

SOMPO Climate Action

- Leadership on
Global Environmental Issues
- Climate Change
(Information Disclosure Based on
TCFD Recommendations)
- Biodiversity
- Encouraging People to Develop Skills
Needed for Environmental Protection

SOMPO Climate Action

Group Environmental Policy

Concept and Policy

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

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

Action Guidelines

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

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

2. Promoting resource conservation through the entire value chain

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

3. Raising awareness of environmental issues and corporate citizenship

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

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

SOMPO Climate Action

Concept and Policy

The Sompo Group has identified "contributing to the creation of a green society in which economy, society, and environment are in harmony" as a material issue. To achieve this, our Mid-Term Management Plan launched in FY2021 establishes "SOMPO Climate Action," which includes climate change adaptation and mitigation along with contributing to social transformation, as the banner under which we will pursue strategic initiatives throughout the Group.

SOMPO Climate Action

1. Adapt to climate change

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

2. Mitigate climate change

Achieve net zero group GHG emissions (by 2050)

3. Contribute to societal transformation

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

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



SOMPO's strengths

Addressing global environmental issues for 30 years ahead of our time

Management understanding/leadership since the 1992 Rio summit

Climate change adaptation measures utilizing risk management

Relationship of trust with NGOs, experts, etc., built through collaborative projects, the Group's Environment Foundation, etc.

Built "Green SOMPO" brand through product development with consideration for ESG (underwriting, green funds, etc.), and environmental education for students/citizens



Policy for SDGs in business management

A partnership platformer

A Theme Park for Security, Health & Wellbeing (Contribution to SDGs utilizing real data, etc.)

Network with stakeholders

Diverse personnel

Since the 1990s, the Group has been tackling global environmental issues in collaboration with a wide range of stakeholders. To implement SOMPO Climate Action, we will combine these environmental initiatives, which have been ahead of their time for more than 30 years and represent a unique strength of the Group, with the partnership strategy outlined in the Mid-Term Management Plan.

PDF For initiatives, please refer to [Implementation of SOMPO Climate Action](#) (P.24-28).

- Editorial Policy
- How to Read
the Sustainability Report 2023
- Sustainability Vision and Policy
- Contents
- Group CSuO Message

Sustainability

Environment

SOMPO Climate Action

**Leadership on
Global Environmental Issues**

Climate Change
(Information Disclosure Based on
TCFD Recommendations)

Biodiversity

Encouraging People to Develop Skills
Needed for Environmental Protection

Society

Governance

Data

Leadership on Global Environmental Issues

Activity and Result **Partnership**

Keiji Nishizawa, Director-Chairman of Sompo Japan Insurance, plays two main roles in the Japan Business Federation (“Keidanren”), the nation’s largest economic organization. One role is as Vice Chairman of the Board of Councillors, which discusses Keidanren’s policy proposals in advance, and the other role is his leadership of policy committees, which are project promotion bodies, in the social and environmental fields. Specifically, he serves as Chairman of the Keidanren Committee on Responsible Business Conduct & SDGs Promotion of the Keidanren Committee on Nature Conservation. He represents the Japanese business community in its activities in areas such as the SDGs, biodiversity, and human rights, and actively communicates messages on its behalf both in Japan and internationally.

Achieving the SDGs

Representing the private sector in his capacity as Chairman of the Keidanren Corporate Behavior and SDGs Committee, Chairman Nishizawa exchanges opinions on initiatives to achieve the SDGs with a wide range of stakeholders, including the government, NGOs, and experts, at the SDGs Promotion Roundtable held under the SDGs Promotion Headquarters established in the Cabinet Office in May 2016. The Roundtable makes policy recommendations to promote SDG initiatives in Japan, including making revisions to the SDGs Implementation Guidelines, which set out the national strategy, formulating individual measures (action plans), and judging the Japan SDGs Awards, an award system for companies and organizations. In addition, as part of the activities of the Council for Better Corporate Citizenship (CBCC), an affiliated organization of the Committee on Corporate Behavior and SDGs, he met with 18 organizations in the EU as the head of a mission to Belgium and Denmark in February 2023. There he discussed the latest trends in the EU, which has been strengthening policy leadership to implement the “European Green Deal” and individual issues in the field of environment and human rights, and communicated Keidanren’s latest initiatives such as the revision of its “Charter of Corporate Behavior.”



Spreading a nature positive economy

In December 2022, the Keidanren Committee on Nature Conservation sent a mission of 35 people from 18 companies to the United Nations Conference of the Parties to the UN Convention on Biological Diversity (COP15) in Montreal. Chairman Nishizawa participated as the head of the delegation and, on behalf of the business community, expressed their unified commitment to green transformation, a circular economy, and a nature positive approach to the realization of “sustainable capitalism” promoted by Keidanren, and exchanged views with top government officials, heads of international organizations, and other key figures. In his role as a member of the National Strategy

Subcommittee, he also participated in the discussions and reflected the voices of the business community in the “National Biodiversity Strategy 2023-2030” adopted by the Cabinet in March 2023 in response to the Kunming-Montreal Global Biodiversity Framework adopted at COP15.

At COP15, Sompo Japan Insurance also shared information about its nature positive initiatives that contribute to regional resilience by taking the stage at related events and participating in dialogues with international organizations, corporations, NGOs, and others.

Other international activities of the Keidanren Committee on Nature Conservation included the inaugural Leaders Forum held by the International Union for Conservation of Nature (IUCN), the world’s largest network for nature conservation, on Jeju Island in October 2022, and the centennial meeting of BirdLife International, one of the world’s oldest environmental NGOs, in London. Here, Chairman Nishizawa communicated to the world the desire of the Japanese business community to contribute to a new international framework for biodiversity through the promotion of NbS (Nature-based Solutions) initiatives, which are solutions to social issues rooted in nature. In June 2023, Keidanren announced that it would seek to spread nature positive management and establish an environment for nature positive management as part of its “The Action Plan for Nature Positive in 2030,” which it prepared based on these international goals and national strategies. In addition, as Chairman of the Green Infrastructure Public-Private Partnership Platform of the Ministry of Land, Infrastructure, Transport and Tourism, Chairman Nishizawa is promoting measures to address social issues such as the intensification of natural disasters by spreading methods that utilize the diverse functions of nature in infrastructure development.



Producing the next generation of environmentally friendly human resources

Based on the philosophy of “Fostering People Who Plant Trees,” the SOMPO Environment Foundation has been operating its CSO Learning Program, which provides internship experiences at a CSO (Civil Society Organization: a concept that encompasses NPOs and NGOs) in the environmental field for university students and graduate students, since 2000. As Chairman of the SOMPO Environment Foundation, Chairman Nishizawa spoke to students from across Japan at the program’s training camp about trends in the international community in the field of biodiversity and the role of the business community, and expressed his hope that the students would spread their wings as leaders of nature positive in Japan.



PDF For further details, please refer to [CSO Learning Program](#) (P.39).

Climate Change (Information Disclosure Based on TCFD Recommendations)

Governance

Structure

(1) Role of Board of Directors

The Board of Directors is responsible for setting groupwide strategies and policies as well as supervising the execution of operations by senior vice presidents and executive officers toward the realization of SOMPO's Purpose.

