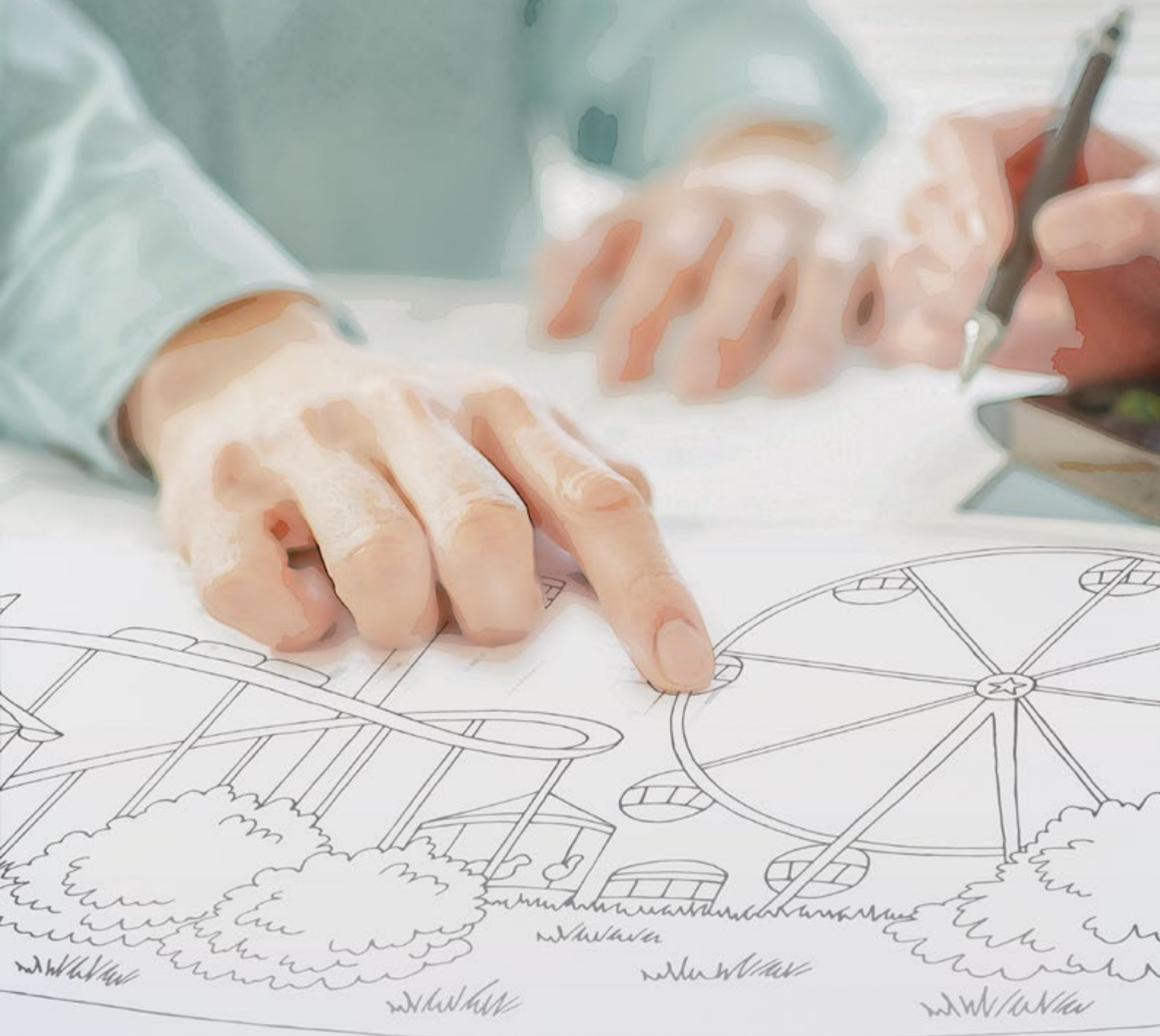


Strategy/Capital

Fiscal 2021 marked the first year in the three-year Mid-Term Management Plan to realize SOMPO's Purpose, and through the efforts of the entire Group, it began with record profits for the second year in a row.

Each business in the Group will continue to drive the Value Creation Cycle, implement the three basic strategies at the heart of the Plan – scale and diversification, new customer value creation, and new work styles – and bring to life our “Theme Park for Security, Health & Wellbeing.”



SOMPO's Capital as a Source of Competitiveness

History

In 1888, Tokyo Fire Insurance Company, one of the Group's forerunners, was established as Japan's first fire insurance company with the mission of protecting people from the threat of fire. This sense of mission has been passed down throughout our 130-year history, and is linked to our current Management Philosophy. As social issues change and become more complex, we have expanded the Group's business domains to include life insurance, nursing care, digital, and more with

P&C insurance at the core, taken on the challenge of solving a wide range of social issues, and cultivated our strengths—namely, trust and responsibility from society. The numerous capital assets we have amassed by leveraging these strengths are the source of our competitiveness today.



Financial capital

Social and relationship capital

Human capital

Intellectual capital

Natural capital

SOMPO's History of Cultivating Trust and Responsibility

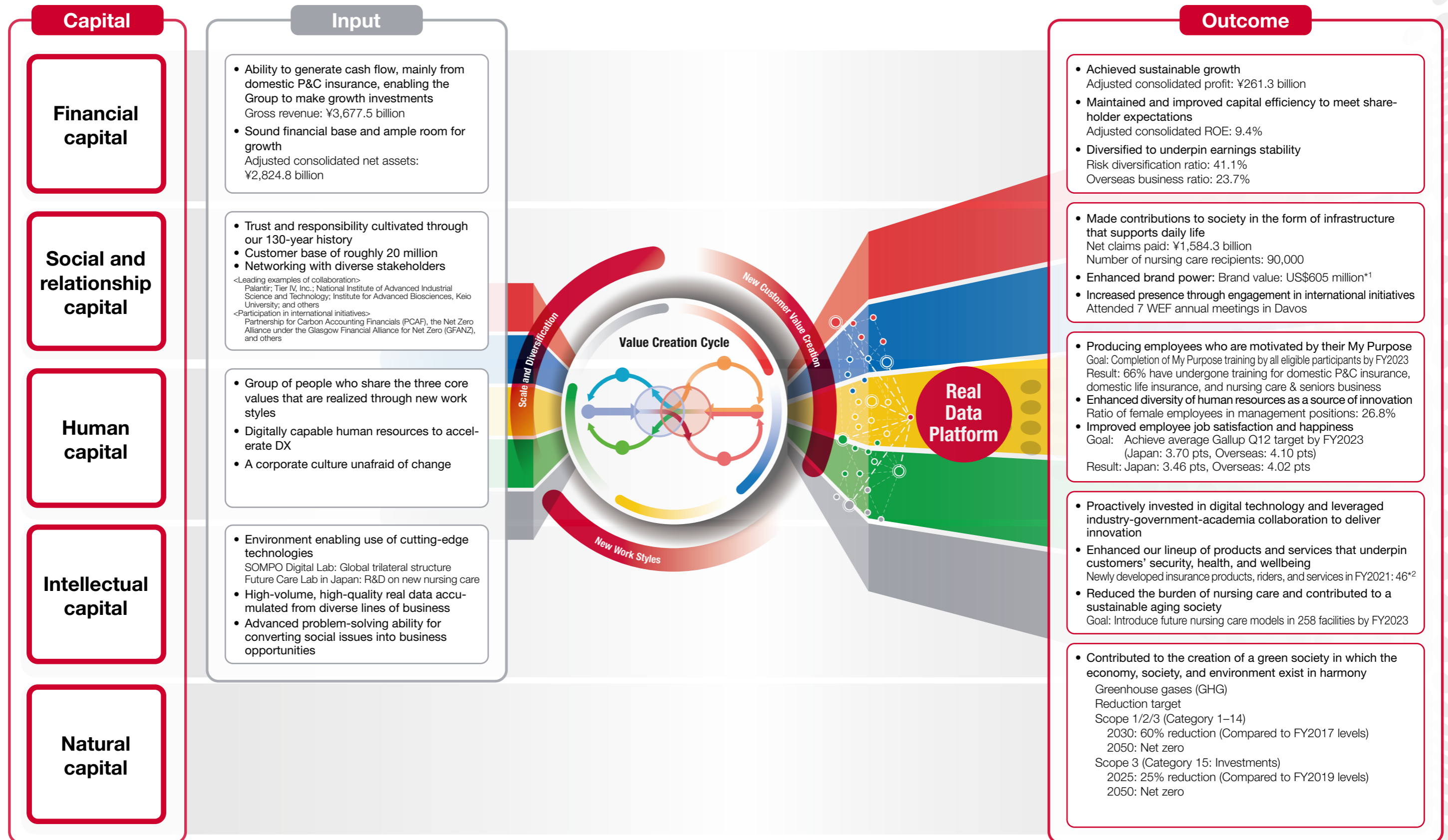
<p>1992 Established the Department of Global Environment (the first for a Japanese financial institution) We established a department dedicated to the companywide promotion of solutions to global environmental issues, and have proactively addressed environmental issues through collaboration with stakeholders.</p>	<p>2010 Established NKSJ Holdings (now SOMPO Holdings) We started by improving the profitability of existing lines of business, before proactively shifting management resources to growth areas to build a stable earnings base.</p>	<p>2016 Established SOMPO Digital Labs We established SOMPO Digital Labs in Tokyo, Silicon Valley, and Tel Aviv to function as research and development bases for digital strategies, and have constructed a system to realize the digital transformation (DX) of the entire Group through information gathering and networking.</p>	<p>2019 Established Palantir Technologies Japan We jointly established Palantir Technologies Japan together with Palantir to achieve security, health, and wellbeing for Japanese companies and society through big data analysis by leveraging each other's strengths.</p>	<p>2021 Launched Mid-Term Management Plan, Announced SOMPO's Purpose SOMPO launched a Mid-Term Management Plan to achieve its purpose: to create a society in which every person can live a healthy, prosperous and happy life true to themselves by way of a Theme Park for Security, Health & Wellbeing.</p>	
<p>1996 Entered the life insurance business We entered the life insurance business when Yasuda Fire & Marine (now Sompo Japan) outsourced the agency and administrative operations of INA Life Insurance and established Nippon Fire Partner Life Insurance and Koa Fire & Marine Magokoro Life Insurance.</p>	<p>2003 Launched full-fledged initiatives for diversity (the first for a Japanese financial institution) Starting with the establishment of a department dedicated to the promotion of active participation by women, we have constructed systems and frameworks to support the active participation of diverse human resources.</p>	<p>2015 Entered the nursing care business in earnest Through our entry into the nursing care business in earnest, we have invested in the future through efforts such as confronting the social issues of a low birthrate and an aging population, providing nursing care services that leverage technology to provide both high productivity and quality, and opening the Future Care Lab in Japan.</p>	<p>2017 Acquired Endurance (now SOMPO International) Through disciplined M&As, we have expanded the scale of our business and reorganized our subsidiaries to build a global platform that has contributed to the diversification effects of the Group along with increased revenue and high profit growth.</p>	<p>2020 Established Headquarters for Promoting New Work Styles We have positioned the promotion of new work styles as the biggest project in our 130-year existence to transform our corporate culture, and have established the Headquarters for Promoting New Work Styles with the Group CEO at its head with the aim of becoming a group of people who share the three core values through the employees' pursuit of My Purpose.</p>	<p>2021 Concluded the Agreement on Comprehensive Mutual Cooperation to Solve Social Issues (National Institute of Advanced Industrial Science and Technology) With the aim of contributing to the growth of the Japanese economy through the promotion of joint research and the social implementation of its results, we concluded an agreement to solve social issues with the National Institute of Advanced Industrial Science and Technology, one of the largest research institutes in Japan.</p>

