

Sompo Holdings Sustainability Report 2023



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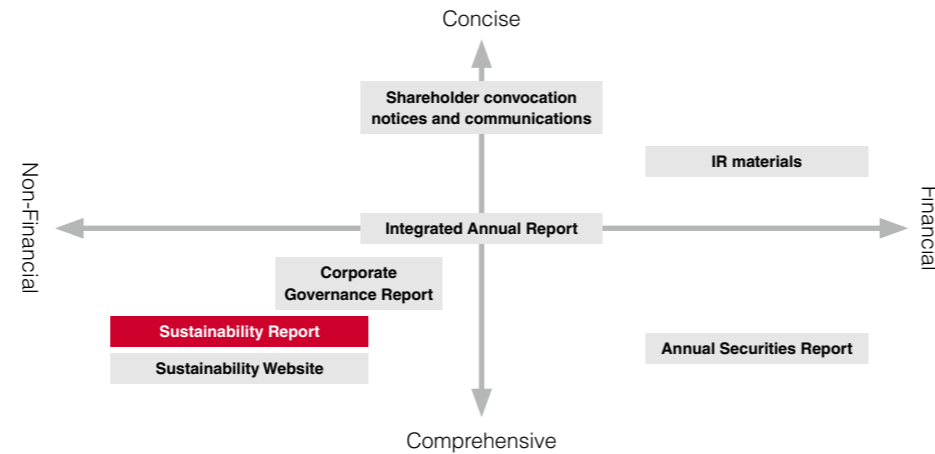
The main purpose of the Sompo Holdings Sustainability Report 2023 is to report on the efforts of the Sompo Group to achieve “Materiality,” which are priority environmental (E), social (S), and governance (G) issues, for realizing the Group’s Purpose.

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

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

Overview of sustainability communication

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



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

Reporting period

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

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

Scope of this report

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

Publication period

March 2024

Referenced guidelines

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

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Disclaimer

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

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Overview of information in the Sustainability Report 2023

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

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

How each initiative is described

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

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

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

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Information presented in the Sustainability Report 2023

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The Sompo Group's sustainability initiatives

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

Co-creating with diverse stakeholders to achieve transformation

Fulfilling governance functions [P.91](#)

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

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



Sustainability Vision and Policy

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

Group Sustainability Vision

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

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

Group Environmental Policy

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

< Action Guidelines >

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

3. Raising awareness of environmental issues and corporate citizenship

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

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

Group Policy for Human Rights

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

1. Respecting human rights of stakeholders

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

2. Respecting human rights of employees

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

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

3. Promotion of human rights in global markets

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

4. Expectations for suppliers and business partners

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

5. Human rights due diligence

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

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

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

Sustainability Vision and Policy

Group Sustainable Procurement Policy

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

1. Fair and equal transactions

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

2. Compliance with laws and regulations

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

3. Consideration of global issues

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

Policy for ESG-related Underwriting, Investment and Loan

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

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

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

Advancing the Energy Transition

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

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

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

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

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

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

Advancing Social Equity

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

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

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

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

Aspiring for Excellence in Governance

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

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

*1 We may carefully consider and respond to cases where there are innovative technologies such as Carbon Dioxide Capture, Utilization, and Storage (CCS, CCUS), carbon recycling, ammonia co-firing, or other innovative technologies in place that are expected to reduce GHG emissions and contribute to the realization of the Paris Agreement.

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

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

Corporate Citizenship Policy (Sompo Japan Insurance)

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

1. Corporate citizenship activities

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

2. Support for individual employees' social contribution efforts

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

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Group CSuO (Chief Sustainability Officer) Message



Ryoko Shimokawa

Group CSuO, Senior Vice President
and Executive Officer

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

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

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

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

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

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

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

March 2024

Ryoko Shimokawa

Group Chief Sustainability Officer, Senior Vice President and Executive Officer

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SOMPO's Purpose

With “A Theme Park for Security, Health & Wellbeing,” create a society in which every person can live a healthy, prosperous and happy life in one’s own way.

Social value delivered by SOMPO	Material issues (Key management themes)	SOMPO's vision for society and for the group
 <p>Protect people from future risks facing the society</p>	<p>Provide preparedness for all types of risk</p> <p>Prevent accidents and disasters, contribute to a resilient society</p> <p>Contribute to a greener society where the economy, society and environment are in harmony</p>	 <p>A safe and secure society, which is also protected from new risks such as climate change, infectious diseases, and cyberattacks due to the evolution of insurance</p>  <p>A society in which risks are controlled and damage is minimized by detecting and preventing warning signs</p>  <p>An inclusive and resilient carbon neutral society where people and nature coexist in harmony</p>
 <p>Create a future society for healthy and happy lives</p>	<p>Provide solutions for healthy and happy lives</p> <p>Contribute to a sustainable aging society</p>	 <p>A society in which people who need support can live independent, healthy, and happy lives in a way true to themselves</p>  <p>A hopeful society in which the burden is reduced on people tasked with supporting an aging population and a declining birthrate</p>
 <p>Foster the ability to change the future society with diverse talents and connections</p>	<p>A group of talent who can change future society</p> <p>Build a platform for partnerships towards creating value</p>	 <p>An organization whose diverse workforce has the capacity to develop innovative solutions and transform future society</p>  <p>An organization that innovates based on facts and data, and that promises fulfilling lives for an aging population and for the people who support it</p>

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Materiality identification process

Concept and Policy **Activity and Result**

After holding extensive discussions on which social challenges to address and what kind of value to provide based on the SOMPO Group's strengths and resources, we identified seven material issues as key issues for fulfilling our Purpose. In addition, we analyze our materiality once a year and confirm whether changes are necessary based on changes in social challenges and the Group's business strategies as well as requests from our stakeholders.

[PROCESS1] Identifying social challenges

We have comprehensively identified social challenges that are relevant to the SOMPO Group based on international guidelines such as GRI standards, ISO 26000, and the United Nations Global Compact. By matching the social challenges identified with the Sompo Group's strategies and actions to fulfill our Purpose, we identified social challenges that are highly important for the Group.

[PROCESS2] Prioritization

For the social challenges identified in PROCESS1, we evaluated their importance by evaluating their degree of impact on stakeholders and degree of importance to the SOMPO Group and then prioritized them based on their relationships to the SDGs (which represent a universal language).

Importance evaluation criteria

- **Degree of impact on stakeholders:** Evaluated the SOMPO Group's degree of impact on stakeholders by sending ESG investment questionnaires to investors, experts, and portfolio companies and engaging in dialogue with NGOs and other stakeholders.
- **Degree of importance to the SOMPO Group:** Evaluated degree of importance to the SOMPO Group by assessing the positive and negative impacts on the Group's management strategy and business activities.

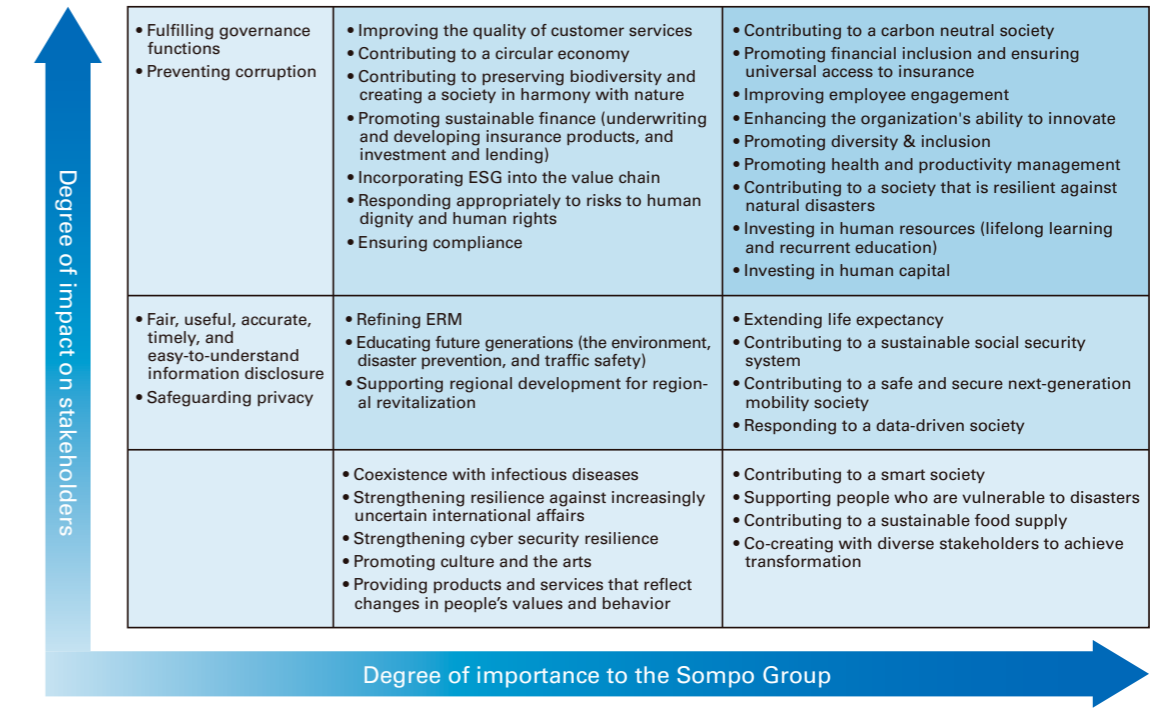
Dialogue with stakeholders

We believe that stakeholder engagement is an important activity for producing greater results by identifying social challenges and building relationships of trust and collaboration.

When reviewing our materiality in 2021, we discussed with Emiko Nagasawa, Keidanren (Japan Business Federation) Deputy General Manager* of the SDGs Headquarters, and Masaru Arai, Chair* of the Japan Sustainable Investment Forum, about what stakeholders expect and demand from us today, the appropriateness of our materiality and KPIs, and how we can further advance them by disseminating them within the company.

*Titles are those at the time of the discussion

Fy2023 social challenge map



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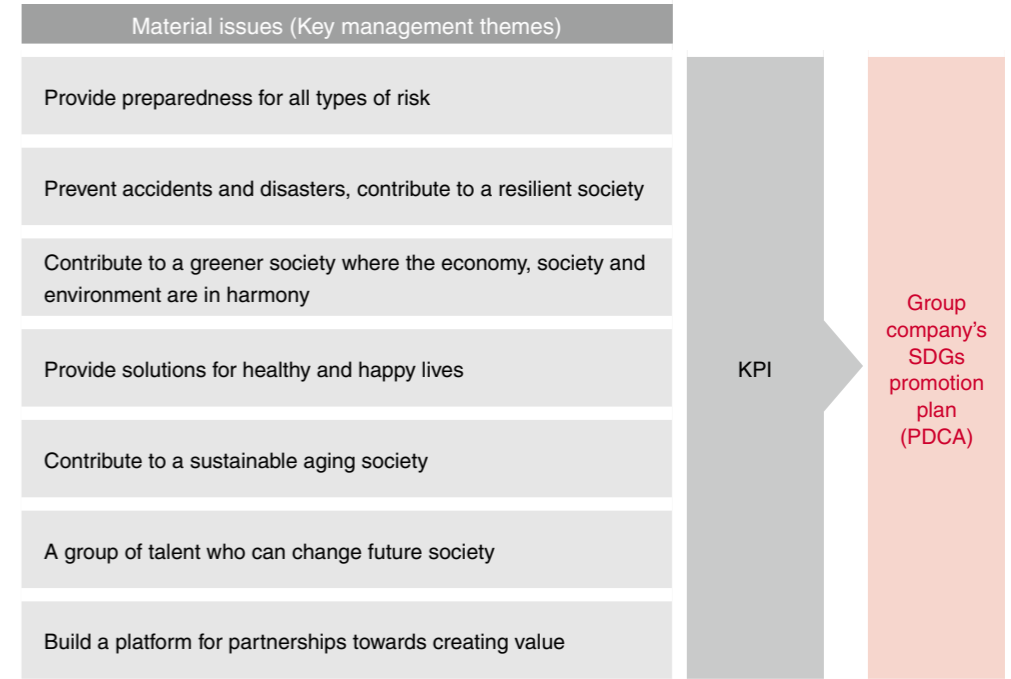
[PROCESS3] Identifying material issues and setting KPIs

We organized and integrated the priority social challenges identified in PROCESS2 to determine how to incorporate them into our management strategy and systematized them into seven material issues as key issues for fulfilling SOMPO's Purpose.

By setting KPIs for each materiality and incorporating them in the promotion plans of each LOB and company, we have established a highly effective PDCA cycle that enables us to visualize the progress of initiatives and identify issues.

Management-level discussion and approval/reporting process

After discussion by the Managerial Administrative Committee (MAC), the decision was approved by the Group COO (Director). The MAC proposal was reported to the Board of Directors. (FY2021)



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Materiality KPIs

Concept and Policy Activity and Result

In addition to organizing key issues in the way of realizing the Group's Purpose into seven material issues, KPIs have been set for each materiality to define what actions need to be done and to ensure that they were penetrated in the field and that their progress is monitored. Besides using materiality KPIs as indicators to take on day-to-day challenges in each business and field, the Group also reviews, updates, and expands them according to evolving and changing of the Group's initiatives and strategies. Changes were made in 2023, such as the creation of new KPIs related to its "egaku" business launched in April. By defining not only financial but also non-financial indicators and promoting a common framework, the Group will work together as one to realize SOMPO's Purpose.

★Newly added KPIs in FY2023

Materiality	Materiality Subcategory	Materiality KPIs		FY2022 Results		Relevant SDG Targets			SOMPO's Vision for Society and for the Group
		KPIs	Numerical Targets	Results	Status of single-year targets				
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	¥2,079.3bn	Achieved	1.4	8.10	11.b	A safe and secure society, which is also protected from new risks such as climate change, infectious diseases, and cyberattacks due to the evolution of insurance
		Overseas gross written premiums (contribution to promoting insurance)	FY2021: +7.9%; FY2022: +7.1%; FY2023: +6.9% *USD base	+11.3%	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	4.71M	Not 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: +2,890 insurance product sales; +¥500mil 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 AgriSompo's agricultural insurance business to more countries	Increase number of countries by FY2023	—	No single-year target set	1.5	2.4	13.1	A society in which risks are controlled and damage is minimized by detecting and preventing warning signs
		Customer satisfaction with insurance claims paid for natural disasters	Improve YoY	YoY improvement: +1.6 points	Achieved	1.5	11.b	13.1	
	Development of products and services that help adapt to or mitigate climate change	Publish and update development results	Published in various disclosures	No single-year target set	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: +324,220 insurance product sales; +¥1.54bn premiums	Achieved	3.6	8.10	11.2		
Contribute to a greener society where the economy, society and environment are in harmony	Improving the quality of customer services	Customer satisfaction with insurance claims paid for car accidents	Improve YoY	YoY improvement: -0.8 points	Not achieved	3.6	8.10	11.2	An inclusive and resilient carbon neutral society where people and nature coexist in harmony
		No. of participants in disaster prevention and traffic safety training	FY2021: 15,000; FY2022: 18,000; FY2023: 20,000	17,963	Not achieved	3.6	4.7	11.b	
	Participation and activities in sustainability-related initiatives and rule-making	Publish and update activity results	Published in various disclosures	No single-year target set	9.4	11.4	13.3		
	No. of engagements with investee and borrower companies	Increase YoY	Decrease YoY	Not achieved	7.a	9.4	13.a		
Provide solutions for healthy and happy lives	Realizing a carbon neutral society	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	239,554 tCO ₂ e	No single-year target set	7.2	12.8	13.2	A society in which people who need support can live independent, healthy, and happy lives in a way true to themselves
		Switch to renewable energy sources	70% utilization rate by FY2030	5.1%	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	FY2021 Equities: 931,821 t-CO ₂ e Bonds: 909,893 t-CO ₂ e	No single-year target set	7.a	12.8	13.2		
	No. of participants in biodiversity conservation activities and environmental education programs	FY2021: 11,500; FY2022: 9,000; FY2023: 10,500	9,472	Achieved	4.7	13.3	14.1		
Contributing to a smart society	Incorporating ESG into the value chain	No. of Insurhealth® policies sold	End of FY2021: 300,000; End of FY2022: 460,000; End of FY2023: 420,000	440,000	Not achieved	1.4	3.4	8.10	A society in which people who need support can live independent, healthy, and happy lives in a way true to themselves
		No. of Insurhealth® policies in force	End of FY2021: 600,000; End of FY2022: 1,130,000; End of FY2023: 1,300,000	1,100,000	Not achieved	1.4	3.4	8.10	
	Sales share of Insurhealth® products	End of FY2021: 60%; End of FY2022: 70%; End of FY2023: 80%	74%	Achieved	3.4	3.a	8.10		
	No. of My Link X members	FY2022: 700,000; FY2023: 1,000,000	770,000	Achieved	1.4	3.4	8.10		
Contributing to a smart society	Biodiversity conservation, contributing to the realization of a circular society and a society in harmony with nature	Company name recognition	End of FY2021: 60%; End of FY2022: 70%; End of FY2023: 70%	56.8%	Not achieved	3.4	3.a	8.10	A society in which people who need support can live independent, healthy, and happy lives in a way true to themselves
		Perception as a company that promotes health	Life insurance industry ranking for Sompo Himawari Life Insurance: End of FY2021: No. 5; End of FY2022: No. 3; End of FY2023: No. 1	No. 8	Not achieved	3.4	3.a	8.10	
	No. of branch offices offering dementia prevention programs	FY2021: 38; FY2022: 82; FY2023: 194	133	Achieved	3.4	5.4	10.2		
	Health guidance business revenue	FY2021: ¥3.519bn; FY2022: ¥3.881bn; FY2023: ¥4.039bn	¥3.693bn	Not achieved	3.4	3.5	4.7		
Contributing to a smart society	Biodiversity conservation, contributing to the realization of a circular society and a society in harmony with nature	Mental health service revenue	FY2021: ¥1.485bn; FY2022: ¥1.619bn; FY2023: ¥1.764bn	¥1.600bn	Not achieved	3.4	8.8	4.4	A society in which people who need support can live independent, healthy, and happy lives in a way true to themselves
		No. of smart community proof of concepts, revenue in smart community business	FY2021: 10; FY2022: 10; FY2023: ¥20mil *Revenue in the first year of commercialization	9	Not achieved	3.4	11.3	3.d	



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Purpose, Materiality

★Newly added KPIs in FY2023

Materiality	Materiality Subcategory	Materiality KPIs		FY2022 Results		Relevant SDG Targets			SOMPO's Vision for Society and for the Group	
		KPIs	Numerical Targets	Results	Status of single-year targets					
Contribute to a sustainable aging society	Contributing to a sustainable social security system	No. of facilities introducing future nursing care model	FY2021: 28; FY2022: 73; FY2023: 180	37	Not achieved	1.3	3.4	8.8	A hopeful society in which the burden is reduced on people tasked with supporting an aging population and a declining birthrate	
		Nursing care facility occupancy rate	FY2021: 90.8%; FY2022: 92.9%; FY2023: 94.8%	92.3%	Not achieved	1.3	3.4	10.2		
		No. of nursing care users	FY2021: 90,000; FY2022: 94,000; FY2023: 100,000	92,000	Not achieved	1.3	3.4	5.4		
		Care provider turnover rate	FY2021: 11.4%; FY2022: 11.0%; FY2023: 11.4%	11.7%	Not achieved	1.3	3.4	8.5		
A group of talent who can change future society	Improving employee engagement	Employee engagement	Average Gallup Q12 score of 3.70 pt in Japan and 4.10 pt overseas by end of FY2023	3.50 pt in Japan, and 4.12 pt overseas	No single-year target set	4.4	8.2	9.b	An organization whose diverse workforce has the capacity to develop innovative solutions and transform future society	
		My Purpose training participation rate	End of FY2023: 100% of eligible employees *HD and group companies in Japan	90%	No single-year target set	3.4	4.4	8.2		
	Promoting Health and Productivity Management®, and responding appropriately to risks to human dignity and human rights	Telework rate	50% or more of whole Group *excluding frontline care givers	43%	Not achieved	4.4	5.4	9.b		
		Health and Productivity Management® indicators (Work Limitations Questionnaire)	Improve YoY at all companies	93.5%	Not achieved	3.4	4.4	8.8		
	Promoting diversity & inclusion	Ratio of female managers	End of FY2023: 30% *As of April 1st, 2024	28.1% *As of April 1st, 2023	No single-year target set	5.5	8.2	10.2		
		Ratio of employees with disabilities	End of FY2023: 2.5% *As of April 1st, 2024	2.36% *As of April 1st, 2023	No single-year target set	4.4	8.2	10.2		
	Investing in human resources (lifelong learning and recurrent education)	Investing in human capital	Shift to job-based HR system	Introduce job-based system at all companies by end of FY2023	At Sompo Holdings, job-based system was expanded to non-managers	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	End of FY2023: DX specialists: 69 DX planning personnel a) Employees who have completed basic DX training: 4,173 b) Participants in AI planning, data utilization, and CX agile design training: 1,797 DX utilization personnel: 17,281 participants in training	No single-year target set	4.4	8.2		9.5
			Group revenue generated by utilizing Real Data Platform	¥500bn (medium- to long-term target)	Commercialize "egaku" from FY2023	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	Commercialize "egaku" from FY2023	No single-year target set	3.4	9.5		17.16
Build a platform for partnerships towards creating value	Promoting a data-driven society	★ No. of facilities introducing Nursing Care RDP "egaku"	End of FY2023: 100 facilities	—	—	3.4	8.5	9.2	An organization that innovates based on facts and data, and that promises fulfilling lives for an aging population and for the people who support it	
		★ Operating income of Nursing Care RDP "egaku"	End of FY2030: ¥10bn	—	—	3.4	8.2	9.2		
		★ Social impacts that Nursing Care RDP "egaku" creates	End of FY2040: ¥3.7trillion *Close the labor supply demand gap of 220,000 people	—	—	1.3	3.4	8.5		
		Partnership KPIs Increase in no. of partnerships 1) No. of collaborations and partnerships announced to the public 2) No. of proof-of-concept and pilot tests conducted through collaborations and partnerships 3) No. of solutions provided through collaborations and partnerships	—	1) 112 2) 41 3) 51	—					
(All Material issues)										



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Sustainability Promotion Structure

Promotion structure

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.

With regard to the promotion structure, the Group Sustainable Management Committee (hereinafter referred to as "the Committee") is positioned as the parent organization for promoting sustainability throughout the Group. The Committee, whose members include the CSuOs and CSOs from the four major domestic and overseas businesses, discusses and makes decisions on ESG issues, including climate change.

The Committee also drives the sustainability initiatives of the entire Group; to this end, it monitors the progress of and identifies potential issues in implementation plans formulated by Group companies to achieve materiality and KPIs.

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

Topics of discussion at the Committee are referred to the Global Executive Committee (Global ExCo)*, the Group's highest executive committee, and the Managerial Administrative Committee (MAC)*, thereby raising the quality of our decision-making. The Board of Directors (including at preliminary briefing meetings) also receives reports on the discussions held by Global ExCo and MAC, thereby increasing the effectiveness of its supervisory functions.