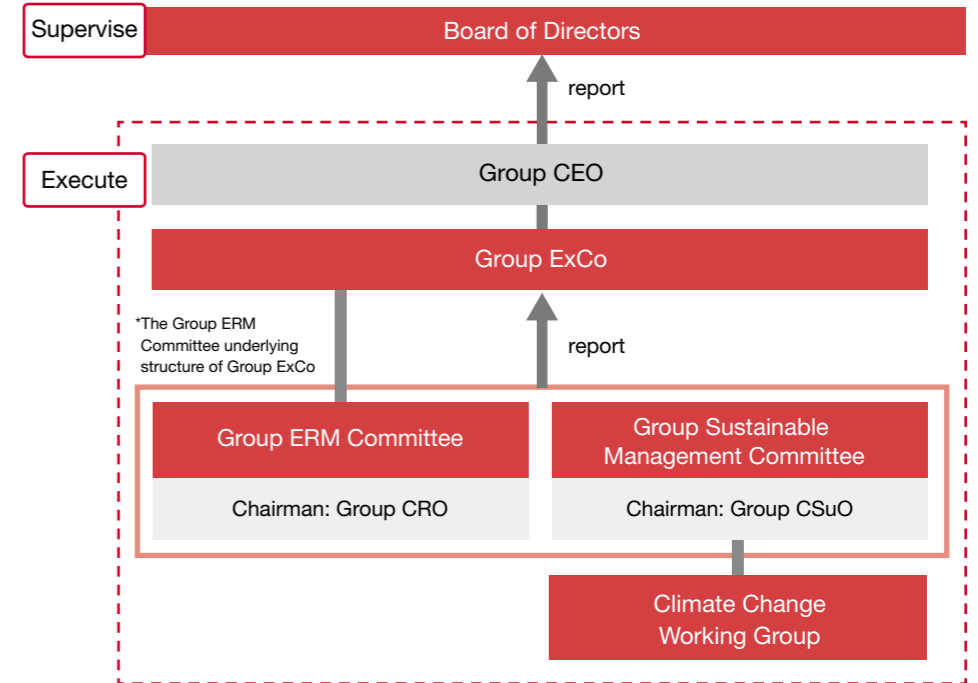
(2) Role of senior vice presidents and executive officers

The Group Chief Sustainability Officer (CSuO) is responsible for formulating and implementing strategies related to the Group's sustainable management, including climate change, and overseeing the Group's overall sustainability function.

The Group Sustainable Management Committee, which is chaired by the Group CSuO and consists of the CSuOs and CSOs of the four major businesses, discusses responses to climate change-related risks and opportunities, thereby forming a group-wide sustainability promotion structure, including supporting the decision-making of the Group CSuO. In addition, a Sustainable Management Office has been established as a support function for the Group CSuO's business execution. Climate change strategies and their implementation are discussed by the Global Executive Committee (Global ExCo)* and the Managerial Administrative Committee (MAC)*, and discussions are reported to the Board of Directors on a quarterly basis.

Regarding risk management, we have developed a risk control system based on the Sompo Group Basic Policy on ERM established by the Board of Directors, and through the Group ERM Committee, which is a subordinate body of the Global Executive Committee*, an advisory body to the Group CEO, the Group CRO (Chief Risk Officer) comprehensively identifies and evaluates risks in each business, designates risks that could have a significant impact on the Group as "material risks," whereby the status of risk management is periodically reported to the Board of Directors and the Managerial Administrative Committee* to verify the effectiveness of the measures, etc.

*Group ExCo (after April 2024)



Note: Structure after April 2024 (as of February 29, 2024)

Editorial Policy
How to Read
the Sustainability Report 2023
Sustainability Vision and Policy
Contents
Group CSuO Message

Sustainability

Environment

SOMPO Climate Action
Leadership on
Global Environmental Issues

**Climate Change
(Information Disclosure Based on
TCFD Recommendations)**

Biodiversity
Encouraging People to Develop Skills
Needed for Environmental Protection

Society

Governance

Data

Climate Change (Information Disclosure Based on TCFD Recommendations)

Strategy

Concept and Policy

Our Mid-term Management Plan, which started in FY2021, identifies the three actions of “adaptation,” “mitigation,” and “contribution to societal transformation” as part of “SOMPO Climate Action,” which takes a composite approach to climate-related risks and opportunities, and we are now in the process of executing various related initiatives.

PDF For initiatives, please refer to [Implementation of SOMPO Climate Action](#) (P.24-28).

(1) Climate-related risks and opportunities

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

We have identified the risks and opportunities coverage of the entire value chain that climate change poses to our business based on the results of studies conducted by external organizations such as the Intergovernmental Panel on Climate Change (IPCC) and the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), and we are assessing, analyzing, and responding to such risks and opportunities on a short-, medium- (5-10 years: around 2030), and long-term (10-30 years: around 2050) time horizon. The main environmental changes associated with physical and transition risks due to climate change, as well as risks and opportunities that are expected to have a significant impact on the Group, are shown in the table below and are continuously reviewed in light of changes in the internal and external environment.

Risks and opportunities due to climate change that impact the Group

		Environmental change	Impact on our company	Risk	Opportunities
Acute	Physical	<ul style="list-style-type: none"> Heat waves, extreme humidity Frequency of floods, typhoons and hurricanes, change in intensity Drought, increased wildfires 	Increased insurance payments due to weather disasters	●	—
			Deterioration in the agricultural insurance balance	●	●
Chronic	Physical	<ul style="list-style-type: none"> Sea level rise Increase in average temperature Ocean acidification Desertification Deforestation, biodiversity impacts Increased immigration, market instability, populism and the collapse of the state 	Increased insurance payments due to flooding caused by rising sea levels	●	—
			A decline in the real estate market (a decline in asset prices)	●	—
			Political instability and conflict	●	—
			A new pandemic	●	—
Policy	Transition	<ul style="list-style-type: none"> Renewable energy and energy conservation promotion of association Subsidies (EV purchases, energy efficiency improvement etc.) 	Price fluctuations of stocks and bonds	●	●
			Higher energy prices	●	—
Law	Transition	<ul style="list-style-type: none"> Reparations, changes in laws, new a legal interpretation Advances in storage technology and infrastructure Renewable energy and energy conservation development of new technologies 	Legal risks such as climate litigation	●	●
Technology			Decarbonization through the spread of new technologies	●	●
Market	Transition	<ul style="list-style-type: none"> Investors in environmentally friendly companies and consumer preferences 	Reputation	●	●
			Changes in consumer behavior	●	●

Sustainability

Environment

SOMPO Climate Action

Leadership on
Global Environmental Issues

Climate Change
(Information Disclosure Based on
TCFD Recommendations)

Biodiversity

Encouraging People to Develop Skills
Needed for Environmental Protection

Society

Governance

Data

Climate Change (Information Disclosure Based on TCFD Recommendations)

(2) Scenario analysis

A. Physical risks

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

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

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

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

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

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

B. Transition risks

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

In addition, since it is important to encourage companies that have not yet made progress in decarbonization efforts to reduce transition risk, we use the Implied Temperature Rise (ITR)*⁵ provided by MSCI to quantitatively analyze whether our portfolio companies have set GHG emission reduction targets consistent with the goal of limiting global warming to 2°C by FY2100.

Category	Scenario	Summary
(1) Disorderly	Delayed transition	Assumes annual emissions do not decrease until 2030. Strong policies are needed to limit warming to below 2°C. Negative emissions are limited.
(2) Orderly	Net Zero 2050	Limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero CO ₂ emissions around 2050. Some jurisdictions such as the US, EU, UK, Canada, Australia and Japan reach net zero for all GHGs.
(3) Hot House World	Current Policies	Assumes that only currently implemented policies are preserved, leading to high physical risks.

*3 Climate Value-at-Risk (CVaR)

- One method to measure the impact on corporate value associated with climate change-related policy changes and disasters.
- The future costs and profits arising from climate change-related risks and opportunities are discounted to their present value, and the impact is calculated as of March 31, 2022, taking into account the market value weighting of each security in the Group's asset management portfolio.