SOMPO's Capital as a Source of Competitiveness

Capital

Over our 130-year history, we have accumulated numerous capital assets that serve as the source of our competitiveness. We will combine our stable revenue base and diverse capital built on relationships of trust with a variety of

stakeholders to create value that only SOMPO can offer. Our 74,000 employees, each motivated by their own My Purpose, are the driving force for our Value Creation Cycle, which we are using to achieve sustainable growth and realize SOMPO's Purpose.



*Actual figures for FY 2021 unless otherwise noted

*1 Based on a survey by Interbrand Japan, Inc.

*2 Simple aggregate of the number of newly developed products, services and riders released by Sompo Japan and Sompo Himawari Life in FY2021

Overview of Mid-Term Management Plan

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

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

Mid-Term Management Plan (FY2021-2023)

Goals

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

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

Three Core Strategies

1 Scale and Diversification

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

2 New Customer Value Creation

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

3 New Work Style

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

SDGs in Business Management

Capital Policy and ERM

Governance

Key Financial Performance Indicators

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

Domestic P&C Insurance

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

Overseas Insurance and Reinsurance

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

Domestic Life Insurance

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

Nursing Care and Seniors

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

New Customer Value Creation

FY2023 plan	External sales and monetization of products and services that utilize RDP	Two businesses or more	Mid- to long-term target	Group revenue generated by the utilization of RDP	¥500.0 billion or more
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*1 Sompo Japan (excl. CALI, household earthquake insurance) *2 Sompo International commercial business *3 Recalculated according to current definitions
*4 Based on sales performance *5 30-year maturity equivalent *6 As of the end of the fiscal year

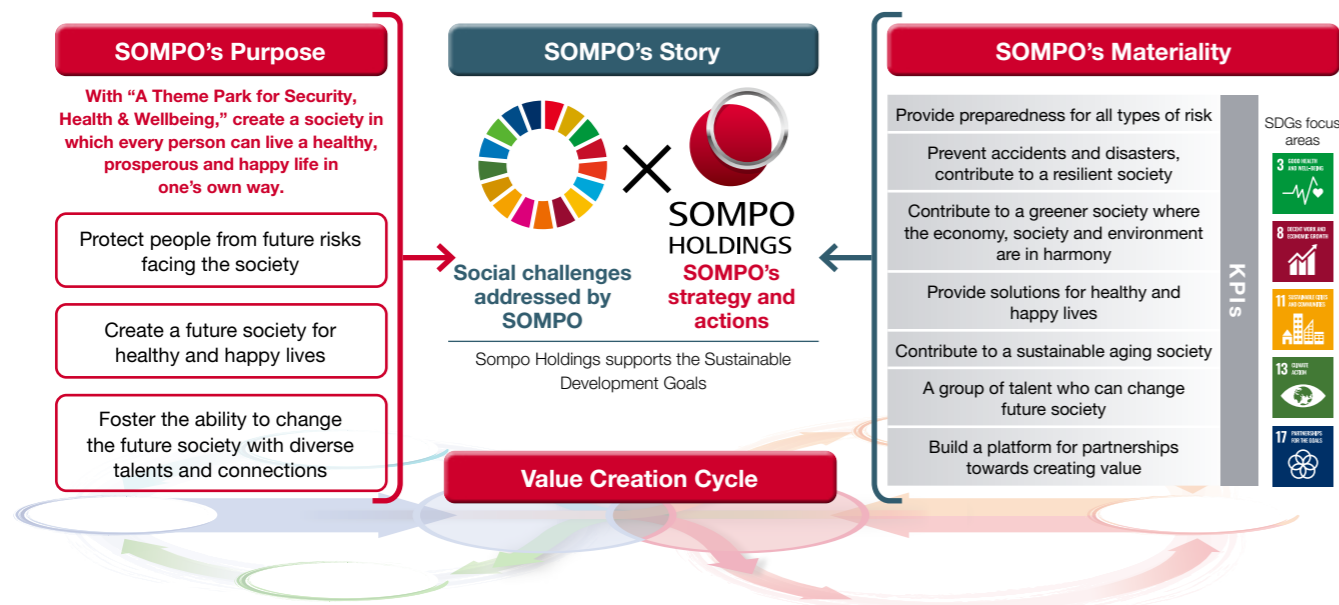
SDGs in Business Management

Overview of SDGs in Business Management

In its current Mid-Term Management Plan, the Sampo Group has positioned "SDGs in Business Management" as one of our Group Business Foundations to create economic and social value by using its core business to resolve social challenges. To do this, we have designated seven Materialities—or priority issues—for realizing SOMPO's Purpose. We have also set KPIs for each Materiality to

facilitate the creation of highly effective PDCA cycles, visualizing our progress and identifying issues.

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



Promotion Structure

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

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

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

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



- Committee Discussion Topics, April 2021–June 2022**
- Sharing the Group's Mid-Term Management Plan and the policy for SDGs in Business Management in FY2021
 - Formulating Materiality KPIs (MAC preliminary discussions)
 - Revising the Group's net-zero targets (MAC preliminary discussions)
 - Discussing the Group's climate change strategy (Global ExCo preliminary discussions)
 - Summarizing initiatives for the first half of FY2021
 - Summarizing full-year initiatives for FY2021

Identifying Materiality

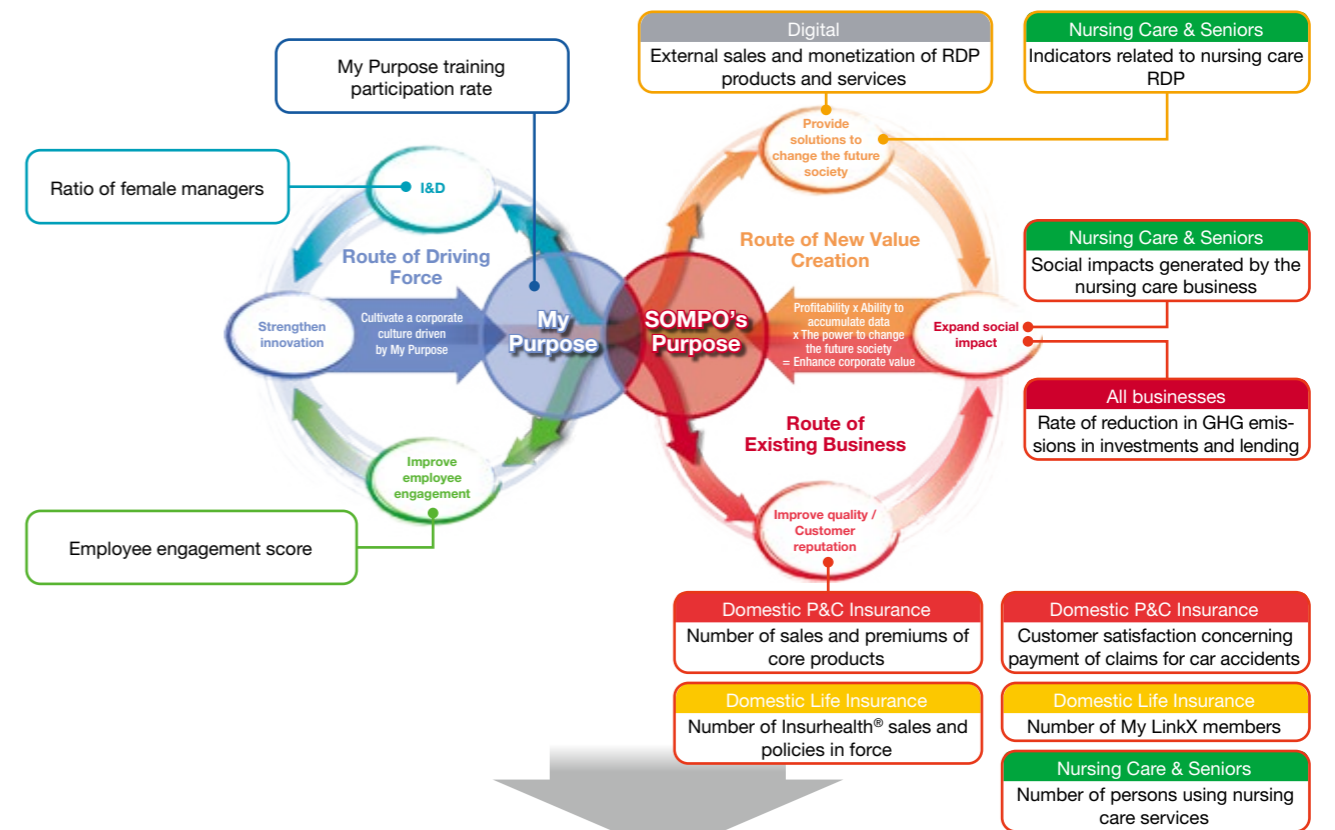
The Sampo Group has identified social challenges based both on international norms and on its mission to realize SOMPO's Purpose. After assessing their importance according to their relevance to SDGs, we have identified priority social challenges, and organized, integrated, and systematized them as Materiality.

Materiality Identification Process



Integrating Materiality KPIs and the Value Creation Cycle

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



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

SDGs Matrix: Social Challenges and SDGs Addressed by SOMPO

This matrix follows ISO 26000 frameworks to clarify the relationship between the social challenges facing SOMPO, which were identified in Process 1 of the Materiality Identification Process, and the core subjects of ESG and ISO 26000. It also indicates which of the 169 SDG Targets the Sompogroup will contribute to through the provision of its products and services. In Process 2, we

narrowed down Materiality candidates based on their level of importance, and identified which social challenges to prioritize through our business. Finally, in Process 3, we organized, integrated, and systematized these social challenges according to our strategies. We have termed these challenges "Materialities," or priority issues for realizing SOMPO's Purpose.



