, using a calculation method developed by the Partnership for Carbon Accounting Financials (PCAF).

*1 Numerical data may be revised retroactively due to revisions to published data and calculation methods, etc.

GHG emissions from investments and loans*2

Asset class		Unit	FY2019	FY2020	FY2021	FY2022	Third Party Assurance
Equities	GHG emission*3	t-CO_2e	1,013,157	948,530	931,821	867,087	✔
	Intensity*4	t-CO_2e/ 100 million yen	105.79	64.55	76.41	75.36	✔
	Weighted Average Carbon Intensity (WACI)*5	t-CO_2e/ Million USD	119.60	100.58	125.05	115.25	✔
Bonds	GHG emission*3	t-CO_2e	1,059,379	906,207	909,893	776,074	✔
	Intensity*4	t-CO_2e/ 100 million yen	91.86	73.52	76.24	66.38	✔
	Weighted Average Carbon Intensity (WACI)*5	t-CO_2e/ Million USD	121.07	133.77	167.04	128.13	✔

*2 Calculated for Scope 1 and Scope 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.)
*3 GHG emissions are our company's share of the investee's EVIC (Enterprise Value Including Cash) base.
*4 Intensity is the amount of GHG emissions per unit of investment. The amount of investment in overseas business is calculated in yen using the exchange rate in 2019 (base year).
*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.

GHG emissions from insurance underwriting(Insurance-Associated Emissions)*6

Portfolio	Unit	FY2022
Commercial Sector	t-CO_2e	390,391

*6 Calculated for Scope 1 and Scope 2 for companies that hold shares in Sompo Japan's insurance underwriting clients, using data provided by MSCI ESG Research (Coverage: 68.83%, Data Quality Score:1.00 in FY2022, on net premiums written basis).

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Environmental accounting (GHG reduction investment cost and effect)

Item		Unit	FY2020	FY2021	FY2022	FY2023
Scope1 and 2	Amount Invested*1	JPY	1,301,539,067	1,505,280,000	850,946,900	1,548,121,000
	Investment Effect*2	JPY	80,118,884	110,223,195	19,806,077	677,320,119
	Reduction in GHG	t-CO_2e	695	18,489	5,271	8,429

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

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Social performance data

Item		Unit	FY2019	FY2020	FY2021	FY2022	FY2023	Companies covered: Consolidated companies in Japan: Sompo Japan	Companies covered: Consolidated companies in Japan: Other group companies	Companies covered: Overseas consolidated companies	Third Party Assurance
Executive or higher*1	Male	Persons	214	188	355	348	393	●	●	●	
	Female	Persons	16	19	35	45	57				
	Total	Persons	230	207	390	393	450				
Department manager level or higher but lower than executive*1	Male	Persons	837	821	1,103	1,075	1,056	●	●	●	
	Female	Persons	164	178	229	244	265				
	Total	Persons	1,001	999	1,332	1,319	1,321				
Section manager level or higher but lower than department manager level*1	Male	Persons	2,642	3,014	3,926	4,015	3,560	●	●	●	
	Female	Persons	794	1,060	1,614	1,748	1,311				
	Total	Persons	3,436	4,074	5,540	5,763	4,871				
Ratio of female employees in managerial positions*2		%	23.8	24.2	26.8	28.1	25.5	●	●	●	
Share of female in management positions in revenue-generating functions*3		%	18.0	22.0	24.1	25.5	25.9	●	●	●	
Share of female in STEM-related positions*4		%	36.9	32.2	41.0	33.9	32.4	●	●	●	
Ratio of employees with disabilities		%	2.29	2.42	2.41	2.36	2.49	●	●	●	
Union membership rate		%	98.0	98.0	97.9	97.9	97.8	●	●		
Total number of new employee hires	Male	Persons	1,590	1,243	1,655	1,896	1,971	●	●	●	
	Female	Persons	4,504	3,720	3,895	4,604	4,567				
	Total	Persons	6,094	4,963	5,550	6,500	6,538				
	Managerial position	Persons	60	41	153	189	155				
	Non-managerial position	Persons	6,034	4,922	5,397	6,311	6,383				
	Total	Persons	6,094	4,963	5,550	6,500	6,538				
Percentage of open positions filled by internal candidates (internal hires)	Male	%	—	—	55.3	58.1	58.2	●	●	●	
	Female	%	—	—	31.6	31.6	33.4				
	Total	%	—	—	41.0	42.3	43.5				
Number of employees who took childcare leave	Male	Persons	377	443	513	472	449	●	●	●	
	Female	Persons	2,045	2,090	2,017	2,035	1,932				
	Total	Persons	2,422	2,533	2,530	2,507	2,381				
Average number of days taken off work for childcare leave by employees	Male	Days	5.6	6.8	10.3	18.6	18.0	●	●	●	
	Female	Days	183.0	183.6	181.2	183.3	194.0				
	Total	Days	155.4	152.7	146.5	152.3	160.8				
Number of employees who took childcare support system (Shorter work hour system + Earlier / later work hour system)		Persons	2,724	2,839	2,905	2,965	3,148	●	●	●	
Number of employees who took family care leave	Male	Persons	50	22	32	36	40	●	●	●	
	Female	Persons	90	70	71	74	84				
	Total	Persons	140	92	103	110	124				
Number of employees using telecommuting system		Persons	13,241	31,008	28,740	26,036	24,089	●	●	●	
Number of employees who used flextime work system		Persons	2,354	4,333	3,911	3,888	3,316	●	●	●	

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Ratio of flextime work system use		%	6.8	12.3	11.5	11.5	10.0	●	●	●	
Ratio of paid vacation use		%	67.0	70.8	73.8	76.2	79.7	●	●	●	
Occupational accident frequency rate		—	5.71	6.07	5.44	5.22	7.01	●	●	●	
Total days lost due to absenteeism		Days	63,690	59,980	69,024	79,569	85,268	●	●	●	✔
Absentee Rate*5		%	0.42	0.39	0.45	0.52	0.56				
Ratio of overtime work		%	10.9	10.4	11.2	11.3	10.8	●	●	●	
Employee turnover rate (all)	Total	%	11.2	10.5	11.4	11.9	12.0				
	Of these, voluntary	%	8.3	7.8	8.8	9.3	9.4				
Employee turnover rate (Excluding Nursing Care Business)	Total	%	7.9	6.8	8.9	9.4	9.2	●	●	●	
	Of these, voluntary	%	4.0	3.0	5.1	5.7	5.3				
Employee turnover rate (Nursing Care Business only)	Total	%	18.0	17.3	15.7	15.9	16.2				
	Of these, voluntary	%	17.2	16.5	15.0	15.4	15.6				
Ratio between CEO compensation and employee average compensation	Total CEO compensation	Million JPY	326	400	432	477	262				
	Employee compensation (average amount)	JPY	11,069,985	11,090,287	11,284,115	12,319,899	14,550,657		●		
	Ratio	Times	29.4	36.1	38.3	38.7	18.0				
Employee Engagement*6	Japan	Point	3.27	3.34	3.46	3.50	3.52				
		Response Rate (%)	—	52.0	76.0	72.0	80.0				
	Overseas	Point	3.81	4.02	4.02	4.12	4.18				
		Response Rate (%)	—	—	91.2	98.0	95.1	●	●	●	
Percentage of employees with high employee engagement calculated by Gallup	Japan	%	—	11.0	15.0	17.0	18.0				
	Overseas	%	—	—	39.5	48.0	56.5				
	Total	%	—	12.9	18.2	20.5	23.7				
Customer Satisfaction Rate*7		%	89.1	89.1	89.2	88.7	87.1	●			
Number of volunteers from employees*8		Persons	39,297	29,730	5,814	12,141	12,450	●	●		
Social Contribution		JPY	2,031,288,146	1,830,737,862	1,467,676,195	1,676,276,065	1,752,660,419	●			