*4 NGFS (Network for Greening the Financial System) scenarios

- Analyzed three climate change scenarios published by the NGFS: Delayed transition, Net Zero 2050, and Current Policies

*5 Implied Temperature Rise (ITR)

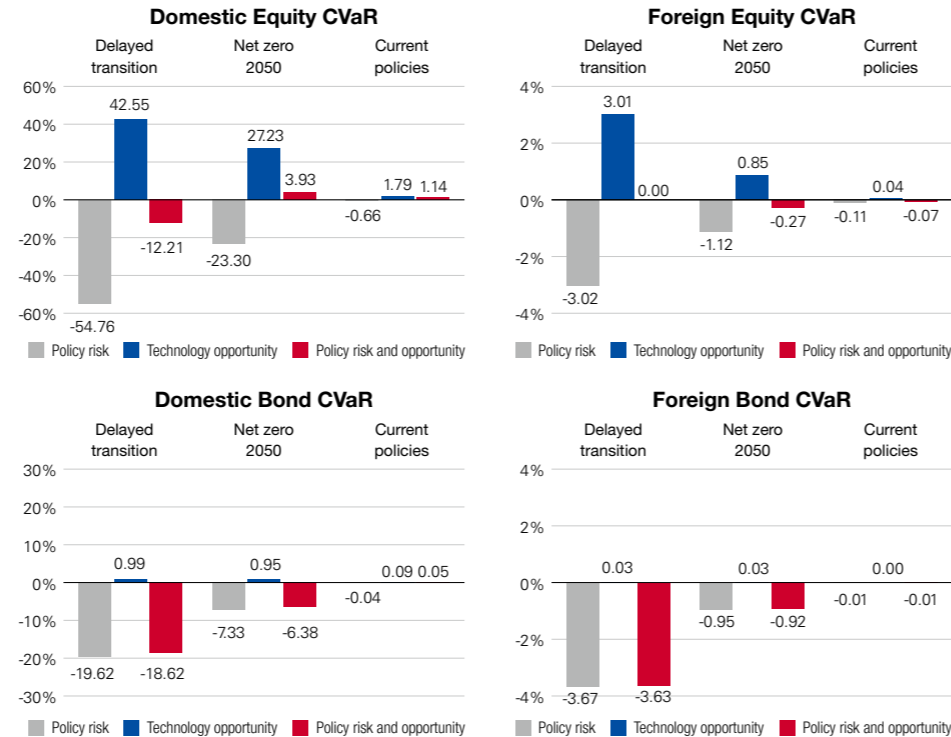
- One of the forward-looking assessment methods that evaluates the degree of likelihood of 2°C of global warming by 2100.
- The contribution to temperature rise is based on the difference between the projected GHG emissions of portfolio companies (calculated based on current emissions and reduction targets set by the companies) and the carbon budget, and is calculated as of March 31, 2022, taking into account the market value weight of each stock in the Group's asset management portfolio.

Climate Change (Information Disclosure Based on TCFD Recommendations)

a. Climate Value-at-Risk (CVaR)

For each asset, the impact of the Delayed Transition (Disorderly: rapid transition to decarbonization) scenario is the largest. In the comparison by asset type, the impact of policy risk and technology opportunity is the largest for domestic equity, at -54.76% and 42.55% under the Delayed Transition, respectively. However, since policy risk and technology opportunity offset each other, the overall impact of policy risk and technology opportunities combined is -18.62% for domestic bond, which is the largest result. This is because bonds are never redeemed above par, so the opportunity impact is limited.

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



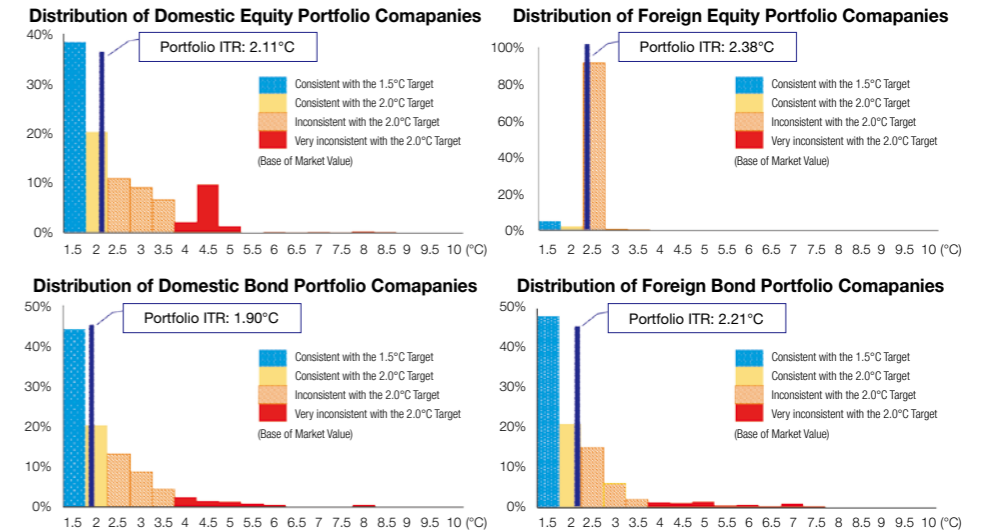
- Policy Risk: Figures calculated for each level of Scope 1, 2, and 3 for the cost required to achieve the GHG reduction targets.
- Technology opportunity: Figures calculated for the potential business opportunities created by environment-related technologies owned by companies against the backdrop of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

Source: Prepared by Sompo Holdings using MSCI Climate Value-at-Risk, Implied Temperature Rise

b. Implied Temperature Rise (ITR)

The percentages of companies with ITRs below 2°C are 58% for domestic equity, 8% for foreign equity, 65% for domestic corporate bond, and 69% for foreign corporate bond portfolios on a market value basis. With the exception of foreign equity, for which our holdings are small and heavily affected by some stocks, the majority of companies have set GHG emission reduction targets that are consistent with the 2°C target set by the Paris Agreement. On the other hand, for the portfolio as a whole, the ITRs for domestic equity, foreign equity, domestic bond, and foreign bond are 2.11°C, 2.38°C, 1.90°C, and 2.21°C, respectively, exceeding 2°C for all but domestic corporate bond. We will use the results of our analysis to reduce transition risk by engaging with our portfolio companies.

SOMPO Group ITR analysis by asset



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Editorial Policy

How to Read

the Sustainability Report 2023

Sustainability Vision and Policy

Contents

Group CSuO Message

Sustainability

Environment

SOMPO Climate Action

Leadership on

Global Environmental Issues

Climate Change

**(Information Disclosure Based on
TCFD Recommendations)**

Biodiversity

Encouraging People to Develop Skills
Needed for Environmental Protection

Society

Governance

Data

Climate Change (Information Disclosure Based on TCFD Recommendations)

(3) Resilience improvement initiatives

A. Responding to risks

Physical risks

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

Transition risks

The Sompo Group is working to enhance corporate resilience to social change by providing green transition support to underwriters and investee and borrower companies, while at the same time working to mitigate transition risk by managing its asset management portfolio and other measures.

For investees, we are promoting green transition by strengthening our engagement with the top 20 high greenhouse gas (GHG) emitting companies among our equity holdings. For public and corporate bonds, we are aiming to reduce transition risks and capture opportunities by setting a target of 25% reduction in GHG emissions in our asset management portfolio by 2025 (compared to FY2019, based on total GHG emissions for stocks and bonds) by promoting the replacement of high GHG emitting sectors with low emitting sectors at the time of maturity. In addition, the Group has adopted a policy of suspending new insurance underwriting for new and existing coal-fired power generation and coal mine development (thermal coal), and suspending new insurance policies for energy mining projects in tar sands and the Arctic National Wildlife Refuge to help support the transition to a net zero society. However, we may carefully consider and respond to cases where reduction effects that contribute to the realization of the Paris Agreement are recognized, such as innovative technologies including carbon dioxide capture, utilization, and storage (CCS, CCUS) and ammonia co-firing.

With regard to our own GHG emission reductions, we have set a goal of 60% reduction by 2030 compared to FY2017 levels. To achieve this goal, we are steadily advancing initiatives in accordance with our roadmap for achieving the goal, such as switching to renewable energy sources for power generation in buildings we own.

B. Responding to opportunities

The Group is working to improve natural disaster resilience through its products and services, such as contributing to a stable food supply through the global development of agricultural insurance through AgriSompo as well as developing and providing climate risk consulting services.

With regard to energy sources, we will develop products and services that contribute to the dissemination of renewable energy, such as ONE SOMPO WIND Service (insurance and risk management service for offshore wind power generation business), while also developing new products and services that contribute to net zero (CO₂) emissions by collaborating with our business partners and other means.