*Group ExCo (after April 2024)

Most recent discussions and reports at the Committee

Activity and Result

March 2023

- The international situation surrounding ESG issues and climate change policy based on the activities of net-zero organizations, including NGOs

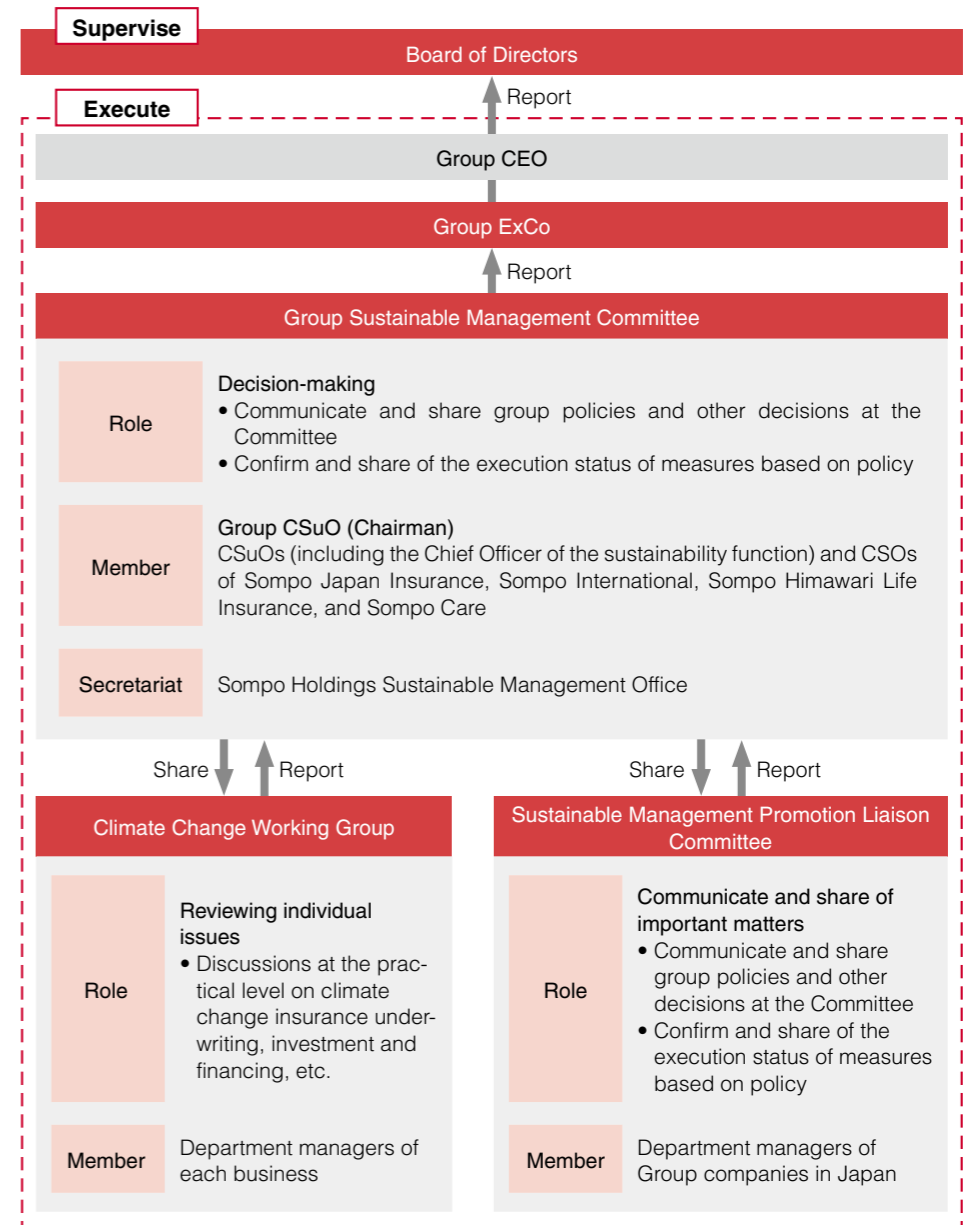
August 2023

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

October 2023

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

System chart



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



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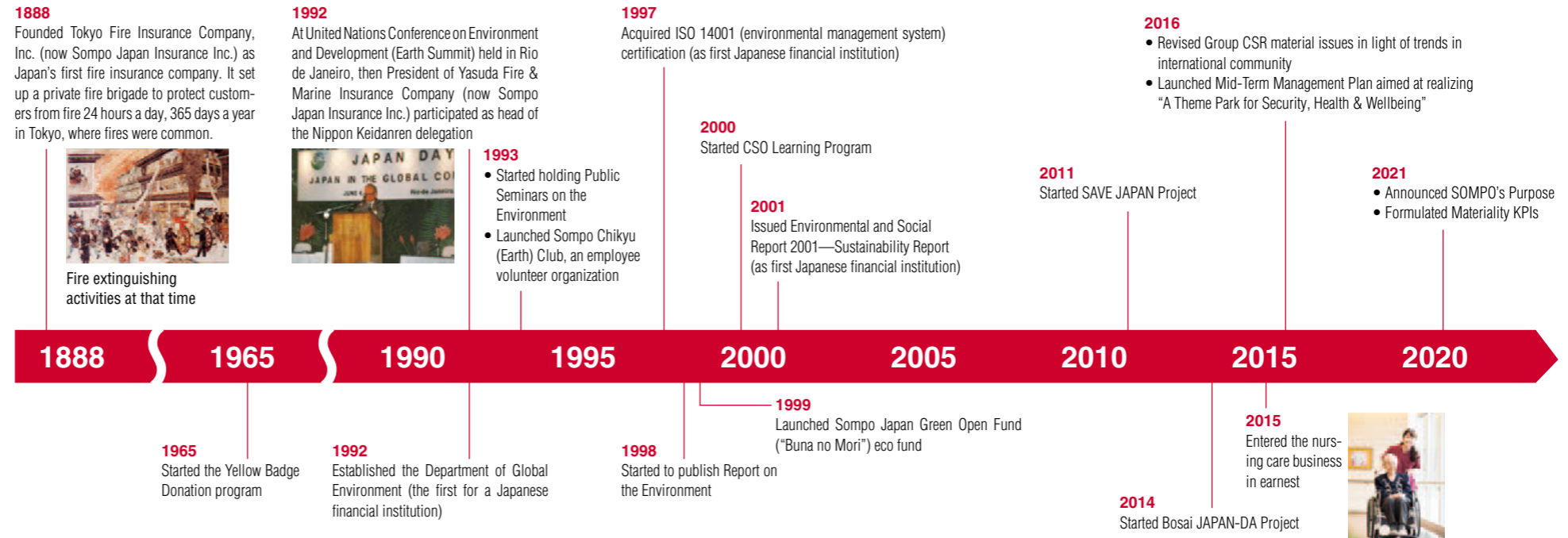
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Sustainability Milestones and Impacts of Key Initiatives

Activity and Result

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

Sompo Group's sustainability milestones



Impacts of key initiatives

Yellow Badge Donation program	Public Seminars on the Environment	CSO Learning Program	SAVE JAPAN Project	Bosai JAPAN-DA Project
Approx. 70.82 million badges donated (as of April 2023)	Approx. 36,400 total attendees (as of March 2023)	1,276 total attendees (as of March 2023)	Approx. 61,000 total attendees (as of March 2023)	Approx. 77,000 total attendees (as of March 2023)

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Stakeholder Engagement

Activity and Result

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

Stakeholder	Policy	Main communication methods	Main communication themes
Customers	Sompo Holdings' Group Management Philosophy calls on us to "contribute to the security, health, and wellbeing of customers and society as a whole by providing insurance and related services of the highest quality possible." To achieve this, and to become the best service provider for our customers, we have established the Sompo Group Basic Policy on Response to Customer Feedback. Each Group company will strive to develop a system for collecting and utilizing customer feedback in accordance with the characteristics of its business.	<ul style="list-style-type: none"> • Customer relations office and customer call centers • Customer survey • Provide information through websites, etc. 	<ul style="list-style-type: none"> • Improve quality of claims service • Improve products and services • Requests regarding employees and agencies of the Sompo Group
Shareholders, investors	Through the timely and appropriate disclosure of information, we aim to ensure that shareholders and investors have a suitable understanding of the Group's business conditions and status of each initiative. We also make use of input received through constructive dialogue with shareholders and investors in order to promote sustainable growth and increase corporate value.	<ul style="list-style-type: none"> • General Shareholders Meeting • Financial results briefings, IR meetings • Provide information through Integrated Annual Report, Sustainability Report, and Website 	<ul style="list-style-type: none"> • Medium- to long-term company strategy • Status of achievement of the Mid-Term Management Plan • Progress in Purpose Management • Status of initiatives in non-financial areas
Local Communities	We strive to coexist with local communities by understanding the impact of our business activities on local communities, conducting business activities that respond to their needs, and maintaining communication with them.	<ul style="list-style-type: none"> • Social contribution activities, volunteer activities • SAVE JAPAN Project • Partnership agreements with local governments 	<ul style="list-style-type: none"> • Disaster prevention and mitigation in local communities • Initiatives to address environmental issues • Overall SDGs
Agencies	We value the relationship of trust we have with agencies, who are our business partners, and we will strive to provide appropriate advice and sufficient services that satisfy our customers and cooperate with each other for mutual development.	<ul style="list-style-type: none"> • Conduct a survey of actual conditions for insurance agencies • Establish management consultation desk 	<ul style="list-style-type: none"> • Insurance products and related services • Promotion of sales to small and medium-sized enterprises, etc. • Agency system
NPO/NGO Civil societies	We strive to understand and solve social issues through dialogue and collaboration with NPOs and NGOs in various countries.	<ul style="list-style-type: none"> • Regular meetings • Survey responses 	<ul style="list-style-type: none"> • Climate change • Human rights
Business partners	Conduct fair and equitable business with partners, observe legislation and regulations, and collaborate with them to address social issues.	<ul style="list-style-type: none"> • Periodic requests for consideration of sustainability • Provide information through websites, etc. 	<ul style="list-style-type: none"> • The Sompo Group's environmental and CSR procurement policies
Employees	Positioning each employee's My Purpose as the foundation of human capital management, we aim to build a group of talents that share three core values: mission-driven, professionalism, and diversity & inclusion.	<ul style="list-style-type: none"> • Town Hall Meetings between management team and employees • Engagement Survey 	<ul style="list-style-type: none"> • Satisfaction with the work environment • My Purpose



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Participation in Sustainability Initiatives

Activity and Result

To solve social issues on a global level, the collaboration of a broad range of stakeholders is indispensable. Our Group participates actively and endeavors to take a leading role in a wide variety of international and domestic initiatives.

Group or initiative	Overview	Sompo Group activity
<p>United Nations Global Compact (UNGC)</p> 	<p>The United Nations Global Compact is a voluntary initiative for participation by companies in the creation of a global framework under which companies exercise responsible and creative leadership to act as good members of society to realize a sustainable society.</p>	<ul style="list-style-type: none"> • Signed in 2006 • Submit an Annual Report on the status and results of the implementation of the four areas (human rights, labor, environment, and anti-corruption) and ten principles of the United Nations Global Compact
<p>Women's Empowerment Principles (WEPs)</p> <p>In support of</p> 	<p>International principles representing seven steps companies and private organizations can take to promote and empower women.</p>	<ul style="list-style-type: none"> • Signed in 2012 • Signed by Sompo Asset Management in 2018
<p>United Nations Environment Programme Finance Initiative (UNEP FI)</p> 	<p>The UNEP FI is an international financial sector network comprising financial institutions that aim to contribute to sustainable development.</p>	<ul style="list-style-type: none"> • Signed in 1995
<p>United Nations Principles for Responsible Investment (UN PRI)</p> <p>Signatory of:</p> 	<p>Investment principles that require financial institutions to consider environmental, social, and governance (ESG) issues when making investment decisions.</p>	<ul style="list-style-type: none"> • First Japanese insurance company to sign in 2006 • Signed by Sompo Asset Management in 2012

Group or initiative	Overview	Sompo Group activity
<p>United Nations Principles for Sustainable Insurance (UN PSI)</p> 	<p>Declaration by insurance companies to consider ESG issues in their business operations.</p>	<ul style="list-style-type: none"> • Signed in 2012 • Participation in TCFD Insurance Working Group sponsored by PSI
<p>Glasgow Financial Alliance for Net Zero (GFANZ)</p> 	<p>The GFANZ is a global coalition of financial institutions that aim to achieve net-zero greenhouse gas (GHG) emissions by the year 2050.</p>	<ul style="list-style-type: none"> • Joined in 2022 • GFANZ-affiliated organizations of which the Sompo Group is a member: Net-Zero Asset Owner Alliance (NZAOA) Net Zero Asset Managers Initiative (NZAM)
<p>Partnership for Carbon Accounting Financials (PCAF)</p> 	<p>A global industry-led initiative, consisting of financial institutions and partners, that are working to develop and implement a harmonized accounting approach to measure and disclose greenhouse gas emissions associated with their financial activities.</p>	<ul style="list-style-type: none"> • Joined in 2021
<p>World Business Council for Sustainable Development (WBCSD)</p> 	<p>Global organization of more than 200 leading companies committed to sustainable development</p>	<ul style="list-style-type: none"> • Joined in 1995 • Only Japanese financial institution that is a member

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Group or initiative	Overview	Sompo Group activity
<p>Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century) (PFA)</p> 	Principles developed to guide the actions of financial institutions to fulfill their roles and responsibilities to create a sustainable society.	<ul style="list-style-type: none"> Signed by 10 Group companies (currently 6) in 2011 Sompo Japan Insurance serves as co-chair of the steering committee and chair of the insurance working group, while Sompo Asset Management serves as co-chair of the working group on investment, securities and investment banking.
<p>Climate Action100+</p> 	Initiative aimed at effectively promoting the Principles for Responsible Investment (PRI) and the reduction of greenhouse gas emissions by asset owners and managers.	<ul style="list-style-type: none"> Signed by Sompo Asset Management in 2018
<p>Japan Climate Initiative (JCI)</p> 	Network established to enhance information dissemination and the exchange of opinions among non-government entities such as corporations, local governments, civic groups, and NGOs that are actively taking measures to combat climate change.	<ul style="list-style-type: none"> Joined in 2018
<p>ECO-FIRST Program, the Ministry of the Environment, Japan</p> 	Program under which environmentally advanced companies make a commitment to the Ministry of the Environment, Japan about the environmental conservation initiatives they will take in fields such as combating climate change.	<ul style="list-style-type: none"> Became the first P&C insurance company to be certified in 2008
<p>Task Force on Climate-related Financial Disclosures (TCFD)</p> 	Task Force on Climate-related Financial Disclosures established by the Financial Stability Board (FSB).	<ul style="list-style-type: none"> Endorsed in 2018

Group or initiative	Overview	Sompo Group activity
<p>Taskforce on Nature-related Financial Disclosures (TNFD) Forum</p> 	TNFD is an international organization established to build a framework for corporate risk management and disclosure related to nature. The TNFD Forum is a stakeholder organization established to help build the framework.	<ul style="list-style-type: none"> Sompo Japan Insurance joined in 2021
<p>30by30 Alliance for Biodiversity</p> 	A coalition of companies, local governments, and groups that support the registration of "other effective area based conservation measures" (OECMs) towards achieving the international goal of "30 by 30" —preserving more than 30% of land and sea by 2030.	<ul style="list-style-type: none"> Sompo Japan Insurance joined in 2022
<p>Keidanren Initiative for Biodiversity Conservation</p> 	Initiative by companies and groups that work on multiple items of Keidanren Declaration for Biodiversity and Action Guideline, or agree with its overall purpose.	<ul style="list-style-type: none"> Sompo Japan Insurance has been a member of the initiative since 2009, when it started as "The Declaration of Biodiversity by Keidanren Promotion Partners."
<p>Declarations of Partnership Building</p> 	The "Partnership Building Declaration" was established at the "Council on Promoting Partnership Building for Cultivation the Future," whose members include the Chairman of KEIDANREN, the Chairman of Japan Chamber of Commerce and Industry (JCCI), the Chairman of Japanese Trade Union Confederation (JTUC), and relevant ministers of Japan (Cabinet Office, Ministry of Economy, Trade and Industry, Ministry of Health, Labor and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Land, Infrastructure and Transport). It is a declaration of a company to build a new partnership by promoting cooperation and coexistence with business partners and value-creating businesses in the supply chain.	<ul style="list-style-type: none"> The following Sompo Group companies have signed on to the declaration: Sompo Holdings Sompo Japan Insurance Sompo Himawari Life Sompo Care Sompo Health Support

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Group Environmental Policy

Concept and Policy

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

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

Action Guidelines

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

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

2. Promoting resource conservation through the entire value chain

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

3. Raising awareness of environmental issues and corporate citizenship

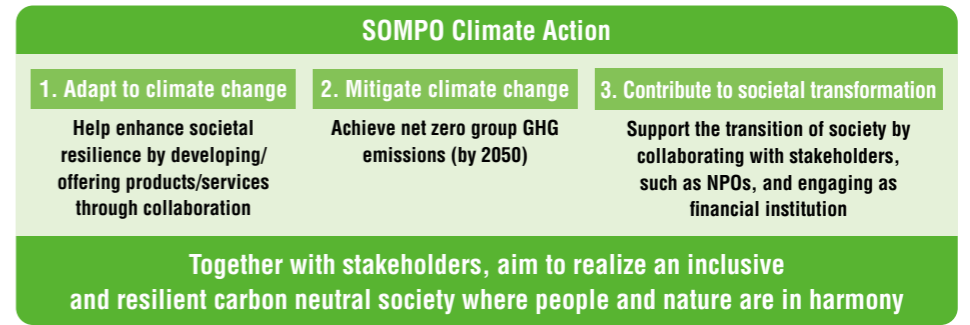
We will broadly promote environmental education and awareness of environmental conservation by providing environmental information with the unique aspect of a global group engaged in a wide range of business centering on insurance. Furthermore, we will proactively encourage our employees' individual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

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

SOMPO Climate Action

Concept and Policy

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



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

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

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Leadership on Global Environmental Issues

Activity and Result **Partnership**

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

Achieving the SDGs

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



Spreading a nature positive economy

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

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

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

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



Producing the next generation of environmentally friendly human resources

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



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

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Governance

Structure

(1) Role of Board of Directors

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

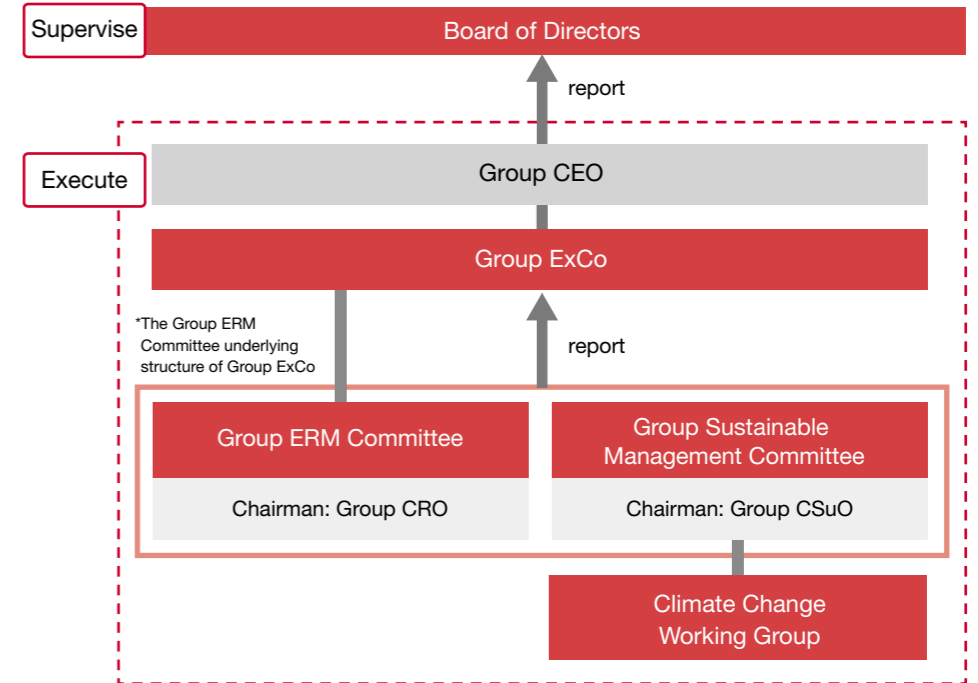
(2) Role of senior vice presidents and executive officers

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

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

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

*Group ExCo (after April 2024)



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

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Strategy

Concept and Policy

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

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

(1) Climate-related risks and opportunities

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

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

Risks and opportunities due to climate change that impact the Group

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

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(2) Scenario analysis

A. Physical risks

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

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

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

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

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

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

B. Transition risks

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

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

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

*3 Climate Value-at-Risk (CVaR)

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

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

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

*5 Implied Temperature Rise (ITR)

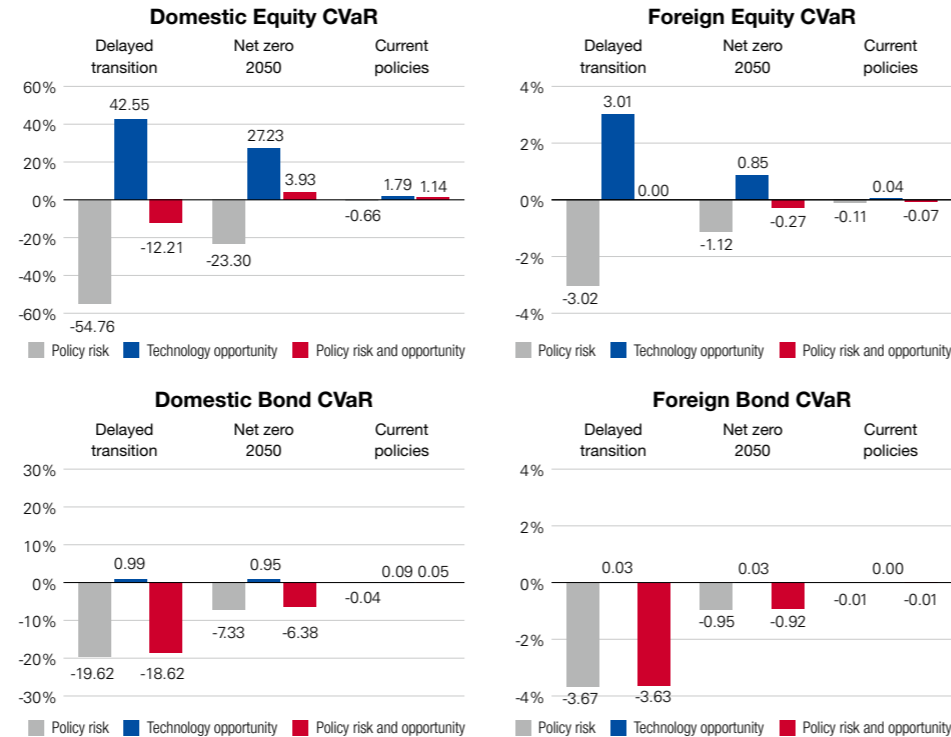
- One of the forward-looking assessment methods that evaluates the degree of likelihood of 2°C of global warming by 2100.
- The contribution to temperature rise is based on the difference between the projected GHG emissions of portfolio companies (calculated based on current emissions and reduction targets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