*1 We count the number of male and female employees by position, in FY2019 and FY2020 the number of employees in domestic consolidated companies and overseas consolidated companies, and from FY2021 onwards the number of employees in domestic group companies and overseas consolidated companies.
*2 Figures are as of 1 April of the following year. Sompo Japan has changed its definition of managerial positions and the actual figures for FY2023 reflect the figures based on the changed definition. The actual figure for FY2023 reflecting the figures based on the definition before the change is 29.9%.
*3 We count the share of women in management positions responsible for revenue-generating functions among managers in departments involved in the output of products and services, such as sales, with the exception of support departments such as HR, legal, and IT.
*4 We count STEM(Science, Technology, Engineering, or Mathematics) related employees who have skills on mathematic or IoT such as actuaries, web developer, etc.
*5 Absentee Rate is a Total number of days lost due to absenteeism ÷ Number of scheduled working days per year ÷ Total number of employees × 100 at SOMPO Holdings and major domestic and overseas consolidated companies.
*6 We use Q12 provided by Gallup in our engagement surveys.
*7 Sompo Japan conducts customer satisfaction survey to customers who were involved in car accidents by sending them questionnaire upon insurance payment.
*8 In FY2020, the total number of Group employees and agency employees participating was counted; In FY2021 and FY2022, due to a change in data aggregation methods, only the number of Group employees participating was counted.

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Amount of contributions to initiatives in FY2023

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

(Currency: JPY)

Purpose	Addressing social issues by cooperating with below initiatives				
Organization	WBCSD	UNGC	Council for Better Corporate Citizenship	UNEP FI	UN PRI
Amount of Contribution	16,176,450	1,860,000	220,000	3,057,901	1,586,719

*1 Contributions to trade associations or tax-exempt trade associations are as follows.
FY2020: 156,266,712 yen, FY2021: 147,841,122 yen, FY2022: 133,798,540 yen, FY2023:106,255,434 yen
*2 Political donations in Sompo Japan Inc. are as follows.
FY2020: 13.4 million yen, FY2021: 13.1 million yen, FY2022: 13.0 million yen, FY2023: 13.0 million yen
(There are no contributions in lobbying, interest representation or similar activities in Sompo Japan Inc..)

Training & development inputs*

Item	Unit	FY2021	FY2022	FY2023	Companies covered		
					Consolidated companies in Japan		Overseas consolidated companies
					Sompo Japan	Other group companies	
Average hours per person of training and development	Hours	5.38	9.48	5.35	●	●	
Average amount spent per person on training and development	JPY	7,591	20,088	28,098	●	●	

*Data cover amounts for Sompo Japan and Himawari Life for FY2021, and for Sompo Holdings, Sompo Japan, and Himawari Life for FY2022, 2023.

Average annual compensation of employees (by position)

Employee compensation is determined in accordance with role-based ranks which reflect the role and responsibility of each employee. Ranking system is structured so employees will be promoted based on their roles, responsibilities and how much they have contributed to the Group's performance.

The main reasons for the difference in compensation between men and women are the difference in the number of men and women who could be transferred nationwide, the type of occupation, the number of managers, and the number of employees who work shorter hours, etc. If employee's classification, type of occupation, duties, position, and working hours are the same, we have a wage system in which there is no difference in compensation due to gender.

Item		Unit	Female	Male	Companies covered		
					Consolidated companies in Japan		Overseas consolidated companies
					Sompo Japan	Other group companies	
Officers	base salary only	JPY	20,604,467	21,320,091	●	●	
	base salary + other cash incentives	JPY	23,213,100	27,594,007	●	●	
Managers	base salary only	JPY	5,968,163	8,461,016	●	●	
	base salary + other cash incentives	JPY	7,767,301	11,783,374	●	●	
Non-managerial positions	base salary only	JPY	3,575,906	5,193,500	●	●	

Third-party assurance

About third-party assurance

To ensure the reliability of reported numbers, Sompo Holdings has received third-party assurance from British Standards Institution (BSI) for some of the environmental and social performance data for fiscal year 2023.

The relevant data is indicated with a checkmark (✓) in Sustainability Data.

Web Assurance Statement (Environment Performance Data FY2023)
Assurance Statement (Social Performance Data FY2023)

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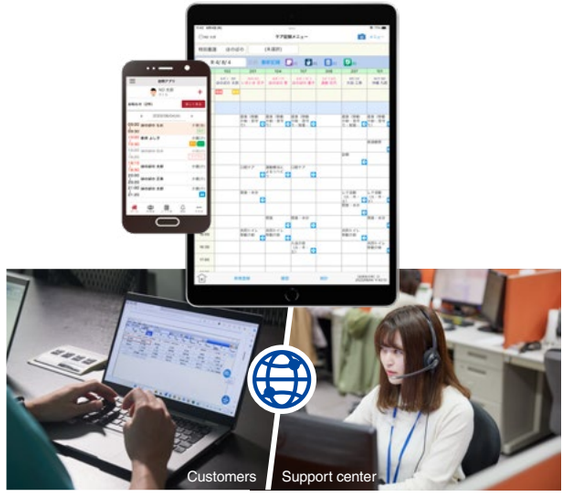
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ND Software

ND Software develops software in-house to support office management and on-site operations, with a focus on nursing care and welfare.

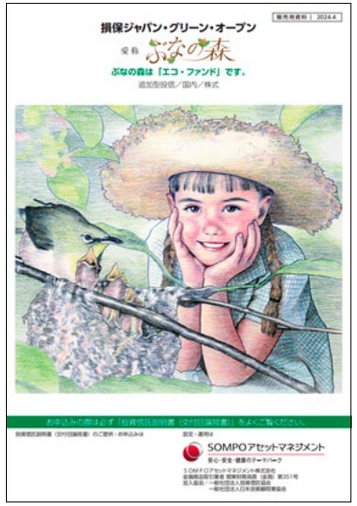
In February 2023, the company joined the SOMPO Group. It is committed to offering products and services that help support more customers. By enhancing the features and improving the quality of its product lineup, particularly the flagship product Honobono NEXT, the company aims to realize a future of health, wellbeing and financial protection. Furthermore, to help address Japan's pressing social challenges, such as a super-aging society and labor shortages in the nursing care sector, the company will integrate the SOMPO Group's operational expertise and technology as a nursing care provider with its experience in developing, deploying, and managing software for nursing care and welfare operations. This collaboration will enable the creation of new products and services that will drive DX in the nursing care industry.



Web ND Software (in Japanese)

Sompo Asset Management

In the asset management business, Sompo Asset Management has incorporated ESG considerations into its investment process since 1993, operating as a manager focused on active value management, which bases investment decisions on the assets' medium- to long-term intrinsic value. It actively promotes investment products that emphasize ESG perspectives, such as the Sompo Japan Green Open Fund ("Bunano Mori"), a trailblazer in ESG investing in Japan. Additionally, the company is committed to sharing information about its ESG and stewardship activities through impact and engagement reports.



