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Editorial Policy

Editorial policy

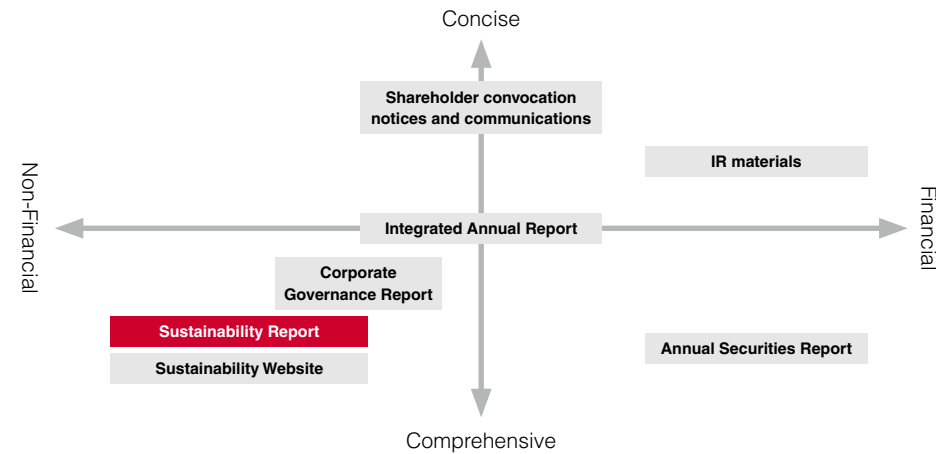
The main purpose of the Sompo Holdings Sustainability Report 2023 is to report on the efforts of the Sompo Group to achieve “Materiality,” which are priority environmental (E), social (S), and governance (G) issues, for realizing the Group’s Purpose.

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

Please see the next page for information on how to read this Report.

Overview of sustainability communication

The Sustainability Report 2023 is a comprehensive and systematic summary of the Group’s most recent sustainability information.



- Web** Reference data
- [Annual Report 2023](#)
 - [Sustainability Website](#)
 - [Investor Materials](#)
 - [Corporate Governance Report](#)
 - [Annual Securities Report](#) (in Japanese)

Reporting period

This Report relates mainly to initiatives from April 1, 2022, to March 31, 2023, but also contains some latest initiatives and policies to provide updated information.

The section “Third Party Opinion of the Sompo Group’s CSR and Sustainability Initiatives” was written based on interviews with the Company conducted up to mid-December.

Scope of this report

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

Publication period

March 2024

Referenced guidelines

- GRI Sustainability Reporting Standards
- ISO 26000: International standard on social responsibility
- SDG Compass: The guide for business action on the SDGs
- TCFD recommendations
- ISO 14064-1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- Sustainability Reporting Guidelines—SPI Report Guide, Network for Sustainability Communication
- The Ten Principles of the United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights
- Charter of Corporate Behavior and Its Implementation Guidance, Keidanren (Japanese Business Federation), the 7th version

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Disclaimer

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

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Overview of information in the Sustainability Report 2023

This report provides a comprehensive overview of the Sompo Group's sustainability initiatives, with a focus on initiatives that fall under the "Materiality Subcategory*."

*Materiality subcategories are social issues that are prioritized in order to achieve the Sompo Group's seven material issues, which are priority issues for realizing the Group's Purpose.

How each initiative is described

The details of each initiative are systematically presented under the categories **Concept and Policy**, **Structure**, and **Activity and Result**. In addition, initiatives that fall under the category "partnership with various stakeholders to achieve transformation," which can be found under all seven material issues, are labeled **Partnership**.

Furthermore, to clearly communicate what kinds of social issues we are contributing to solving, we list the SDG targets that are most closely related to our Group initiatives.

*SDG targets are listed based on the relationships indicated in the SDGs Matrix prepared by the Company (see pages 84-85 of the Integrated Annual Report 2023).