Climate Change (Information Disclosure Based on TCFD Recommendations)

a. Climate Value-at-Risk (CVaR)

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

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



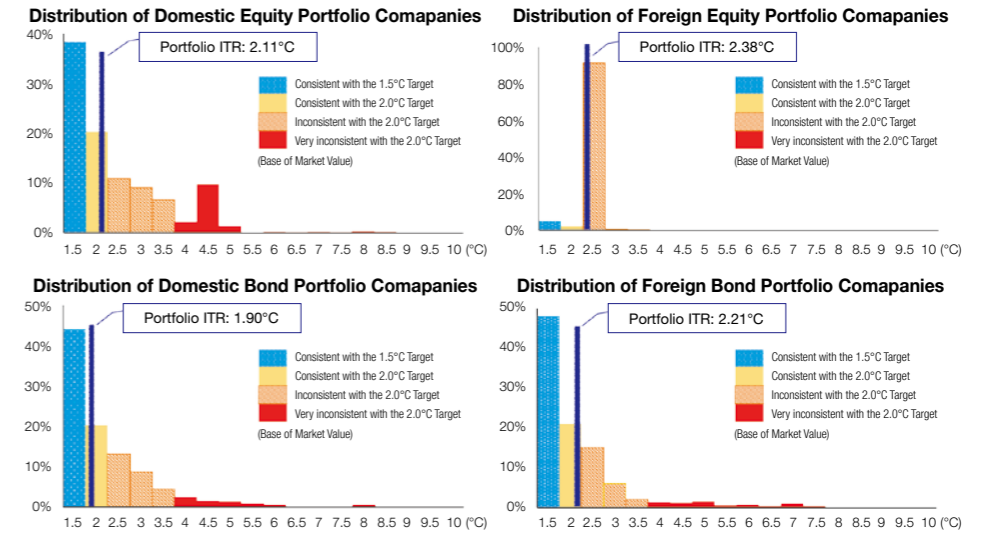
- Policy Risk: Figures calculated for each level of Scope 1, 2, and 3 for the cost required to achieve the GHG reduction targets.
- Technology opportunity: Figures calculated for the potential business opportunities created by environment-related technologies owned by companies against the backdrop of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

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

b. Implied Temperature Rise (ITR)

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

SOMPO Group ITR analysis by asset



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(3) Resilience improvement initiatives

A. Responding to risks

Physical risks

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

Transition risks

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

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

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

B. Responding to opportunities

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

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

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

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Action1 Adapt to climate change

Activity and Result Partnership

Initiatives in the agricultural insurance sector

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

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

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

Initiatives through products and services

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

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

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

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



SOMPO SUSTAINA visualizations of the physical risks of climate change

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Action2 Mitigate climate change

Activity and Result Partnership

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

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

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

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

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

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

Initiatives through products and services

“ONE SOMPO WIND Service” for offshore wind power operators

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

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

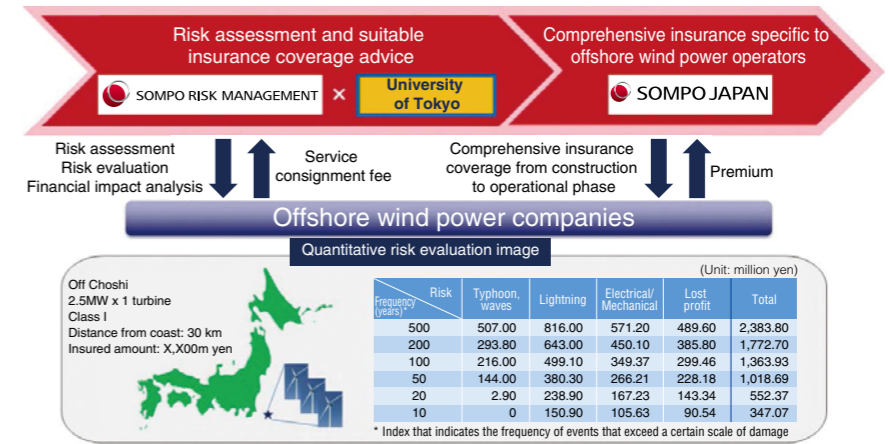
Risk Assessment

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

Comprehensive Insurance

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

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



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

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

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

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

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



Dedicated app images

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

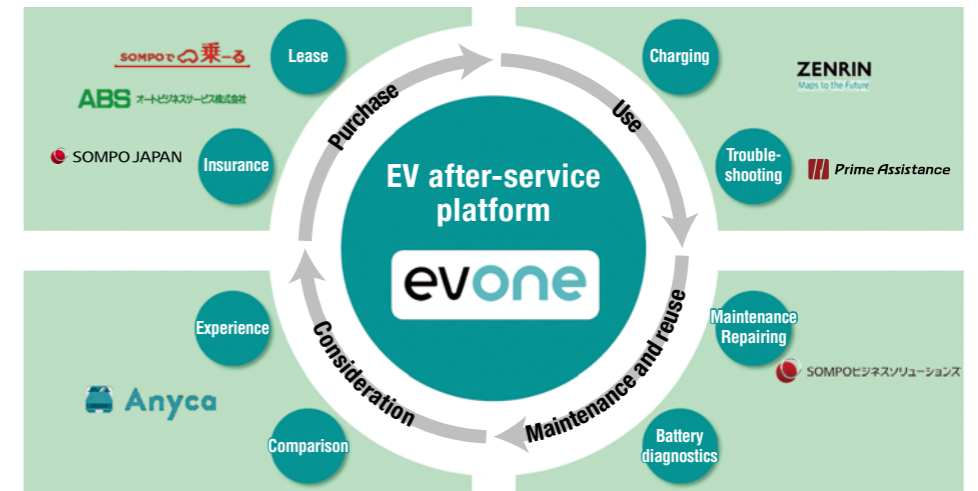
*2 Calculated by dividing the number of EVs owned at the end of fiscal 2020 (according to the Next Generation Vehicle Promotion Center) by the number of vehicles owned as of the end of March 2020 (according to the Automobile Inspection & Registration Information Association).

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

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

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

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



Providing a platform for EV-related businesses

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Initiatives through collaboration with stakeholders

Business partners

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

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

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

Agencies

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

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

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

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



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— Implementation of SOMPO Climate Action

Action3 Contribute to societal transformation

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

Contributions through underwriting/investment and loan

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

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

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

*1 We may carefully consider and respond to cases where there are innovative technologies such as Carbon Dioxide Capture, Utilization, and Storage (CCS, CCUS), carbon recycling, ammonia co-firing, or other innovative technologies in place that are expected to reduce GHG emissions and contribute to the realization of the Paris Agreement.

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

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

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

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

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

Engagement with investee companies

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

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

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

Initiatives for fostering environmental personnel

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

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



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Climate Change (Information Disclosure Based on TCFD Recommendations)

Risk management

Structure

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

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

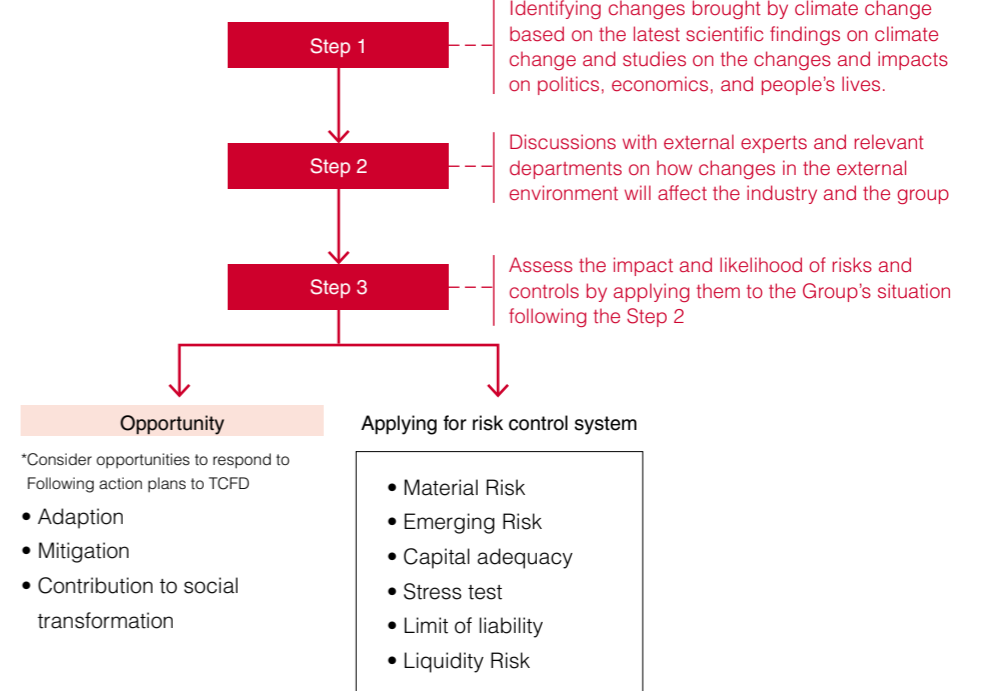
With the goal of realizing the material issue of "contributing to a greener society where the economy, society, and environment are in harmony," we are implementing SOMPO Climate Action to assess medium-term and long-term climate-related risks and opportunities through the Climate Change Risk Framework,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

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

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

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

Risk Framework for Climate Change



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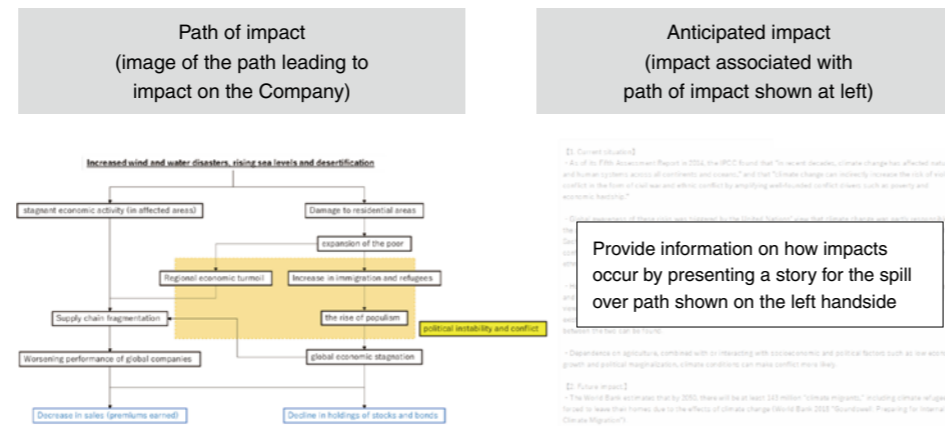
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In assessing risk, we have assumed low, medium, and high environmental change scenarios, which are a combination of IPCC scenarios showing changes in average temperature and NGFS scenarios showing possible policy transition patterns (see "Scenarios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

Patterns of environmental change (low, medium, high)

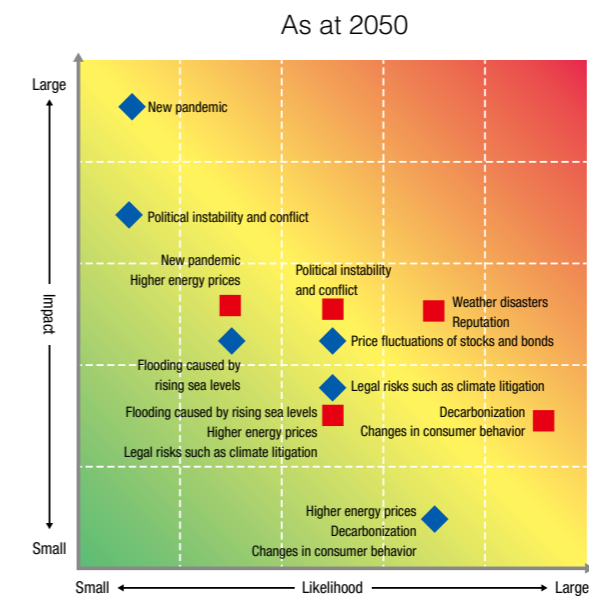
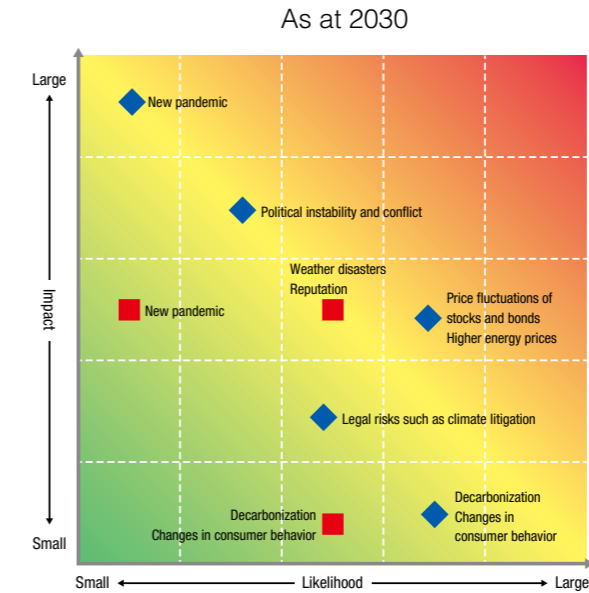
	IPCC	NGFS
Low	SSP1-1.9	Orderly/Net Zero 2050
Medium	SSP2-4.5	Disorderly/Delayed Transition
High	SSP5-8.5	Hot House World/Current Policy

Scenarios of Risk Spillover and Impacts (Example)



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

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



Underwriting	■
Investment	◆

Climate Change (Information Disclosure Based on TCFD Recommendations)

(2) Other risks

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

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

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

(3) Integration with existing risk management frameworks

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

Climate-related material risks and their main scenarios

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

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

Climate Change (Information Disclosure Based on TCFD Recommendations)

Metrics and targets

Activity and Result

Metrics for assessing risks and opportunities

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

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

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

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

Targets for managing risks and opportunities

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

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

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Climate Change (Information Disclosure Based on TCFD Recommendations)

— Status of climate change-related business initiatives

Action1 Adapt to climate change

Activity and Result Partnership

Expansion of AgriSompo

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

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

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

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

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

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

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

Launch of SOMPO SUSTAINA

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

Climate Change (Information Disclosure Based on TCFD Recommendations)

— Status of climate change-related business initiatives

Action2 Mitigate climate change

Activity and Result Partnership

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

Launch of ONE SOMPO WIND Service for offshore wind power companies

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

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

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

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

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

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

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

Insurance for virtual power plants (VPPs)

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

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

Stabilization support insurance for municipal renewable energy supply

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

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

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

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

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

*According to research by Sompo Japan Insurance in October 2021



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— Status of climate change-related business initiatives

Action3 Contribute to societal transformation

Activity and Result Partnership

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

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

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

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

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

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

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SAVE JAPAN Project

Activity and Result Partnership

Overview of the project

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



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

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

Results so far

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



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

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

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



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

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

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

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

Future prospects

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

Comments from a co-sponsoring partner



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

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

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

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Sompo's forest

Activity and Result Partnership

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



Forest custodian project in Nagano Prefecture

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

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

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

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

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

Activity and Result

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

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Sompo Environment Foundation

Activity and Result Partnership

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

Public Seminars on the Environment

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

Comments from a co-sponsoring partner



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

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



Comments from participants in 2023

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

Grant program for environmental protection projects

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

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

Grant program for doctoral course students

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

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CSO Learning Program

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



FY2023 CSO Learning Program summer camp



Completion ceremony for the fifth batch in Indonesia

Comments from people involved in the CSO Learning Program

Sayuki Mizokami

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



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

Shunichiro Toya

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



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

Tomonori Watanabe

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



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

Ms. Jo Kumala Dewi

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



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

Encouraging People to Develop Skills Needed for Environmental Protection

External recognition

Awarded the Minister of the Environment Awards for Climate Action 2023

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



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

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

*ESD: Education for Sustainable Development

Society

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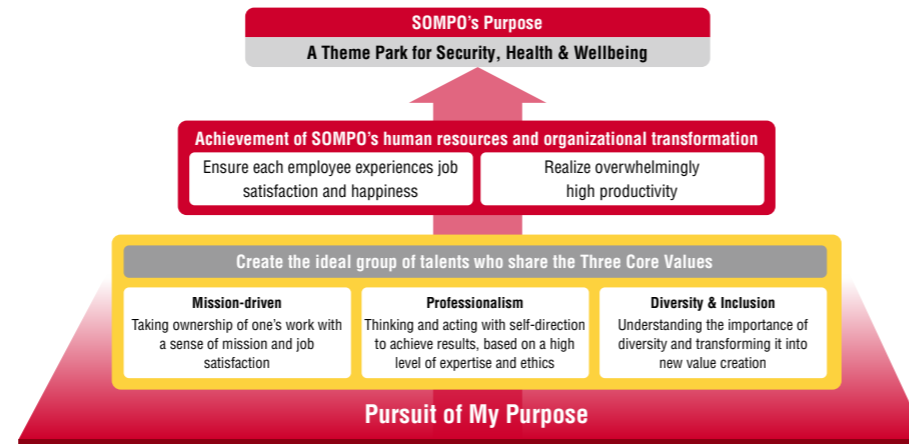
Data

Overview of Human Capital Management

Story of Sompo Group’s “Human Capital Management”

Concept and Policy

In order to position every employee’s My Purpose as the foundation of human capital management to ultimately achieve SOMPO’s Purpose, we aim to realize a workforce in which all employees share the following three core values: (1) Mission-driven, (2) Professionalism, (3) Diversity & Inclusion



Pursuit of My Purpose

Concept and Policy

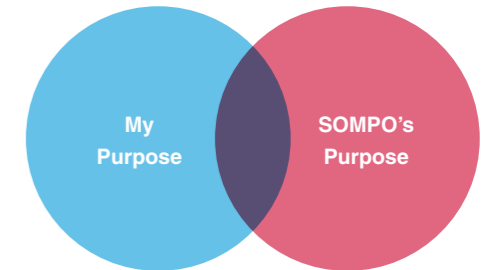
The foundation of the Group’s human capital management is every employee’s My Purpose. The My Purpose concept represents the things that stimulate oneself in life and encapsulates one’s vision, aspirations, and mission. We consider My Purpose to be the intersection of three areas: (1) intrinsic motivation (the “Want”); (2) social responsibility (the “Must”); and (3) capabilities (the “Can”). By having every employee define their own My Purpose and superimposing it on SOMPO’s Purpose, we can create autonomy and self-drive, which boosts employee motivation and productivity, thus contributing to the realization of SOMPO’s Purpose.

Web For an overview of the My Purpose concept and details about the initiatives being implemented, please refer to the section about [SOMPO’s Purpose Management in Sompo Holdings Annual Report 2023](#).

My Purpose = The passion and feelings that drive oneself



Overlapping My Purpose and SOMPO’s Purpose



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Overview of Human Capital Management

Creating an ideal talent pool that shares the “Three Core Values”

Concept and Policy

We are currently implementing numerous Group-wide initiatives with a view to achieving the three core values.

Mission-driven

We aim to work with a sense of mission and job satisfaction, thereby fostering a sense of ownership. To that end, we believe it is key for every employee to align their My Purpose with SOMPO's Purpose as they go about their day-to-day work. Measures to support these efforts include discussion and consideration of a company-led review of transfers and reassignments and expansion of our self-driven career development schemes.

Professionalism

We aim to have employees take action autonomously to deliver results based on a high level of expertise and ethical standards. To foster a culture of learning, challenging oneself, and teaching and learning about each other in a diverse workforce, we aim to establish selective training programs and build a Group-wide learning platform for the purpose of nurturing the human resources capable of leading the future management team.

Diversity & Inclusion

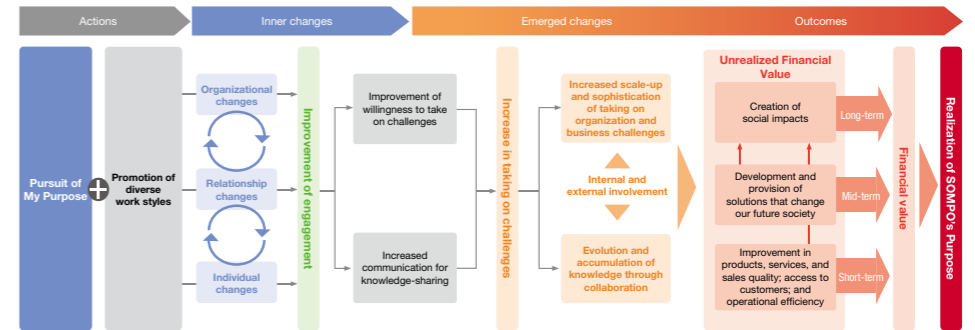
We aim to have employees understand the importance of diversity and turn it into the creation of new value. We are pressing ahead with various initiatives, such as measures aimed at eliminating the gender gap and supporting the active participation of people with disabilities, to ensure that each and every employee can harness their talents and strengths to deliver innovation.

PDF For the strategies and policies for realizing these core values, please refer to the sections about [Diversity & Inclusion and Talent Development](#) (P.44-50).

The “Impact Path” of human capital

Concept and Policy **Activity and Result**

The value generated from initiatives geared towards enhancing human capital, including raising awareness of SOMPO's Purpose, that leads to medium- to long-term financial and corporate value, is what we call “Unrealized Financial Value.” We are currently visualizing a roadmap to ultimately achieve SOMPO's Purpose in the form of an impact path of human capital. In this impact path, we have demonstrated there to be a correlation between initiatives for improving human capital and the enhancement of corporate value by utilizing and analyzing all kinds of data, including the results of engagement surveys. Going forward, we will continue to set and analyze KPIs that substantiate each correlation based on this impact path, thereby demonstrating progress and sustainability towards realizing SOMPO's Purpose.



Web For further details, please refer to the section about [SOMPO's Purpose Management in Sompo Holdings Annual Report 2023](#).

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Overview of Human Capital Management

Column Purpose-driven management that originates from My Purpose (Sompo Systems Inc.)

Purpose-driven management of Sompo Systems

Sompo Systems established its own purpose in April 2022 based on the thinking that as an IT company in the Sompo Group, its reason for existence and vision should be to support the realization of SOMPO's Purpose.

Purpose of Sompo Systems

As a cast member in a Theme Park for Security, Health & Wellbeing, we seek to realize a comfortable park experience for our customers with proactive planning and proposals, along with a high level of IT know-how and IT solution capabilities.

Accordingly, we have formulated a roadmap with a view to achieving the future vision of Purpose-driven management in which all actions and decisions of the company, organizations, and individuals are based on purpose.