Web Sompo Asset Management

Sompo Health Support

Sompo Health Support caters to the diverse needs of health insurance providers, offering support for various insurance services and health promotion initiatives.

It delivers outcome-focused services, ranging from health information provision to specific health guidance and serious illness prevention, by combining a nationwide network of professionals with cutting-edge digital support tools.

In corporate occupational health activities, the company offers comprehensive support for occupational health systems, including mental health services provided by psychological health professionals, through a network of occupational physicians and public health nurses.

Along with offering tools like stress checks and productivity measurement, it also provides services that support health management by analyzing health data to identify health issues.



Web Sompo Health Support (in Japanese)

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SAISON AUTOMOBILE AND FIRE INSURANCE

Saison Automobile and Fire Insurance Company Limited plans to change its name to "Sompo Direct Insurance Inc." on October 1, 2024.

The main product, "Otona no Jidosha Hoken" was recognized for services, including "ALSOK Accident Scene Support," with the number of active policies surpassing 1.4 million in March 2024. Its goal is to make insurance, often seen as complex, easier to understand, more straightforward, and more reasonably priced, directly connecting with all adults seeking peace of mind, being accessible in their everyday lives and unexpected situations.

Web SAISON AUTOMOBILE AND FIRE INSURANCE (in Japanese)

Sompo Japan DC Securities

Sompo Japan DC Securities (SJDC) is one of the few companies in Japan that specializes in defined contribution pension (DC), offering comprehensive end-to-end service. Our full range of English services has made SJDC the industry leader in the number of contracts with foreign-affiliated companies with DC plans. SJDC also offers comprehensive services related to individual-type DC plans (iDeCo). SJDC is committed to providing high-quality services, such as the industry's first web service that utilizes a robo-advisor in Japan.

Web Sompo Japan DC Securities

Sompo Risk Management

Sompo Risk Management specializes in management consulting, risk engineering, data-driven solution, and cybersecurity businesses. Our goal is to become an indispensable partner to local communities by offering solutions and services that address customer needs in relation to emerging social issues and risks. We aim to be a trusted partner that customers can rely on, not only during times of crisis but also in their everyday operations, by providing security, safety, and health solutions.

Web Sompo Risk Management

Mysurance

As the Sompo Group's small amount, short-term insurance provider, Mysurance collaborates with platform providers and other partners in the various industries to provide digitally driven online insurance products, including travel cancellation insurance, smartphone insurance, and renters insurance. Mysurance aims to continuously create products in quick fashion to accommodate changes in society and the environment, and to also meet emerging customer needs. Its goal is to provide customers with a comfortable and convenient experience every step of the way, from insurance enrollment to the payment of claims.

Web Mysurance (in Japanese)

Prime Assistance

To help customers lead secure, safe, and healthy lives, Prime Assistance offers superior services across the mobility, lifestyle, and global business sectors. It also strives to become a company that assists customers with a wide range of challenges by launching new businesses that address social issues and benefit local communities. Examples include Eyeco Support, a service for the visually impaired, and EV-One, a support platform for EV users.

Web Prime Assistance

Sompo Warranty

Offers repair services for household appliances, home equipment, and smartphones that have malfunctioned after the manufacturer's warranty has expired under extended warranty service terms. To meet the diverse needs of its customers, the company is committed to improving the quality of its services by expanding the range of covered products and developing a system that enhances customer convenience. It aims to provide innovative, top-quality extended warranty services, contributing to safety and peace of mind.

Web Sompo Warranty (in Japanese)

Sompo Japan Partners

As one of the largest insurance agencies in Japan with service bases around the country, Sompo Japan Partners provides roughly one million customers with comprehensive P&C and life insurance services to help them find health, wellbeing and financial protection. It places great importance on the opinions and thoughts of every customer, and aims to continue pleasing them as their agency of choice by fulfilling one of its main principles— the promise to its customers to reach out to them and understand how they live.

Web Sompo Japan Partners (in Japanese)

Sompo Holdings

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External Evaluation

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

Evaluation

Recognized with prestigious A score for Climate Action by CDP Sompo Holdings

Sompo Holdings has been awarded an A (the highest rating) in the 2023 CDP climate change assessment, which recognizes the company's commitment to environmental transparency in response to global institutional investor requests. This marks the seventh time it has been named to the CDP "Climate Change A List."

(February 2024)

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

Sompo Risk Management has been awarded the highest "S" rating for 11 consecutive years in the Registered Verification Agency in the Tokyo Cap-and-Trade Program. Of the 21 registered and certified institutions currently registered with the Tokyo Metropolitan Government, only five have received an "S" rating. Sompo Risk Management is the only registered and certified institution to have received an "S" rating for 11 consecutive years since the rating system was launched in 2013.

(September 2023)

Regarding the certification of "Information Technology Federation of Japan (IT-renmei) Cyber Index Enterprise Survey 2023" Sompo Holdings

In December 2023, Sompo Holdings was awarded a one-star rating as an outstanding company in the Information Technology Federation of Japan (IT-renmei)'s survey on corporate cybersecurity initiatives and information disclosure.

Sompo Holdings, Inc. was highly commended for its proactive disclosure of information on cyber security in annual securities reports and other documents, active dissemination of information at external seminars, implementation of comprehensive and cross-sectional cyber security measures across the SOMPO Group, and establishment of specialized security bases overseas.

Web Information Technology Federation of Japan (IT-renmei)

(December 2023)

Certified as a 2024 Health & Productivity Management Outstanding Organization in the Large Enterprise Category (White 500) Sompo Holdings

For the eighth consecutive year, we have been selected as one of the 2024 Health & Productivity Management Outstanding Organizations*1, 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).

We will continue to collaborate with health insurance associations to communicate the ongoing benefits of our initiatives both internally and externally. By continuously verifying and reviewing our efforts, we aim to further promote health management across our group companies and client companies.

[Certified Group Companies]

■ Health & Productivity Management Outstanding Organization (White 500)
- Sompo Holdings, Inc. (eight consecutive years)
- Sompo Japan Insurance Inc. (eight consecutive years)
- Sompo Himawari Life Insurance Inc. (eight consecutive years)*2
- Sompo Health Support Inc. (eight consecutive years)
- Prime Assistance Inc. (six consecutive years)
- Sompo Japan Partners Inc. (five consecutive years)
- Sompo Corporate Services Inc. (four consecutive years)
- Sompo Systems, Inc. (second time)

■ Health & Productivity Management Outstanding Organizations (Large Enterprise Category)
- Sompo Risk Management Inc. (eight consecutive years)
- Sompo Business Services, Inc. (eight consecutive years)
- Sompo Communications Inc. (six consecutive years)
- SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (five consecutive years)
- Sompo Care, Inc. (three consecutive years)

■ Health & Productivity Management Outstanding Organization in the Small and Medium-sized Enterprise Category (Bright 500)
- Sompo Japan Career Bureau, Inc. (first time)*3

■ Health & Productivity Management Outstanding Organizations (Small and Medium-sized Enterprise Category)
- Sompo Asset Management Co., Ltd. (five consecutive years)
- Sompo Japan DC Securities Inc. (four consecutive years)
- Sompo Business Solutions Inc. (four consecutive years)
- Sompo Commercial Line Claims Support Inc. (four consecutive years)
- Sompo Credit Inc. (four consecutive years)
- Sompo Warranty Inc. (four consecutive years)
- Sompo Challenged Inc. (three consecutive years)

*1 "Health and productivity management" is a registered trademark of the Workshop for the Management of Health on Company and Employee.
*2 4th place out of 2,466 companies in the overall evaluation, 1st place in the industry (ranking among companies that agreed to disclose evaluation results)
*3 Sixth time when counted with White 500 certification

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Inclusion in ESG Indices

The Sompo Holdings is included in the following ESG Related Indices (as of August 1, 2024).