In addition, various organizations and groups around the world are actively discussing the formulation of regulations and guidance toward achieving a net-zero society. The Group will contribute to the transformation of society by actively participating in and leading these rulemaking efforts, and will also seek to create and expand business opportunities for the Group, such as through attracting partners by accumulating knowledge and enhancing reputation through these initiatives.

Sustainability

Environment

SOMPO Climate Action

Leadership on
Global Environmental Issues

Climate Change
(Information Disclosure Based on
TCFD Recommendations)

Biodiversity

Encouraging People to Develop Skills
Needed for Environmental Protection

Society

Governance

Data

Climate Change (Information Disclosure Based on TCFD Recommendations)

— Implementation of SOMPO Climate Action

Action1 Adapt to climate change

Activity and Result Partnership

Initiatives in the agricultural insurance sector

Sompo International, our core company in the overseas insurance and reinsurance business, is working to contribute to a sustainable food supply system by expanding to South America and Asia in addition to Europe and the United States through the platform of AgriSompo, an integrated brand in the agricultural insurance field that it launched in 2017.

In addition, the Group's local subsidiary in India, Universal Sompo General Insurance (USGI), provides microinsurance (small-scale insurance services) to lower income groups who lack the ability to repay loans and lack medical and health care. USGI sells products such as livestock insurance, packaged insurance for farmers, and personnel accident insurance for economically vulnerable farmers, mainly in rural areas, and provides medical insurance covering the five major illnesses in combination with microfinance loans (finance for low-income people) from banks and other institutions. All of these insurance products feature low premiums.

USGI contributes to supporting self-reliance and sustainable development by extending the insurance system, which is one of the basic social security services, to low-income groups in Indian society.

Initiatives through products and services

SOMPO SUSTAINA, a service that helps companies solve problems such as responding to climate change

Sompo Risk Management Inc. is accumulating knowledge to address corporate challenges and risks, such as adapting to climate change and improving resilience to natural disasters, which is knowledge that the Sompo Group has long cultivated in the insurance business. To help more customers make effective use of this knowledge in their climate change countermeasures, we are offering SOMPO SUSTAINA, a web-based platform that allows users to easily quantify and visualize the future impact of climate change physical risks such as floods and typhoons on their property and corporate activities.

Climate change is causing an increase and intensification of natural disasters, such as rising sea levels and increased torrential rains, and is affecting human life and natural ecosystems in a wide range of ways. Therefore, accelerating efforts to achieve net zero CO₂ emissions has become an urgent issue shared throughout the world. In many countries, efforts are underway to promote the decarbonization of companies and industries and to enhance their competitiveness, and in Japan, various initiatives are underway to achieve carbon neutrality by 2050. Furthermore, technological innovation is needed not only to mitigate climate change but also to adapt, and the values of consumers and investors are also changing. To keep up with these changes, companies are required to implement countermeasures and radical innovations to achieve sustainable business growth.

To address the social problem of climate change, as all companies should do, Sompo Risk Management Inc. and Sompo Japan Insurance Inc., in cooperation with other financial institutions and other collaborative partners, are promoting SOMPO SUSTAINA for the enterprise. SOMPO SUSTAINA will contribute to the realization of a sustainable society by helping to resolve various issues that must be addressed in order for companies to achieve sustainable growth.



SOMPO SUSTAINA visualizations of the physical risks of climate change

Sustainability

Environment

- SOMPO Climate Action
- Leadership on
Global Environmental Issues
- Climate Change
(Information Disclosure Based on
TCFD Recommendations)**
- Biodiversity
- Encouraging People to Develop Skills
Needed for Environmental Protection

Society

Governance

Data

Climate Change (Information Disclosure Based on TCFD Recommendations)

— Implementation of SOMPO Climate Action

Action2 Mitigate climate change

Activity and Result Partnership

Group initiatives to achieve net zero greenhouse gas (GHG) emissions

In fiscal 2021, we set targets of 60% reduction by 2030 (vs. 2017) and net zero GHG emissions by 2050. To achieve these targets, we are implementing measures such as switching to renewable energy for the electricity used by the Sompo Group.

*Scope 1, 2, 3 (excluding investments and loans) are covered

Initiative to achieve interim GHG reduction targets of investee and borrower companies

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

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

Initiatives through products and services

“ONE SOMPO WIND Service” for offshore wind power operators

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

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

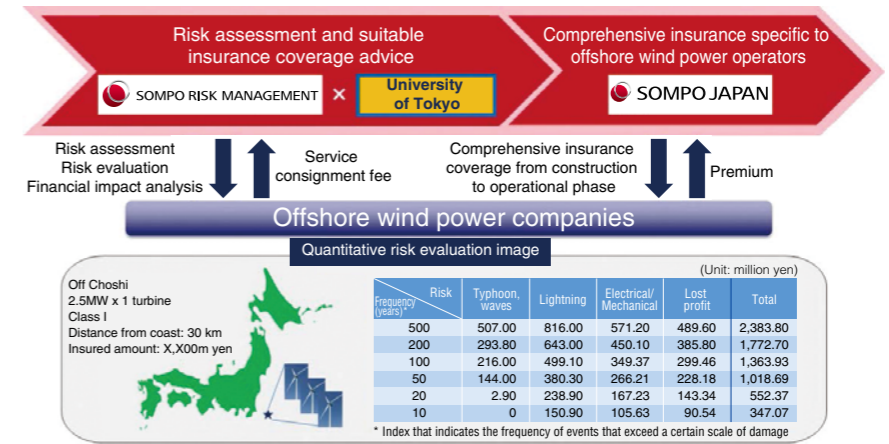
Risk Assessment

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

Comprehensive Insurance

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

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



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

Sustainability

Environment

SOMPO Climate Action
Leadership on
Global Environmental Issues

**Climate Change
(Information Disclosure Based on
TCFD Recommendations)**

Biodiversity
Encouraging People to Develop Skills
Needed for Environmental Protection

Society

Governance

Data

Climate Change (Information Disclosure Based on TCFD Recommendations)

— Implementation of SOMPO Climate Action

Contributing to the popularization of EVs to achieve net zero CO₂ emissions

In 2023, Sompo Japan Insurance Inc. and Prime Assistance Inc. launched EV-One, a user support platform for battery-powered electric vehicles (EVs).

In recent years, reducing GHG emissions from automobiles has become a major theme in the trend toward achieving carbon neutrality. In Japan, CO₂ emissions from the transportation sector (automobiles, railways, aviation, and ships) account for 17.4% of the total, of which about 80% is from automobiles*1. However, Japan's EV ownership rate is only about 0.16%*2, so contributing to the spread of EVs has become an important theme for the Sompo Group.

According to the survey data*3 on EVs conducted by Sompo Japan Insurance Inc., the anxieties faced by EV users include concerns about running out of charge, uncertainty about the location of charging stations, and uncertainty about where to maintain and repair EVs. To eliminate these concerns and support a safe and secure EV transition, EV-One was launched as a dedicated user support platform for EVs that can be used by anyone regardless of vehicle or manufacturer.



Dedicated app images

*1 See "CO₂ Emissions in the Transportation Sector" (in Japanese) published by Japan's Ministry of Land, Infrastructure, Transport and Tourism.