Roadmap of Purpose-driven management

STEP 1 FY2022

- Having employees correctly understand (and internalize) the purpose of Sompo Systems (the company)

STEP 2 FY2023

- Having every employee realize and resonate with the overlap between My Purpose and the purpose of the company
- Having employees in resonance with the overlap be driven by My Purpose and actively engaged in their work to achieve their purpose, thus improving employee engagement

STEP 3 Future vision

- Having all actions and decisions of the company, organizations, and individuals be driven by the purpose

Web For further details, please visit Sompo Systems official website (in Japanese): [Purpose management](#)

Initiatives for generating awareness of the purpose

After every employee had correctly understood (and internalized) the company's purpose, in FY2022 we implemented the following initiatives so they could set about formulating their own My Purpose.

• My Purpose training

Directors and executive officers, general managers, and section managers (approximately 140 in total) attended four training sessions totaling six hours with the objective of understanding the significance of My Purpose and the importance of regular dialogue with their subordinates regarding the topic of My Purpose. Following these training sessions, each individual formulated their own My Purpose.

• Town hall meetings

Town hall meetings were held on 29 occasions with approximately 280 participants in order to facilitate the exchange of opinions regarding "purpose" between the management team, including the president, and employees. Many of the participants said that it was good to directly hear the thoughts of the management team.

• Formulation of My Purpose by all employees

Organization leaders supported the process through one-on-one meetings and all employees began working on the formulation of their My Purpose. In terms of the support provided by the leaders, they provided a manual with some tips and concrete examples to help employees create their My Purpose.



Town hall meeting in progress

As a result of these initiatives, in the FY2022 employee survey, roughly 97% of about 1,300 employees (excluding those seconded to other companies) answered that they had formulated their My Purpose, while around 85% said that they had confirmed how it overlaps with the company's purpose.

Items	Results (timing)
Confirmation of the company's purpose via internal notices and the like	97.8% (November 2022)
Formulation of My Purpose	97.3% (March 2023)
Confirmation of the overlap between My Purpose and the company's purpose	85.0% (March 2023)

Continuation of activities to create resonance between My Purpose and the company's purpose

In FY2023 we have implemented the following initiatives with the aim of improving employee engagement and having employees work with enthusiasm to achieve the company's purpose through resonance between My Purpose and the company's purpose.

• Messages from the management team

Messages from the management team, including a video message from the president, continue to be sent out to all employees.

• Ongoing town hall meetings

Following on from FY2022, management-led town hall meetings continue to be held on the topic of the overlap between employee and company purposes.

• Meetings to share My Purpose

Meetings for the sharing of My Purposes are being held during which employees themselves become panelists to discuss how their My Purpose overlaps with the company's purpose.

• Seminars led by external lecturers

Seminars featuring external lecturers are being held on various topics thought to be indispensable to Purpose-driven management, such as psychological safety.

• Provision of manual to employees

A manual has been provided to employees as a supplementary tool to help them consider how their My Purpose can overlap with the company's purpose. The manual uses some concrete examples so that the reader can imagine how the two purposes might overlap.

• Posters

Posters have been created and displayed in the office so that employees can visually imagine the purpose of Sompo Systems and how it might overlap with their own My Purpose.



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Diversity & Inclusion

— HR strategies and measures for realizing the “Core Values”

The Sompo Group’s vision of Diversity & Inclusion

Concept and Policy

We have positioned Diversity & Inclusion (D&I) as one of the key core values indispensable to the growth of the Sompo Group. Since establishing a department dedicated to promoting the participation of women – the first of its kind for a major Japanese financial institution – we have been committed to promoting D&I with the aim of driving sustained growth of the Group and enhancing corporate value by generating innovation and improving the happiness level and job satisfaction of employees.

The aforementioned My Purpose concept holds the key to increased awareness of D&I. Respecting and acknowledging each other’s My Purpose reinforces the psychological safety of the organization and functions as the foundation for fostering an inclusive culture in which people with diverse backgrounds and values with respect to gender, disabilities, nationality, age, and work history, can coexist. Each and every employee in all of our workplaces will aspire to realize genuine D&I and deliver innovation by drawing on their respective talents and strengths to anticipate change and create new value, and ultimately, aim to achieve SOMPO’s Purpose.

Initiatives to promote Diversity & Inclusion

Activity and Result Partnership

Closing the gender gap

We believe that the adoption of a healthy gender balance and a mix of personnel with different backgrounds in corporate management contributes not only to the elimination of tokenism and the strengthening of corporate governance, but also to sustained growth through innovation.

We have set a goal of achieving at least 30% female management throughout the Group by the end of fiscal year 2023. In addition to implementing Group-wide female training programs to improve the knowledge and skills of our employees and to change their mindset and attitudes, each group company also has its own program. Through these and other programs, as of July 1, 2023, SOMPO Holdings had 5 female directors (3 outside directors, 1 executive officer, and 1 corporate officer) and Sompo Japan had 5 (1 director, 1 corporate auditor, and 3 corporate officers).

As a result of the above initiatives, the percentage of women in management positions in the Group overall has increased to 28.1% as of April 1, 2023, compared to only 5.0% in July 2013 when the goal was initially established.



Also, so that we can achieve further transformation and growth in each line of business with a view to realizing SOMPO’s Purpose, we are formulating succession plans for a total of 86 key posts in the Group, including key positions in our line of businesses in Japan and overseas, such as Group CEO, Group COO, Group CxO, and business CEOs. At present, the ratio of female candidates in these succession plans stands at 41.9% (as of end-March 2023). Our aim is to lift this percentage to 50% in the future.

Employment of people with disabilities

The Sompo Holdings Group employs people with disabilities throughout Japan and is focusing on creating inclusive work environments to stabilize their employment. As of April 1, 2023 Our Group’s employment rate for people with disabilities is 2.36%.

Sompo Japan has a support system in place to create an inclusive workplace for employees with disabilities. For example, it provides a guidebook for managers and arranges disability consultants across the country who provide support to employees with disabilities.

SOMPO Challenged Inc. to boost jobs for people with disabilities

Our Group is promoting the employment of people with disabilities aiming to provide them with stable opportunities to realize their talents and gain a sense of fulfillment through work and to harness their diversity in innovation that is essential to the growth of the Group. We established SOMPO Challenged in April 2018 as a certified special-purpose subsidiary* to further promote the stable employment of people with disabilities throughout the Group and to create an environment in which they can work with vitality. SOMPO Challenged plays a leading role in boosting jobs for people with disabilities in our Group.



*A company approved by the Japanese Minister of Health, Labour and Welfare as satisfying certain conditions stipulated in the Act to Facilitate the Employment of Persons with Disabilities, that gives special consideration to the employment of people with disabilities.

Diversity & Inclusion

— HR strategies and measures for realizing the “Core Values”

Sompo Holdings joins “The Valuable 500” to promote disability inclusion

The Valuable 500 is an international network founded by social entrepreneur Caroline Casey at the World Economic Forum Annual Meeting in January 2019 in Davos, Switzerland, based on the belief that inclusive businesses can build inclusive societies. The Valuable 500 aims to encourage business leaders to achieve innovation so that people with disabilities can demonstrate their potential to add value to businesses, society and the economy.

As a member organization of this initiative, we have declared the Group’s commitment and will work to drive change.

Web For further details, please visit The Valuable 500 website: [Sompo Group Commitment](#)

Universal Manners Test training held for Group directors and executive officers

The Universal Manners Test is a certification for enabling participants to systematically learn and acquire the practice of universal manners, or in other words, interacting with different kinds of people with an appropriate mindset and actions. We believe one of the Group’s missions is to not only have a correct understanding of our customers and provide reasonable considerations and products and services of value, but to also create a deeper understanding of, and respect for, people with disabilities among colleagues.

Based on this thinking, in June 2023, Sompo Holdings and its major operating companies held training sessions for directors and executive officers for the purpose of raising awareness and understanding of diversity throughout the Group and so the participants could prepare themselves with the aim of passing level 3 of the Universal Manners Test.



LGBTQ+ activities

Initiatives in the workplace

With the primary goal of building an employee network centered around Sompo Japan Insurance, we have established the LGBT-Ally Community. It engages in such activities as information sharing, exchanging of opinions, organizing internal networking events, and participating in external events, all with the unified aim of fostering a workplace culture and environment where everyone, including LGBTQ+ individuals, can work comfortably and with a sense of job satisfaction. In addition, we have taken steps to improve workplace facilities by providing gender-free toilets at the head office and training center, as well as a changing room that can be used by anyone at the head office health clinic.

At Sompo Japan Insurance, we are continuously implementing initiatives, including the hosting of study sessions for all employees, e-learning programs, and educating employees by providing educational materials and workbooks to all workplaces. We are also a member of the LGBT Finance initiative and have sponsored Tokyo Rainbow Pride and other LGBTQ+ events since fiscal 2019. In 2022, in response to a suggestion by the LGBT-Ally community, we sponsored the Nagoya Rainbow Pride event, with approximately 40 employees and their families taking part.



Tokyo Rainbow Pride event

In addition, we carried out a review of our policy to allow same-sex partners to be recognized as spouses for the purpose of receiving allowances, condolence payments, taking congratulatory and condolence leave, and accessing various welfare facilities.

Initiatives in products and services

At Sompo Japan Insurance, we have updated the definition of “spouse” in policies for automobile insurance, fire and allied insurance, and personal accident insurance and the like so that same-sex partners are eligible for coverage as spouses.

At Sompo Himawari Life, we have simplified the verification process for customers nominating a same-sex partner as a beneficiary by requesting the submission of a copy of their partnership certificate.

Diversity & Inclusion

— HR strategies and measures for realizing the “Core Values”

Personnel systems promoting diverse workstyles

Balancing work with private life is currently a key topic for all employees irrespective of gender or age. It is imperative that we facilitate different work styles depending on the individual circumstances of every employee so that they can continue to work with enthusiasm for many years to come. To that end, the Group is committed to establishing an environment that supports an optimal balance between work and various life events.

Career Transfer Program

Sompo Japan and other group companies have a career transfer program in which an employee can change his/her work place to a difference branch when there is a compelling reasons and when certain conditions are met. This program can be used by those who are in the positions that would not require job relocations but need to relocate their residence due to unavoidable circumstances.

System supporting employees during pregnancy, post-childbirth and childcare

With the aim of supporting the balance between work and one's responsibilities to home and children, we have established systems related to vacations, leaves of absence, and work styles, including maternity leave, a postnatal childcare leave system (colloquially known as “paternity leave”), a childcare leave system, and reduced working hours for childcare.

The childcare leave systems at Sompo Holdings, Sompo Japan and other Group companies are available until the child reaches the age of 2 years and 1 month, and include up to a total of seven days of paid “short-term childcare leave” for both men and women.

In addition, reduced working hours for childcare are available in principle until the child reaches the end of the third year of elementary school, and several different work hour patterns are available. Furthermore, we have established a system that makes it easier for both men and women to take childcare leave and to balance work and childcare. For example, if there are unavoidable circumstances due to a child's illness or disability and the Company deems it necessary, employees may choose to work shortened hours until the end of the fiscal year in which the child reaches the age of 18.

To further promote the participation of men in childcare, including support for balancing work, parenting and childcare leave for men of which we recommend one month or more, we started from FY2023 to hold Group-wide training sessions targeted at those concerned and at the management level.

Forums to support employees on childcare leave

We organize forums to help employees who are on childcare leave smoothly return to work in Tokyo, Nagoya, Osaka, and Fukuoka and via a video conference. In addition to the employees who are on childcare leave, their supervisors and colleagues attend the forum. This helps relieve anxiety about returning to work by creating a more inclusive business environment. (In consideration of the COVID-19 pandemic, in FY2020, the forum was held video and online.)

“Amore Support” for employees on childcare leave

We have extensive support tools to create a workable environment for all employees. For example, we use “guides for pregnancy, childbirth, childcare,” “tips for one-on-one interviews with employees on childcare leave,” and the “guidance for supervisors who have a staff member on childcare leave.” We regularly provide information about the company's important policies.

Support for nursing care

Long-term nursing care has become a common issue due to the rapidly aging population in Japan. To help employees balance their work and care responsibilities, we expanded the options to offer a long-term family care leave (up to 365 days in total), nursing leave, shift work for nursing care and reduced working hours. We also held a seminar for balancing work and care responsibilities.

Related KPIs and results

Activity and Result

KPI items	Unit	FY2020	FY2021	FY2022
Ratio of female managers*1	%	24.2	26.8	28.1
Ratio of female directors and executive officers*2	%	8.6	9.0	11.5
Ratio of female candidates in succession plans	%	25.4	32.4	41.9
Ratio of foreign national directors and executive officers*3	%	12.1	14.7	15.2
Wage gap between men and women*4	%	—	—	67.2
Ratio of male employees who take childcare leave	%	—	71	75
Ratio of employees with disabilities*2	%	2.42	2.41	2.36

*1 FY2020 figure is as of March 31. Figures for FY2021 and FY2022 are as of April 1 of the following fiscal year.

*2 Figures are as of April 1 of the following fiscal year.

*3 Figures are as of July 1 of the following fiscal year.

*4 Standalone figure for Sompo Holdings.

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Diversity & Inclusion

— HR strategies and measures for realizing the “Core Values”

External commendation

Activity and Result

FY2013

- Received Kurumin Certification from the Ministry of Health, Labour and Welfare (Sompo Japan Insurance, seven consecutive years since 2007)
- Received Diversity Management Selection 100 from the Ministry of Economy, Trade and Industry (Sompo Japan Insurance)

FY2014

- Received Kurumin Certification from the Ministry of Health, Labour and Welfare (Sompo Himawari Life Insurance)
- Received Corporate Action Award from the Tokyo Stock Exchange (Sompo Holdings)

FY2015

- Received the Excellence Prize in the Women's Empowerment Power Up Award from the Public Interest Incorporated Foundation, Japan Productivity Center (Sompo Japan Insurance)

FY2016

- Received Silver Award in work with Pride's PRIDE Index (Sompo Japan Insurance)
- Received Prime Minister's Award from the Cabinet Office "Advanced Company Awards for Women to Shine" (Sompo Japan Insurance)
- Received Excellence Award in the Telework Practice Category of the 17th Telework Promotion Awards from the General Incorporated Association, Japan Telework Association (Sompo Japan Insurance)
- Received Runner-up Award in the Advanced Category of the 2017 J-Win Diversity Award from the Non-Profit Organization J-win (Sompo Japan Insurance, the second time since 2015)

FY2018

- Received Grand Prize in the 3rd Women's Empowerment Power Up Award from the Public Interest Incorporated Foundation, Japan Productivity Center (Sompo Japan Insurance)
- Received Time-Differentiated Biz Promotion Award (Work Style Category) from the Tokyo Metropolitan Government (Sompo Japan Insurance, two consecutive years since 2017)

FY2020

- Selected as Nadeshiko Brand for 2020 by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange (Sompo Japan Insurance and Sompo Holdings, four consecutive years since 2017)

FY2021

- Certified as Tomonin by the Ministry of Health, Labour and Welfare (Sompo Himawari Life Insurance)
- Selected as Consortium of 40 Companies by the Ministry of Health, Labour and Welfare and the Cancer Control Promotion Corporate Action Corporate Consortium (Sompo Himawari Life Insurance)
- Selected as Nadeshiko Brand for 2021 by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange (Sompo Japan Insurance and Sompo Holdings)
- Selected as Excellent Companies for Cancer Control Promotion in 2021 by the Ministry of Health, Labour and Welfare and the Cancer Control Promotion Corporate Action Corporate Consortium (Sompo Himawari Life Insurance)

FY2022

- Certified as 5 stars by Nikkei Smart Work Management Survey (Sompo Holdings)
- Recognized as Advance in the D&I Award 2022 by Job Rainbow Corporation (Sompo Himawari Life Insurance)



FY2023

- Received Two-Star Eruboshi Certification from the Ministry of Health, Labour and Welfare (Sompo Himawari Life Insurance)
- Received Gold Award in work with Pride's PRIDE Index (Sompo Japan Insurance, five consecutive years since 2019)
- Certified as 4 stars by Nikkei Smart Work Management Survey (Sompo Holdings)



Talent Development

— HR strategies and measures for realizing the “Core Values”

Expanding self-driven career development schemes

Concept and Policy Activity and Result

Job-based HR system

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

Job challenge system

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

Himawari My Purpose career system (Sompo Himawari Life Insurance)

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



Succession planning

Concept and Policy Activity and Result

1. Purpose of formulating succession plans

As the Sompo Group drives transformation towards realizing the concept of a “Theme Park for Security, Health & Wellbeing,” in order to achieve further innovation and growth in our businesses, we are formulating succession plans for key leadership positions with the aim of establishing a system to reliably and effectively produce high-quality personnel with diverse backgrounds.

2. Applicable positions

The succession plans are for a total of 86 key posts in the Group, including key positions in our line of businesses in Japan and overseas, such as Group CEO, Group COO, Group CxO, and business CEOs, based on the importance of, and scarcity of talent for, these positions throughout the Group and in each line of business.

3. Key points in candidate selection

We specify and select successor candidates based on the following categories and have established certain criteria for the selection of candidates for each position from the perspective of increasing diversity in the Group. We also consider systematic training and recruitment from outside of the Group.

NLP (Next Leaders Program)

In this program, we formulate succession plans for mainly Group-wide key posts and select so-called “N” talent (as in the “next” talent) from among our successor candidates in Japan and overseas who we think are capable of assuming these positions within the next five years. To foster management leadership qualities and instill a sense of awareness and determination among the candidates, the Group CEO and outside directors observe the final presentations of the participants in the Action Learning Project (ALP) in order to assess mainly their personality and capabilities.

FLP (Future Leaders Program)

In this program, we select so-called “F” talent (as in “future” talent) in Japan and overseas who we think have the potential to assume Group-wide key posts in 5–10 years’ time. In partnership with world-class business schools, we aim to deepen the understanding of the perspectives required of SOMPO leaders, as well as the key management philosophies and vision of the Group. The purpose of this is to instill in the candidates the right mindset and readiness to set their sights on becoming a director or executive officer.

Talent Development

— HR strategies and measures for realizing the “Core Values”

Developing global management personnel

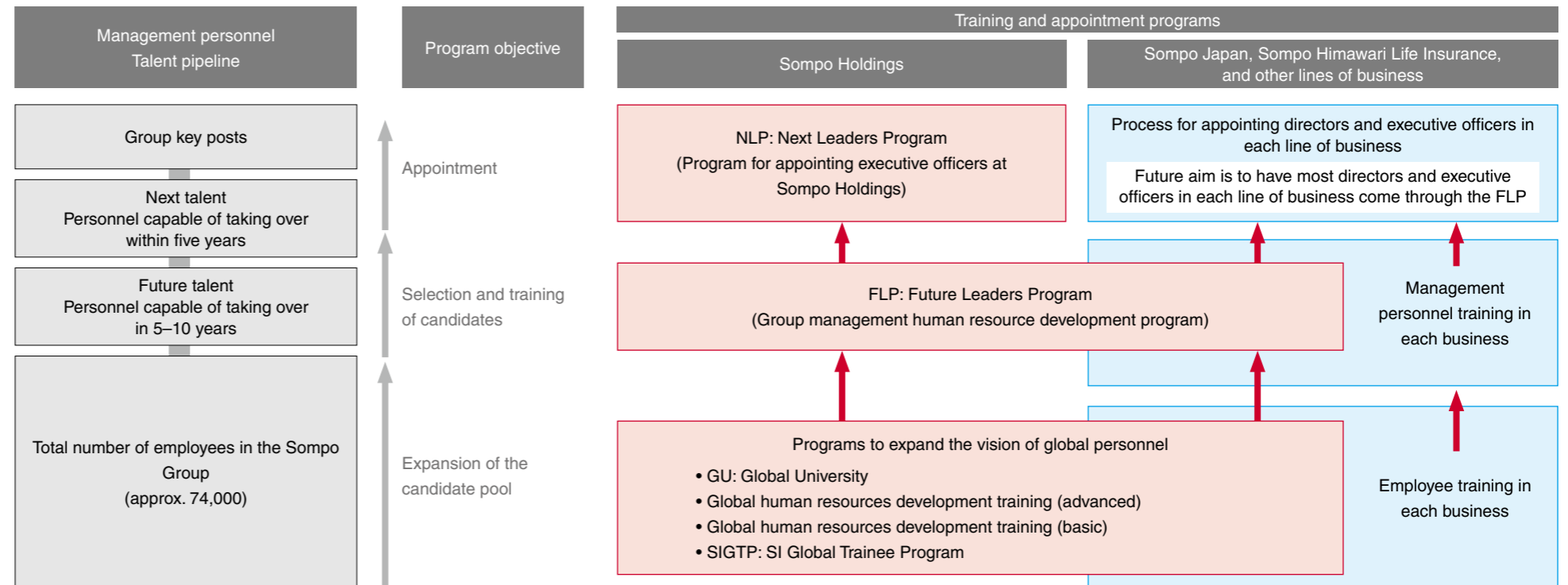
Concept and Policy **Activity and Result**

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

SOMPO Global University

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

Group-wide framework for training and appointing management personnel



Global human resources development training (basic and advanced)

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

Sompo International Global Trainee Program

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

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Talent Development

— HR strategies and measures for realizing the “Core Values”

Providing self-driven learning opportunities

Activity and Result

SOMPO Cross-Training Challenge

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

Digital work shift

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

Number of DX human resources as of the end of September 2023 (target at the end of FY2023)

DX human resources:	25,385	(24,277)
*Breakdown		
(1) DX specialists:	89	(177)
(2) DX planning personnel:	8,015	(7,000)
(3) DX support personnel:	17,281	(17,100)

Planned Group-wide learning platform

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

Human Rights

Basic concept and policy

Concept and Policy

In its Group Policy for Human Rights, 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.

The policy applies to all employees in the Group and we will make an effort to extend its application to clients, business partners, contractors, and other partner firms.

In addition, we undertake procurement activities based on the Group Sustainable Procurement Policy in an effort to take our clients, business partners, and human rights into consideration and prevent corruption, thereby engaging in fair equitable transactions with all our suppliers.

Group Policy for Human Rights

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

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

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



Group Policy for Human Rights

1. Respecting human rights of stakeholders

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

2. Respecting human rights of employees

In all facets of labour practices, we will not discriminate on the basis of race, color, ethnic origin, religion, creed, nationality, birthplace, social status, descent, gender, sexual orientation, gender identity, sexual expression, pregnancy, marital status, age, disability or any other status. We, as a company, will take a global perspective, recognize individuality and diversity (Diversity and Inclusion), respect every employee's challenging spirit and speedy action, and ensure a dynamic working environment by maintaining and promoting every employee's health.

3. Promotion of human rights in global markets

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

4. Expectations for suppliers and business partners

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

5. Human rights due diligence

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

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

Group Sustainable Procurement Policy

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

PDF For further details, please refer to [Group Sustainable Procurement Policy](#) (P.4).