Dow Jones Sustainability Indices*1

Sompo Holdings

Dow Jones Sustainability Indices (DJSI) is a stock index developed by S&P Dow Jones Indices, Inc. in the U.S. It is a leading global ESG index that evaluates corporate sustainability from three aspects: economic, environmental, and social, and selects companies that are making progressive efforts. We have been selected for inclusion in DJSI Asia Pacific, which covers the Asia-Pacific region, since 2020.

*1 We had selected for inclusion in DJSI World for a total of 21 times until 2021, since Sompo Japan Insurance Inc. was first included in 2000.

FTSE4Good Index Series*2

Sompo Holdings

The FTSE4Good Index Series, created by the global index provider FTSE Russell, is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

FTSE Blossom Japan Index*2

Sompo Holdings

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

FTSE Blossom Japan Sector Relative Index*2

Sompo Holdings

The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

*2 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Sompo Holdings has been independently assessed according to the criteria of the FTSE4Good Index Series, FTSE Blossom Japan Index, and FTSE Blossom Japan Sector Relative Index, and has satisfied the requirements to become a constituent of these indices. These indices, created by the global index provider FTSE Russell, are designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. They are used by a wide variety of market participants to create and assess responsible investment funds and other products.

S&P/JPX Carbon Efficient Index

Sompo Holdings

S&P/JPX Carbon Efficient Index is an index jointly developed by the U.S. S&P Dow Jones Indices LLC and the Japan Exchange Group that weights constituent stocks by focusing on the status of disclosure of environmental information and the level of carbon efficiency (carbon emissions per unit sales) within TOPIX, a representative stock index reflecting the trend of the Japanese market.

iSTOXX MUTB Japan Platinum Career 150 Index

Sompo Holdings

This ESG index, which focuses on human capital, was jointly developed by Mitsubishi UFJ Trust and Banking Corporation and STOXX, an index provider under Deutsche Börse. It comprises 150 Japanese companies that are actively engaged in career development for their employees.

MSCI ESG Leaders Indexes*3

Sompo Holdings

MSCI ESG Leaders Indexes comprise companies from various industries that have earned high evaluations in relation to the environment, society, and governance.

MSCI Japan ESG Select Leaders Index*3

Sompo Holdings

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

MSCI Nihonkabu ESG Select Leaders Index*3

Sompo Holdings

MSCI Nihonkabu ESG Select Leaders Index, which is based on the MSCI Japan IMI Index, is a selection of companies in each industry that have high ESG ratings.

MSCI Japan Empowering Women Index (WIN)*3

Sompo Holdings

MSCI Japan Empowering Women Index (WIN) is designed to select companies with high evaluation in gender diversity from among the MSCI Japan IMI Top 700 Index.

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

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Comparative Table of Stakeholder Capitalism Metrics

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

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

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

Principle of Governance

Theme	Core metrics and disclosures	Page References
Governing purpose	Setting purpose The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	Group Corporate Philosophy
Quality of governing body	Governance body composition Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	Corporate Governance Management System ESG Data (Governance Data)
Stakeholder engagement	Material issues impacting stakeholders A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	Stakeholder Engagement Key Issues for Realizing SOMPO's Purpose Building ESG Considerations Into Our Operations
Ethical behavior	Anti-corruption 1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	Compliance System Overview of the Status of Internal Control System Whistle-blowing and Consultation System
	Protected ethics advice and reporting mechanisms A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organizational integrity; and 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.	Overview of the Status of Internal Control System Stakeholder Engagement Building ESG Considerations Into Our Operations
Risk and opportunity oversight	Integrating risk and opportunity into business process Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	Response to TCFD and TNFD Key Issues for Realizing SOMPO's Purpose

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Theme	Expanded metrics and disclosures	Page References
Governing purpose	**Purpose-led management** How the company's stated purpose is embedded in company strategies, policies and goals.	Key Issues for Realizing SOMPO's Purpose
Quality of governing body	**Progress against strategic milestones** Disclosure of the material strategic economic, environmental and social milestones expected to be achieved in the following year, such milestones achieved from the previous year, and how those milestones are expected to or have contributed to long-term value.	Key Issues for Realizing SOMPO's Purpose
	Remuneration 1. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental and social topics, as connected to the company's stated purpose, strategy and long-term value. 2. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: • Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses and deferred or vested shares • Sign-on bonuses or recruitment incentive payments • Termination payments • Clawbacks • Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives and all other employees	ESG Data (Governance Data) Remuneration, etc., for Officers
Risk and opportunity oversight	**Economic, environmental and social topics in capital allocation framework** How the highest governance body considers economic, environmental and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments	Corporate Governance Policy Management Structure of Corporate Governance Business and other risks Management System Key Issues for Realizing SOMPO's Purpose

Planet

Theme	Core metrics and disclosures	Page References
Climate change	**Greenhouse gas (GHG) emissions** For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO_2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	ESG Data (Environmental Performance Data)
	TCFD implementation Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	Response to TCFD and TNFD
Nature loss	**Land use and ecological sensitivity** Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	Information unavailable. Will collect/ analyze information and work toward its disclosure.
Freshwater availability	**Water consumption and withdrawal in water-stressed areas** Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	ESG Data (Environmental Performance Data)

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Theme	Expanded metrics and disclosures	Page References
Climate change	Paris-aligned GHG emissions targets Define and report progress against time-bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. This should include defining a date before 2050 by which you will achieve net-zero greenhouse gas emissions, and interim reduction targets based on the methodologies provided by the Science Based Targets initiative, if applicable. If an alternative approach is taken, disclose the methodology used to calculate the targets and the basis on which they deliver on the goals of the Paris Agreement.	Response to TCFD and TNFD SOMPO Climate Action
	Impact of GHG emissions Report wherever material along the value chain (GHG Protocol Scope 1, 2 & 3) the valued impact of greenhouse gas emissions. Disclose the estimate of the societal cost of carbon used and the source or basis for this estimate.	ESG Data (Reporting of Greenhouse Gas (GHG))
People		
Theme	Core metrics and disclosures	Page References
Dignity and equality	Diversity and inclusion Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	Key Initiatives (Employees - DEI (Diversity, Equity & Inclusion)) ESG Data (Social Performance Data)
	Pay equality Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	ESG Data (Social Performance Data)
	Wage level 1. Ratios of standard entry level wage by gender compared to local minimum wage. 2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	ESG Data (Social Performance Data)
	Risk for incidents of child, forced or compulsory labour An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	Key Initiatives (Employees - Human Rights)
Health and well-being	Health and safety 1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	ESG Data (Social Performance Data) Key Initiatives (Employees - Wellness Management)
Skills for the future	Training provided Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	ESG Data (Training & Development Inputs)