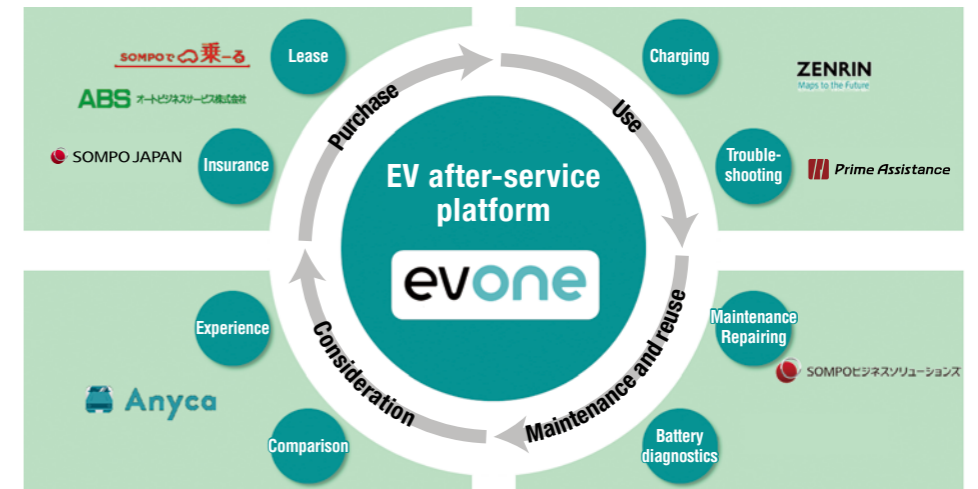
*2 Calculated by dividing the number of EVs owned at the end of fiscal 2020 (according to the Next Generation Vehicle Promotion Center) by the number of vehicles owned as of the end of March 2020 (according to the Automobile Inspection & Registration Information Association).

*3 Based on an online survey and interviews conducted by Sompo Japan Insurance Inc. in July and August 2022.

As of July 2023, EV-One offers four functions:

- (1) A repair shop search and reservation function that allows you to locate a nearby repair shop when a problem occurs at home (or work) or while traveling.
- (2) A charging station search function that allows you to search for a nearby charging station for your vehicle.
- (3) A function that provides contact information and guides you through countermeasures in the event of an accident or breakdown.
- (4) EV-One road service (quick charging, towing, etc.) for troubleshooting problems.

In the future, the plan is to extend EV-One services to other phases of the EV consumer lifecycle including consideration, purchase, use, and maintenance/reuse. Up to now, the Sompo Group has provided a variety of mobility services centered on automobile insurance, but in the future, we aim to move beyond that framework and provide multifaceted services for the EV transition with the goal of realizing a carbon-neutral society.



Providing a platform for EV-related businesses

Editorial Policy

How to Read
the Sustainability Report 2023

Sustainability Vision and Policy

Contents

Group CSuO Message

Sustainability

Environment

SOMPO Climate Action

Leadership on
Global Environmental Issues

Climate Change
(Information Disclosure Based on
TCFD Recommendations)

Biodiversity

Encouraging People to Develop Skills
Needed for Environmental Protection

Society

Governance

Data

Climate Change (Information Disclosure Based on TCFD Recommendations)

— Implementation of SOMPO Climate Action

Initiatives through collaboration with stakeholders

Business partners

Sompo Japan is working on environmental and sustainability efforts with the entire value chain, in collaboration with all of our business partners.

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

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

Agencies

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

AIR Autoclub, the company's nationwide association of auto repair shop insurance agencies, provides support including assistance for the agencies to acquire ISO 14001 and Eco-Action 21 certifications by introducing environmental management systems, and offers a recycled parts search system to encourage the repair shops to use recycled parts. The voluntary chain group, known as Air e-Shop 21, is making progress in reducing CO₂ emissions, and in fiscal year 2022 achieved a reduction of about 139.01 tons.

This is equivalent to the amount of CO₂ absorbed by 12,637 beech trees in one year. Meanwhile, the national pro agencies' organization, JSA Chukakukai, in partnership with the AIR Autoclub, is promoting green procurement using an Internet-based centralized purchasing system. The organizations have a combined membership of 3,900 registered members (as of March 2023).

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



Editorial Policy

How to Read
the Sustainability Report 2023

Sustainability Vision and Policy

Contents

Group CSuO Message

Sustainability

Environment

SOMPO Climate Action

Leadership on
Global Environmental Issues

Climate Change
(Information Disclosure Based on
TCFD Recommendations)

Biodiversity

Encouraging People to Develop Skills
Needed for Environmental Protection

Society

Governance

Data

Climate Change (Information Disclosure Based on TCFD Recommendations)

— Implementation of SOMPO Climate Action

Action3 Contribute to societal transformation

Various organizations and groups around the world are actively discussing the formulation of regulations and guidance to realize a net-zero society. In 2022, we became the member of the Glasgow Financial Alliance for Net Zero (GFANZ), a global alliance of financial institutions aiming to achieve net zero GHG emissions by 2050. By proactively participating in and leading these rule-making efforts, the Group will not only contribute to societal transformation but also seek to create and expand business opportunities for the Group, such as attracting partners by accumulating knowledge and enhancing our reputation through these efforts.

Contributions through underwriting/investment and loan

The Sompo Group considers sustainability to be the driving force behind long-term value creation, and makes decisions regarding insurance underwriting, investments and loans, and business activities based on the basic concept of its Purpose. In particular, with regard to contributions to energy transition, which is an essential part of the transition to a green society, we have established the following underwriting, investment and loan policies, and are moving forward with related implementation initiatives.

Policy for ESG-related Underwriting, Investment and Loan (Overview)

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

*1 We may carefully consider and respond to cases where there are innovative technologies such as Carbon Dioxide Capture, Utilization, and Storage (CCS, CCUS), carbon recycling, ammonia co-firing, or other innovative technologies in 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.

Identifying businesses and sectors that have a negative impact on the environment and society and utilizing this information in insurance underwriting and investment and financing

The Sompo Group identifies businesses and sectors that may have a negative impact on the environment and society, for example through destruction of nature or violation of human rights, and has built a database through dialogue with stakeholders and independent analysis, which we use to make decisions on insurance underwriting and investment and financing.

PDF For further details, please refer to [ESG Risk Management](#) (P.121-122).

Engagement with investee companies

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

Active involvement in rule-making through membership in net-zero organizations

Since 2021, the Sompo Group has been a member of the Partnership for Carbon Accounting Financials (PCAF), an international initiative that develops methods for measuring GHG emissions through financial institutions' investment, loan, and underwriting portfolios, and since 2022, we have been a member of two organizations (NZAOA and NZAM) under the Glasgow Financial Alliance for Net Zero (GFANZ), a global alliance of financial institutions aiming to achieve net zero GHG emissions by 2050.

Initiatives for fostering environmental personnel

- Continued implementation of Public Seminars on the Environment by the SOMPO Environment Foundation, and the CSO Learning Program, which provides an eight-month internship experience at a CSO (Civil Society Organization: a concept that encompasses NPOs and NGOs) in the environmental field for university students and graduate students.
- Volunteer activities centered on the Sompo Chikyu (Earth) Club, a volunteer organization made up of Group executives and employees.

PDF For further details, please refer to [Encouraging People to Develop Skills Needed for Environmental Protection](#) (P.38-40) and [Corporate Citizenship Activities](#) (P.84-86).



Sustainability

Environment

SOMPO Climate Action
Leadership on
Global Environmental Issues

**Climate Change
(Information Disclosure Based on
TCFD Recommendations)**

Biodiversity
Encouraging People to Develop Skills
Needed for Environmental Protection

Society

Governance

Data

Climate Change (Information Disclosure Based on TCFD Recommendations)