ESG Category	ISO 26000 Seven Core Subjects	Social challenges facing SOMPO	1	2	3	4	5	6	7	8	
G	Organizational governance	Fulfilling governance functions					△5.5			△8.8	
		Refining ERM								△8.10	
		Strengthening cyber security resilience									△8.10
		Strengthening resilience against increasingly uncertain international affairs									
Fair operating practices		Ensuring compliance								△8.8	
		Preventing corruption								△8.8	
Human rights		Incorporating ESG into the value chain							●7.2	●8.7	
		Responding appropriately to risks to human dignity and human rights	△1.3		●3.4	●4.4	△5.4				●8.8
S	Community involvement and development	Preventing the spread of infectious diseases			●3.3						●8.10
		Improving employee engagement			△3.4	●4.4	△5.4				●8.2
		Improving the Group's ability to innovate				△4.4	△5.5				●8.2
		Promoting diversity & inclusion	△1.4		△3.4	●4.5	●5.5				●8.2
		Promoting health and productivity management*			●3.4						●8.8
		Investing in human resources (lifelong learning and recurrent education)				●4.4					●8.2
		Investing in human capital			△3.4	△4.4	△5.5				●8.2
		Supporting regional development for regional revitalization									
		Promoting culture and the arts					△4.7				
		Promoting financial inclusion and ensuring universal access to insurance	●1.4	●2.3	●3.3						●8.10
Consumer issues		Contributing to a society that is resilient against natural disasters	●1.5							●8.10	
		Contributing to a safe and secure next-generation mobility society			●3.6					●8.10	
		Contributing to a sustainable social security system	●1.3		●3.4		●5.4			●8.8	
		Supporting people who are vulnerable to disasters	△1.5								
		Co-creating with diverse stakeholders to achieve transformation	●1.4	●2.4	●3.6	●4.7	●5.5	●6.6	●7.a	●8.10	
		Responding to a data-driven society			●3.4	△4.4	△5.5			△8.10	
		Improving the quality of customer services			●3.6					●8.10	
		Safeguarding privacy								△8.8	
		Contributing to a smart society			●3.4						
		Extending life expectancy	△1.4		●3.4	△4.4	△5.4			●8.10	
E	Environment	Providing products and services that reflect changes in people's values and behavior			●3.4					●8.10	
		Educating future generations (disaster prevention and traffic safety)			●3.6	●4.7		△6.6			
		Educating future generations (the environment)				●4.7					
		Promoting sustainable finance (underwriting and developing insurance products)			△3.9				●7.a	△8.10	
		Promoting sustainable finance (investment and lending)			△3.9				●7.a	△8.3	
		Contributing to a sustainable food supply	●1.5	●2.4				△6.6		●8.10	
		Contributing to a carbon neutral society	●1.5	●2.4	△3.9	△4.7		△6.6	●7.2		
		Contributing to a circular economy							●6.b		
Contributing to a society in harmony with nature							●6.6				

9	10	11	12	13	14	15	16	17	Priority social challenges
●9.b							●16.7	△17.17	☆
							△16.5		
△9.1							●16.1		
	△10.3						●16.5		
	△10.3						●16.5		
			●12.2	●13.2	△14.2	△15.1	△16.2	●17.17	☆
							●16.1	●17.16	☆
				△13.1					
●9.b									☆
●9.b									
	●10.2		△12.6						☆
								△17.16	☆
●9.b	△10.2								☆
●9.b	△10.2								☆
		△11.3						●17.16	
								●17.16	
△9.3		●11.b		●13.1				●17.16	☆
		●11.b		●13.1				●17.16	☆
●9.b		●11.2						●17.16	☆
	△10.2							●17.16	☆
		△11.b		△13.3				△17.16	
●9.2	●10.4	●11.b	●12.5	●13.3	●14.2	●15.1	●16.2	●17.16	☆
●9.2								●17.16	☆
△9.5								●17.16	☆
							●16.5		
		●11.3		△13.1				●17.16	☆
	△10.2							●17.16	☆
			△12.8					●17.16	
		●11.b						●17.16	☆
		●11.b	●12.3	●13.3	●14.1			●17.16	☆
●9.1	●11.4			●13.3	△14.1	△15.5		●17.16	☆
●9.4	●11.4			●13.a	△14.1	△15.5		●17.16	☆
				●13.1				●17.16	☆
△9.1	△11.4	●12.8	●13.2	△14.1	△15.5			●17.16	☆
		●12.5	△13.3	●14.1	△15.4			●17.16	☆
		●12.5	△13.3	●14.1	△15.2			●17.16	☆

- Provide preparedness for all types of risk
- Prevent accidents and disasters, contribute to a resilient society
- Contribute to a greener society where the economy, society and environment are in harmony
- Provide solutions for healthy and happy lives
- Contribute to a sustainable aging society
- A group of talent who can change future society
- Build a platform for partnerships towards creating value

*1 SDG targets strongly linked to Sompogroup's initiatives are marked as "●," and those moderately linked are marked as "△."
 The Sompogroup will continuously review the matrix in light of developments in its problem-solving business and changes to social challenges.
 *2 This matrix was formulated under the supervision of Professor Hidemitsu Sasaya of the Chiba University of Commerce.
 * "Health and productivity management" is a registered trademark of Nonprofit Organization Kenko-kei.

Materiality KPIs

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

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

★ KPIs added in fiscal 2022
☆ KPIs scheduled for addition

Key value creation cycle KPIs

Materiality	Materiality Subcategory	Materiality KPIs	
		KPIs	Target Business
Provide preparedness for all types of risk	Promoting financial inclusion and ensuring universal access to insurance	Domestic net written premiums (contribution to promoting insurance)	Domestic P&C Insurance
		Overseas gross written premiums (contribution to promoting insurance)	Overseas Insurance and Reinsurance
		No. of life insurance policies in force (contribution to promoting insurance)	Domestic Life Insurance
		No. of sales and premiums for insurance products that help people prepare for illness and injury (core products)	Domestic P&C Insurance
Prevent accidents and disasters, contribute to a resilient society	Contributing to a sustainable food supply	Expansion of AgriSampo's agricultural insurance business to more countries	Overseas Insurance and Reinsurance
		Customer satisfaction with insurance claims paid for natural disasters	Domestic P&C Insurance
		★ Development of products and services that help adapt to or mitigate climate change	All Group businesses
		No. of sales and premiums for insurance products that contribute to a safe and secure next-generation mobility society (core products)	Domestic P&C Insurance
Contribute to a greener society where the economy, society and environment are in harmony	Contributing to a carbon neutral society, to a circular economy, and to a society in harmony with nature	★ Customer satisfaction with insurance claims paid for car accidents	Domestic P&C Insurance
		No. of participants in disaster prevention and traffic safety training	All Group businesses
		Participation and activities in sustainability-related initiatives and rule-making	All Group businesses
		No. of engagements with investee and borrower companies	All Group businesses
Provide solutions for healthy and happy lives	Extending life expectancy	Reduction rate for Group greenhouse gas emissions	All Group businesses
		Switch to renewable energy sources	All Group businesses
		★ Reduction rate for greenhouse gas emissions of investee and borrower companies	All Group businesses
		No. of participants in environmental education programs	All Group businesses
Contribute to a sustainable aging society	Contributing to a sustainable social security system	No. of Insurhealth® policies sold	Domestic Life Insurance
		No. of Insurhealth® policies in force	Domestic Life Insurance
		Sales share of Insurhealth® products	Domestic Life Insurance
		★ No. of My Link X members	Domestic Life Insurance
A group of talent who can change future society	Investing in human capital	Company name recognition	Domestic Life Insurance
		Perception as a company that promotes health	Domestic Life Insurance
		No. of branch offices offering dementia prevention programs	Nursing Care and Seniors
		Health guidance business revenue	Strategic business
Build a platform for partnerships towards creating value	Promoting a data-driven society	Mental health service revenue	Strategic business
		No. of smart community proof of concepts	Nursing Care and Seniors
		No. of facilities introducing future nursing care model	Nursing Care and Seniors
		Nursing care facility occupancy rate	Nursing Care and Seniors
		No. of nursing care users	Nursing Care and Seniors
		Care provider turnover rate	Nursing Care and Seniors
		☆ Social impact of Nursing Care Business	Nursing Care and Seniors
		Employee engagement	All Group businesses
		My Purpose training participation rate	All Group businesses
		Telework rate	All Group businesses
		Health and productivity management indicators (Work Limitations Questionnaire)	All Group businesses
		Ratio of female managers	All Group businesses
		Ratio of employees with disabilities	All Group businesses
		Shift to job-based HR system	All Group businesses
		No. of digital personnel developed and recruited	All Group businesses
		Group revenue generated by utilizing Real Data Platform	Digital
		External sales and monetization of Real Data Platform products and services	Digital
		☆ Nursing Care RDP indicators	Nursing Care and Seniors