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

Prosperity

Theme	Core metrics and disclosures	Page References
Employment and wealth generation	**Absolute number and rate of employment** Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	ESG Data (Social Performance Data)
	Economic contribution 1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: • Revenues • Operating costs • Employee wages and benefits • Payments to providers of capital • Payments to government • Community investment 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	Investor Materials ESG Data (Social Performance Data)
	Financial investment contribution Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	FY14 Securities report/confirmation/internal control report, P140-144 (Japanese only)

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Innovation of better products and services	Total R&D expenses Total costs related to research and development.	Information unavailable.
Community and social vitality	Total tax paid The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	Investor Materials
Theme	Expanded metrics and disclosures	Page References
Employment and wealth generation	Infrastructure investments and services supported Qualitative disclosure to describe the below components: 1. Extent of development of significant infrastructure investments and services supported. 2. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. 3. Whether these investments and services are commercial, in-kind or pro bono engagements.	Response to TCFD and TNFD Key Initiatives (Stockholders / Investors - Our Response to the Stewardship Code) Key Initiatives (Communities - Socially Beneficial Activity by Our Employees) Key Initiatives (Communities - Support for Areas Affected by Major Disasters)
	Significant indirect economic impacts 1. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. 2. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities (e.g. national and international standards, protocols, policy agendas).	Key Issues for Realizing SOMPO's Purpose Key Initiatives (Customers)
Innovation of better products and services	Social value generated Percentage of revenue from products and services designed to deliver specific social benefits or to address specific sustainability challenges.	Information unavailable.
Community and social vitality	Total Social Investment Total Social Investment (TSI) sums up a company's resources used for "S" in ESG efforts defined by CECP Valuation Guidance.	ESG Data (·Amount of Contributions to Initiatives in FY2023)
	Total tax paid by country for significant locations Total tax paid and, if reported, additional tax remitted, by country for significant locations.	Key Initiatives (Stockholders / Investors - Our Response to the Stewardship Code)

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GRI Standard Content Index

The statement of use; Sompo Group has reported in accordance with the GRI Standards for the period from 1 April 2023 to 31 March 2024.
*It also covers some activities after April 2024.

The title of GRI 1 used; GRI 1: Foundation 2021

General Disclosures 2021

Disclosures No.	Requirements	Page References (or Reasons for Omission)
The organization and its reporting practices		
2-1	a. report its legal name; b. report its nature of ownership and legal form; c. report the location of its headquarters; d. report its countries of operation.	Web Corporate Profile Web Overseas Insurance
2-2	a. list all its entities included in its sustainability reporting; b. if the organization has audited consolidated financial statements or financial information filed on public record, specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting; c. if the organization consists of multiple entities, explain the approach used for consolidating the information, including: i. whether the approach involves adjustments to information for minority interests; ii. how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities; iii. whether and how the approach differs across the disclosures in this Standard and across material topics.	Web Group Businesses Web FY14 Securities report/confirmation/internal control report, P7 Business (Japanese only) (PDF/8,121KB) Web Overview of Sustainability Communications and Policy
2-3	a. specify the reporting period for, and the frequency of, its sustainability reporting; b. specify the reporting period for its financial reporting and, if it does not align with the period for its sustainability reporting, explain the reason for this; c. report the publication date of the report or reported information; d. specify the contact point for questions about the report or reported information.	Web Overview of Sustainability Communications and Policy Web Sustainability Reports
2-4	a. report restatements of information made from previous reporting periods and explain: i. the reasons for the restatements; ii. the effect of the restatements.	Not applicable.
2-5	a. describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved; b. if the organization's sustainability reporting has been externally assured: i. provide a link or reference to the external assurance report(s) or assurance statement(s); ii. describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; iii. describe the relationship between the organization and the assurance provider.	Have received third-party assurance on some quantitative social and environmental data. Web Third-Party Assurance

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Activities and workers		
2-6	a. report the sector(s) in which it is active; b. describe its value chain, including: i. the organization's activities, products, services, and markets served; ii. the organization's supply chain; iii. the entities downstream from the organization and their activities; c. report other relevant business relationships; d. describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared to the previous reporting period.	Web Group Businesses Web Corporate Profile Web Financial Highlights Web Value Chain Web FY14 Securities report/confirmation/internal control report (Japanese only) (PDF/8,121KB)
2-7	a. report the total number of employees, and a breakdown of this total by gender and by region; b. report the total number of: i. permanent employees, and a breakdown by gender and by region; ii. temporary employees, and a breakdown by gender and by region; iii. non-guaranteed hours employees, and a breakdown by gender and by region; iv. full-time employees, and a breakdown by gender and by region; v. part-time employees, and a breakdown by gender and by region; c. describe the methodologies and assumptions used to compile the data, including whether the numbers are reported: i. in head count, full-time equivalent (FTE), or using another methodology; ii. at the end of the reporting period, as an average across the reporting period, or using another methodology; d. report contextual information necessary to understand the data reported under 2-7-a and 2-7-b; e. describe significant fluctuations in the number of employees during the reporting period and between reporting periods.	Web Corporate Profile Web ESG Data (Group Employee Data)
2-8	a. report the total number of workers who are not employees and whose work is controlled by the organization and describe: i. the most common types of worker and their contractual relationship with the organization; ii. the type of work they perform; b. describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is reported: i. in head count, full-time equivalent (FTE), or using another methodology; ii. at the end of the reporting period, as an average across the reporting period, or using another methodology; c. describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods.	Web ESG Data (Group Employee Data)
Governance		
2-9	a. describe its governance structure, including committees of the highest governance body; b. list the committees of the highest governance body that are responsible for decisionmaking on and overseeing the management of the organization's impacts on the economy, environment, and people; c. describe the composition of the highest governance body and its committees by: i. executive and non-executive members; ii. independence; iii. tenure of members on the governance body; iv. number of other significant positions and commitments held by each member, and the nature of the commitments; v. gender; vi. under-represented social groups; vii. competencies relevant to the impacts of the organization; viii. stakeholder representation.	Web Management System Web Corporate Governance Web Corporate Governance Report Web ESG Data (Governance Data)
2-10	a. describe the nomination and selection processes for the highest governance body and its committees; b. describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration: i. views of stakeholders (including shareholders); ii. diversity; iii. independence; iv. competencies relevant to the impacts of the organization.	Web Management System Web Corporate Governance Web Corporate Governance Report