Risk management

Structure

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

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

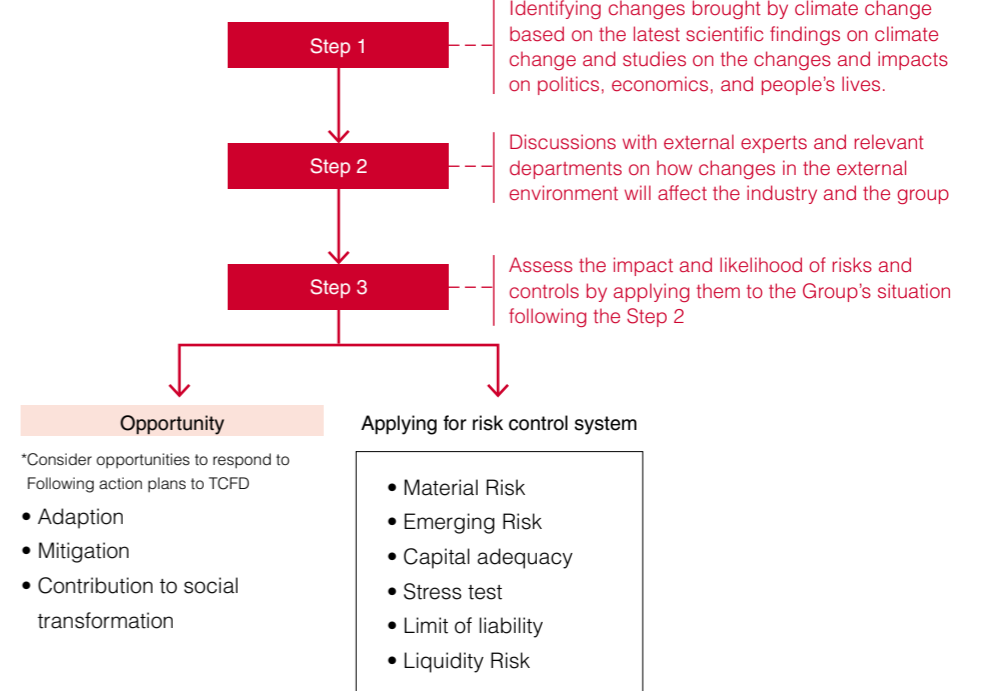
With the goal of realizing the material issue of "contributing to a greener society where the economy, society, and environment are in harmony," we are implementing SOMPO Climate Action to assess medium-term and long-term climate-related risks and opportunities through the Climate Change Risk Framework, conducting scenario analysis (physical risks and transition risks) based on the Framework, as well as various initiatives to improve our resilience to these risks and opportunities.

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

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

In order to capture the complex impacts of climate change, the climate change risk framework uses the following three steps to assess and organize the risks and opportunities described earlier.

Risk Framework for Climate Change



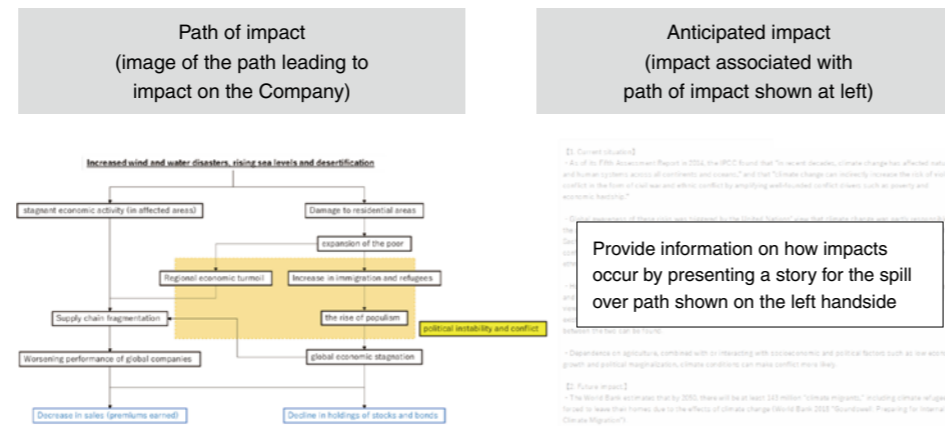
Climate Change (Information Disclosure Based on TCFD Recommendations)

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

Patterns of environmental change (low, medium, high)

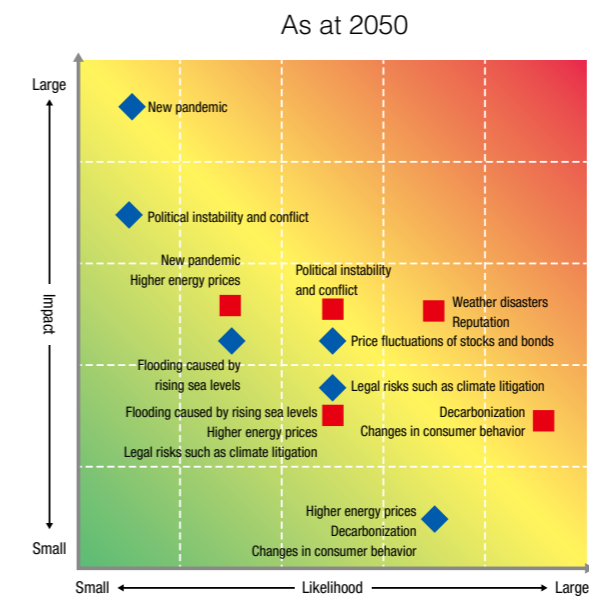
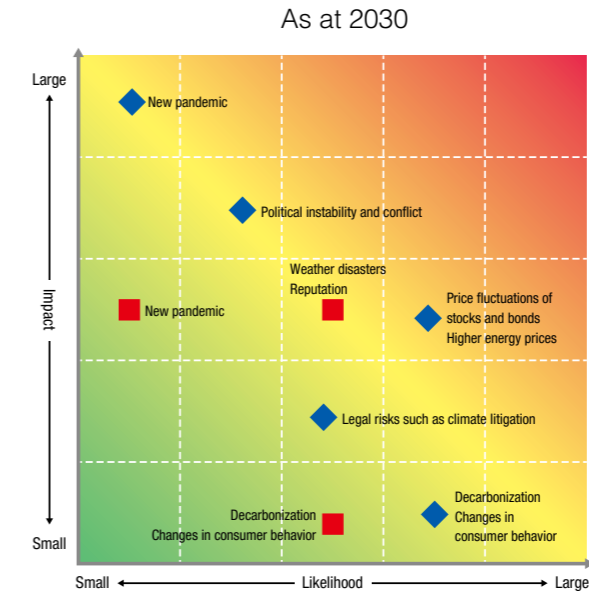
	IPCC	NGFS
Low	SSP1-1.9	Orderly/Net Zero 2050
Medium	SSP2-4.5	Disorderly/Delayed Transition
High	SSP5-8.5	Hot House World/Current Policy

Scenarios of Risk Spillover and Impacts (Example)



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

Risk map based on assessment results Climate Change Risk Map Medium-Pattern (SSP 2-4.5/Disorderly)



Underwriting	■
Investment	◆

Climate Change (Information Disclosure Based on TCFD Recommendations)

(2) Other risks

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

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

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

(3) Integration with existing risk management frameworks

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

Climate-related material risks and their main scenarios

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

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

Climate Change (Information Disclosure Based on TCFD Recommendations)

Metrics and targets

Activity and Result

Metrics for assessing risks and opportunities

Item	Results		
GHG emissions	Total GHG emissions (FY2022)*1		
	Category	Total Emissions	
	Scope 1, 2 and 3 (excluding investments and loans) [unit: t-CO ₂ e]	239,554	
	Total GHG emissions at investees (FY2021)*2		
	Category	Equity	Bonds
	Scope 3 (investments and loans) [unit: t-CO ₂ e]	931,821	909,893
GHG emissions	Weighted Average Carbon Intensity (WACI) at investees*2,3		
	Category	Equity	Bonds
	Scope 3 (investments and loans) [unit: t-CO ₂ e/million US dollars]	125.05	167.04
Renewable energy introduction rate	End of FY2022: 5.1%		
Other environmental metrics	Electricity consumption (FY2022):	269.39 million kWh	
	Paper consumption (FY2022):	6,157 tons	
	No. of participants in environmental education programs (FY2022):	9,472 People	
Participation and activities in sustainability-related initiatives and rule-making	Participation in and presentations to the Conference of the Parties (COP)		

*1 Total Scope 1 (direct emissions from use of gasoline, etc.), Scope 2 (indirect emissions from energy sources, such as electricity), and Scope 3 (indirect emissions across the entire value chain, including transportation, business travel, etc.) GHG emissions. This total covers the emissions of the Company itself and of its key consolidated subsidiaries.