Co-creating with diverse stakeholders to achieve transformation

Fulfilling governance functions

Investing in human capital

Materiality	Materiality Subcategory	Materiality KPIs	FY2021 Results		Relevant SDG Targets	SOMPO's Vision for Society and for the Group
			Numerical Targets	Partnership KPIs		
Provide preparedness for all types of risk	Promoting financial inclusion and ensuring universal access to insurance	Domestic net written premiums (contribution to promoting insurance)	FY2021: ¥1,988.6bn; FY2022: ¥2,055.3bn; FY2023: ¥2,079.9bn	Y1,999.6bn	Achieved	1.4 8.10 11.1b
		Overseas gross written premiums (contribution to promoting insurance)	FY2021: +7.9%; FY2022: +7.1%; FY2023: +6.9% *USD base	+25.8%	Achieved	1.4 8.10 13.1
		No. of life insurance policies in force (contribution to promoting insurance)	FY2021: 4.43M; FY2022: 4.72M; FY2023: 5.00M	4.43M	Achieved	1.4 3.4 8.10
		No. of sales and premiums for insurance products that help people prepare for illness and injury (core products)	Increase YoY	YoY increase: +12,000 insurance product sales; +¥2.25bn premiums	Achieved	3.3 3.4 8.10
Prevent accidents and disasters, contribute to a resilient society	Contributing to a sustainable food supply	Expansion of AgriSampo's agricultural insurance business to more countries	Increase number of countries by FY2023	No increase	No single-year target set	1.5 2.4 13.1
		Customer satisfaction with insurance claims paid for natural disasters	Improve YoY	YoY improvement: -3.3 points	Not achieved	1.5 11.1b 13.1
		★ Development of products and services that help adapt to or mitigate climate change	Publish and update development results	—	—	1.5 13.1 13.3
		No. of sales and premiums for insurance products that contribute to a safe and secure next-generation mobility society (core products)	Increase YoY	YoY increase: +59,000 insurance product sales; +¥240mn premiums	Achieved	3.6 8.10 11.2
Contribute to a greener society where the economy, society and environment are in harmony	Contributing to a carbon neutral society, to a circular economy, and to a society in harmony with nature	★ Customer satisfaction with insurance claims paid for car accidents	Improve YoY	—	—	3.6 8.10 11.2
		No. of participants in disaster prevention and traffic safety training	FY2021: 15,000; FY2022: 18,000	23,036	Achieved	3.6 4.7 11.1b
		Participation and activities in sustainability-related initiatives and rule-making	Publish and update activity results	Joined PCAF and three GFANZ sector-specific alliances	No single-year target set	9.4 11.4 13.3
		No. of engagements with investee and borrower companies	Increase YoY	Increase YoY	Achieved	7.4 9.4 13.3a
Provide solutions for healthy and happy lives	Extending life expectancy	Reduction rate for Group greenhouse gas emissions	60% reduction by 2030 (compared to 2017 levels), net zero by 2050 *Targets include Scopes 1, 2, and 3, but exclude investee and borrower companies	228,051tCO2e	No single-year target set	7.2 12.8 13.2
		Switch to renewable energy sources	70% utilization rate by FY2030	2.2%	No single-year target set	7.2 12.2 13.2
		★ Reduction rate for greenhouse gas emissions of investee and borrower companies	25% reduction by 2025 (compared to 2019 levels), net zero by 2050 *For Scope 3, Category 15 emissions	FY2020 Equities: 948,530 tCO2e Bonds: 906,207 tCO2e	—	7.4 12.8 13.2
		No. of participants in environmental education programs	FY2021: 11,500; FY2022: 9,000	6,595	Not achieved	4.7 13.3 14.1
Contribute to a sustainable aging society	Contributing to a sustainable social security system	No. of Insurhealth® policies sold	End of FY2021: 300,000; End of FY2022: 460,000; End of FY2023: 420,000	340,000	Achieved	1.4 3.4 8.10
		No. of Insurhealth® policies in force	End of FY2021: 600,000; End of FY2022: 1,130,000; End of FY2023: 1,300,000	710,000	Achieved	1.4 3.4 8.10
		Sales share of Insurhealth® products	End of FY2021: 60%; End of FY2022: 70%; End of FY2023: 80%	68.3%	Achieved	3.4 3.4 8.10
		★ No. of My Link X members	FY2022: 700,000; FY2023: 1,000,000	457,000	—	1.4 3.4 8.10
A group of talent who can change future society	Investing in human capital	Company name recognition	Life insurance industry ranking for Sampo Himawari Life Insurance: End of FY2021: No. 5; End of FY2022: No. 3; End of FY2023: No. 1	51.7%	Not achieved	3.4 3.4 8.10
		Perception as a company that promotes health	FY2021: 38; FY2022: 82; FY2023: 171	41	Achieved	3.4 5.4 10.2
		No. of branch offices offering dementia prevention programs	FY2021: ¥3.519bn; FY2022: ¥3.881bn	¥3.746bn	Achieved	3.4 3.5 4.7
		Health guidance business revenue	FY2021: ¥1.485bn; FY2022: ¥1.619bn	¥1.493bn	Achieved	3.4 4.4 8.8
Build a platform for partnerships towards creating value	Promoting a data-driven society	Mental health service revenue	FY2021: 10; FY2022: 10	12	Achieved	3.4 3.4 11.3
		No. of smart community proof of concepts	FY2021: 28; FY2022: 73; FY2023: 258	23	Not achieved	1.3 3.4 8.8
		No. of facilities introducing future nursing care model	FY2021: 90.8%; FY2022: 92.9%; FY2023: 93.8%	91.1%	Achieved	1.3 3.4 10.2
		Nursing care facility occupancy rate	FY2021: 90,000; FY2022: 94,000; FY2023: 120,000	90,000	Achieved	1.3 3.4 5.4
		No. of nursing care users	FY2021: 11.4%; FY2022: 11.0%; FY2023: 10.5%	11.4%	Achieved	1.3 3.4 8.5
		Care provider turnover rate	Plans to disclose future social impact of Nursing Care Business	—	—	1.3 3.4 8.5
		☆ Social impact of Nursing Care Business	FY2021 Results: 1) 97 2) 45 3) 58	3.46 pt in Japan, and 4.02 pt overseas	Achieved	4.4 8.2 9.6
		Employee engagement	Average Gallup Q12 score of 3.70 pt in Japan and 4.10 pt overseas by end of FY2023	66% of employees from Domestic P&C, Domestic Life Insurance, and Nursing Care and Seniors Businesses	Achieved	4.5 4.4 8.2
		My Purpose training participation rate	End of FY2023: 100% of eligible employees	65.0%	Achieved	4.4 5.4 8.8
		Telework rate	50% or more of whole Group *excluding frontline care givers	93.8%	Achieved	3.4 8.2 8.8
		Health and productivity management indicators (Work Limitations Questionnaire)	Improve YoY at all companies	26.8%	Achieved	5.5 8.2 10.2
		Ratio of female managers	End of FY2023: 30%	2.41%	Achieved	4.5 8.2 10.2
		Ratio of employees with disabilities	End of FY2023: 2.5%	—	—	—
		Shift to job-based HR system	Introduce job-based system at all companies by end of FY2023	Introduced at Sampo Holdings and Sampo Himawari Life Insurance; job-posting system introduced at Saison Automobile and Fire Insurance Company	No single-year target set	8.2 8.5 9.5
		No. of digital personnel developed and recruited	End of FY2023: DX specialists: 177 DX planning personnel a) Employees who have completed basic DX training: 4,000 b) Participants in AI planning, data utilization, and CX agile design training: 3,000 DX utilization personnel: 17,100 participants in training	DX specialists: 31 DX planning personnel a) Employees who have completed basic DX training: 1,979 b) Participants in AI planning, data utilization, and CX agile design training: 791 DX utilization personnel: 10,656 participants in training	Achieved	4.4 8.2 9.5
		Group revenue generated by utilizing Real Data Platform	¥500bn (medium- to long-term target)	No results	No single-year target set	3.4 9.5 17.16
		External sales and monetization of Real Data Platform products and services	Two projects or more by end of FY2023	No results	No single-year target set	3.4 9.2 17.16
		☆ Nursing Care RDP indicators	Targets to be decided based on business plans	—	—	3.4 8.2 9.2

Climate Change Initiatives (Environment)

I. SOMPO Climate Action

Since the 1990s, the Group has been tackling global environmental issues in collaboration with a wide range of stakeholders. Through partnerships with stakeholders built up over many years, we will promote initiatives that emphasize environmental, economic, and social sustainability. Our aim is to realize a resilient, carbon-neutral society where people and nature are in harmony.

In 1992, SOMPO's president at the time participated in the Rio Summit as the chairman of the Keidanren Committee on Nature Conservation. In the same year, we established the Department of Global Environment—the first for a Japanese financial institution—and have since been working on global environmental issues in collaboration with NPOs and other organizations. In 1997, we

obtained ISO 14001 certification for environmental management systems (another first for a Japanese financial institution), and been working to “adapt to” and “mitigate” climate change.

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

SOMPO Climate Action		
1. Adapt to climate change	2. Mitigate climate change	3. Contribute to societal transformation
<p>Help enhance societal resilience by developing/offering products/services through collaboration</p> <ul style="list-style-type: none"> Contribute to sustainable agriculture with AgriSompo Develop products/new businesses for disaster prevention & mitigation BCP support service for companies 	<p>Achieve net zero group GHG emissions (by 2050)</p> <ul style="list-style-type: none"> Group's introduction of renewable energy (70% by 2030) Sustainable procurement that considers biodiversity Develop products/new businesses for the promotion of clean energy Service for promoting decarbonization for companies 	<p>Support the transition of society by collaborating with stakeholders, such as NPOs, and engaging as financial institution</p> <ul style="list-style-type: none"> Engagement with investee companies Proactive involvement in rule making, policy advocacy Develop environmental personnel

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

SOMPO's strengths

Addressing global environmental issues for 30 years ahead of our time

13 Climate Action	17 Partnership for SDGs
Management understanding/ leadership since the 1992 Rio summit	Climate change adaptation measures utilizing risk management
Relationship of trust with NGOs, experts, etc., built through collaborative projects, the Group's Environment Foundation, etc.	
Built “Green SOMPO” brand through product development with consideration for ESG (underwriting, green funds, etc.), and environmental education for students/citizens	

Policy for SDGs in business management

A partnership platformer

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

II. Implementation of SOMPO Climate Action

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

1. Formulate and Execute a Green Transition Plan

The goal of our Group is to achieve net-zero greenhouse gas (GHG) emissions by 2050, including our underwriting operations and our

investee and borrower companies. To this end, the entire Group is promoting the following actions.

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

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

strengthen our engagement with investee companies.

As specific measures, we are promoting a green transition by strengthening engagement with the top 20 greenhouse gas (GHG) emitting companies among our equity holdings, and we are promoting a switch from high GHG emitting sectors to low emitting sectors when public and corporate bonds reach maturity in order to reduce transition risks and capture opportunities. See [III. 4. Metrics and Targets] for details.

[Initiative 2] Contributions through underwriting/investment and loan

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

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

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

*¹ We may carefully consider and respond to cases where there are innovative technologies such as Carbon Dioxide Capture, Utilization, and Storage (CCS, CCUS) and ammonia co-firing in 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 companies that generate at least 30% of their energy from coal.

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

For further information about our Policy for ESG-related Underwriting, Investment and Loan, please visit our corporate website:

<https://www.sompo-hd.com/en/csr/system/vision/>

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

[Initiative 3] Initiative for societal transformation

Various organizations and groups around the world are actively discussing the formulation of regulations and guidance to realize a net-zero society. The Sompo Group is contributing to “societal transformation” by participating in sustainability promotion and rule-making organizations.