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Promotion structure

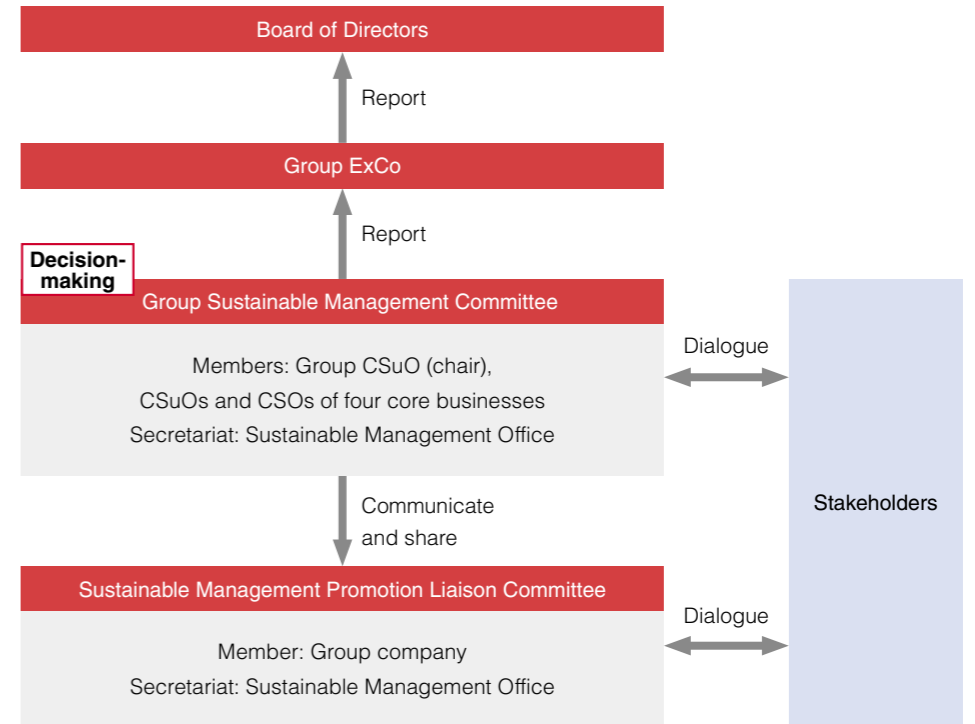
Structure

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

The committee functions as the decision-making body on Group sustainability issues and is chaired by the Group CSuO. Its members comprise the CSuOs and CSOs of the four core businesses – Sompo Japan Insurance, Sompo International, Sompo Himawari Life Insurance, and Sompo Care. As the committee communicates and shares decisions with the Sustainable Management Promotion Liaison Committee under its umbrella, a framework is in place for implementing measures on a Group-wide basis. Also, the committee's discussion and reporting items are periodically reported to the Board of Directors by way of the Global Executive Committee (Global ExCo)* and Managerial Administrative Committee (MAC)*.

For human rights issues, we have endeavored to establish, and continuously improve, an effective internal framework based on the opinions of stakeholders. Based on the belief that it is important to disclose these circumstances, the Sustainable Management Office – as the secretariat of the committee – spearheads efforts to engage in dialogue with stakeholders and takes steps to regularly disclose the Group's key issues and initiatives for addressing human rights.

*Group ExCo (after April 2024)



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

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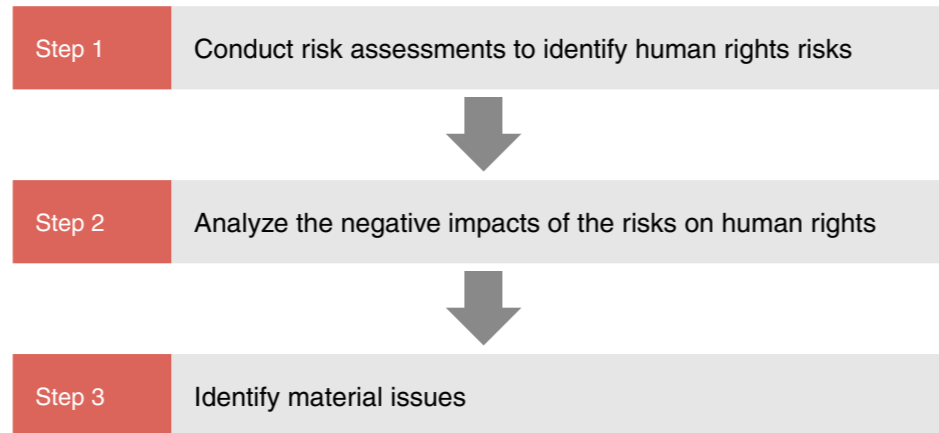
Human Rights

SOMPO's human rights due diligence — Identifying, analyzing, and assessing the negative impacts on human rights

Structure **Activity and Result**

We utilize an enterprise risk management (ERM) framework to systematically and continuously carry out human rights due diligence by having the relevant departments and Group companies undertake risk assessments.

Human rights risk assessment process



Step 1 Conduct risk assessments to identify human rights risks

We assess all of the Group's businesses for potential impacts and risks concerning respect for human rights, identify those that could negatively impact our own human rights, and set severity levels for each risk.

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.

Of the risks uncovered in the risk assessments, those that could seriously affect business management are reported to the Board of Directors.

We also have a structure in place in each business for risk countermeasures to be implemented.

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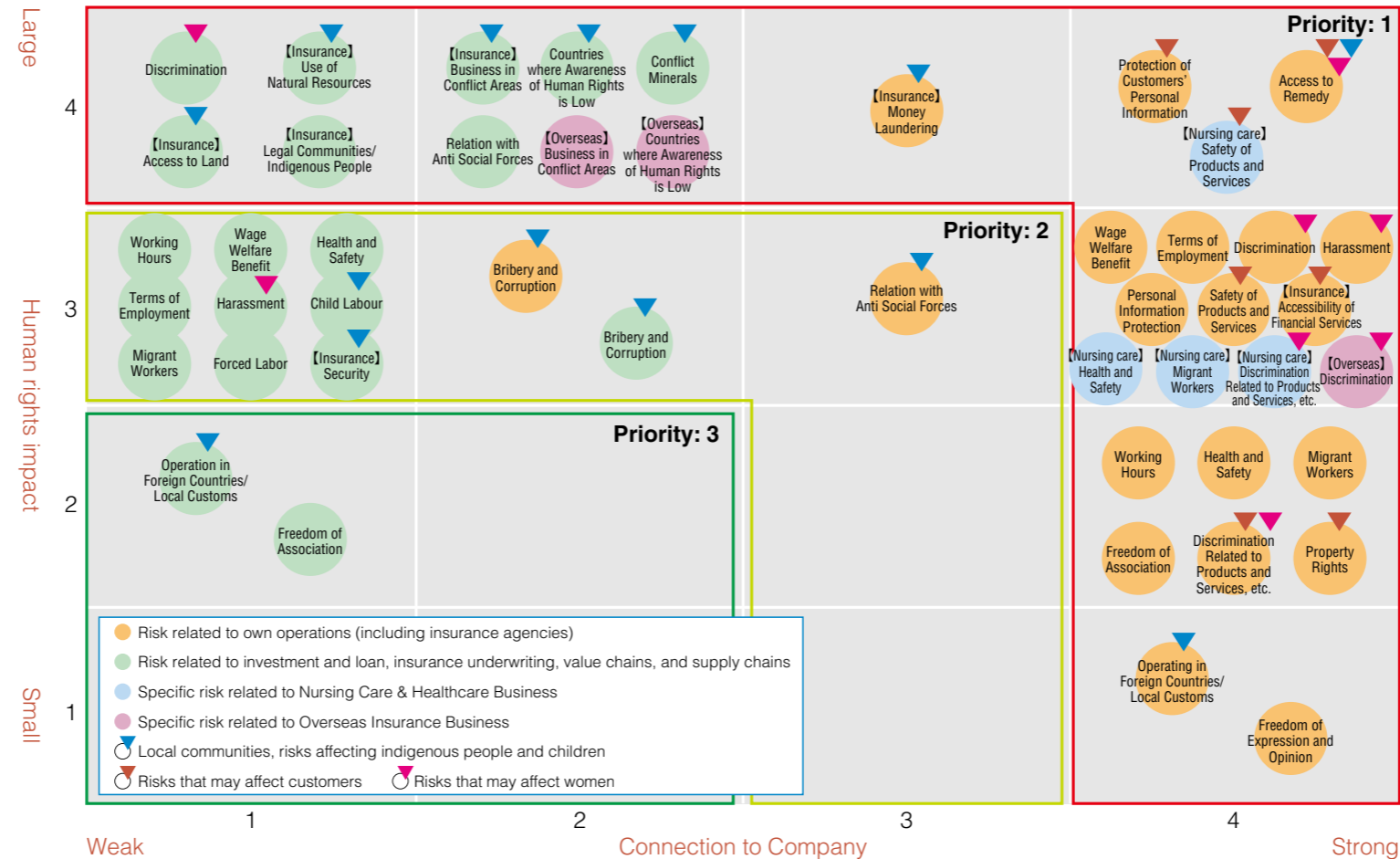
Human Rights

Step 2 Analyze the negative impacts of the risks on human rights

We analyze risks identified in our Group-wide risk assessments to determine the degree of negative impact using evaluation criteria that focus on the impacts on human rights (seriousness, number of people affected, possibility of redress), as well as the connection between the risk and the company. For the human rights risk assessments carried out in FY2022, we particularly emphasized the analysis of risks that may affect the local community, customers, and women.

PDF For case examples of the specific initiatives we are implementing to address human rights risks, please refer to [page 57](#).

Results of the assessment – human rights risk mapping



Human Rights

Step 3 Identify material issues

We are working to mitigate risks on eight key issues identified in the results of our human rights risk assessments, starting with those deemed to have the strongest connection to the company and the biggest impact on human rights.

Material issues	Target stakeholders	Business	Main initiatives
Inappropriate disclosure of customer private data or privacy violations	Customers	All businesses	<ul style="list-style-type: none"> Raising awareness mainly through operations-related accident training and compliance training Setting up supervisor notification emails when employees send external emails
Access to remedies (measures to resolve customer complaints and issues reported internally)	Employees, workers in supply chain, customers	All businesses	<ul style="list-style-type: none"> Establishing a Group-wide third-party internal reporting contact point Holding compliance training sessions
Money laundering and transparency (ensuring non-involvement in money laundering and transparency in handling insurance premiums and investment assets)	Local residents	Insurance (other than nursing care) business	<ul style="list-style-type: none"> Building and maintaining a timely and appropriate management system in accordance with the Sompo Group Guidelines for Anti-Money Laundering, Counter Financing of Terrorism, and Counter-Proliferation Financing
Safety of products and services (guaranteeing safety when providing assistance)	Customers	Nursing care business	<ul style="list-style-type: none"> Running emergency drills with tenants (once a year) Creating and providing a BCP manual
Employment conditions (employee dignity and employment conditions in the main businesses of the Group)	Employees, workers in supply chain	All businesses	<ul style="list-style-type: none"> Utilizing job-based HR systems Utilizing self-driven career development schemes
Workplace discrimination	Employees, workers in supply chain	Overseas business	<ul style="list-style-type: none"> Having employees confirm and sign codes of conduct/ethics Preventing workplace harassment with mandatory global compliance training Ensuring employees read the handbook regarding the specific circumstances of each country
Inappropriate disclosure of employee or worker private data or privacy violations	Employees, workers in supply chain	All businesses	<ul style="list-style-type: none"> Appropriately managing information based on the Employment Management and Information Management Regulations
Respect for human rights and prohibition of discrimination in relation to products and services	Customers	Nursing care business	<ul style="list-style-type: none"> Ensuring employees are aware of the management philosophy of respecting humanity (by way of communication from the management team) Implementing training for employees on the topic of preventing accidents and abuse

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Access to redress

Structure Activity and Result

Whistle-blowing and consultation system

We have established a whistle-blowing hotline to prevent such issues as legal violations, misconduct, or harassment, and to maintain and enhance corporate value through self-policing. The hotline can be used by all employees in the Group. In addition to the fact that each Group company has this internal hotline, we have also established a Group-wide external reporting channel (at a law firm). We continuously raise awareness about the existence of this system in readiness for receiving internal reports and enquiries.

Each Group company has a system in place in accordance with the relevant laws and regulations of each country. In Japan, we have a system in place in accordance with the revised Whistleblower Protection Act (effective June 2022), and overseas, we have a system in place based on both local laws and Group system development standards.

Web For further details, please visit the website: [ESG Data \(Governance Data\)](#)

Establishing an internal reporting system in line with the Guiding Principles

After comparing our internal reporting system with the eight requirements called for in the United Nations' Guiding Principles on Business and Human Rights, we have recognized there to be some issues in terms of effectiveness that will require overhauling. For instance, regarding the requirement that our system should be based on engagement and dialogue, we believe it is necessary that we forge relationships with stakeholders and NGOs and place importance on engaging in dialogue and consultation about the design and track record of our internal mechanisms.

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

Corrective action

Under the whistleblowing system of the Group, 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 Sompo 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 Sompo 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.

Receiving and addressing feedback and complaints

Each company in the Group receives complaints, including those relating to human rights, plus enquiries and feedback, from various stakeholders. For example, at Sompo Japan Insurance, an expression of dissatisfaction from a customer regarding any aspect of the Group's business is considered to be a complaint. We take all of the complaints received from customers very seriously and by recording the details of complaints and analyzing them, we can seek ways to improve our operations, products, and services.



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Addressing issues at investee and borrower companies, insurance underwriters, and in the supply chain

Activity and Result

Measures to mitigate human rights risks through insurance underwriting and investments/loans

Stakeholders	Insurance underwriters Workers in the supply chain
--------------	---

Sompo Japan is working to reduce human rights risks through its financial functions. Since October 2020, we have held dialogues with civil society (NGOs, etc.) 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.

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

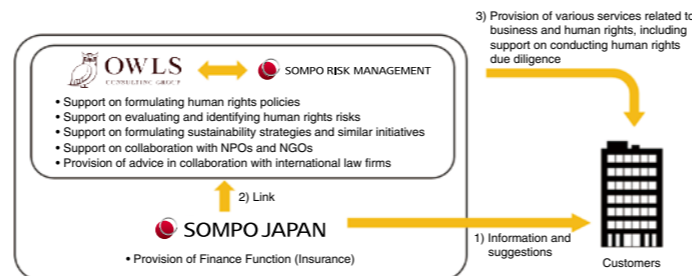
Mitigating human rights risks with insurance products/consulting and redressing victims of human rights violations

Stakeholders	Insurance underwriters Workers in the supply chain
--------------	---

Sompo Japan Insurance, Sompo Risk Management, and Owls Consulting Group have entered into a business partnership agreement with respect to various services related to human rights risks. Based on this agreement, Sompo Risk Management and Owls collaborate on providing various services related to business and human rights, including support on conducting human rights due diligence according to the needs of customers.

Owls specializes not only in human rights due diligence, but also in dialogue with, and education of, management teams with an eye to addressing human rights issues in the supply chain, plus the formulation of business and sustainability strategies, including the identification of items of materiality. In addition, a key characteristic of Owls is the network it maintains with NPOs and NGOs, so it leverages this network and the cooperation of law firms in Asia, to work closely with Sompo Risk Management and support the practice of respecting the human rights of customers.

Moreover, Sompo Japan Insurance provides insurance to compensate costs associated with promptly redressing victims in the event that an unforeseen violation of human rights (forced labor or child labor) does occur in the supply chain in Japan or overseas even after the practice of respecting human rights among customers has been put into action by management.



Addressing issues in the nursing care business

Activity and Result

Addressing human rights in the nursing care business

Stakeholders	Customers in the nursing care business
--------------	--

Sompo Care seeks to provide highly personalized nursing care services to accommodate the individual needs of each person requiring care, based on the company's management philosophy of respect for humanity.

The most important aspect in nursing care is to help users lead fulfilling and meaningful lives on a daily basis. Everybody has different ways of living and different values. That is why we want to help people continue to live their life in their own way, even in old age or when they require care. We are currently focused on providing advance care planning, or ACP, so that the elderly can lead fulfilling lives and maintain their dignity until the very end.

ACP is the process of thinking in advance about one's lifestyle, medical, and healthcare needs should something unexpected happen. It involves talking with trusted individuals, like family members, and medical and healthcare teams.

We also make use of our original Yumeyui Note service in the hope of forming meaningful connections between users and everyone they meet going forward and so that their next experiences might be exceptionally vibrant ones. And even after they have left this world, we hope that their interactions with everyone can be cherished as warm memories for everyone involved.

Based on its respect for humanity, Sompo Care will always be there for its users and their families in times of need. It provides an ACP service whilst understanding and respecting every individual's way of life.



Jinseikaigi Naruhodo Book
(an educational booklet on ACP)



Yumeyui Note
(an original notebook for writing a living will)

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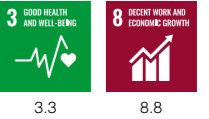
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Wellness Management



3.3

8.8

The aims of our Health and Productivity Management®*1

Concept and Policy

To achieve SOMPO's Purpose of creating a society in which every person can live a healthy, prosperous, and happy life in one's own way with a Theme Park for Security, Health & Wellbeing, the mental and physical health of employees – the driving force of that purpose – and their families, is of utmost importance. The Group Policy for Human Rights stipulates that we must take steps to maintain and improve the health of employees and ensure that they are afforded a vibrant workplace environment, while the Sompo Group Health Management Declaration*2 says that we must prioritize the mental and physical wellbeing of employees and their families. In addition to this, we are currently informing and educating various stakeholders about Health and Productivity Management and supporting initiatives to that end.

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

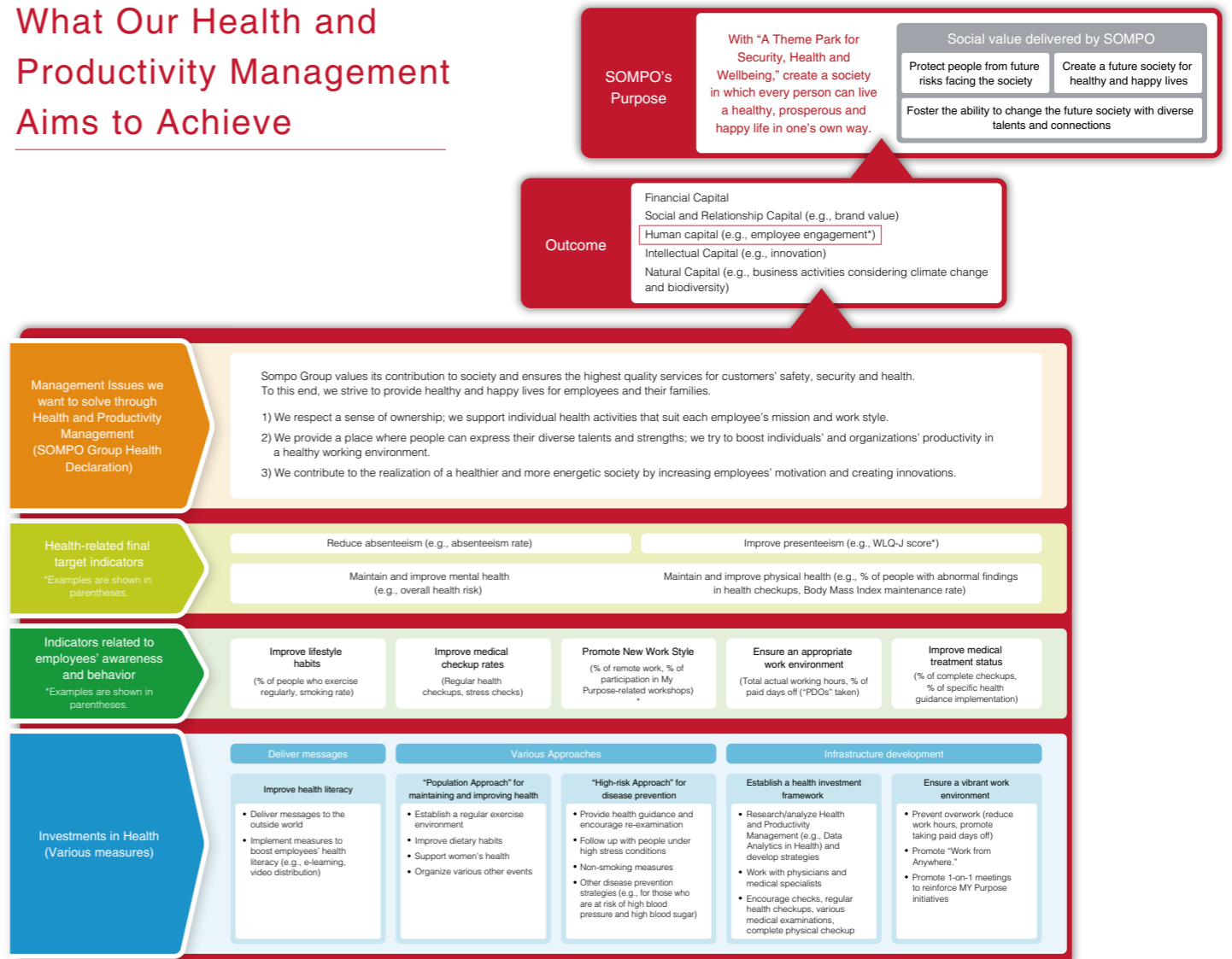
*2 Group companies are also proactively announcing their own declarations on wellbeing in order to give shape to, and put into practice, the concept of prioritizing the health of employees and their families.

Sompo Japan Insurance: Health Management Declaration (October 2016)
Sompo Himawari Life Insurance: Employee Health Support Project (April 2016); Health and Productivity Management Declaration (October 2020)

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

PDF For initiatives, please refer to [Main initiatives based on Health and Productivity Management® strategy](#) (P.60–61).