*2 Calculated for Scope 1 and Scope 2 in Japanese and foreign listed stocks and bond investees using data provided by MSCI ESG Research (listed stock coverage rate: 86%, bond coverage rate: 82%, both based on market value). GHG emissions are our share of emissions based on investees' Enterprise Value Including Cash (EVIC), and WACI is the weighted average of each investee's GHG emissions per unit sales, according to the holding percentage for that investee in our portfolio. Note that numerical data may be revised retroactively.

*3 The WACI calculation method has been changed starting with FY2021 figures.

Targets for managing risks and opportunities

Item	Target
SOMPO GHG reduction rate	60% reduction by 2030 (vs. 2017), net zero emissions by 2050 *Scope 1, 2, 3 (excluding investments and loans) are covered
Investment and loan GHG reduction rate	25% reduction by 2025 (vs. 2019), net zero emissions by 2050 *Scope 3 category 15 is covered (target assets are listed equities and corporate bonds)
Renewable energy introduction rate	2030 adoption rate 70% 2050 adoption rate 100%
Number of engagements with investee and borrower companies	Increase from previous year
No. of participants in environmental education programs	10,500 in FY2023
Participation and activities in sustainability-related initiatives and rule-making	Publication of activity results as needed

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

Editorial Policy

How to Read
the Sustainability Report 2023

Sustainability Vision and Policy

Contents

Group CSuO Message

Sustainability

Environment

SOMPO Climate Action

Leadership on
Global Environmental Issues

Climate Change
(Information Disclosure Based on
TCFD Recommendations)

Biodiversity

Encouraging People to Develop Skills
Needed for Environmental Protection

Society

Governance

Data

Climate Change (Information Disclosure Based on TCFD Recommendations)

— Status of climate change-related business initiatives

Action1 Adapt to climate change

Activity and Result Partnership

Expansion of AgriSompo

We contribute to a stable food supply through the continued delivery of risk management tools through AgriSompo, a global integrated platform for agricultural insurance (No. 3 market share in U.S.).

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

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

Launch of “evacuation supporters’ insurance” for local governments and “Connected Disaster Prevention Project” to support people requiring special care

Sompo Japan Insurance is selling “evacuation supporters’ insurance” to ensure that evacuation supporters in individual evacuation programs and residents participating in local disaster prevention activities can carry out their activities with peace of mind. In collaboration with the Japan NPO Center, we have also launched the “Connected Disaster Prevention Project,” an initiative to build regional networks (connections) that will encourage mutual aid in the event of a disaster.

Development and deployment of SORA Resilience, a supply chain risk visualization tool

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

Launch of SOMPO SUSTAINA

In January 2023, Sompo Japan Insurance and Sompo Risk Management began offering SOMPO SUSTAINA, a service designed to help companies solve problems such as responding to climate change. This service, offered in cooperation with other financial institutions and other collaborative partners, is intended to provide knowledge to small and medium-sized enterprises on how to address corporate challenges and risks, such as adapting to climate change and improving resilience to natural disasters, which is knowledge that the Sompo Group has long cultivated in the insurance business.

Climate Change (Information Disclosure Based on TCFD Recommendations)

— Status of climate change-related business initiatives

Action2 Mitigate climate change

Activity and Result Partnership

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

Launch of ONE SOMPO WIND Service for offshore wind power companies

Sompo Japan Insurance and Sompo Risk Management launched the ONE SOMPO WIND Service, which provides offshore wind power operators with risk assessments from construction work through business operation and comprehensive risk coverage, as part of efforts to promote offshore wind power projects with extremely low carbon dioxide emissions.

Provision of comprehensive insurance for tidal current (ocean current) power generation to support the spread of offshore renewable energy

Sompo Japan Insurance and Sompo Risk Management have developed comprehensive insurance for tidal current (ocean current) power generation and risk management services related to offshore renewable energy, with the goal of supporting, from the perspectives of insurance and risk management, initiatives and challenges aimed at practical application of power generation technology using various marine energies (ocean currents, tidal currents, etc.).

Launch of SOMPO-ZELO*, a series of risk solutions to support the construction of supply chains for hydrogen, ammonia, and other next-generation energies

Sompo Japan Insurance and Sompo Risk Management launched SOMPO-ZELO, a series of risk solutions to support the construction of supply chains for hydrogen, ammonia, and other next-generation energies, including peripheral technologies such as ammonia-fueled ships, as part of efforts to promote the development and provision of insurance and risk management consulting to contribute to the implementation and stable operation of next-generation energy supply chains. Under this series, we developed Japan's first insurance dedicated to ammonia transportation in April 2022, followed by insurance dedicated to hydrogen transportation in July 2022, thereby contributing to the stable supply of next-generation energy.

*The "ZELO" in SOMPO-ZELO stands for "Zero carbon × Logistics."

Aiming for "net zero (carbon neutrality)" and "zero risk," SOMPO-ZELO seeks to support the construction of next-generation energy supply chains and their implementation in society by providing dedicated risk solutions designed from scratch (free from preconceived notions)

Insurance for virtual power plants (VPPs)

In cooperation with TEPCO Ventures, Sompo Japan Insurance is offering dedicated insurance to support the spread of VPPs (virtual power plants)*.

*A VPP provides capabilities equivalent to a power plant by allowing the owners of consumer-side energy resources or power generation equipment and power storage equipment connected directly to the power grid, or a third party, to control those energy resources (including reverse power flow from the energy resource on the consumer side).

Stabilization support insurance for municipal renewable energy supply

To support stable power procurement for retail electric utilities funded by local governments, Sompo Japan Insurance has developed "relative power supply disruption cost insurance" which covers alternative procurement costs when procuring electricity from the power wholesale market in the event that power generation facilities such as waste power generation are disrupted due to fire or natural disaster, and "electric power procurement cost stabilization insurance" which covers additional procurement costs when increased demand for electricity in severe weather drives up electricity wholesale market prices to higher than anticipated levels.

Launch of a rider for rebuilding expenses to compensates for cost of rebuilding damaged home

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

Launch of new service (first in P&C insurance industry*) to promote reuse of solar panels damaged by natural disasters

Sompo Japan Insurance and Sompo Risk Management have launched an initiative to reuse solar panels damaged by natural disasters that otherwise would have been discarded by referring owners to companies that can reuse and recycle the panels at the time of insurance claim payment.

*According to research by Sompo Japan Insurance in October 2021



Editorial Policy

How to Read
the Sustainability Report 2023

Sustainability Vision and Policy

Contents

Group CSuO Message

Sustainability

Environment

SOMPO Climate Action

Leadership on
Global Environmental Issues

Climate Change
(Information Disclosure Based on
TCFD Recommendations)

Biodiversity

Encouraging People to Develop Skills
Needed for Environmental Protection

Society

Governance

Data

Climate Change (Information Disclosure Based on TCFD Recommendations)

— Status of climate change-related business initiatives

Action3 Contribute to societal transformation

Activity and Result Partnership

Compensation for forest-derived carbon credits (first in Japan)

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

*¹ A system that allows companies to issue credits (emission credits) for reductions in CO₂ and other greenhouse gases (amount reduced or absorbed) through forest protection, afforestation, introduction of energy-saving equipment, etc., and to trade them with other companies.

*² A credit that certifies reductions in carbon dioxide or other greenhouse gases through forest protection, afforestation, and similar activities.

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

- Joint research agreement between the University of Tsukuba and Sompo Risk Management on climate change risk assessment
 - Partnership agreement with Weathernews to create new value and businesses to solve social issues related to climate change and global warming
 - Establishment of “Disaster Risk Finance-Industry-Academia Joint Research Division” in collaboration with Disaster Prevention Research Institute, Kyoto University
 - Joint research agreement with Gifu University to study flood risk prediction and social impacts due to climate change
- And so on

Sustainability

Environment

SOMPO Climate Action
Leadership on
Global Environmental Issues
Climate Change
(Information Disclosure Based on
TCFD Recommendations)

Biodiversity

Encouraging People to Develop Skills
Needed for Environmental Protection

Society

Governance

Data

Biodiversity

SAVE JAPAN Project

Activity and Result Partnership

Overview of the project

Since 2011, Sompo Japan Insurance Inc. has been engaged in a project to conserve biodiversity based on citizen participation in partnership with the Japan NPO Center, the NPO Support Center, which supports local citizens' activities, and environmental NPOs.