Recently, we have been working hard to promote climate-related information disclosure in the insurance industry, including

by developing methods for analyzing climate risks. For example, we joined the insurance pilot working group of the Task Force on Climate-related Financial Disclosures (TCFD), promoted by the United Nations Environment Programme Finance Initiative. We are also committed to the Science Based Targets (SBT) initiative, which aims to achieve the 1.5°C target of the Paris Agreement, and in September 2018 we were the only domestic insurance group to join in the Expert Advisory Group for the development of SBT guidelines for financial institutions. In December 2020, meanwhile, we joined the Business for Nature Strategic Advisory Group, which consolidates the opinions of industry and makes policy proposals to address the growing sense of crisis about biodiversity.

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

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

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

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

*Participating net-zero related initiatives:

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

2. Upgrading the Climate Risk Framework

Sompo Holdings has long been committed to practicing Enterprise Risk Management (ERM) in accordance with the Sompo Holdings Group Basic Policy on ERM. The ERM has two aspects: risk-taking (proactive) for strategy execution and risk control (protective) for the stability of the business foundation. For effective risk control, the Sompo Group aims to minimize unexpected losses and stabilize profits using frameworks that identify, analyze, and evaluate the diverse risks that the Group faces.

Climate Change Initiatives (Environment)

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

cause delay in response.

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

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

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

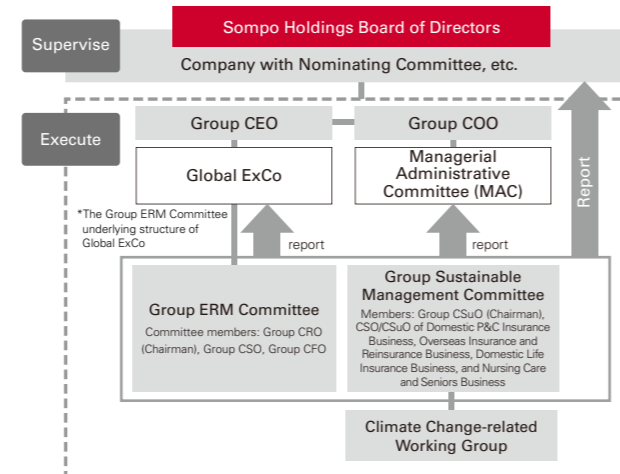
1. Governance

Based on SOMPO's Purpose (With "A Theme Park for Security, Health and Wellbeing," create a society in which every person can live a healthy, prosperous and happy life in one's own way), we have identified "contributing to a greener society where the economy, society and environment are in harmony" as one of our material issues for achieving our Purpose. Sompo has established a system under which executive officers and vice presidents implement measures based on Group-wide strategies and policies to realize SOMPO's Purpose and the Board of Directors supervises the implementation of these measures.

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

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

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



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

2. Strategy

(1) Climate-related risks and opportunities

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

We have identified the risks and opportunities that climate change poses to our business based on the results of studies conducted by external organizations such as the Intergovernmental Panel on Climate Change (IPCC) and the World Economic Forum, and we are assessing, analyzing, and responding to such risks and opportunities

on a short-, medium- (5-10 years: around 2030), and long-term (10-30 years: around 2050) time horizon. The main environmental changes associated with physical and transition risks due to climate

change, as well as risks and opportunities that are expected to have a significant impact on the Group, are shown in the table below.

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

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

(2) Scenario analysis

A. Physical risks

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

sea level changes and trends in the occurrence of extreme weather events. We are also examining the medium-term impacts over the next five to ten years to incorporate the information into our business strategies.

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

Estimate results

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

We are also analyzing the impact of climate change on natural

Climate Change Initiatives (Environment)

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

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

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

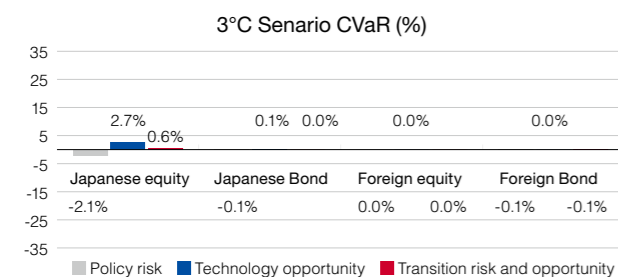
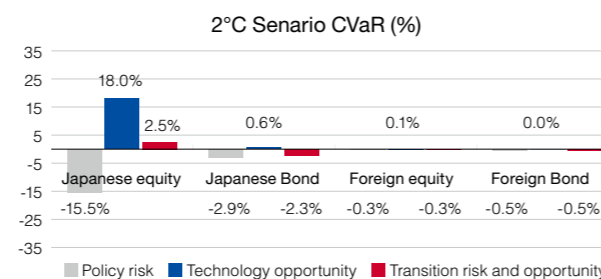
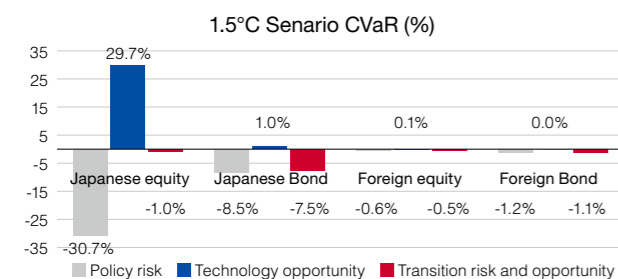
B. Transition risks

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

*3 MSCI Climate Value-at-Risk

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

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



- **Policy Risk:**
Figures calculated for each level of Scope 1, 2, and 3 for the cost required to achieve the GHG reduction targets.
 - **Technology opportunity:**
Figures calculated for the potential business opportunities created by environment-related technologies owned by companies against the backdrop of the transition to a low-carbon economy.
 - **Transition risk and opportunity:**
Sum of policy risks and technology opportunities
- Source: Prepared by Sompo Holdings using MSCI Climate Value-at-Risk
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As outlined above, the overall impact of policy risks is limited as it is offset by that of technological opportunities. By scenario, the impact of policy risks and technological opportunities under the

1.5°C scenario is the largest, and by asset holdings, the impact on Japanese equities is the largest.

(3) Responding to risks

A. Physical risks

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

B. Transition risks

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

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

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

We will not underwrite new insurance or make new investments in or loans for new or existing coal power plants or thermal

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

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

For further information about our Policy for ESG-related Underwriting, Investment and Loan, please visit our corporate website:

<https://www.sompo-hd.com/en/csr/system/vision/>

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

(4) Responding to opportunities

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

Status of initiatives in climate change-related business, etc.
Adaptation [Expansion of AgriSompo] We are contributing to a stable food supply through the global roll-out of agricultural insurance through the AgriSompo platform, a global integrated platform for agricultural insurance. (No. 2 market share for agricultural insurance in North America)
[Launch of proof-of-concept test of hotel evacuation support to achieve zero evacuation delay ("nobody left behind") in the event of a natural disaster] In cooperation with data CRADLE and hotels in Kochi City, Sompo Japan Insurance Inc. has launched a proof-of-concept test of hotel evacuation support, targeting people who require evacuation support, pregnant women, and parents with infants in Kochi City.
[Launch of evacuation supporters' insurance for local governments and "Connected Disaster Prevention Project" to support people requiring special care] Sompo Japan Insurance Inc. has launched "evacuation supporters' insurance" to ensure that evacuation supporters in individual evacuation programs and residents participating in local disaster prevention activities can carry out their activities with peace of mind. In collaboration with the Japan NPO Center, we have also launched the "Connected Disaster Prevention Project," an initiative to build regional networks (connections) that will encourage mutual aid in the event of a disaster.

<p>[Launch of new service (first in P&C insurance industry*) to promote reuse of solar panels damaged by natural disasters]</p> <p>Sompo Japan Insurance Inc. and Sompo Risk Management Inc. have launched an initiative to reuse solar panels damaged by natural disasters that otherwise would have been discarded by referring owners to companies that can reuse and recycle the panels at the time of insurance claim payment.</p> <p><small>*According to research by Sompo Japan Insurance Inc. in October 2021</small></p>
<p>Mitigation</p>
<p>[Contribution to energy transition, which is an essential part of the transition to a green society]</p> <ul style="list-style-type: none"> <p>• Launch of ONE SOMPO WIND Service for offshore wind power companies</p> <p>Sompo Japan Insurance Inc. and Sompo Risk Management Inc. launched the ONE SOMPO WIND Service, which provides offshore wind power operators with risk assessments from construction work through business operation and comprehensive risk coverage, as part of efforts to promote offshore wind power projects with extremely low carbon dioxide emissions.</p> <p>• Provision of comprehensive insurance for tidal current (ocean current) power generation to support the spread of offshore renewable energy</p> <p>Sompo Japan Insurance Inc. and Sompo Risk Management Inc. have developed comprehensive insurance for tidal current (ocean current) power generation and risk management services related to offshore renewable energy, with the goal of supporting, from the perspectives of insurance and risk management, initiatives and challenges aimed at practical application of power generation technology using various marine energies (ocean currents, tidal currents, etc.).</p> <p>• Launch of SOMPO-ZELO*, a series of risk solutions to support the construction of supply chains for hydrogen, ammonia, and other next-generation energies</p> <p>Sompo Japan Insurance Inc. and Sompo Risk Management Inc. launched SOMPO-ZELO, a series of risk solutions to support the construction of supply chains for hydrogen, ammonia, and other next-generation energies, including peripheral technologies such as ammonia-fueled ships, as part of efforts to promote the development and provision of insurance and risk management consulting to contribute to the implementation and stable operation of next-generation energy supply chains.</p> <p>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.</p> <p><small>* The "ZELO" in SOMPO-ZELO stands for "Zero carbon x 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).</small></p> <p>• Insurance for virtual power plants (VPPs)</p> <p>In cooperation with TEPCO Ventures, Inc., Sompo Japan Insurance Inc. has started offering dedicated insurance to support the spread of VPPs (virtual power plants)*.</p> <p><small>* 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).</small></p> <p>• Stabilization support insurance for municipal renewable energy supply</p> <p>Sompo Japan Insurance Inc. has developed "electric power procurement cost stabilization insurance" to partially compensate for additional procurement costs that go higher than planned due to soaring wholesale electricity market prices when local government-funded retail electric power companies procure locally generated renewable energy.</p>
<p>[Collaboration with Kansai Electric Power Co., Inc. to realize a carbon-neutral society]</p> <p>By combining Kansai Electric Power Co., Inc.'s zero carbon consulting know-how and real data with Sompo Japan Insurance Inc.'s strengths in risk assessment and analysis and Sompo Risk Management Inc.'s ESG consulting menu, we aim to develop new products and solutions to improve the market environment toward a carbon neutral society and realize solution services that combine the services of the three companies.</p>