What Our Health and Productivity Management Aims to Achieve



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

*Productivity KPI, Materiality KPI



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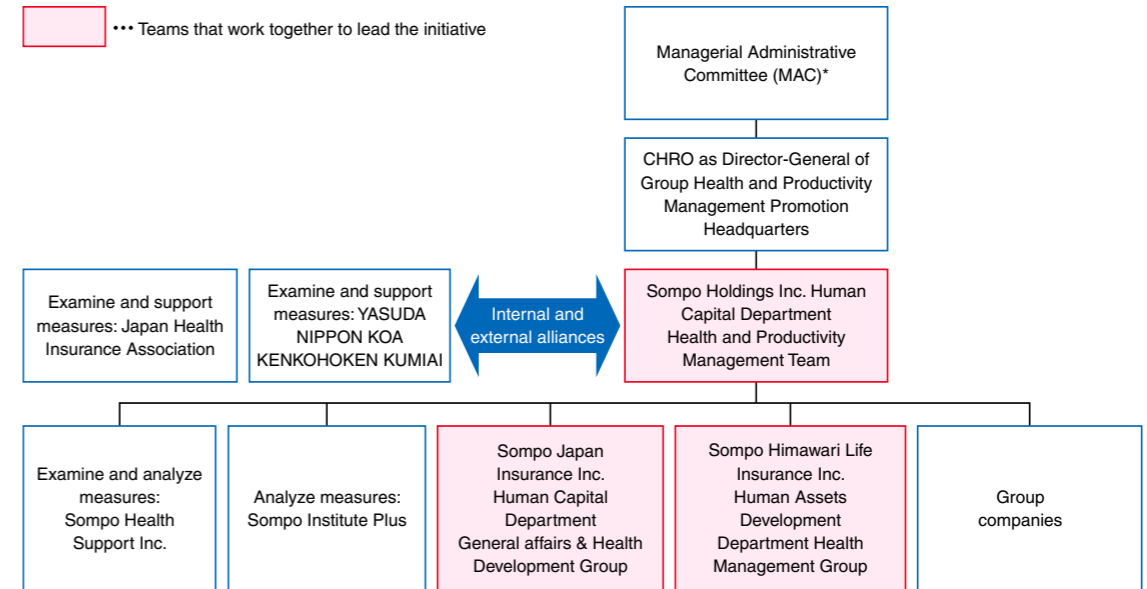
Wellness Management

Health management initiatives in the group

Structure

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

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



*Group ExCo (after April 2024)

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Main initiatives based on Health and Productivity Management® strategy

Activity and Result Partnership

Initiatives are being implemented throughout the Group based on the health investments (measures) shown above in the health and productivity management strategy map (P.58).

Communicating information

(1) Improving health literacy

Providing a learning environment for health literacy

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

Sompo Japan Insurance recommends the use of the health edition of a specific textbook on HR development, which was written with the aim of improving the literacy of every individual and communicating health information to address issues of wellbeing when teleworking. It also held a lecture series on the topic of health for Sompo Japan University, the Group's online corporate university. In FY2022, a total of 5,296 people viewed the lectures, which were rated favorably with a post-lecture survey score of 4.49 out of 5.00.

In addition, the COVID-19 pandemic forced Sompo Holdings to quickly shift from a traditional office-based working arrangement to a remote work setup, including the option of working from home. In connection with that change, it rolled out a mental health e-learning program, which has already been completed by approximately 80% of all employees. By having employees learn about stress mechanisms and coping methods themselves, they can work towards the realization of a highly productive working style.

Various approaches

(2) "Population approach" for maintaining and improving health

Provision of wearable devices to all employees

Sompo Himawari Life Insurance provides wearable devices free of charge to all employees who wish to use them. This contributes to a heightened awareness of their own health because they can use their smartphone to monitor such data as steps taken, heart rate, calories burned, and sleep duration. Efforts are also made to foster team spirit by organizing inter-department competitions based on the average number of steps taken.

Improving lifestyle habits

Sompo Japan Insurance is taking measures to improve the rate of breakfast consumption and increase vegetable intake. Alongside the benefits of eating breakfast, employees are being encouraged to take the next step and think about what they should be eating instead of simply eating something. In addition to hosting seminars related to diet for all employees, sessions were held to measure vegetable intake levels and estimated amounts of vegetable consumption. Visualizing this data triggered more opportunities for conversation between participants, and it also generated a synergistic effect in the form of increased consumption of the vegetable side dishes on the cafeteria menu.

Supporting women's health

With the aim of supporting women's health, Sompo Holdings co-hosted a Group-wide online seminar in collaboration with Yasuda Nipponkoa Health Insurance Union. It was attended by 23 Group companies in Japan and over 90% of the participants responded that the seminar met their expectations. Going forward, we will continue to actively implement measures aimed at improving health literacy in an effort to maintain and enhance the health of employees.

(3) "High-risk approach" for disease prevention

Prohibiting smoking during working hours

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



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Infrastructure development

(4) Establishing a health investment framework

Data analytics in health

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

Improving presenteeism

Sompo Japan Insurance, Sompo Himawari Life Insurance, and other Group companies utilize the LLax WLQ-J labor productivity program provided by Sompo Health Support to measure presenteeism. It has been pointed out that the loss caused by reduced productivity owing to mental and physical health conditions (presenteeism) is far greater than the loss and medical expenses incurred by the company resulting from employee absence, tardiness, or early departure (absenteeism). Sompo Japan is not only focused on reducing working hours through Talent & Organization Transformation, but also on boosting productivity by enabling employees to achieve a sense of fulfillment and growth through meaningful work, purpose, and the leveraging of strengths.

Validating results

Sompo Japan and Sompo Himawari Life make use of the health and productivity management support service provided by Sompo Health Support to continuously assess the results and validate the benefits of the measures that have been implemented. And by reviewing those measures, each company can aim to solve health issues and maintain and improve the wellbeing of employees and their families.

(5) Ensuring a vibrant work environment

Initiatives to increase employee motivation and team vitality

"Happiness at Work" is a must-have factor for companies to grow sustainably. The Group believes that promoting health 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. For this reason, we have made it clear that we will recognize the mental and physical health management of employees and their families to be an issue for management, incorporate it into SOMPO's Talent & Organization Transformation, and further advance health and productivity management with a view to realizing diverse work styles. 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.

Spaces for boosting productivity and improving health

As part of our efforts to drive Talent & Organization Transformation and undertake health and productivity management, we have established working spaces geared towards boosting employee productivity and improving health. The implementation of flexible working arrangements regardless of physical location, including spaces where employees can work efficiently and hold meetings, plus booths for taking power naps, has successfully boosted productivity. In addition, Sompo Japan Insurance and Sompo Himawari Life Insurance are providing their employees with healthy meals at lunchtime.

Complying with occupational health and safety rules

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



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Main verification indicators and results

Activity and Result

SOMPO Holdings Inc.

Health Issues	Target KPI	Unit	Target	FY2020	FY2021	FY2022	
Lifestyle disease preventive measures	1*1	Rate of regular medical checkup	%	100.0	100.0	99.1	99.4
	2*2	Completion of specific health guidance	%	90.0	40.0	60.0	30.0
	3*2	Maintain appropriate weight (BMI 18.5 - 24.9)	%	80.0	47.1	63.4	68.9
	4*2	Rate of regular exercise	%	30.0	41.2	40.2	37.0
Smoking prevention measures	5*1	Rate of smoking	%	12.0	11.8	9.8	10.9
Mental health measures (stress check examination)	6*1	Rate of stress check examination	%	100.0	92.3	94.4	95.8
		General health risk	—	below 100%	85.0	84.0	87.0
Improve presenteeism	7*1	Total Performance Evaluation*3 WLQ-J score (most productive = 100%)	%	Improvement from the previous fiscal year	95.4	95.3	95.3

Sompo Japan Insurance Inc.

Health Issues	Target KPI	Unit	Target	FY2019	FY2020	FY2021	FY2022	
Lifestyle disease preventive measures	1*1	Rate of regular medical checkup	%	100.0	99.8	100.0	99.9	99.9
	2*1	Rate of detailed examination following regular medical checkup	%	100.0	69.3	36.0	65.6	71.0
	3*2	Completion of specific health guidance	%	90.0	67.8	52.3	75.9	82.5
	4*2	Maintain appropriate weight (BMI 18.5 - 24.9)	%	80.0	66.7	66.2	66.0	66.4
	5*2	Rate of regular exercise	%	30.0	18.6	19.8	21.3	21.7
Smoking prevention measures	6*1	Rate of smoking	%	12.0	17.9	16.6	16.4	15.8
Mental health measures (stress check examination)	7*1	Rate of stress check examination	%	100.0	91.7	93.1	93.3	97.8
		General health risk	—	below 100%	103.0	101.0	100.0	104.0
Improve presenteeism	8*1	Total Performance Evaluation*3 WLQ-J score (most productive = 100%)	%	95.0	93.9	94.1	94.0	93.6

Sompo Himawari Life Insurance Inc.

Health Issues	Target KPI	Unit	Target	FY2019	FY2020	FY2021	FY2022	
Lifestyle disease preventive measures	1*1	Rate of regular medical checkup	%	100.0	100.0	99.9	100.0	
	2*1	Rate of detailed examination following regular medical checkup	%	100.0	67.0	89.8	85.9	92.7
	3*2	Completion of specific health guidance	%	80.0	63.6	69.1	79.9	65.9
	4*2	Maintain appropriate weight (BMI 18.5 - 24.9)	%	80.0	68.3	68.2	67.3	66.7
	5*2	Rate of regular exercise	%	30.0	23.8	24.0	26.8	26.6
Smoking prevention measures	6*1	Rate of smoking	%	12.0	15.3	11.1	9.3	7.5
Mental health measures (stress check examination)	7*1	Rate of stress check examination	%	100.0	94.6	95.1	97.7	92.5
		General health risk	—	90.0	96.0	98.0	95.0	94.0
Improve presenteeism	8*1	Total Performance Evaluation*3 WLQ-J score (most productive = 100%)	%	100.0	94.1	94.0	93.9	93.9

*1 for all employees

*2 for employees aged 40+

*3 Same examination rate as for stress checks

Medical expense/insurance op expense (JPY)

Item	FY2019	FY2020	FY2021	FY2022
Medical expense/person	236,646	218,814	240,301	262,745
Insurance op expense/person	28,850	28,957	31,113	30,367

Information on health initiatives (5-point scale)

Item	FY2021	FY2022
Employee satisfaction with health initiatives	3.02	3.06

Long working hours data (%)

Item	FY2019	FY2020	FY2021	FY2022
Ratio of overtime work	10.9	10.4	11.2	11.3



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Independent evaluation

Activity and Result

Sompo Group companies selected as Health & Productivity Management Outstanding Organizations

For the seventh consecutive year, we have been selected as one of the 2023 Health & Productivity Management Outstanding Organizations, which is jointly awarded by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) in recognition of companies that excel in health and productivity management*. In addition, 22 SOMPO Group companies were certified as 2023 Health & Productivity Management Outstanding Organizations in the Large Enterprise Category and Small and Medium Enterprise Category by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council), with eight of these companies being certified as 2023 Health & Productivity Management Outstanding Organizations in the Large Enterprise Category (White 500).

We will continue to collaborate with health insurance associations and communicate the continued benefits of our initiatives to people within and outside the Group. And by validating and reviewing our processes, we will aim to further expand our health and productivity management measures to Group companies and client corporations.



Certified Group Companies

■ Health & Productivity Management Outstanding Organization (White 500)

Sompo Holdings, Inc. (seven consecutive years)
Sompo Japan Insurance Inc. (seven consecutive years)
Sompo Himawari Life Insurance Inc. (seven consecutive years)
Sompo Health Support Inc. (seven consecutive years)
Prime Assistance Inc. (five consecutive years)
Sompo Japan Partners Inc. (four consecutive years)
Sompo Corporate Service Inc. (three consecutive years)
SAISON AUTOMOBILE ANDFIRE INSURANCE COMPANY,LIMITED (first recognition)

■ Health & Productivity Management Outstanding Organizations (Large Enterprise Category)

Sompo Risk Management Inc. (seven consecutive years)
Sompo Business Services, Inc. (seven consecutive years)
Sompo Communications Inc. (five consecutive years)
Sompo Japan Career Bureau, Inc. (five consecutive years)
Sompo Systems, Inc. (four consecutive years)
Sompo Care, Inc. (two consecutive years)

■ Health & Productivity Management Outstanding Organizations (Small and Medium-sized Enterprise Category)

Wellness Communications Corporation (five consecutive years)
Sompo Asset Management Co., Ltd. (four consecutive years)
Sompo Japan DC Securities Inc. (three consecutive years)
Sompo Business Solutions Inc. (three consecutive years)
Sompo Commercial Line Claims Support Inc. (three consecutive years)
Sompo Credit Inc. (three consecutive years)
Sompo Warranty Inc. (three consecutive years)
Sompo Challenged Inc.(two consecutive years)

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



Basic concept

Concept and Policy

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

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

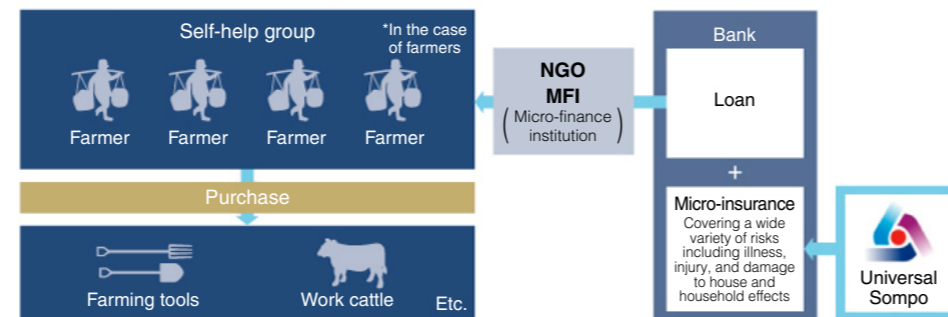
Promoting universal access to insurance

Activity and Result Partnership

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

In 2008, Universal Sompo General Insurance (USGI), a Group company in India, started to offer micro-insurance services for the protection of low-income individuals who are vulnerable to health risks and have difficulties repaying their loans. USGI's products include livestock insurance for economically marginalized farmers, insurance packages and accident insurance for farmers, and medical insurance coupled with microfinance offered by banks and other financial institutions covering five major illnesses. These insurance product's premiums are set low. In order to support independence, poverty reduction, and the sustainable development of the country, USGI is thus striving to spread insurance as one basic social security service among the economically vulnerable sections of society in India, where social divisions are large.

Mechanism of Micro-insurance



Insurance program supporting women just before and after childbirth

In February 2013, Sompo Japan started to offer liability insurance for doulas in collaboration with the Japan Doula Association. The insurance program covers the cost of damages in cases where the insured doula (a professional who assists a woman before and just after childbirth) is liable for damages under law as a result of an accident occurring in the course of their work. In recent years, expectant mothers and mothers with young children have been finding it difficult to receive child-care support from their own family and others. This program was developed based on input from female employees who experienced such difficulties. On December 6, 2019, the Act for the Partial Revision of the Maternal and Child Health Act was announced, which is likely to increase the social demand for doulas. Sompo Japan intends to support such demand through this program. (Number of clients: 420 persons (As of April 1, 2023)).

Insurance scheme to support a balance between fertility treatment and work

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

In Japan, the growing trend of marrying later in life and delaying childbirth has led to an increase in the number of couples seeking fertility treatment. Even though costly fertility treatment has been covered by Japan's public health insurance scheme since 2022, making it more accessible for many, it still remains a heavy financial burden.

To alleviate this financial burden, companies support employees undergoing fertility treatment, as well as their spouses, by offering a support plan for balancing fertility treatment with work as part of their employee benefits package. By promoting the adoption of such support plans, we aim to contribute to creating a society in which employees can benefit from a more comfortable working environment.

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Promoting insurance in readiness for all kinds of risk

Activity and Result Partnership

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

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

Online travel cancellation insurance covering travel reservations

We offer travel cancellation insurance and school trip cancellation insurance to provide support to customers in case of cancellations, covering a wide range of travel reservations, including accommodation and airline tickets. Our aim is to reassure customers and encourage them to book their trips with confidence even during the COVID-19 pandemic, knowing they are covered in the event of cancellation.

As of the end of October 2023, our initiatives to ease customer concerns about advance travel reservations and to encourage them to travel again has surpassed 400,000 policies, thus bringing smiles back to people's faces.

In addition, embedding this insurance product into travel reservation websites has led to a higher closing rate on travel bookings themselves, for which our partner travel agencies have been extremely grateful.

Feedback from policyholder customers

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

Solving various issues with smartphone insurance

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

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

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

Feedback from policyholder customers

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



Contributing to a Society That Is Resilient Against Natural Disasters

Contributing to a Society That Is Resilient Against Natural Disasters



Contributing to disaster prevention and mitigation with products and services

Activity and Result Partnership

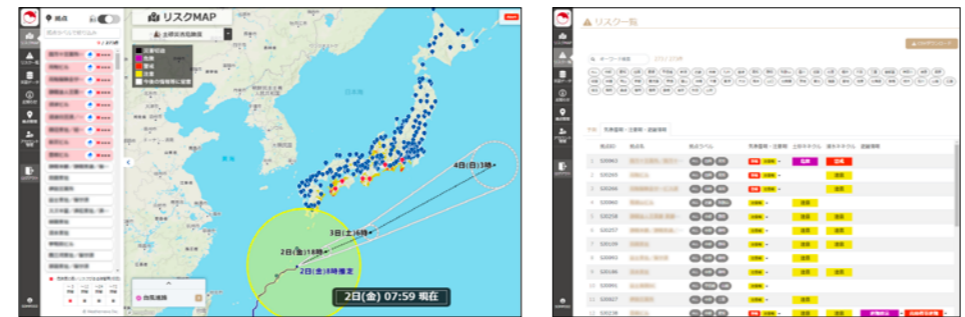
SORA Resilience: Disaster prevention and mitigation platform-based solution

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

In recent times, the world's attention has been focused on the growing risk of climate change. According to a report of the Intergovernmental Panel on Climate Change, the probability of torrential rainfall and other weather disasters is expected to grow even stronger up ahead as the world's temperature continues to increase, and as such, the threat of natural disasters around us is intensifying year after year. We have experienced painful devastation from numerous natural disasters in the past and undertaken resilient recovery efforts in response. Even though we will continue to implement disaster prevention and mitigation measures by drawing on our past experiences, it is not possible to completely eliminate the suffering caused by a disaster. Nevertheless, we must gather information during disasters, make informed decisions and take action, and embark on recovery efforts in a flexible and resilient manner without ever giving up. SORA Resilience can serve as a useful tool for gathering and managing such information.

SORA Resilience has been developed and provided based on three concepts: (1) the ability to easily grasp all kinds of disaster risk information in real time; (2) the capability of predicting site risks up to 72 hours in advance and examining when and which sites demand a response; and (3) smooth operations even in rare disaster response situations.

As a provider of security, health, and wellbeing services, we hope to contribute to a greater level of resilience in society by offering this solution to as many customers as possible so they they recognize the current and future risks of their business sites.



Screenshots of the SORA Resilience service

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

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

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

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



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



(2) Display of disaster and accident examples



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

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Support for corporate and municipal BCP and disaster preparedness

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

Corporate offering

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

Local government offerings

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

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

PDF For related information, please refer to [SOMPO SUSTAINA, a service that helps companies solve problems such as responding to climate change](#) (P.24).

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

Activity and Result Partnership

Following the Fukushima Earthquake on March 16, 2022, Sompo Japan, Palantir Technologies Japan K.K. (“Palantir”) and ABEJA Inc. formed a Disaster Response Project in April 2022 to improve business operations in the event of a major natural disaster, and began collecting and integrating data about accidents and insurance payouts and building an app for disasters.

This has led to faster payment of insurance claims by substantially streamlining operations through digital transformation in claim processing operations.

In the past, the information required for damage assessment was dispersed across multiple systems, which required a lot of labor and time for printing and sorting documents, as well as for managing dispatch routes to efficiently visit customer homes.

By collecting and integrating the scattered data onto Palantir’s Foundry platform, restructuring it to suit our business processes, and utilizing it in the app we developed, we have been able to streamline our business operations.

In a trial conducted at the Miyagi Prefecture Disaster Countermeasures Headquarters, we achieved a significant increase in administrative efficiency of approximately 21%. As a result, customers are able to receive insurance claim payments three to four days earlier than before.

After starting development following the Fukushima Earthquake, we developed the system to handle not only earthquakes, but also flood and bad weather, in order to improve the overall efficiency of wide-area disaster management operations.

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



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Safe driving support using digital technology

Activity and Result Partnership

Developing telematics insurance and services

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

Launched in April 2023, “SOMPO Drive” is a free driving assessment smartphone app for individuals that enables customers to receive a “safe driving discount” of up to 20% off their insurance premiums based on their safe driving score. Sompo Japan is the only company that performs safe driving assessments on a smartphone app and offers premium discounts based on the assessment results to customers purchasing voluntary automobile insurance for the first time.*3

With telematics insurance, we aim to create an accident-free society by providing satisfactory insurance premiums while encouraging customers to drive safely.

*1 “Driving!” is the name of the service attached to the “Rider on Notice of Accident by Drive Recorder.”

*2 Refers to a service for businesses designed to prevent accidents by using a drive recorder. The service was launched in March 2015 as the first telematics service in the property and casualty insurance industry and the drive recorder service was renewed in July 2022.

*3 According to a survey by Sompo Japan (as of March 2023)

Safe driving support service “Driving!” for individual drivers

Sompo Japan believes that its mission as a P&C insurance company is to prevent customers from feeling alone when involved in an accident and to reduce the number of car accidents that could have been prevented. In March 2017, the company started to provide “Driving!,” a telematics-based service that uses a driving recorder (dashboard camera).

From January 2018, in an effort to improve convenience and accessibility to more customers, the company started to offer the service as a rider for automobile insurance so that it can be used at the same time as applying for automobile insurance. In September 2021, the company updated the driving recorders.

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

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

ALSOK reliable accident site support service

Saison Automobile and Fire Insurance took on board customer feedback from market research and launched a project that creates new values such as “visible & touchable,” “enjoyable driving,” and “accident prevention” that were previously lacking from the automobile insurance. ALSOK Reliable Accident Site Support Service has been well received by customers, with a service satisfaction rate of 91.8% in fiscal 2022.

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Insurance products for automated driving vehicles

Activity and Result Partnership

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

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

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

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

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

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

New protection for automated driving vehicles

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

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

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

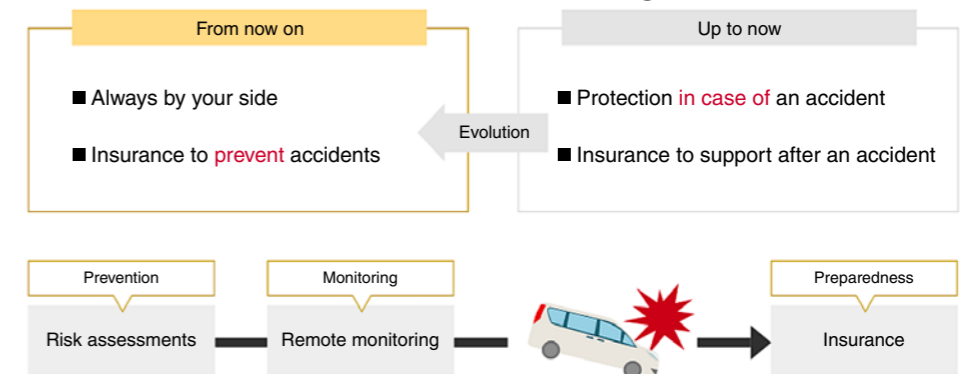
Joint development of Level IV Discovery InsurTech solution in support of demonstration testing for autonomous driving services

The introduction of automated driving services requires a long preparation period and high costs, and involves many issues including technology development, the accumulation of expertise, and risk analysis.

In aiming to overcome these challenges, Sompo Japan Insurance has partnered with TIER IV, a company engaged in the development of autonomous driving systems, and AISAN TECHNOLOGY, which specializes in high-precision 3D mapping and drive simulator technology, to jointly develop Level IV Discovery, an InsurTech solution to support the demonstration testing of safe and reliable autonomous driving services.