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Information presented in the Sustainability Report 2023

[P.XX](#) page where the initiative is described
(click to navigate to the page where the description begins)

The Sompo Group's sustainability initiatives

Initiatives towards the Achievement of Materiality			
Materiality	Materiality Subcategory		
Provide preparedness for all types of risk	Promoting financial inclusion and ensuring universal access to insurance	P.64	
	Contributing to a sustainable food supply	P.24	
Prevent accidents and disasters, contribute to a resilient society	Contributing to a society that is resilient against natural disasters	P.66	
	Contributing to a safe and secure next-generation mobility society	P.68	
	Improving the quality of customer services	P.80	
	Educating future generations (disaster prevention and traffic safety)	P.83	
Contribute to a greener society where the economy, society and environment are in harmony	Promoting sustainable finance (underwriting and developing insurance products, and investment and lending)	} P.17	Fulfilling governance functions P.91
	Realizing a carbon neutral society		
	Incorporating ESG into the value chain		
	Biodiversity conservation, contributing to the realization of a circular society and a society in harmony with nature		
Provide solutions for healthy and happy lives	Extending life expectancy	P.70	
	Contributing to a smart society		
Contribute to a sustainable aging society	Contributing to a sustainable social security system	P.77	
A group of talent who can change future society	Improving employee engagement	} P.41	Investing in human capital Enhancing the organization's ability to innovate
	Promoting Health and Productivity Management®, and responding appropriately to risks to human dignity and human rights		
	Promoting diversity & inclusion		
	Investing in human resources (lifelong learning and recurrent education)		
Build a platform for partnerships towards creating value	Promoting a data-driven society	P.78	

Co-creating with diverse stakeholders to achieve transformation

+ Initiatives that are unique to SOMPO Group other than the above

PDF For Materiality KPIs, please refer to [Materiality KPIs](#) (P.10-11).



Sustainability Vision and Policy

Sustainability Vision and Policy

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

Group Sustainability Vision

We, the Sompo Group will positively engage our stakeholders in forward looking dialogue, respect international standards and codes of conduct, address environmental issues of climate change, biodiversity, and social issues of human rights and "diversity and inclusion" in the course of our business operations in a transparent, fair and open manner.

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

Group Environmental Policy

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

< Action Guidelines >

- 1. Providing products and services to make a more resilient society**
We will provide products and services that increase preparedness against the risk of natural catastrophes in order to contribute to adapting to climate change, building a low carbon society, conserving biodiversity and promoting stakeholders' eco-consciousness.
- 2. Promoting resource conservation through the entire value chain**
We will assess the environmental impact of our business including the emission of waste and comply with environmental laws and regulations. We will promote resources and energy conservation as well as recycling activities throughout the entire value chain by cooperating with various stakeholders.

3. Raising awareness of environmental issues and corporate citizenship

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

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

Group Policy for Human Rights

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

1. Respecting human rights of stakeholders

We will respect human rights of all stakeholders associated with our global business activities, including customers and suppliers. We will avoid, prevent or mitigate indirect adverse impact on human rights of our stakeholders. Should there be any abuse of human rights, we will address it promptly and adequately.

2. Respecting human rights of employees

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

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

3. Promotion of human rights in global markets

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

4. Expectations for suppliers and business partners

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

5. Human rights due diligence

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

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

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

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Group Sustainable Procurement Policy

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

1. Fair and equal transactions

We will conduct fair and equal transactions with all suppliers by engaging in anti-corruption efforts and by giving full consideration to quality, delivery time, economic feasibility, and social issues such as the environment and human rights.

2. Compliance with laws and regulations

We will comply with all laws and related regulations in the countries and regions where we operate, and respect relevant social norms and their intent in our procurement practices. We will strictly manage the information obtained through our procurement activities.

3. Consideration of global issues

We will collaborate with suppliers and other stakeholders to integrate sustainability into our value chain to maximize our contribution to climate change adaptation and mitigation, biodiversity conservation, and a circular economy; to tackle human rights issues in the global market, such as poverty and unequal opportunities for workers; and to promote better work-life balance and diversity and inclusion.

Policy for ESG-related Underwriting, Investment and Loan

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

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

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

Advancing the Energy Transition

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

We promote the transition through our insurance of and investments in renewable energy and other innovative green technologies.

We will not underwrite new insurance or make new investments in or loans for new or existing coal power plants or thermal coal mine projects*¹. We also will not underwrite new insurance or make new investments in or loans for oil and gas extraction projects in the oil sands or the Arctic National Wildlife Refuge (ANWR).

We will not insure or make investments or loans to companies whose primary business is coal*², or oil and gas extraction projects in the ANWR, unless they establish a GHG reduction plan by January 2025*³.

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 recently 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 and inclusion as an important management strategy for growth, and are working to build a system and corporate culture to realize this goal.