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2-11	a. report whether the chair of the highest governance body is also a senior executive in the organization; b. if the chair is also a senior executive, explain their function within the organization's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated.	Web Management System Web Corporate Governance Web Corporate Governance Report
2-12	a. describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development; b. describe the role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people, including: i. whether and how the highest governance body engages with stakeholders to support these processes; ii. how the highest governance body considers the outcomes of these processes; c. describe the role of the highest governance body in reviewing the effectiveness of the organization's processes as described in 2-12-b, and report the frequency of this review.	Web Building ESG Considerations Into Our Operations Web Management System Web Corporate Governance Web Corporate Governance Report
2-13	a. describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people, including: i. whether it has appointed any senior executives with responsibility for the management of impacts; ii. whether it has delegated responsibility for the management of impacts to other employees; b. describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people.	Web Management System
2-14	a. report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization's material topics, and if so, describe the process for reviewing and approving the information; b. if the highest governance body is not responsible for reviewing and approving the reported information, including the organization's material topics, explain the reason for this.	Web Management System
2-15	a. describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated; b. report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: i. cross-board membership; ii. cross-shareholding with suppliers and other stakeholders; iii. existence of controlling shareholders; iv. related parties, their relationships, transactions, and outstanding balances.	Web Management System Web Corporate Governance Web Corporate Governance Report
2-16	a. describe whether and how critical concerns are communicated to the highest governance body; b. report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.	Web Management System Web Corporate Governance Web Corporate Governance Report
2-17	a. report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.	Web Management System
2-18	a. describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people; b. report whether the evaluations are independent or not, and the frequency of the evaluations; c. describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices.	Web Corporate Governance Web Corporate Governance Report
2-19	a. describe the remuneration policies for members of the highest governance body and senior executives, including: i. fixed pay and variable pay; ii. sign-on bonuses or recruitment incentive payments; iii. termination payments; iv. clawbacks; v. retirement benefits; b. describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.	Web ESG Data (Governance Data) Web Corporate Governance Web Corporate Governance Report

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2-20	a. describe the process for designing its remuneration policies and for determining remuneration, including: i. whether independent highest governance body members or an independent remuneration committee oversees the process for determining remuneration; ii. how the views of stakeholders (including shareholders) regarding remuneration are sought and taken into consideration; iii. whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organization, its highest governance body and senior executives; b. report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable.	Web ESG Data (Governance Data) Web Corporate Governance Web Corporate Governance Report
2-21	a. report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual); b. report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual); c. report contextual information necessary to understand the data and how the data has been compiled.	Web ESG Data (Governance Data) Web FY14 Securities report/confirmation/internal control report (Japanese only) (PDF/8,121KB)
Strategy, policies and practices		
2-22	a. report a statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development.	Web Top Commitment
2-23	a. describe its policy commitments for responsible business conduct, including: i. the authoritative intergovernmental instruments that the commitments reference; ii. whether the commitments stipulate conducting due diligence; iii. whether the commitments stipulate applying the precautionary principle; iv. whether the commitments stipulate respecting human rights; b. describe its specific policy commitment to respect human rights, including: i. the internationally recognized human rights that the commitment covers; ii. the categories of stakeholders, including at-risk or vulnerable groups, that the organization gives particular attention to in the commitment; c. provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this; d. report the level at which each of the policy commitments was approved within the organization, including whether this is the most senior level; e. report the extent to which the policy commitments apply to the organization's activities and to its business relationships; f. describe how the policy commitments are communicated to workers, business partners, and other relevant parties.	Web Top Commitment Web Response to TCFD and TNFD Web Management System Web Participation in Sustainability Initiatives Web SOMPO Climate Action Web Enterprise Risk Management (ERM) Web Sustainability Vision and Policy Web Human Rights
2-24	a. describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including: i. how it allocates responsibility to implement the commitments across different levels within the organization; ii. how it integrates the commitments into organizational strategies, operational policies, and operational procedures; iii. how it implements its commitments with and through its business relationships; iv. training that the organization provides on implementing the commitments.	Web Human Rights Web DEI (Diversity, Equity & Inclusion) Web Compliance System Web ESG Data (Governance Data)
2-25	a. describe its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to; b. describe its approach to identify and address grievances, including the grievance mechanisms that the organization has established or participates in; c. describe other processes by which the organization provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to; d. describe how the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms; e. describe how the organization tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback.	Web Sustainability Vision and Policy Web Human Rights Web Whistle-blowing and Consultation System

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2-26	a. describe the mechanisms for individuals to: i. seek advice on implementing the organization's policies and practices for responsible business conduct; ii. raise concerns about the organization's business conduct.	Web Stakeholder Engagement Web Building ESG Considerations Into Our Operations Web Overview of the Status of Internal Control System
2-27	a. report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by: i. instances for which fines were incurred; ii. instances for which non-monetary sanctions were incurred; b. report the total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by: i. fines for instances of non-compliance with laws and regulations that occurred in the current reporting period; ii. fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods; c. describe the significant instances of non-compliance; d. describe how it has determined significant instances of non-compliance.	Web ESG Data (Governance Data)
2-28	a. report industry associations, other membership associations, and national or international advocacy organizations in which it participates in a significant role.	Web Participation in Sustainability Initiatives
Stakeholder engagement		
2-29	a. describe its approach to engaging with stakeholders, including: i. the categories of stakeholders it engages with, and how they are identified; ii. the purpose of the stakeholder engagement; iii. how the organization seeks to ensure meaningful engagement with stakeholders.	Web Stakeholder Engagement Web ESG Data (Governance Data) Web ESG Investment Through Our Asset Management Business Web Case Studies – Stockholders, Investors, Companies we invest in: Initiatives to Promote Uptake and Expansion of ESG Funds Web Building ESG Considerations Into Our Operations
2-30	a. report the percentage of total employees covered by collective bargaining agreements; b. for employees not covered by collective bargaining agreements, report whether the organization determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organizations.	Web ESG Data (Social Performance Data)

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Material Topics 2021

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Material Topics		
3-1	a. describe the process it has followed to determine its material topics, including: i. how it has identified actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, across its activities and business relationships; ii. how it has prioritized the impacts for reporting based on their significance; b. specify the stakeholders and experts whose views have informed the process of determining its material topics.	Web Key Issues for Realizing SOMPO's Purpose Web Response to TCFD and TNFD Web Human Rights
3-2	a. list its material topics; b. report changes to the list of material topics compared to the previous reporting period.	Web Key Issues for Realizing SOMPO's Purpose
3-3	a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures; f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	Web Top Commitment Web Management System Web Participation in Sustainability Initiatives Web Response to TCFD and TNFD Web SOMPO Climate Action Web Enterprise Risk Management (ERM) Web Human Rights

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Economic

Disclosures No.	Requirements	Page References (or Reasons for Omission)
Economic Performance 2016		
201-1	a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components: i. Direct economic value generated: revenues; ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments; iii. Economic value retained: "direct economic value generated" less "economic value distributed." b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.	Web Financial Highlights Web Investor Materials Web ESG Data (Social Performance Data) Web FY14 Securities report/confirmation/internal control report (Japanese only) (PDF/8,121KB)
201-2	a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including: i. a description of the risk or opportunity and its classification as either physical, regulatory, or other; ii. a description of the impact associated with the risk or opportunity; iii. the financial implications of the risk or opportunity before action is taken; iv. the methods used to manage the risk or opportunity; v. the costs of actions taken to manage the risk or opportunity.	Web Response to TCFD and TNFD Web Case Studies – Group CSR Procurement Policy and Initiatives to Reduce Paper Usage Web Case Studies – Agencies: Cooperating with Insurance Agencies Nationwide to Reduce Environmental Burden Web Third-Party Assurance Web Building ESG Considerations Into Our Operations Web SOMPO Climate Action
201-3	a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities. b. If a separate fund exists to pay the plan's pension liabilities: i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them; ii. the basis on which that estimate has been arrived at; iii. when that estimate was made. c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage. d. Percentage of salary contributed by employee or employer. e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.	Web FY14 Securities report/confirmation/internal control report (Japanese only) (PDF/8,121KB)
201-4	a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including: i. tax relief and tax credits; ii. subsidies; iii. investment grants, research and development grants, and other relevant types of grant; iv. awards; v. royalty holidays; vi. financial assistance from Export Credit Agencies (ECAs); vii. financial incentives; viii. other financial benefits received or receivable from any government for any operation. b. The information in 201-4-a by country. c. Whether, and the extent to which, any government is present in the shareholding structure.	Not applicable.