This project is funded by a portion of the cost savings when customers select a web-based insurance policy or web-based terms and conditions when purchasing an insurance policy from Sompo Japan Insurance Inc.

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

Results so far

We have been conducting biodiversity conservation activities across Japan for more than 10 years. To date, we have carried out conservation activities for over 300 endangered species, and have also created value by raising awareness among participants, strengthening environmental organizations, and building local networks, among other contributions. As of March 31, 2023, more than 62,000 people have participated in a total of 1,015 events.



Horseshoe crab conservation and Eco-DRR experience at Nakatsu Tidal Flat, Oita Prefecture

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

*Social Return on Investment (SROI) is a method of quantifying the effectiveness of a project by converting social value into monetary value using proxy indicators.



Implementation of the 5th phase (growth and expansion period) for the FY 2023 (2023-2024)

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

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

- (1) Support for activities that contribute to the dissemination and promotion of ecosystem-based disaster risk reduction (Eco-DRR), which represents an integrated response to biodiversity loss and climate change
- (2) Support for the certification process for "nature symbiosis sites" that contribute to the promotion of "other effective area-based conservation measures" (OECMs), which include areas other than protected areas such as national parks that are conducive to biodiversity

Future prospects

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

Comments from a co-sponsoring partner



In promoting biodiversity conservation, it is important to tailor initiatives to each region. This project was realized through cooperation among Sompo Japan Insurance Inc., local environmental NPOs, and the NPO Support Center. A large number of employees and stakeholders from each site also participated and worked together on planning and operation. Getting many different stakeholders to work together is not something that can be achieved overnight. This program is characterized by the fact that everyone involved engaged in regular dialogue to overcome differences in organizational culture and build a relationship of trust, thereby steadily expanding the circle of activities.

We look forward to continuing to work with NPOs as partners in creating new value for the community through partnership and collaboration.

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

Editorial Policy

How to Read
the Sustainability Report 2023

Sustainability Vision and Policy

Contents

Group CSuO Message

Sustainability

Environment

SOMPO Climate Action

Leadership on
Global Environmental Issues

Climate Change
(Information Disclosure Based on
TCFD Recommendations)

Biodiversity

Encouraging People to Develop Skills
Needed for Environmental Protection

Society

Governance

Data

Biodiversity

Sompo's forest

Activity and Result Partnership

The Sompo Group has concluded forestry agreements with local governments in eight locations across Japan to support forest maintenance activities, and is conducting volunteer forest maintenance activities and environmental education together with local residents, Group employees, agents, and their families. Through these activities, we work together with local residents to convey the importance of biodiversity and gratitude for the blessings of nature. In addition, because forest conservation contributes to strengthening the disaster preparedness of the community, we will continue to call for cooperation in environmental improvement within the Group to build disaster resilient communities.



Forest custodian project in Nagano Prefecture

The initiatives of Sompo Japan Insurance Inc. are showcased on the website of the Business for GBF Project (Keidanren and Ministry of the Environment), under the sections "Target 3: 30 by 30" and "Target 20: Capacity Building and Technology Transfer."

Web For further details, please visit the Ministry of the Environment website:
[Business for GBF Project](#)

The initiatives of Sompo Japan Insurance Inc. are showcased on the website of the Keidanren Initiative for Biodiversity Conservation (Keidanren and Keidanren Committee on Nature Conservation).

Web For further details, please visit the Keidanren Committee on Nature Conservation website: [Keidanren Initiative for Biodiversity Conservation](#)

Launch of TNFD Disclosure Support Service (Nature-related Risk Analysis)

Activity and Result

The trend toward corporate disclosure of information on nature is progressing, and in September 2023, the Taskforce on Nature-related Financial Disclosures (TNFD) recommendation on nature related issues was released. To support corporate disclosure of information on nature, in September 2023 Sompo Risk Management Inc. launched its TNFD Disclosure Support Service.

Sustainability

Environment

- SOMPO Climate Action
- Leadership on
Global Environmental Issues
- Climate Change
(Information Disclosure Based on
TCFD Recommendations)
- Biodiversity

**Encouraging People to Develop Skills
Needed for Environmental Protection**

Society

Governance

Data

Encouraging People to Develop Skills Needed for Environmental Protection

Sompo Environment Foundation

Activity and Result Partnership

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

Public Seminars on the Environment

The Foundation, together with Sompo Holdings and the Japan Environmental Education Forum, has been holding Public Seminars on the Environment for the general public for 31 years since 1993. Lectures are held on the themes of SDGs and sustainability to help citizens understand and recognize environmental issues and implement specific activities from their own standpoints. Since FY2020, the lectures have been held online due to the COVID-19 pandemic, allowing participation from all over Japan, and a total of 36,400 people have participated to date (as of March 2023). Videos of the lectures are also available for those unable to attend on the day of the event and for those who wish to deepen their learning through repeated viewings. The overall theme for 2023 is “Re-Style: Nine Perspectives to Create a New Prosperous Lifestyle.” In the midst of the dynamic changes required to realize a sustainable society, we held a special opening lecture and nine regular lectures to consider new “prosperous” lifestyles from a variety of perspectives.

Comments from a co-sponsoring partner



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

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



Comments from participants in 2023

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

Grant program for environmental protection projects

Since 1999 the foundation has awarded grants for environmental conservation projects to support groups working on environmental issues.

These grants support projects that carry out practical activities and awareness-raising activities in a wide range of environment-related fields, including nature conservation, ecosystem conservation, waste problems, and climate and energy.

Grant program for doctoral course students

Since 2001 the foundation has provided academic research funding for graduate students' costs of writing PhD theses in the humanities and social sciences to support outstanding young researchers who are inspired to write on environmental themes. To date, 112 of these students have received their doctoral degrees.

- Editorial Policy
- How to Read
the Sustainability Report 2023
- Sustainability Vision and Policy
- Contents
- Group CSuO Message

Sustainability

Environment

- SOMPO Climate Action
- Leadership on
Global Environmental Issues
- Climate Change
(Information Disclosure Based on
TCFD Recommendations)
- Biodiversity

**Encouraging People to Develop Skills
Needed for Environmental Protection**

Society

Governance

Data

Encouraging People to Develop Skills Needed for Environmental Protection

CSO Learning Program

The foundation operates the CSO Learning Program, which provides an eight-month internship experience at a CSO (Civil Society Organization: a concept that encompasses NPOs and NGOs) in the environmental field for university students and graduate students. Since the program was launched in 2000, we have worked together with CSOs to develop human resources who can contribute to the creation of a sustainable society. Even during the COVID-19 pandemic, online meetings and remote work were adopted to ensure the program continued without interruption, and the program has now run for over 20 years. So far, 1,276 students have completed the program (as of March 2023). Reflecting the foundation's philosophy of "Fostering People Who Plant Trees," graduates are now active as "those who plant trees" in a wide range of fields, including government offices, private companies, and CSOs. In 2019, the program was launched in Jakarta, Indonesia, and to date, five sessions have been held in Jakarta with a total of 103 students completing the program. Local governments and NGOs have high expectations for this program as a training program for new leaders.



FY2023 CSO Learning Program summer camp



Completion ceremony for the fifth batch in Indonesia

Comments from people involved in the CSO Learning Program

Sayuki Mizokami

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



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

Shunichiro Toya

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



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

Tomonori Watanabe

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



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

Ms. Jo Kumala Dewi

Director, Environmental Partnership, Ministry of Environment and Forest, Indonesia



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

Encouraging People to Develop Skills Needed for Environmental Protection

External recognition

Awarded the Minister of the Environment Awards for Climate Action 2023

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



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

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

*ESD: Education for Sustainable Development