In addition, when underwriting insurance and making investments and loans, and when entering into new partnerships with each of our business partners (brokers, reinsurers, investment

managers, lessees, vendors, etc.), we take into consideration our Group's Sustainability related vision and policies.

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

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

Corporate Citizenship Policy (Sompo Japan Insurance)

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

1. Corporate citizenship activities

We will work proactively to realize a sustainable society for future generations in collaboration with various stakeholders, including NGOs/NPOs, civil society organizations and government, by focusing on three areas: the environment, welfare and fine arts, in which we have accumulated expertise and achievements.

2. Support for individual employees' social contribution efforts

We will support and encourage employees' voluntary activities in contributing to society by developing human resources responsive to social issues.



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Group CSuO (Chief Sustainability Officer) Message



Ryoko Shimokawa

Group CSuO, Senior Vice President
and Executive Officer

First and foremost, I would like to deeply apologize to our customers, agents, shareholders, and all other stakeholders for the administrative sanctions (business improvement orders) brought against Sompo Holdings and its subsidiary, Sompo Japan Insurance, by the Financial Services Agency regarding the practice of adjusting insurance policy premiums, and against Sompo Japan Insurance and Sompo Holdings regarding fraudulent automobile insurance claims by used car dealerships that act as insurance agencies for Sompo Japan Insurance. We understand the significant inconvenience and concerns these have caused. We are treating these incidents with the utmost seriousness and, together with Sompo Japan Insurance, we will make a concerted effort to implement business improvement plans. We will double down on legal/regulatory compliance and customer protection measures and strive to regain the trust of customers and society.

To regain the trust of our stakeholders as we make progress on our business improvement plans, each and every officer and employee of the Sompo Group must proactively tackle social issues in their day-to-day work. It is imperative that we continue to press ahead without abandoning the progress we have made thus far. An unequivocal focus at the heart of our management on the sustainability of society through issues such as the increasingly serious climate change crisis and the loss of biodiversity, and respect for human rights across all walks of life, is indispensable if our company is to achieve sustainable growth. As Group Chief Sustainability officer (CSuO), I intend to thoroughly incorporate the feedback and opinions I gather through dialogue with stakeholders into the Group's management policies.

2023 was the final year of the Mid-Term Management Plan that sought to embody SOMPO's Purpose—A Theme Park for Security, Health & Wellbeing—and the third year of positioning Sustainable Development Goals (SDG) in Business Management as the business foundation of the Mid-Term Management Plan. SDGs in Business Management are key to realizing our purpose. They are the framework for creating both social and economic value through our core business, and a mechanism for putting into practice the plans for achieving the seven items of materiality. Over the past three years, each company in the Group has clarified the relationship between SOMPO's Purpose and its own mission, vision, and values, and established a process for identifying the issues and setting the goals it must address to realize SOMPO's

Purpose. By implementing the 'plan-do-check-action' or PDCA cycle based on this framework, we make step-by-step progress to achieving SOMPO's Purpose.

One issue that we have prioritized over the last three years is climate change. In May 2021 we publicly announced SOMPO Climate Action and identified issues with a view to its implementation. We have so far focused not only on reducing our own greenhouse gas (GHG) emissions and set GHG reduction targets for our investment targets in which we hold shares and corporate bonds but we have also bolstered promotion of these efforts throughout the Group.

At the same time, in order for us to address more issues in society and deliver value through the framework we have established, we will need to align it more closely with our business strategy. We will work hand in-hand with each company in the Group to clarify what kind of value propositions our customers, partners, and other stakeholders expect from the Group. However, there is no denying that every employee in the Group does not yet understand and empathize with the significance of such initiatives, and accordingly, they have yet to take action of their own accord. We will take measures to ensure that as many employees as possible identify where they can make their own contribution by finding where the My Purpose initiative, SOMPO's Purpose, and the value provided to society come together for them.

This report has been produced by aligning our policies, structures, products, and services geared towards solving social issues and fulfilling our responsibilities to society through the Group's core businesses. I hope that it clearly communicates the kinds of social issues the Group is addressing and the kinds of social value we aim to create. I certainly hope that not only customers, shareholders, investors, non-profit/non-government organisations and other external stakeholders but also Group partners like business associates and insurance agents, as well as Group employees, will take the time to read it. We will also look to utilize the feedback and opinions received from everyone to further improve the Group's initiatives going forward.

March 2024

Ryoko Shimokawa

Group Chief Sustainability Officer, Senior Vice President and Executive Officer