By bringing together the know-how of cutting-edge autonomous driving technology of these two companies and combining it with Sompo Japan's big data related to risks and accidents, the parties aim to build a platform to facilitate planned, safe, and reliable demonstration tests so that local governments and transportation service operators can consider the adoption of new autonomous driving services.

For the safe and reliable deployment of autonomous driving



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Health products initiative

Activity and Result Partnership

Deployment of health-related services

Sompo Himawari Life aims to go beyond life insurance to transform itself into health support enterprise that assists customers in improving their health. As a frontrunner in providing new value, we are developing innovative health-focused products and app-centered health-related services based on the concept of keeping our customers comfortable, happy, and healthy.

Paid health care services

“Linkx Blood Sugar Coaching”

In October 2022, we launched “Linkx Blood Sugar Coaching,” a lifestyle improvement support service. This service allows users to monitor changes in their daily blood sugar levels, which cannot be done through conventional means such as health checkups, by wearing a “continuous glucose monitoring” device. The service also helps users learn the causes of and remedial measures for their blood sugar issues. Obtaining awareness of the relationship between one’s own lifestyle and changes in blood sugar levels will lead to proactive lifestyle improvement actions.

Launch of “Linkx Life Is” life design support service for women (first in the industry)

In September 2022, we launched “Linkx Life Is,” the industry’s first fee-based healthcare service in the Femtech space. The health issues of menstruation, future pregnancy, and menopause, along with hormonal fluctuations, are closely related to work performance and life design. Promoting understanding of the impact of hormones on women’s lives and presenting personalized remedies will help resolve discomfort and distress. By addressing the health, career, and other concerns of female employees in companies, and supporting each woman’s ideal life design, we can improve the performance of the company as a whole.



3.4 8.10

Health-related apps

“Linkx Kenko Try”

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

In November 2022, we launched a new feature of this app: Cancer Risk Simulator, a service that can predict the risk of developing cancer within five years.

The service is based on cancer risk prediction technology developed by Hitachi, Ltd. We started providing the service to our customers through the “Linkx Kenko Try” app after a field trial conducted by Sompo Himawari Life and Hitachi in April 2022 confirmed the simulator’s ability to change customer attitudes that lead to early detection and treatment of cancer.

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



“Linkx Aruku”

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



“Linkx Aruku” screen

Extending Life Expectancy

Insurhealth® products

Sompo Himawari Life provides Insurhealth®, a new value combining a traditional insurance function with a healthcare function. By integrating healthcare services with the insurance function that helps ensure peace of mind even in emergencies, we strive to prevent customers from experiencing unexpected health issues.
(Cumulative number of contracts from launch in 2018 to October 2023: 1.4 million)

Launch of “Jibun to Kazoku no Omamori,” income compensation insurance to support health (first in the industry)

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

Customers want protection not only against death but also for protecting their lives if they find themselves unable to work for some reason. To meet this desire, it has increased the options available as added protection against incapacity. These options include: “incapacity rider” that pays customers an annuity if they are certified as having a grade 1 or grade 2 disability and entitled to receive basic disability pension as a guarantee in order to live and “seven major disease rider with mental disease protection” that, in addition to the provision for seven major diseases, allows customers to receive an annuity if corresponding to specific circumstances as a result of a mental illness recognized as a social issue.

Medical insurance to support health “Kenko no Omamori”

In addition to the traditional role of paying insurance claims and benefits, this product includes a new service to help maintain and improve health and thus help prevent serious illnesses. When customers claim health recovery support benefits, we provide them with lifestyle disease-related services they need based on their state of health, offering a new value of preventing serious aggravation of illnesses.

Health support cancer insurance “Yuki no Omamori”

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

Release of health support variable insurance “Shorai no Omamori”

On May 8, 2023, the Company released Variable Insurance (the nickname for the health support variable insurance “Shorai no Omamori”) as the tenth product in its Insurhealth® line.

In addition to death protection in the event it is needed, the product also provides comprehensive protection for being unable to work, including disability and nursing care, which are a growing risk in terms of asset formation for the working generation. Additionally, the product also includes industry firsts*, such as a “health reserve” scheme that enables customers to leverage their good health to enhance their asset formation, and a secondary insurance period in which customers can continue to have their assets managed in a special account after the insurance pay-in period is complete.

*According to research by Sompo Himawari Insurance in February 2023

“Medical Master,” a plan that covers the risk of executives and employees falling ill

As part of our comprehensive business activity insurance “Business Master Plus,” one of our key products, Sompo Japan has sold “Medical Master,” a plan that covers the risk of executives and employees falling ill.

As labor shortage has become a pressing issue for companies, enhancing employee benefits has become a widespread trend in an effort to secure talented human resources, with the aim of improving employee loyalty and reducing turnover rates. Meanwhile, there is growing concern among executives and employees that they may not be able to work due to illness or other reasons.

“Medical Master” covers the risk of employees falling ill and being absent from work. Sompo Japan aims to contribute to a society in which people can work with peace of mind by supporting the further enhancement of companies’ employee benefits through “Medical Master,” thereby solving the issue of labor shortage and removing the anxiety of being unable to work.

Extending Life Expectancy

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

Activity and Result Partnership

Providing Japan's largest service in specific health guidance

As Japan's society ages and the increasing number of people suffer from lifestyle diseases such as diabetes and myocardial infarction, the increase in medical and other social security costs has become a social issue for Japan. Meanwhile, since fiscal year 2008, public health insurance providers have been required to provide metabolic syndrome checkups as well as follow-up advice in certain cases that meet criteria laid down by the government, and the fourth phase of the Japanese government's Medical Cost Optimization Plan will start in fiscal year 2024.

Since fiscal year 2015, health insurance companies have been required to develop and implement Data Health Plans to promote the health of insured workers based on medical prescriptions and other data. It has become increasingly important to take measures to combat health issues beyond just providing specific health guidance.

Drawing on its nationwide network of health professionals, made up of roughly 1,300 health workers, nurses and national registered dietitians, Sompo Health Support provides support to corporate employees as Japan's largest provider of specified health guidance.

One study shows that approximately 40% of employees who received follow-up advice from Sompo Health Support improved to the point that they required no further guidance the following year.

The company also provides follow-up checkups to help prevent the severe diseases for people on medication and non-obese people facing risks related to blood pressure, glucose, lipid levels, and smoking. It also offers health advice visits for people aged between 65–74 aimed at lifestyle improvement. In all, it has provided guidance on approximately 470,000 health support cases annually to roughly 630 health insurance associations and other organizations.

The company is also developing QUPiO Plus (an online and printed booklet), which provides information using ICT. We publish approximately 660,000 copies of the booklet annually and it has been well received.

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

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

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

In addition to services to improve workplace environments using stress checks (57 question version, 80 question version), the company provides two presenteeism* measurement tools, WLQ-J and WFun.

With the aim of contributing to creating healthy companies, the company also provides comprehensive support for the promotion of health and productivity management, including support for the preparation of related surveys and the visualization of health issues through data analysis, in order to ensure employee productivity, which is a critical issue for corporate management.

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

SOMPOヘルスサポート
安心・安全・確実のヘルスサポート

健康経営コンサルティングサービス

「健康経営」とは、従業員の健康維持・増進の取り組みが投資だけでなく、経営の観点から考え、戦略的に実施することです。健康経営は、PMO（プロジェクトマネジメントオフィス）として推進されています。

「足りないと感じるサポートしてほしい」「総合的にサポートしてほしい」ご要望に応じたサービスをご提供します

健康経営調査票作成支援サービス

- 弊社コンサルタントが健康経営調査票について説明いたします。
- 経営者さま、専任担当の方々が健康経営調査票を用いて、健康経営の取り組みを推進し、効果的な企業健康増進を実現して、貴社の健康経営の向上を支援いたします。

データ分析による健康課題の可視化支援サービス

- 現状のデータ分析し、データ要件が明確な目標（KPI）を設定し、定量的に健康課題を把握します。
- 分析結果に基づき、健康課題の可視化を図り、健康課題の可視化に必要な項目について提案いたします。

健康経営総合コンサルティング ～総合支援サービス～

- 健康経営が実現できるようにするために、経営者さま、専任担当の方々が健康経営の推進を支援いたします。
- 健康経営の取り組みを推進し、効果的な企業健康増進を実現して、貴社の健康経営の向上を支援いたします。

STEP0 提案～キックオフ ・コンサルティングの全体像を共有・合意します

STEP1 現状分析 ・現状を把握し、課題を分析します（定量・定性）

STEP2 コンセプトメイキング ・健康経営推進のコンセプト（目標）作成のアドバイスを行います

STEP3 ゴール設定 ・短期的＆長期的なゴール（目標）設定のアドバイスを行います

STEP4 体制構築 ・健康経営を推進するための組織体制構築をご支援いたします

STEP5 施策の検討・実行 ・ゴールに近づけるための施策を検討、実行をご支援いたします

STEP6 評価改善 ・定期的に評価を実施、施策改善をご提案いたします

実施項目	対応内容	ソリューションサービス
1. 経営者さまへの説明	健康経営の重要性、目的、効果、課題、取り組みの方向性について説明いたします。	健康経営セミナー（Web・オンサイト）、健康経営推進支援サービス（Web・オンサイト）
2. 健康経営の推進	健康経営の推進に向けた取り組みの支援、健康経営の推進に向けた取り組みの支援、健康経営の推進に向けた取り組みの支援	健康経営セミナー（Web・オンサイト）、健康経営推進支援サービス（Web・オンサイト）、健康経営推進支援サービス（Web・オンサイト）
3. 健康経営の推進	健康経営の推進に向けた取り組みの支援、健康経営の推進に向けた取り組みの支援、健康経営の推進に向けた取り組みの支援	健康経営セミナー（Web・オンサイト）、健康経営推進支援サービス（Web・オンサイト）、健康経営推進支援サービス（Web・オンサイト）
4. 健康経営の推進	健康経営の推進に向けた取り組みの支援、健康経営の推進に向けた取り組みの支援、健康経営の推進に向けた取り組みの支援	健康経営セミナー（Web・オンサイト）、健康経営推進支援サービス（Web・オンサイト）、健康経営推進支援サービス（Web・オンサイト）
5. 健康経営の推進	健康経営の推進に向けた取り組みの支援、健康経営の推進に向けた取り組みの支援、健康経営の推進に向けた取り組みの支援	健康経営セミナー（Web・オンサイト）、健康経営推進支援サービス（Web・オンサイト）、健康経営推進支援サービス（Web・オンサイト）

健康経営を目指す企業様へ多数ご活用いただいております。※お問い合わせ先

当社健康経営コンサルティング導入企業様の認定取得率：95%超
ホワイト500認定企業様の当社ソリューションサービスご採用率：10%超

SOMPOヘルスサポート株式会社
健康経営推進センター
東京都千代田区神田区神田1-2-3
TEL: 03-5209-8092

Health and productivity management consulting services

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

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

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

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



“Mykinso Hana” kits

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Group-wide initiatives to tackle dementia SOMPO Dementia Support Program

Activity and Result **Partnership**

To help realize its Purpose, which is to create a society in which every person can live a healthy, prosperous and happy life in one's own way, the Sompo Group started the SOMPO Dementia Support Program in 2018 under the slogan, "build a society that strives to prepare for dementia and enables people to continue living long and happy lives with dignity as individuals, even after being diagnosed with dementia."

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

Initiatives through the development and provision of services "SOMPO Smile Aging Program" for effective control of cognitive decline

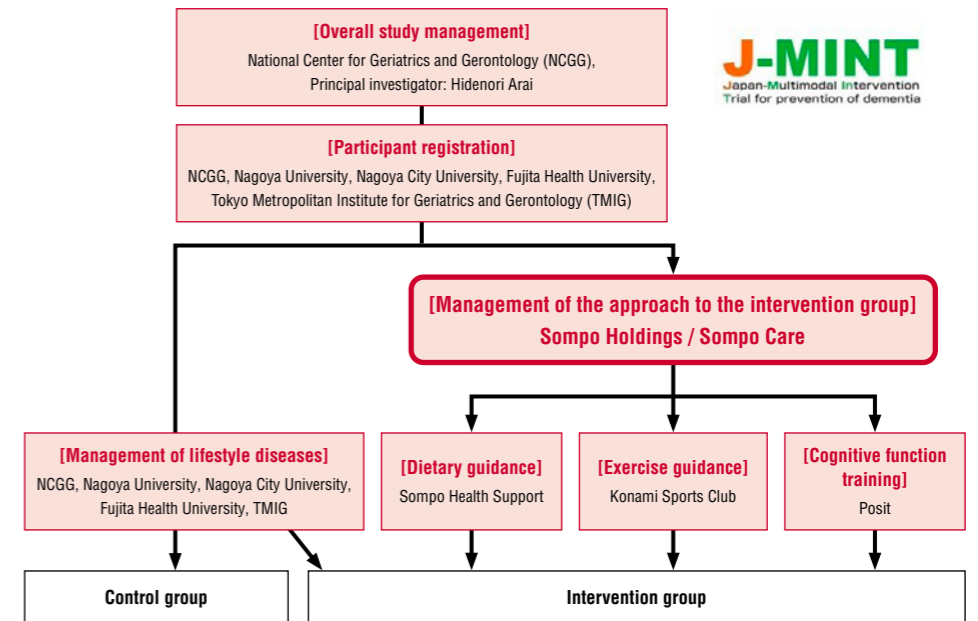
In 2020, under the supervision of Professor Miia Kivipelto of the Karolinska Institutet, who led the FINGER study, and the National Center for Geriatrics and Gerontology, we developed the "SOMPO Smile Aging Program," a program to help prevent cognitive decline by improving the lifestyle of older people. This program is the world's first nationwide FINGER study social implementation program approved by Professor Kivipelto. Currently, Sompo Care has introduced this program to elderly housing with supportive services (133 locations) across Japan, with more than 1,000 residents participating every week as preventive care. In the future, we aim to reduce the risk of developing dementia and extend healthy life expectancy in Japan by rolling out the program throughout Japan.



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

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

Structure of J-MINT study



Extending Life Expectancy

Raising awareness on dementia

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

Activities for World Alzheimer's Month (September)

Living Together: Seminar for thinking about dementia

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



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

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



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

Dementia Barrier-Free Declaration by Sompo Group companies

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

*10 companies as of October 31, 2023



In-house lecture for employees

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

"Sompo Cafe" (dementia cafe) for employees

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



Others

Sponsorship and participation in "Run Tomo"

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



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

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



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

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Health products initiative

“Egao Wo Mamoru Dementia Insurance” (Dementia Insurance for protecting your smile) that guarantees mild cognitive impairment (MCI)

In October 2018, Sompo Himawari Life launched “Egao Wo Mamoru Dementia Insurance” (Dementia Insurance for protecting your smile), the industry’s first insurhealth product that guarantees mild cognitive impairment (MCI).

The company offers a full range of support to customers by helping them to delay the onset and progression of dementia, along with responding to their nursing care needs. In addition to providing insurance functions that cover MCI and dementia with one-time payment, the company offers cognitive function checks and other services to help prevent cognitive impairment, the “SOMPO Egao Club (SOMPO Smile Club)” Dementia Support Service, webbased service that provides basic information on dementia and dementia care, and Sompo Care nursing care services to support customers when such care is required.

“Oyako No Chikara” insurance to prevent employees from leaving the workforce

Sompo Japan Insurance Inc. has developed the industry’s first insurance policy, “Oyako No Chikara,” which helps people who work while caring for their parents to “balance work and nursing care,” in order to solve the social issue of people leaving the workforce due to nursing care for parents, which has been increasing in recent years. The product integrates nursing care services and insurance, allowing the insured person (adult) to smoothly use nursing care services while at the same time compensating for the cost of caring for the parent.

Total support service for dementia, “SOMPO Egao Club (SOMPO Smile Club)”

Prime Assistance has provided an online service that checks cognitive capabilities, helps prevent cognitive decline, and provides basic knowledge on dementia and information on nursing care. This service can be used incidental to Sompo Japan’s “Oyako No Chikara” and Sompo Himawari Life’s “Egao Wo Mamoru Dementia Insurance.” In addition, some functions of the service are available to non-members since August 2020.



Contributing to a Sustainable Social Security System

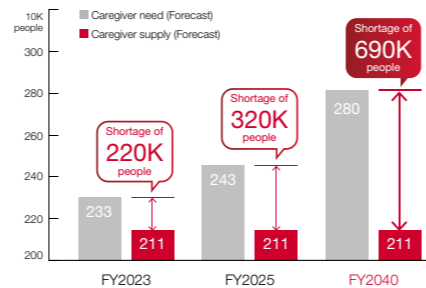


Sompo Care's challenge

Concept and Policy

In Japan, which continues to grapple with a low birth rate and an aging population, there is an enormous imbalance between those providing support and those receiving it. It is estimated that by 2040, there will be a shortage of approximately 690,000 caregivers. Also, given the decline in the working-age population, concerns have been increasingly raised about the future of social security. Sompo Care continues to take on the challenge of realizing the future of nursing care in order to address these kinds of social issues.

Estimated shortage of caregivers



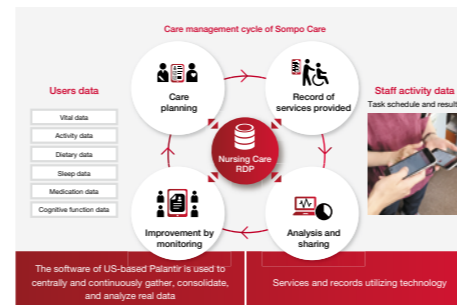
SOMPO's approach to leveraging data and technology

Activity and Result Partnership

In order to change the coming future, it is imperative that we transform the field of nursing care. And the key to that lies in the utilization of data and technology. In anticipation of the widening supply-demand gap for caregivers in the future, we will look to thoroughly streamline our day-to-day operations. On top of that, we will endeavor to generate greater motivation and pride than ever before by focusing on the provision of better nursing care to our users based on evidence, and through the realization of a work style that ensures our staff deliver a level of care that only humans are capable of providing. Moreover, we will aim to change the future of nursing care by spreading this approach throughout the entire nursing care industry.

Nursing Care RDP (Real Data Platform) to support appropriate care

In order to optimize individual care management cycles and streamline facility administration, we have built our own Nursing Care RDP (Real Data Platform) to centrally manage all kinds of data, from the health of users to staff activity status. Also, by combining it with cutting-edge nursing care technology, we continue to pursue a balance between improving the quality of care and reducing workloads.



Future Care Lab in Japan to support future nursing care

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

<Purpose>

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

Web For further details, please visit the special site: [Future Care Lab in Japan](#)



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



"Helppad," a sensor to detect excretions by smell



"LOVOT," a family-type robot to stay close to users



"Viami," a reclining shower bathing device that warms the whole body



"Care Data Connect" enables the centralized management of multiple types of data



"wraPONN-PACKET," a diaper collection box with an automatic wrapping mechanism

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Promoting a Data-Driven Society

“egaku” — depicting the future of nursing care with data

Activity and Result Partnership

“egaku” is a real data platform that leverages data on a daily basis to provide an optimal care management cycle and energize nursing care facilities through operational efficiency. We aim to improve the quality of care and, at the same time, reduce workload. We will set our sights on creating a society in which users, staff, and nursing care providers all wear smiles. Sompo Care will change the future of nursing care with “egaku.”

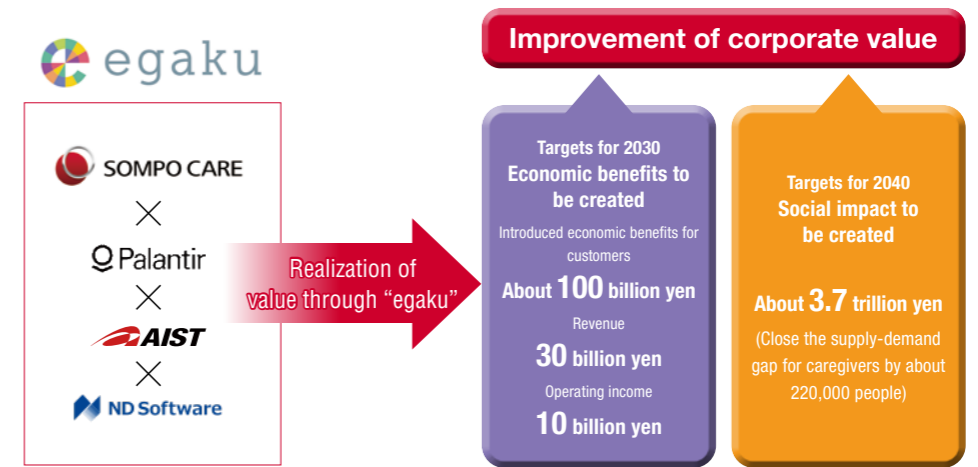
The background of the creation of “egaku”

Our Nursing Care Business is taking on the challenge of closing the gap between the growing demand for nursing care and the supply of caregivers, and improving the sustainability of the nursing care insurance system. A major pillar of this is “egaku,” a Real Data Platform (Nursing Care RDP) that provides security, health, and wellbeing. “egaku” will create solutions that contribute to improving productivity with quality based on industry leader Sompo Care’s big data (real data) on users, as well as its operational capabilities such as services and know-how, Palantir’s data integration technology, and the R&D potential of the National Institute of Advanced Industrial Science and Technology (AIST). Furthermore, “egaku” aims to contribute to the sustainability of the industry as a whole by developing solutions leveraging ND Software’s products, channels, and customer base.