<p>[Proof-of-concept test of energy conversion of organic waste on-site (first in Japan)]</p> <p>Sompo Japan Insurance Inc., using the systems of its project collaborator Sustainable Energy Inc., conducted a proof-of-concept test where organic waste emitted and incinerated in office buildings is turned into fuel. (Shinjuku Center Building)</p>
<p>[Launch of a rider for rebuilding expenses to compensates for cost of rebuilding damaged home]</p> <p>Sompo Japan Insurance Inc., in order to respond to the needs of customers who have experienced natural disasters such as typhoons and heavy rains, offers a rider to cover the cost of rebuilding the home, and through this rider, will encourage the spread of housing that complies with energy conservation standards.</p>
<p>Societal transformation</p>
<p>[Active involvement in rule-making through membership in net-zero organizations]</p> <p>In 2021, the Sompo Group joined the PCAF Insurance-Associated Emissions Working Group (working group to develop international standards to measure and disclose GHG emissions through insurance underwriting), and in 2022, the Group joined three sector-specific alliances (NZIA, NZAOA and NZAM) under the Glasgow Financial Alliance for Net Zero (GFANZ).</p>
<p>[Compensation for forest-derived carbon credits (first in Japan)]</p> <p>Sompo Japan Insurance Inc. has begun offering compensation for forest-based carbon credits*¹, the first of its kind in Japan in the voluntary credit*² market, which reduces greenhouse gas emissions through the use of natural capital.</p> <p><small>*¹ A credit that certifies reductions in carbon dioxide or other greenhouse gases through forest protection, afforestation, and similar activities. *² A system that allows companies to issue credits (emission credits) for reductions in 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.</small></p>
<p>[Engagement with investee companies]</p> <p>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.</p>
<p>[Investment in "Tokyo Green Bonds" by the Tokyo Metropolitan Government]</p> <p>Sompo Himawari Life Insurance Inc. invested 800 million yen in "Tokyo Green Bonds" issued by the Tokyo Metropolitan Government, which will be used for projects related to climate change adaptation, smart energy city development, and improvement of the living environment.</p>
<p>[Contributions to societal transition through collaboration between SOMPO Group and its stakeholders]</p> <ul style="list-style-type: none"> Climate change risk analysis services (support for TCFD response) in collaboration with the National Research Institute for Earth Science and Disaster Resilience Partnership agreement with Weathernews Inc. to create new value and businesses to solve social issues related to climate change and global warming Business alliances to provide total support to companies in decarbonization management and climate change response (boost technologies, Inc., Asuene Inc.) Joint research agreement with Gifu University to study flood risk prediction and social impacts due to climate change <p>And so on</p>
<p>[Initiatives for fostering environmental personnel]</p> <ul style="list-style-type: none"> Continued implementation of Open Lectures on the Environment for citizens by the SOMPO Environment Foundation, and the CSO Learning Scholarship Program, which provides an eight-month internship experience at a CSO (civil society organization) in the environmental field for university students and graduate students Volunteer activities centered on the Sompo Chikyu (Earth) Club, a volunteer organization made up of Group executives and employees.

Climate Change Initiatives (Environment)

3. Risk Management

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

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

Risk Framework for Climate Change



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

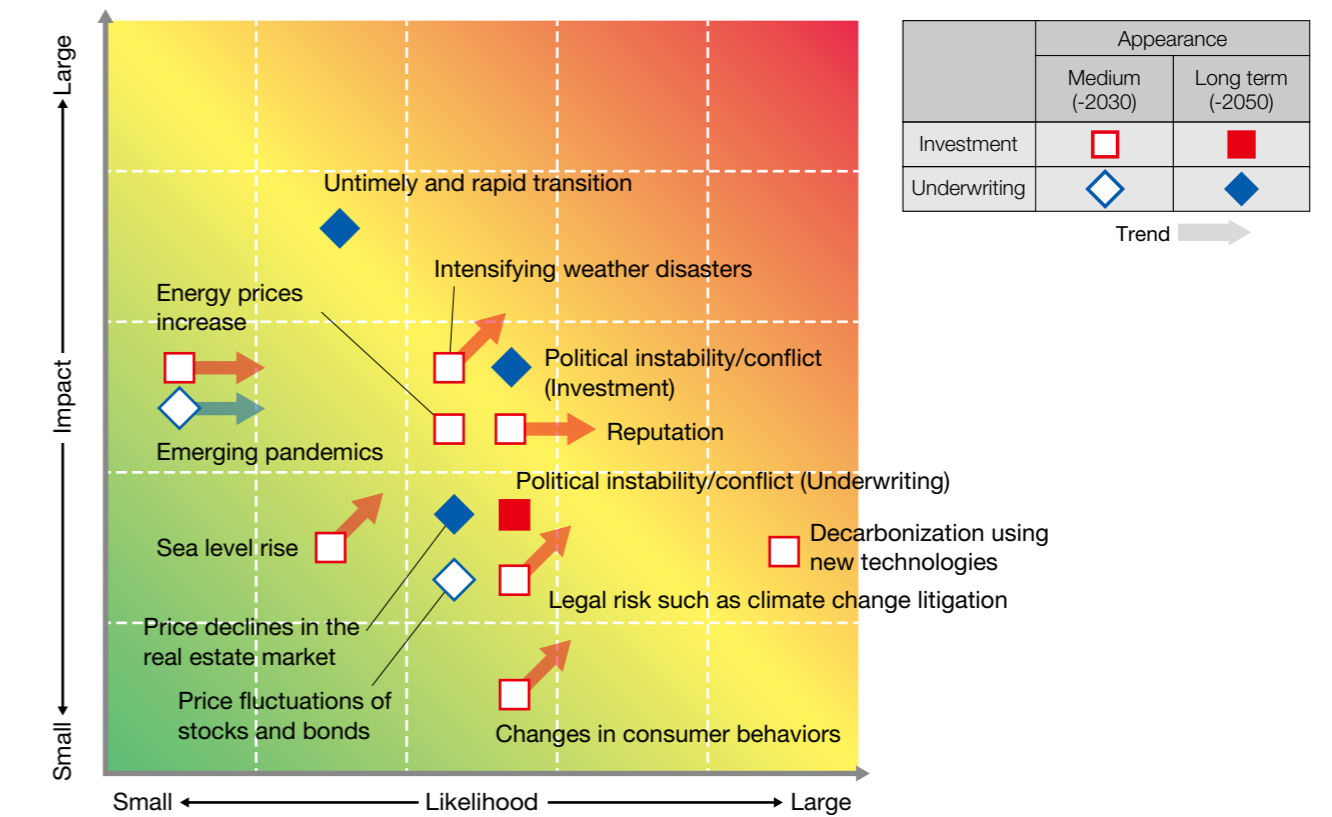
A. Moderate transition	Global warming has intensified, causing heat waves over large areas, resulting in severe food crises and water shortages. Mortality rates have also risen due to frequent and severe natural disasters. Political instability has led to regional conflicts, the proliferation of terrorism,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

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

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

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

Climate Change Risk Map



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

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

Climate-related material risks and their main scenarios

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

We will also incorporate the knowledge gained through the climate change risk framework into our existing risk control system framework that involves capital management, stress testing, risk

limit management, and liquidity risk management, thereby enhancing the overall sophistication of our risk management.

4. Metrics and Targets

(1) Metrics for assessing risks and opportunities

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

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

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

(2) Targets for managing risks and opportunities

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

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

<Reference> Leadership to Address Climate Change

Leadership through Various Initiatives

It is important that many stakeholders work collaboratively to address the challenges of climate change. As climate action is being discussed in numerous initiatives both in Japan and the world, we are making an effort to show leadership in such initiatives.

Here we introduce some of our major activities.

Participation in three sector-specific alliances under GFANZ

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

Participation in CDP (Climate Change) and Support for TCFD

The CDP is a set of collaborative initiatives by the world's institutional investors. It encourages businesses worldwide to adopt climate change strategies and disclose their GHG emissions. Sompo Japan has been a member since 2005 as an institutional investor. As a responding company, Sompo Holdings selected for the Climate A List as the highest rank in a CDP Climate Change for the sixth times.

Following the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations Report published in June 2017, the Group declared support for TCFD and started participating in the TCFD insurance working group of the United Nations Environment Programme-Finance Initiative (UNEP-FI) to develop TCFD disclosure for the insurance sector.

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

In 2017, we took part in an initiative led by the Ministry of the Environment, Japan aiming to set Science Based Targets (SBT). In 2018, we submitted a letter of commitment to the SBTi (international initiative that certifies companies that set ambitious targets consistent with the Paris Agreement) and declared our participation in the drafting of financial sector guidance. In fiscal year 2018, we set new mid- to long-term GHG emission reduction targets for 2030 and 2050 in line with the levels recommended by the SBTi.

In July 2018, the Japan Climate Initiative network was established to enhance information dissemination and the exchange of opinions among corporations, local governments, and civil society organizations actively taking measures to combat climate change. We endorse the purpose of this initiative and are participating as a founding member.

Caring for Climate

"Caring for Climate" is an initiative established by the United Nations Global Compact (UN GC), the United Nations Environment Programme (UNEP), and the United Nations Framework Convention on Climate Change (UNFCCC) to advance the role of business in addressing climate change. Masao Seki, Senior Advisor on CSR at Sompo Japan at the time, was a member of the steering committee.

The Conference of the Parties (COP) COP

In November 2016, the 22nd Session of the Conference of the Parties (COP22) to the United Nations Framework Convention on Climate Change was held in Marrakesh, Sompo Japan, spoke at a session of a side event organized by Japan's Ministry of the Environment, focusing on Japanese corporations' efforts for climate resilience. The company also participated in a High-Level Meeting on Climate Change organized by Caring for Climate during COP22, as a steering committee member. In November 2017, at a side event organized by the Japan International cooperation Agency (JICA) at the COP23 held in Bonn, Germany, Sompo Risk Management gave a presentation on Private Sector Perspective on Agricultural Insurance.

In November 2018, Masaya Futamiya, Director-Chairman of Sompo Japan at the time, participated in Global Business and Biodiversity Forum held in advance of COP14 and gave a presentation on the revision of Declaration of Biodiversity by Keidanren and a progress status of the "mainstreaming of biodiversity" in the Japanese business sector as Chairman of the Keidanren Committee on Nature Conservation. He also held dialogs with representatives from organizations that have a great effect on promoting global nature conservation.

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

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

Respect for Human Dignity and Rights (Society)

Respecting Human Rights

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

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

internal systems and disclose information.