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Indirect Economic impacts 2016		
203-1	a. Extent of development of significant infrastructure investments and services supported. b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. c. Whether these investments and services are commercial, in-kind, or pro bono engagements.	Web ESG Data (Social Performance Data) Web Key Initiatives (Civil society groups) Web Key Initiatives (Communities)
203-2	a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.	Web ESG Data (Social Performance Data) Web Key Initiatives (Civil society groups) Web Key Initiatives (Communities)
Anti-corruption 2016		
205-1	a. Total number and percentage of operations assessed for risks related to corruption. b. Significant risks related to corruption identified through the risk assessment.	Information unavailable. Will collect/ analyze information and work toward its disclosure.
205-2	a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region. b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region. c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations. d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.	Web ESG Data (Governance Data)
205-3	a. Total number and nature of confirmed incidents of corruption. b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption. c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	Information unavailable. Will collect/ analyze information and work toward its disclosure.

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Environmental

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Materials 2016		
301-1	a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by: i. non-renewable materials used; ii. renewable materials used.	Web ESG Data (Environmental Performance Data)
301-2	a. Percentage of recycled input materials used to manufacture the organization's primary products and services.	Web ESG Data (Environmental Performance Data)
301-3	a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected.	Web ESG Data (Environmental Performance Data)
Energy 2016		
302-1	a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used.	Web ESG Data (Environmental Performance Data)
302-2	a. Energy consumption outside of the organization, in joules or multiples. b. Standards, methodologies, assumptions, and/or calculation tools used. c. Source of the conversion factors used.	Web ESG Data (Environmental Performance Data)
302-3	a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both.	Web ESG Data (Environmental Performance Data)
302-4	a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all. c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. d. Standards, methodologies, assumptions, and/or calculation tools used.	Web ESG Data (Environmental Performance Data)
302-5	a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples. b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. c. Standards, methodologies, assumptions, and/or calculation tools used.	Web ESG Data (Environmental Performance Data)

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Biodiversity 2016		
304-1	a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information: i. Geographic location; ii. Subsurface and underground land that may be owned, leased, or managed by the organization; iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas; iv. Type of operation (office, manufacturing or production, or extractive); v. Size of operational site in km^2 (or another unit, if appropriate); vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem); vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).	Web Response to TCFD and TNFD
304-2	a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following: i. Construction or use of manufacturing plants, mines, and transport infrastructure; ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources); iii. Introduction of invasive species, pests, and pathogens; iv. Reduction of species; v. Habitat conversion; vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level). b. Significant direct and indirect positive and negative impacts with reference to the following: i. Species affected; ii. Extent of areas impacted; iii. Duration of impacts; iv. Reversibility or irreversibility of the impacts.	Web Response to TCFD and TNFD Web Biodiversity
304-3	a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals. b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures. c. Status of each area based on its condition at the close of the reporting period. d. Standards, methodologies, and assumptions used.	Web Response to TCFD and TNFD Web Biodiversity
304-4	a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk: i. Critically endangered ii. Endangered iii. Vulnerable iv. Near threatened v. Least concern	Not applicable.

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Emissions 2016		
305-1	a. Gross direct (Scope 1) GHG emissions in metric tons of CO_2 equivalent. b. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all. c. Biogenic CO_2 emissions in metric tons of CO_2 equivalent. d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used.	Web ESG Data (Environmental Performance Data) Web Third-Party Assurance
305-2	a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent. b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent. c. If available, the gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all. d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used.	Web ESG Data (Environmental Performance Data) Web Third-Party Assurance
305-3	a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO_2 equivalent. b. If available, the gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all. c. Biogenic CO_2 emissions in metric tons of CO_2 equivalent. d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation. e. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. g. Standards, methodologies, assumptions, and/or calculation tools used.	Web ESG Data (Environmental Performance Data) Web Third-Party Assurance
305-4	a. GHG emissions intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). d. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all.	Web ESG Data (Environmental Performance Data)
305-5	a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO_2 equivalent. b. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all. c. Base year or baseline, including the rationale for choosing it. d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). e. Standards, methodologies, assumptions, and/or calculation tools used.	Web ESG Data (Environmental Performance Data) Web Third-Party Assurance

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305-6	a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent. b. Substances included in the calculation. c. Source of the emission factors used. d. Standards, methodologies, assumptions, and/or calculation tools used.	Not applicable.
305-7	a. Significant air emissions, in kilograms or multiples, for each of the following: i. NOx ii. SOx iii. Persistent organic pollutants (POP) iv. Volatile organic compounds (VOC) v. Hazardous air pollutants (HAP) vi. Particulate matter (PM) vii. Other standard categories of air emissions identified in relevant regulations b. Source of the emission factors used. c. Standards, methodologies, assumptions, and/or calculation tools used.	Not applicable.

Social

Disclosures No.	Requirements	Page References (or Reasons for Omission)
Training and Education 2016		
404-1	a. Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender; ii. employee category.	Web ESG Data (Social Performance Data)
404-2	a. Type and scope of programs implemented and assistance provided to upgrade employee skills. b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	Web Case Studies – Employees: Talent Development
404-3	a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	Web Case Studies – Employees: Talent Development
Diversity and Equal Opportunity 2016		
405-1	a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	Web ESG Data (Social Performance Data)
405-2	a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation. b. The definition used for "significant locations of operation."	Web FY14 Securities report/confirmation/internal control report (Japanese only) (PDF/8,121KB) Web ESG Data (Social Performance Data)

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Local Communities 2016		
413-1	a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of: i. social impact assessments, including gender impact assessments, based on participatory processes; ii. environmental impact assessments and ongoing monitoring; iii. public disclosure of results of environmental and social impact assessments; iv. local community development programs based on local communities' needs; v. stakeholder engagement plans based on stakeholder mapping; vi. broad based local community consultation committees and processes that include vulnerable groups; vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; viii. formal local community grievance processes.	Web Key Initiatives (Civil society groups) Web Key Initiatives (Communities)
413-2	a. Operations with significant actual and potential negative impacts on local communities, including: i. the location of the operations; ii. the significant actual and potential negative impacts of operations.	Not applicable.
Customer Privacy 2016		
418-1	a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by: i. complaints received from outside parties and substantiated by the organization; ii. complaints from regulatory bodies. b. Total number of identified leaks, thefts, or losses of customer data. c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.	Web ESG Data (Governance Data)

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Hideto Kawakita

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

IIHOE: An NPO established in 1994 "for the democratic and balanced development of all life on earth." While its main focus is providing management support to community-based organizations and social workers, IIHOE also offers extensive CSR support to major corporations.
https://blog.canpan.info/iihoe/
(in Japanese)

This third-party opinion is based on the information available in the CSR and sustainability section of the Sompo Holdings website, the Integrated Annual Report released in August 2024, and with reference to interviews with personnel from Sompo Holdings and Sompo Japan Insurance's quality management, culture change, compliance, human resources, administration, and CSR/sustainability departments. It concerns activities undertaken through fiscal year 2023 and those ongoing in fiscal year 2024 (up to late July 2024).

The Group has continued to implement CSR and sustainability initiatives with a pioneering spirit primarily by participating in global initiatives and establishing policies and systems geared towards addressing medium- and long-term material issues. On the other hand, however, it must be pointed out that the corporate culture of respecting customers and social norms, especially in the Domestic P&C Insurance Business, is being undermined by the string of misconducts that came to light recently, suggesting that the Group's governance is not functioning effectively.

Moving forward, I have high expectations for the Group to return to its roots and reassess and reshare the principles and values outlined in its purpose, and to rebuild its organizational culture to ensure that all decisions are made with a customer-centric approach. I also hope to see the Group revamp its governance structure, particularly by replacing ineffective outside directors. Considering Japan's demographics and makeup of households, including the shrinking family size and the sharp increase in the population over 85, the Group must establish long-term sustainability both in its businesses and in its contributions to society. This can be achieved by flexibly implementing initiatives that improve services and enhance customer value in existing businesses. By doing so, it can aim to become the world's most consultative and customer value-driven insurance company, so expanding upon its partnerships with various stakeholders outside the Group will be key to achieving this goal.

Special comments on data management and optimization of customer value (on domestic insurance business)

At the core of the recent series of misconducts, there was a tendency to prioritize the Group's own interests. At the same time, there is no denying that there was also consideration for customer convenience, whereby the Group sought to minimize the administrative burden of insurance renewals for both the car dealerships, which serve as domestic P&C insurance agencies, and their customers, who are both car buyers and insurance policyholders.

Of course, it should not be denied that reducing the burdens on customer, improving convenience, and creating new value can lead to company profits. And considering the further evolution of ICT, AI, and other forms of digital technology, and the fact that about 50% of people over 80 years old have dementia or mild cognitive impairment (according to a study by the Ministry of Health, Labour and Welfare), with around 10% of all households by the mid-2030s expected to be individuals over the age of 80 living by themselves, the necessity and importance of utilizing customer data (including data from both corporate clients such as agencies and their individual and corporate customers) will only increase further up ahead. In fact, without the effective use of data, the Group's own sustainability may even be at risk.

As such, I strongly expect the Group to reassess how it manages not only transactional data but also a wide range of customer data, including attributes and life records, from a customer-oriented perspective. This should also lead to the appointment of a Chief Customer Value Officer in charge of establishing and executing a business model that suitably protects customer safety and benefits, while also generating profits for the Group. In addition, I expect to see the drafting of an agreement on the handling of shared personal information for dealership agencies that offer insurance alongside the sale of cars or homes. There should also be efforts to provide information tailored to life stages from the moment of enrolling in life insurance, bicycle insurance, and other products. Also, considering the demographic shifts in Japan, customer services in anticipation of various issues should be provided, such as the use of easy-to-understand Japanese for the growing number of foreigners in the country and people with dementia. With these initiatives, I look forward to seeing SOMPO become the world's leading insurance group in terms of preventive consultation capabilities and in delivering exceptional value to customers.

Initiatives progressing well but requiring further effort

On the topic of improving the quality of customer service, an officer has been appointed to achieve a level of trust and quality that exceeds expectations, including in the area of insurance payouts. While I do applaud this measure, going forward, as I mentioned in the special comments above, single-person households over the age of 80 will account for 10% of all households by the mid-2030s, and the growing proportion of households headed by elderly individuals, people with disabilities, and foreign nationals will necessitate

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the development of services and measures that cater to the diversity of customers. For example, the use of Plain Japanese and measures to encourage the gradual adoption of smartphone apps. Furthermore, it is expected that the knowledge gained will not only benefit value chain partners, including insurance agencies, but will also be utilized in the form of services to other companies. I also expect that the entire Group will quantitatively manage how well it protects and provides value to customers and conduct focused reviews within a set period (such as by establishing a so-called "comprehensive customer quality assessment month").

On the topic of mitigating and adapting to climate change, I commend the Group for establishing greenhouse gas (GHG) emission reduction targets in its investments and loans, responding to climate change risks and opportunities primarily by suspending the underwriting of new insurance contracts for, and investments and loans to, coal-fired power plants and coal mine developments, and by extending services to offshore wind farm operators, as well as continuing long-term programs in collaboration with civil society, such as public seminars on environmental issues and wildlife conservation activities. Going forward, I continue to strongly urge the Group to assist clients in introducing renewable energy and improving business efficiency and insulation so that its Group companies and agencies can benefit from a knock-on effect in order to reduce their GHG emissions in Japan with a view to minimizing wind and flood damage (a factor behind the increase in insurance claims in the P&C insurance business), and to expand its collaboration with business partners with a view to protecting biodiversity and other resources at the Group's paper suppliers and improving energy efficiency, including the adoption of heat insulating materials and cogeneration power systems at nursing care service centers. Also, in Japan and overseas, I would also like to see the Group support, from a financial and insurance perspective, the so-called "eco-driving campaign" and decarbonization investments. With that in mind, in order to ascertain, in concrete terms, the kind of world, customers, and Group situation it will likely encounter in the 2050s, particularly in terms of population and economy, I think the Group's TCFD and TNFD scenarios need to be quantitative and more accurate by incorporating not only the Group's own perspectives, but those of its major customers. Furthermore, I still hope to see an evolution in the Group's services by way of active collaboration with agencies, business partners, and NPOs/NGOs, which is one of the Group's major strengths, including the strengthening of services that support the formulation of sector-specific assumption scenarios.

On the topic of human rights initiatives, I commend the Group for creating a human rights risk map and identifying and addressing priority issues in line with Group Policy for Human Rights. In the future, to seriously promote human rights transformation and financing that respects human rights (and prevents infringements) in the P&C insurance sector and at business partners, I hope to see successive developments starting with industries thought to have the biggest impact regarding human rights due diligence, the avoidance of negative impacts, and services that promote and support access to remedy in the event that issues do arise. I also hope to see more opportunities for the Group's executives and employees, as well as those of agencies of domestic insurance business to receive relevant training, in light of the Group's interaction with society on multiple fronts and the fact that it may be in a dominant position in numerous settings. I would particularly like to see the Group drive the establishment of procedures for handling cases of harassment at agencies.

On the topic of maintaining and improving the health of employees and providing a supportive workplace, it is positive that more than 400 male employees have taken childcare leave and that the number of employees making use of shorter working hours, teleworking arrangements, and nursing care leave has remained steady. In the future, I strongly hope that the Group will continue to provide support to young female employees to prevent illness and manage their health in order to reduce the gender gap in the years of service to a more reasonable level. I would also like to see the Group clearly demonstrate, even tentatively, the value that a much more diverse workforce brings to the Group. On the other hand, with regard to the hiring of people with disabilities, I once again strongly expect to see medium-to-long-term measures taken, such as collaboration with other companies, including those in different industries, because the Group has yet to meet the legally mandated quota.

On the topic of the Group's governance structure, and in particular, the Board of Directors and Audit & Supervisory Board members, it is commendable that there is so much diversity in terms of gender and nationality, but it must be said that the recent string of issues indicates that both the internal and outside directors have failed to fulfill the roles expected of them. Consequently, I think a shakeup of the Group's outside directors and Audit & Supervisory Board members is needed. I hope to see the Group adopt a more hands-on approach to governance instead of focusing on the balance of the Board's makeup and perfunctory meetings and structures.

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