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

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

Human Rights Risk Identification and Mitigation

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

Since FY2018, the company-wide risk assessments performed

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

Human Rights Risk Identification and Evaluation

We identify potential impacts and risks related to human rights for all businesses (Domestic P&C Insurance Business, Overseas Insurance and Reinsurance Business, Domestic Life Insurance Business, Nursing Care & Senior Business, Digital Business, and other Strategic Businesses) and business processes through the entire value chain. In identifying human rights risks, we use various international guidelines such as the UNEP FI Human Rights

Guidance Tool for the Financial Sector, and the CSR procurement self-assessment questionnaire published by the UN Global Compact Network Japan.

In FY2021 we carried out a risk evaluation on human rights based upon the two axes "Human rights impact (severity, number affected, and likelihood of remediation)" and the "Connection to company".

Results of the Assessment – Human Rights Risk Mapping



Mitigating Human Rights Risks

Since FY2019, we are taking the following actions for mitigating human rights risks to address the issues identified in the assessment in FY2019.

Material issues	Target stakeholders	Business
Employee health and safety	Employees	All businesses
Long working hours	Employees, workers in supply chain	All businesses
Unsuitable wages and employee benefits	Employees, workers in supply chain	All businesses
Inhumane treatment (including harassment) of employees and others	Employees	All businesses
Inappropriate disclosure of employee and customer private data, Privacy violations	Employees, customers	All businesses
Discrimination related to products and services and other human rights violations	Customers	Nursing care business
Safety of products and services	Customers	Nursing care business

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

Of these, 43.6% of organization showed improvement through the use of the system of telecommuting /flextime as well as the reduction of overtime work through zero-based work review.

The Sampo Group Compliance Code of Conduct clearly states that all forms of harassment are prohibited, and we are implementing measures such as training on this issue. The "Rules of Employment" was revised in 2020 to set out that conduct falling within or suspected to be power harassment/sexual harassment is prohibited, and to clearly specify that conduct falling within or suspected to be harassment related to pregnancy, childbirth, childcare leave, nursing care leave, etc. is prohibited. In case of incident occurred, effective remedial action has been taken. We aim to improve the quality and availability of protection mechanisms to minimise the risks of the related incident of inhumane treatment including harassment.

< Our Zero-Tolerance Policing >

Complying with our "Group Human Rights Policy", in all facets of labour practices, we will not discriminate on the basis of race, color, ethnic origin, religion, creed, nationality, birthplace, social status,

descent, gender, sexual orientation, gender identity, sexual expression, pregnancy, marital status, age, disability or any other status.

The Group has established a Compliance Hotline operated by a third-party body as an internal whistleblowing contact point for the entire Group. We are striving to increase its effectiveness by making the entire Group aware of this contact point and the rules of the whistleblowing system, including the prohibition on treating whistleblowers unfavorably. Since 2019, the company has also been a registered operator of the Self-Conformance Declaration of the Whistleblowing Compliance Management System Certification (WCMS Certification) operated by Consumer Affairs Agency, and is working to expand the scope of cases and protect whistleblowers.

< Measures to Mitigate Human Rights Risks through Insurance Underwriting and Investment/Loan >

Sampo Japan is working to reduce human rights risks through its financial functions. Since October 2020, we have held dialogues with civil society (NGOs, etc.), experts, and experts, accurately grasping the expectations and requests of stakeholders, and utilizing them in the management of each business including insurance underwriting and investment and financing. We identify businesses that engage in child labor and forced labor as having a negative impact on society and respond carefully.

Remediation Action

Under the whistleblowing system of the company, employees can report the matter related to violation of human rights, the privacy of the person who consult is strictly protected, and the received information is kept confidential. In the event that a violation of laws and regulations, internal rules or any concern or problem contrary to the spirit of the Code of Conduct of Sampo Holdings is suspected, the company will promptly investigate thoroughly and

fairly. Also, in the event that a violation of applicable laws and regulations, the Code of Conduct of Sampo Holdings, or other internal rules is found, the offender may be subject to disciplinary action including dismissal based on the standards and requirements stipulated by the employment contract and employment rules of the Group Company.

Health and Productivity Management Initiatives (Society)

Background of the “Health and Productivity Management”^{®1)*}

Sompo Group values the health and wellbeing of employees and their families. As stated in its management philosophy, the Group aspires to be an organization that:

- (1) Makes a value judgment from customers' perspectives,
- (2) Provides the highest quality services for customers' security, health, and wellbeing through a broader range of business activities focusing on insurance, and
- (3) Contributes to the society.

It is essential to take care of employees' health and their families, who are the driving force in embodying the philosophy. The Group's Human Respect Policy also states that we are committed

to maintaining and improving employees' health to ensure a vibrant work environment.

The Group is actively practicing the Health and Productivity Management initiatives to boost employees' health as one of its most important business themes based on the management philosophy and policies.

The Group will deliver messages to the outside world to raise awareness of health management. It will also support and sponsor external health management programs.

¹⁾The term “Health and Productivity Management” is a registered trademark of an incorporated NPO organization, the Workshop for the Management of Health on Company and Employee.

Sompo Group Health Management Declaration

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

[Sompo Group Health Management Declaration]

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

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

Main initiatives

(1) Maintain and Improve the Health of Employees

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

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

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

Himawari included in its recruitment policies a clause indicating that new hires in and after 2020 must be non-smokers. In addition, Sompo Himawari provides individual online follow-up programs for people who quit smoking.

(2) Ensure a Vibrant Work Environment

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

Sompo Japan regularly conducts employee awareness surveys to gauge the vitality of employees and the company. The study results, employees' work hours, and regular stress checks are analyzed together to see how happy employees are at work. Sompo

Japan then works on any areas for improvement to increase employee motivation and team vitality.

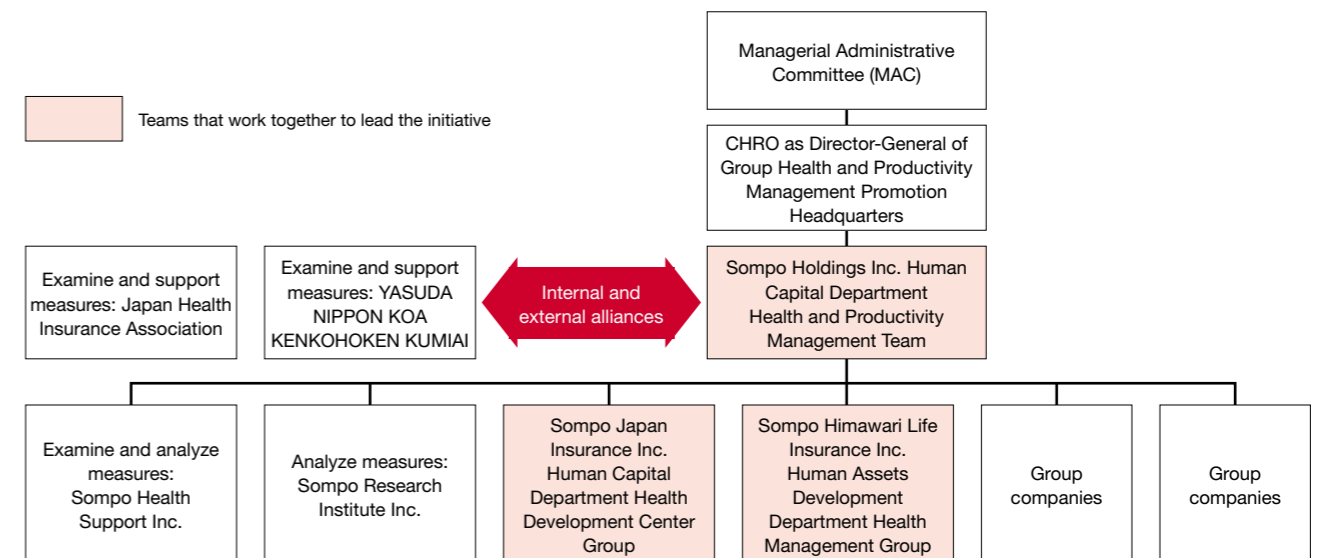
(3) Data Analytics in Health

The Group analyzes health data offered by Sompo Health Support Inc. while working with health insurance associations. Sompo Japan accumulates the data on (i) employees' checkups, (ii) results

of stress checks, and (iii) lifestyle habits. It is working on analyzing the relationship between work hours and presenteeism*. Sompo Himawari is working on the progress of Data Analytics in Health. It collects health data from wearable devices, checkup results, and medical bills.

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

Health Management Initiatives in the Group



Note 1) Group companies in Japan (21 companies) are as follows

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

Health Issues and Major Verification Indicators

Sompo Japan Insurance Inc.										
Health Issues		Target KPI	Target (%)	FY2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Lifestyle disease preventive measures	1	Rate of regular medical checkup	100%	99.7	99.7	99.8	99.9	99.8	100.0	99.9
	2	Rate of detailed examination following regular medical checkup	100%	78.5	77.3	83.2	82.7	69.3	36.0	65.6
	3	Completion of specific health guidance	90%	47.2	65.5	74.6	70.3	67.8	52.3	75.9
	4	Maintain appropriate weight (BMI 18.5 - 24.9)	80%	69.7	67.7	67.9	67.3	66.7	66.2	66.0
	5	Rate of regular exercise	30%	15.5	18.8	19.1	19.7	18.6	19.8	21.3
Smoking prevention measures	6	Rate of smoking	12%	21.6	21.6	19.6	19.1	17.9	16.6	16.4
Mental health measures	7	Rate of stress check examination	100%	89.0	90.4	85.5	91.7	91.7	93.1	93.3
	8	General health risk	below 100%	107.0	106.0	102.0	101.0	103.0	101.0	100.0
Improve presenteeism	9	Total Performance Evaluation* *WLQ-J score (most productive = 100%)	95%	94.0	94.1	94.3	94.4	93.9	94.1	94.0

Notes: Target KPI 1, 2, 6, 7, 8, and 9 are for all employees
Target KPI 3, 4, and 5 are for employees aged 40+

Health and Productivity Management Initiatives (Society)

Sompo Himawari Life Insurance Inc.

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

Notes: Target KPI 1, 2, 6, 7, 8, and 9 are for all employees
Target KPI 3, 4, and 5 are for employees aged 40+

SOMPO Holdings Inc.

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

Notes: Target KPI 1, 2, 6, 7, 8, and 9 are for all employees
Target KPI 3, 4, and 5 are for employees aged 40+

Medical Expense/Insurance Op Expense

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

(JPY)

Information on health initiatives

Item	FY2021
Employee satisfaction with health initiatives	3.02

*5-point scale

External Recognition on Health and Productivity Management

Sompo Holdings Inc. was selected as a "FY2022 Health & Productivity Stock Selection" for four consecutive years. This recognition, co-sponsored by METI and the Tokyo Stock Exchange, acknowledges excellent large-scale companies that strategically carry out efforts to ensure employees' health.

Including Sompo Holdings, 22 companies within the group were recognized as "Outstanding Enterprises Engaging in Efforts to ensure Health and Productivity Management" under

the Large Enterprise Category, co-sponsored by METI and Nippon Kenko Kaigi. Of the 22 group companies, 11 were recognized as White 500.

In partnership with health insurance associations, the Group will continuously deliver updates of the initiatives internally and externally, as well as expand Health and Productivity Management policies across the Group and its client companies.

<List of Selected Group Companies FY2022>

White 500

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

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

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

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

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

Policy on Customer-Oriented Business Operations (Society)

Policy on Customer-Oriented Business Operations

The Sampo Group has established the management philosophy that, "We will at all times carefully consider the interests of our customers when making decisions that shape our business. We will strive to contribute to the security, health, and wellbeing of our customers and society as a whole by providing insurance and related services of the highest quality possible."

With this in mind, Sampo Japan has established this policy to achieve customer-oriented business operations based on our thorough understanding of our customer's point of view at all points of contact, and to fulfill our corporate social responsibilities to all of our stakeholders.*

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

Received the Consumer Affairs Agency Commissioner's Award

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

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

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



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

Voice of Customer (VOC) White Paper

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

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



System to Utilize Voice of Customer (VOC) in Management

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

In an effort to build and strengthen our stance of leveraging customer feedback in our management activities, the company thoroughly analyzes the cause of issues identified from customer feedback, and shares issues relating to product development,

sales, insurance payments and other aspects of our business with the relevant departments at the headquarters. Initiatives and improvements made based on customer feedback are periodically reported at management meetings for further discussion.

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

Customer Satisfaction of Insurance Claims Service

Sampo Japan is striving to provide a swift and qualified claim service and an added value that meets the needs of each customer to be the most reliable service provider, recognizing that each claim services shall embody each insurance. It has the following basic concept. "For customers who have just encountered accidents, we would provide an added value that let them feel relieved by quick responses and providing the prospects of returning to their dairy lives," and "For customers in progress of insurance claim service, we would give simple procedure and relief to end the accidents quickly and smoothly."

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

In fiscal year 2012, Sampo Japan established a system to certify employees who practice the SC Credo as Credo Meisters, and the company is working to offer reassurance to customers by

developing human resources with strong communication and professional skills.

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

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

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

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

Services that Consider a Diverse Range of Customers

Sign Language Service for Customers with Hearing and Speech Disabilities

Sampo Japan started accepting accident reports made using sign language via a telephone relay service provided by PLUSVoice in September 2017.

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

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

the scope of this service to include accident response consultations after accepting reports.

Voice Assist Service for Visually Impaired and Elderly Customers

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

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

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

Sompo Group's Social Contribution (Environment/Society)

Sompo Holdings Group's Corporate Citizenship Activities

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

Corporate Citizenship Policy

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

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

Programs to Support and Encourage Employees' Efforts

• Sompo Chikyu (Earth) Club

The Sompo Chikyu (Earth) Club, a volunteer activity organization of which all group employees are members, plays a pivotal role in conducting volunteer activities throughout Japan.

Since its establishment in 1993, the Club is undertaking various activities including forest conservation, cleanups, cleaning and maintenance of wheelchairs in welfare facilities, and collection of second-hand books by collaborating with agencies. Each project is tailored according to the needs and characteristics of local communities.

• Sompo Chikyu (Earth) Club Corporate Citizenship Fund

The Sompo Chikyu (Earth) Club Corporate Citizenship Fund is financed by voluntary donations by our employees and directors. The funds raised are used primarily for community outreach activities conducted by the Club, such as the payment of expenses of volunteer activities performed across Japan, support for disaster relief and donations to civil society groups and other organizations supported by the Fund members.

• Volunteer Work Leave

At Sompo Japan, employees are entitled to take short-term volunteer leave (up to 10 days per year) and long-term volunteer leave (from six to 18 months) in addition to annual paid leave. The employees who take these leaves participate in a variety of volunteer activities.

Corporate Citizenship Activities in Japan

We conduct a diversity of community outreach activities in cooperation with agencies and citizens. The activities include conserving nature, local cleanups, maintaining and cleaning wheelchairs, and donating food to a food bank.

• Sompo Japan

Nagano

Forest conservation



Forest custodian project in Nagano Prefecture

Chiba

Employee volunteering



At an event in Chiba Prefecture

• Sompo Holdings Group companies

[Saison Automobile & Fire Insurance]

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



Bringing in the cookies

Corporate Citizenship Activities Outside Japan

• Turkey

~Sompo Sigorta~

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



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

• Brazil

~Sompo Seguros~

Employees visited welfare facilities and spent time with the users, enjoying conversations and recreational activities together.



Visit to a welfare facility (Brazil)

Bosai JAPAN-DA Project to Raise Disaster Awareness

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

The puppet show, performed by the Yumemi Trunk Puppet Theater Troupe, is an original adaptation of The Three Little Pigs. It tells the story of how the three pigs help each other to overcome various calamities (wind, rain, lightning, fire, etc.) caused by the big bad wolf. Also, in the experience-based workshop, provided in

partnership with the NPO Plus Arts, participants get to move their arms and bodies in fun ways and take part in a quiz, all the while gaining useful knowledge and skills for responding to crises.

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

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

Sompo Group's Social Contribution (Environment/Society)

SAVE JAPAN Project

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

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

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

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



Road Safety Project in Indonesia

Road safety is an important social issue in Indonesia, where the number of traffic fatalities is now the highest in Southeast Asia. Drawing on Japan's expertise in preventing traffic accidents, Sompo Japan and PT Sompo Insurance Indonesia have teamed up with Save the Children Japan, international civil society specialized in child support, to launch a road safety project from October 2014 to August 2017 in Bandung City, West Java and from April 2018 to March 2022 in North and East Jakarta in the Special Capital Region of Jakarta.

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

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

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



[Social Impact Report of Road Safety Project in Indonesia, October 2018—Public Management and Social Strategy Research Institute web-site \(in Japanese\)](#)



[Social Impact Report of Road Safety Project in Indonesia, September 2022—Public Management and Social Strategy Research Institute web-site \(in Japanese\)](#)

Supporting Activities and Researches for Social Welfare —Sompo Welfare Foundation

The Sompo Welfare Foundation, established in 1977, conducts various programs, including providing financial assistance to civil society organizations in Japan, ASEAN countries, India and South Africa; holding academic conferences and funding research on social welfare, social security, insurance, and gerontology; and awarding outstanding academic papers. Aware of the rapid aging of society, it also promotes solutions to increasingly complex social issues, including supporting families who provide home care to an elderly member with dementia or other conditions, and providing scholarships for students studying to become certified care workers. Its programs are designed to meet contemporary needs through both research and practice.

Support for Purchase of Vehicles

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



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

Support for Organizational and Operational Reinforcement of Civil Society Groups

In 2004, the foundation started to provide financial support for organizational and operational reinforcement of civil society organizations that render welfare services to communities. In fiscal year 2021, financial support was provided to 58 organizations in total through programs to strengthen their organizational and operational activities, to help them acquire official status as approved specified non-profit corporations and to support local residents for their efforts in



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

comprehensive local issues. As the effects of the pandemic continue, in fiscal year 2021, the foundation once again increased the total amount of grants and accepted applications from non-profit organizations across Japan, including those aimed at continuing and expanding activities and projects even during the COVID-19 pandemic. The foundation supports the development of high-quality, sustainable nonprofit organizations that play key roles in their communities and the realization of a community-based society.

Support for Overseas Welfare Activities

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



Presentation ceremony in Indonesia



Remote presentation ceremony in the Philippines

Sompo Welfare Foundation Award

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

Sompo Group's Social Contribution (Environment/Society)

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



Fiscal 2021 online presentation ceremony

Support for Networking and Learning of Family Caregivers for the Elderly

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

Scholarships for Students Studying to Become Certified Care Workers

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

Financial Support for Gerontology Research

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

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

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

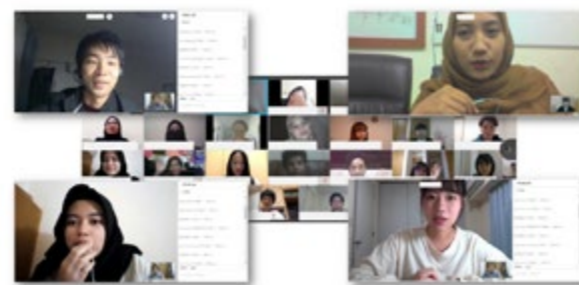
The foundation, working with the Japan Environmental Education Forum, a national NGO consisting of varieties of people who are engaged or interested in promoting environmental education, and Sompo Japan, organizes a series of Public Seminars on the Environment, held on the themes of SDGs and sustainability,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

Its CSO^{*1} Learning Scholarship Program, meanwhile, is an eight-month internship program for undergraduate and graduate students desiring working experience at an environmental organization. As of March 31, 2022, the program has given 1,225 students opportunities to learn about environmental issues and civil society at 79

organizations. Even during the COVID-19 pandemic, online meetings and remote work were adopted to ensure the program continued without interruption. In February 2019, the program was launched in Jakarta, Indonesia, and to date, a total of 58 students have completed the program. The fourth session started in February 2022.

^{*1} Civil Society Organization

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



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

Contributing to Community through the Arts and Culture (Society)

The Puppet Theater “Himawari Hall”

The Himawari Hall puppet theater has been jointly operated by the local NPO Aichi Puppetry Center and our Group since its opening in 1989.

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



Puppet Theater “Himawari Hall”

Sompo Fine Art Foundation (Sompo Museum of Art)

In 1976, we opened an art museum as part of our corporate citizenship activities. The museum is the only one in Asia where visitors can view Van Gogh's “Sunflowers” and it has attracted over six million visitors since it opened. In July 2020, the museum was relocated to a new building in the grounds of Sompo Japan's headquarters building, where it was reopened as the Sompo

Museum of Art.

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



Sompo Museum of Art



Sunflowers Vincent Van Gogh in 1888 Sompo Museum of Art

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

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

A total of ¥84,532,205 was donated to five humanitarian aid organizations undertaking activities in Ukraine and neighboring countries. This donation amount was derived from the number

of visitors to the “Henri Le Sidaner—Henri Martin” exhibition held at the Sompo Museum of Art from March 26, 2022 to June 26, 2022, as well as the number of times the exhibition's promotional video was viewed.

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