Goals of “egaku”

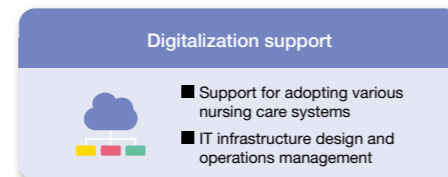
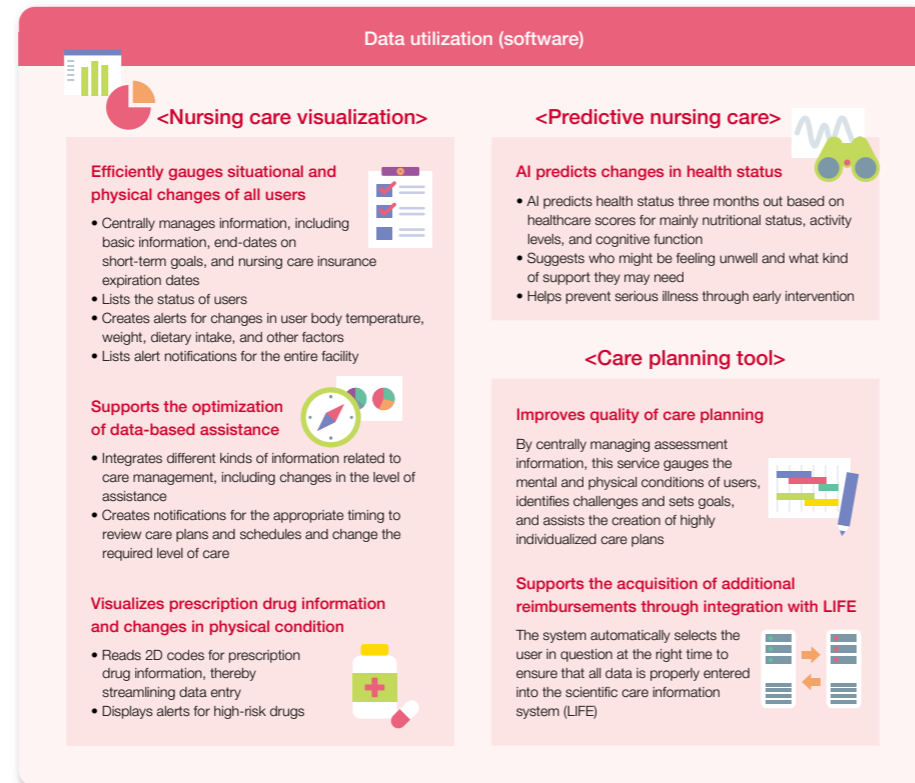
“egaku” aims to become the de facto standard for the nursing care industry as a whole. Its objective is to improve the sustainability of the nursing care industry by reducing the needed number of caregivers through increased productivity and increasing the number of caregivers through improved engagement (fostering job satisfaction among nursing care workers), and to minimize impacts on people’s lives through various means, such as through a reduction in nursing care employee turnover. The targets set for 2030 regarding economic value to be created are 100 billion yen in introduced economic benefits for customers, 30 billion yen in revenue, and 10 billion yen in operating income. Our target for 2040 is to create about 3.7 trillion yen worth of social impact by closing the supply-demand gap for caregivers by about 220,000 people, and through such initiatives, the Sompo Group aims to improve its corporate value.



Promoting a Data-Driven Society

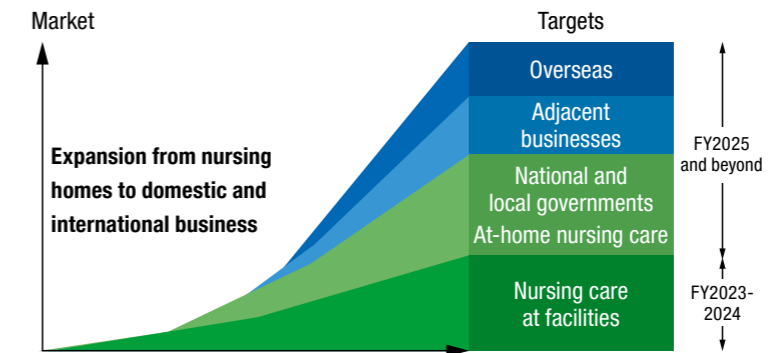
Three services of “egaku”

We offer services in three areas: (1) data utilization services (software) to consolidate and visualize different types of scattered data; (2) digitalization support services; and (3) professional services. We aim to improve the quality of care and streamline operations mainly by developing IT infrastructure, installing software to maintain nursing care records, reviewing onsite operations, and improving management efficiency.



Future outlook for “egaku”

In the two-year business launch period from FY2023 to FY2024, “egaku” will increase the number of companions working to realize sustainable nursing care through the use of data in the nursing care industry while building up a track record of its use both internally and externally. In the medium term, we will build a home nursing care model in collaboration with local governments and expand into overseas markets. In the long term, we will work on standardizing nursing care quality through joint research with AIST, offer SOMPO’s knowhow to nursing care businesses through “egaku,” and aim to establish a system that will become the de facto standard for the entire nursing care industry.



Web For further details, please visit Sompo Care official website (in Japanese): [egaku](https://www.egaku.jp/)

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Improving the Quality of Customer Services

Sompo Japan Insurance's initiatives

Activity and Result

Policy on customer-oriented business operations

The Sompo 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, Sompo Japan Insurance 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*.

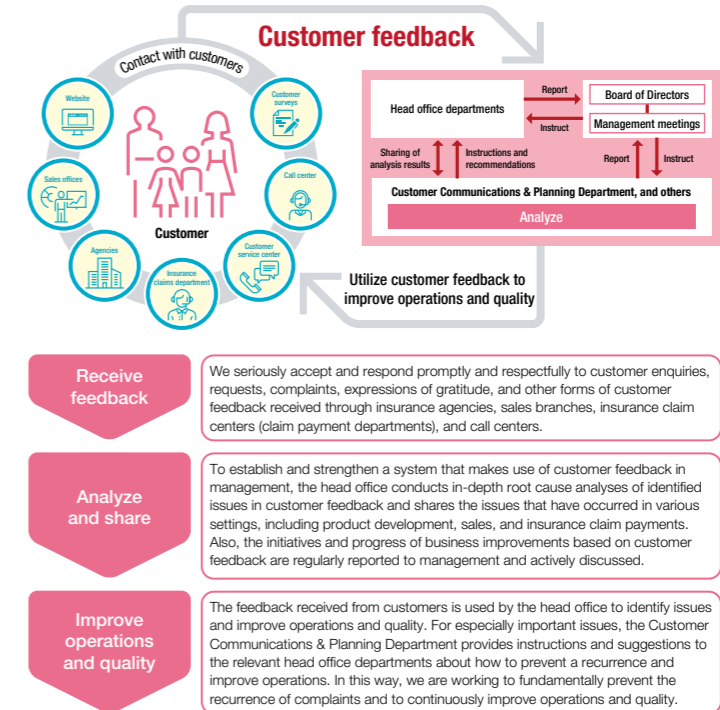
*Stakeholders include customers, business partners, stockholders, employees, and local communities.

- Policy 1: Provide new value to customers
- Policy 2: Utilize customer feedback to improve quality
- Policy 3: Develop, sell, and manage products and services
 - (1) Develop products and services that meet customer needs
 - (2) Provide important information in a way that is easy to understand
 - (3) Provide optimal products and services to customers
- Policy 4: Improve the quality of benefit procedures
- Policy 5: Properly manage conflicts of interest
- Policy 6: Take steps to uphold our corporate social responsibility
- Policy 7: Instill customer-oriented business operations

Web For further details, please visit Sompo Japan Insurance official website (in Japanese): [Policy on Customer-Oriented Business Operations](#)

System to utilize Voice of Customer (VOC) in management

In order to reflect the feedback received from customers into management, Sompo Japan Insurance analyzes trends in, and the content of, customer feedback received and then shares the results with head office departments in an effort to improve operations and enhance service quality.



Utilize customer feedback to improve quality

Sompo 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 2020 to 2022, we used this publication to provide information about our overall customer-oriented approach based on our Policy on Customer-Oriented Business Operations. From fiscal 2023 we will mainly report on our initiatives to improve quality with the use of customer feedback.

Web For further details, please visit Sompo Japan Insurance official website (in Japanese): [Voice of Customer \(VOC\) White Paper](#)



Voice of Customer (VOC) White Paper

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Improving the Quality of Customer Services

Sompo Himawari Life's initiatives

Activity and Result

Sompo Himawari Life's management philosophy is to carefully consider, at all times, the interests of its customers when making decisions that shape its business. It strives to contribute to the security, health, and wellbeing of customers and society as a whole by providing insurance and related services of the highest quality possible. To achieve this, we have developed a Policy on Customer-Oriented Business Operations and we intend to establish our reason for existence as a health support enterprise that helps customers stay healthy with a focus on life insurance.

Structure for promoting customer-centric operations

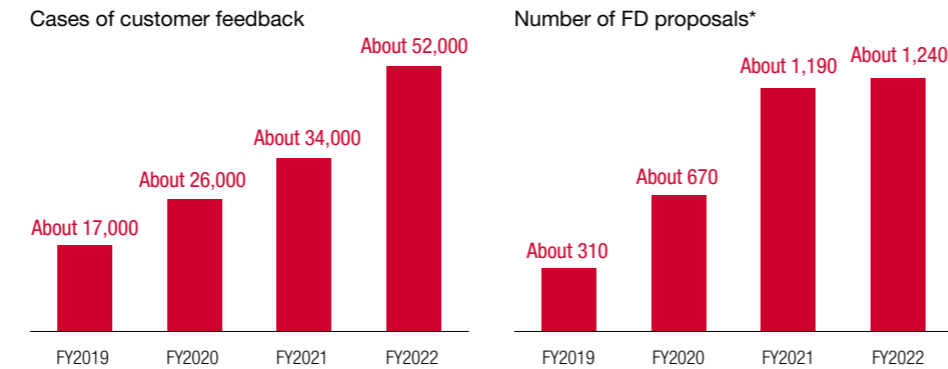
One of the Company's directors has been appointed to supervise the promotion of fiduciary duty and a FD* Promotion Department has been established to take responsibility for promoting, instilling, and further evolving this policy.

Furthermore, the FD External Monitor Committee has been established and meets regularly to receive opinions from external experts such as consumer life counselors and consumer life advisors.

*FD: Fiduciary Duty

System to utilize Voice of Customer (VOC) in management

We actively engage in collecting a broad spectrum of customer feedback, including direct expressions of gratitude, complaints, opinions, and requests through various channels such as customer centers, consultation desks, surveys, sales branches, and agencies. Additionally, we gather a wide range of suggestions and ideas from employees based on customer perspectives.



*FD proposals: A system to broadly collect proposals (FD-based proposals) from internal departments aimed at reviewing business processes and improving service quality from the customer's perspective. These proposals contribute to ongoing business improvements.

We centrally manage the customer feedback we have collected and utilize it to develop products and services, improve operations, enhance quality, and improve customer convenience. We continue to use customer feedback to make improvements and disclose them on our website.

Web For further details, please visit Sompo Himawari Life official website (in Japanese): [Examples of improvement initiatives](#)

Enhancing the service quality of insurance agencies and sales representatives

To maintain and strengthen the framework for providing customers with appropriate products and services, we endeavor to improve the quality of work provided by agencies and sales representatives by running training sessions and educational programs with a focus on the following.

- (1) Topics related to insurance solicitation, including understanding customer intent, explanations of important details, and the handling of notices
- (2) Topics related to the continuous provision of optimal coverage and services to customers (follow-up services)
- (3) Topics related to the establishment and strengthening of the agency's own business improvement cycle (agency's internal control system)

As a concrete initiative, we aim to enhance the quality of agency and soliciting work through continuous training programs. This includes education on matters related to insurance solicitation, such as understanding customer intentions, explaining important details, handling notices, and providing appropriate explanations regarding the selection and recommendation of certain products. We also focus on training related to after-sale services.

In fiscal 2022, with the aim of ending solicitations that deviate from the true purpose of insurance, we distributed a supplementary version of the Agency Compliance Manual to clearly communicate to agencies some key points and our handling rules regarding the solicitation of corporate insurance. We also conducted an investigation to confirm and monitor the sales practices and solicitation management systems of our agents.

Training of "HL Advisors®"

We recognize our top-quality sales representatives with the title of HL Advisor® in recognition of their high-level consulting and proposal capabilities, their ability to support people's health by promoting Insurhealth®, and their customer-oriented work ethic. We are working to foster the development of sales representatives that make an impression on our customers.

The HL Advisor® certification criteria includes not only sales criterion, such as the number of Insurhealth® product sales and the like, but also quality standards such as the percentage of paperless applications and FP qualifications. As of the end of March 2023, a total of 347 sales representatives had been certified as HL Advisors® in fiscal 2022.

*Insurhealth®: The provision of unprecedented new value combining the traditional functions of insurance with features that support health (healthcare) as a health support enterprise to help customers lead healthy lives.

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Sompo Care's initiatives

Activity and Result

Sompo Care University: Real-world learning environments

Achieving improvements in service quality and retaining staff are key missions in supporting the future of caregiving. Sompo Care University is the industry's first corporate university. We aim to facilitate company-wide and continuous skill development and job satisfaction through a training program based on medium-to-long term career planning. In addition to the Shibaura Campus and Osaka Campus, both of which provide practical and theoretical learning environments that faithfully replicate real-world scenarios, we have also opened an online campus. Accordingly, these learning environments have been further enhanced.

Theoretical and practical training

The facility serves as a comprehensive learning space where employees can acquire practical skills and attend classroom lectures. Since its opening, newcomers and veteran employees alike have made an effort to improve their skills by attending training sessions tailored to their years of service and skill level.

Recreation of facility and home nursing care environments

We have replicated a traditional Japanese home with rooms and bathroom similar to the major home brands, plus the many steps and small toilet spaces. We can therefore provide a real learning environment according to each setting, whether it be facility-based care or home-based care. We also have plenty of beds, bathrooms, and toilets, which are essential for hands-on training. Also, by creating spaces that allow for a multifaceted approach to hands-on learning, we can efficiently manage large training groups.



Opening of online campus

With the expansion of Sompo Care University, we opened an online campus in July 2023 so that staff can engage in learning anytime and from anywhere. By accessing the Company's intranet, employees can participate in various training sessions in real-time, even from remote locations. Archived videos can also be viewed from a personal device, which means employees nationwide have equal learning opportunities regardless of their location or working arrangement.

HR training curriculum to support quality of care

As the supply-demand gap in caregivers continues to widen, securing enough workers has become one of the challenges for nursing care providers. Sompo Care has established an education and training system tailored to each stage, along with a career structure that individuals can pursue based on their own preferences. We want to equip our employees with highly specialized knowledge and skills that fosters a sense of pride in their work. We are also endeavoring to create environments where employees will want to work for as long as possible.

Well-developed curriculum for every employee at every stage

Regular follow-up training sessions are held for employees over the course of three years after joining the Company. Furthermore, we aim to facilitate medium- and long-term skill development and maintain motivation among employees by offering training suited to the career path each employee aspires to.

Care Pride Meister System

By nominating and appointing iconic caregivers who embody the pride of nursing care, we aim to make nursing care pride more visible and create an environment in which caregiving staff can continue to work with pride in their own expertise and personal growth. As of April 2023, 130 caregivers have been accredited with the title of "meister."

Web For further details, please visit Sompo Care official website
(in Japanese): [Care Pride Meister System](#)



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Corporate Citizenship Activities

Basic concept

Concept and Policy

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

Corporate Citizenship Policy

Structure

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

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



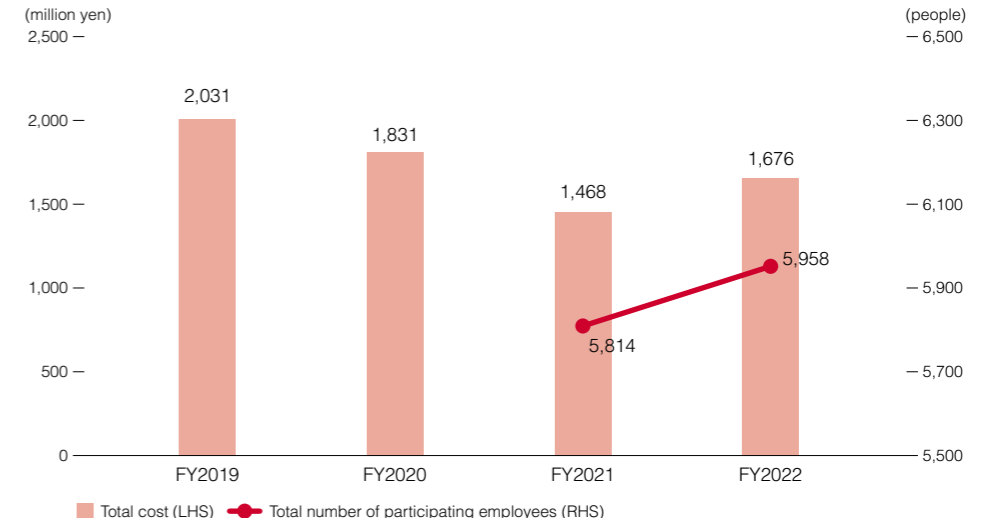
Social contribution expenses and number of participants

Activity and Result

Our activities are centered on three areas (fine arts, welfare, and the environment) with an awareness of nurturing the next generation. In FY2022, we spent more than ¥1.67 billion on social contribution activities.

Moreover, a total of 5,958 Group employees (roughly 10.7% of our domestic workforce) participated in social contribution activities.

Social contribution expenses and total number of participating employees



Reference: Programs to support and encourage employee efforts

Volunteer work leave

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

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Corporate Citizenship Activities

Volunteer organization: Sompo Chikyu (Earth) Club

Structure Activity and Result

Sompo Chikyu (Earth) Club

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

Since its establishment in 1993, the Club has undertaken various volunteer activities in collaboration with agencies and the like, including forest conservation, foodbanks, and visiting welfare facilities to repair and clean wheelchairs. Each project is tailored according to the needs and characteristics of the local community.

Operation structure

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

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

Organization



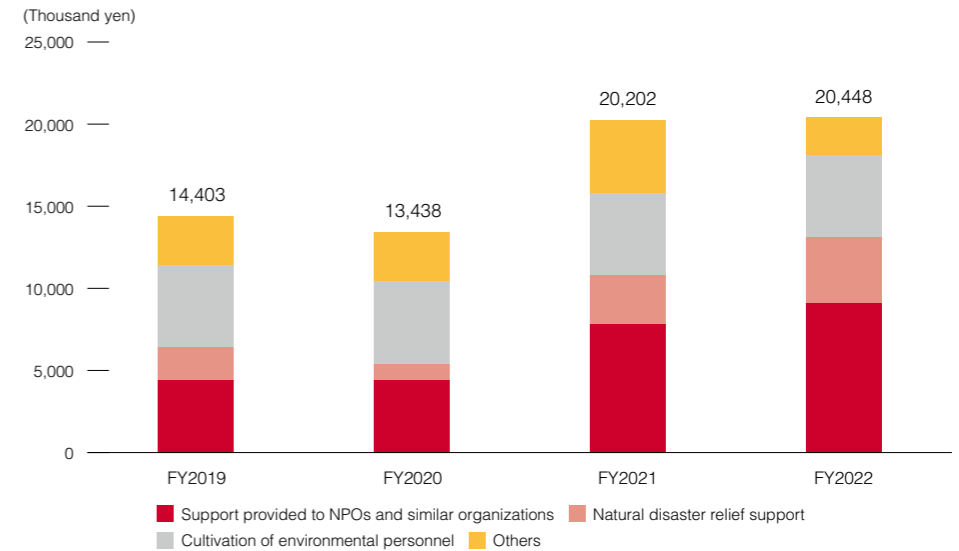
Sompo Chikyu (Earth) Club Corporate Citizenship Fund

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

Utilization of the Corporate Citizenship Fund

In FY2022, a total of ¥20.44 million from the Corporate Citizenship Fund was used to finance social contribution activities.

Sompo Chikyu (Earth) Club Corporate Citizenship Fund spending



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Corporate Citizenship Activities

Turning Sompo Care homes into community hubs of intergenerational exchange One year on since the launch of the Sompo-style children's cafeteria

Activity and Result Partnership

In November 2022, Sompo Care started running SOMPO-style children's cafeterias at mainly residential facilities such as the nursing homes it operates nationwide. It currently operates these cafeterias once a month at approximately 450 residential facilities and day-care service centers.

Sompo Care places much importance on the connections between the facilities it operates and the local community. However, in the last few years, there has been a sharp decline in opportunities for community interaction and intergenerational exchanges in daily life partly because of the impact of the COVID-19 pandemic. For this reason, it launched the Sompo-style children's cafeteria project in order to turn its facilities into hubs for community interaction with children as the focal point. Through intergenerational exchange, Sompo Care aims to support the healthy development of children's minds and bodies, bring more smiles and energy to the users of its facilities, and further enhance the job satisfaction of staff members. And by providing children the opportunity to experience caregiving work, they can get a feel for what it might be like working as a caregiver, thereby contributing to solving the multitude of social issues in the community.

As of the end of December 2023, a total of 15,960 meals had been provided to children in the community. Both the facility users and the children have enjoyed these intergenerational exchange opportunities by sitting down to eat a meal together or engaging in recreational activities. The interactions with the local children have brought many smiles to the faces of the users. In fact, the users will often express their gratitude with a smile and a "thank you" to the children experiencing the work of caregiving, which in turn contributes to the healthy growth of the children, both physically and mentally.

In the future, Sompo Care will continue to strengthen its collaboration with local communities and its relationships with partner companies with a view to further developing the SOMPO-style children's cafeteria program, based on its guiding principle of deepening its engagement with the community, supporting the lives of users in the community, and playing an integral role in the building of a sustainable society. And by continuing to do this over the next 10 or 20 years, Sompo Care will aim to help solve the complex issues that communities are currently grappling with.



SOMPO-style children's cafeteria

Bosai JAPAN-DA Project to raise disaster awareness

Activity and Result Partnership

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.

As of March 2023, these events have been held about 500 times across Japan attracting approximately 77,000 people.



Experience-based workshop in progress

Corporate Citizenship Activities

Donation of Yellow Badges with road traffic accident insurance

Activity and Result Partnership

Every spring, Sompo Japan donates Yellow Badges that come with traffic accident insurance to first-grade students just entering elementary school in Japan.

The aim is to raise students' awareness of road traffic safety and enlist cooperation from car drivers and local residents to reduce road traffic accidents. Having started in 1965 following a newspaper article featuring an appeal from a mother who lost her child in a road traffic accident, the campaign marked its 59th anniversary in 2023.

This program has been conducted jointly with Mizuho Financial Group, Meiji Yasuda Life Insurance Company, and the Dai-ichi Life Insurance Company. The total number of badges distributed so far has reached approximately 70.82 million.



Children learning about road safety at a presentation ceremony in Tokyo



Yellow Badge

SOMPO Smile Kids Edogawabashi Nursery (Accredited)

Activity and Result Partnership

SOMPO Smile Kids Foundation, established in 2011, operates a nursery school on the first floor of a building owned by the company in Bunkyo Ward, Tokyo.

The SOMPO Smile Kids Edogawabashi (Tokyo) Nursery School, which is accredited as meeting government standards, accommodates 64 children up to the age of five, whose parents are residing in Bunkyo Ward and both working. On sunny days, the children go out for walks to parks and along a row of cherry trees facing the Kanda River. They also enjoy snacks and lunches prepared by nutritionists, as well as seasonal events including sports day and outings.

The nursery school also offers a variety of fun educational programs that allow children to learn numbers and characters, attend music classes and physical education, and read English picture books. In addition, the nursery school hosts summer and fall festivals and a traditional New Year mochi (rice cake) pounding ceremony in collaboration with local neighborhood associations not just for its enrolled children but for all households raising children in the community.

Efforts are also made to improve the working environment of childcare workers, and this led us to be recognized by the Tokyo Metropolitan Government as a company working earnestly to promote work-life balance.

Together with highly motivated childcare workers, the nursery school will continue striving to provide even better care for children, support childrearing by parents in the community, and gain the favor of local residents.



Corporate citizenship activities in Japan

Activity and Result Partnership

The Sompo Group is engaged in a wide range of corporate citizenship activities together with community stakeholders.



Yamagata: Cleanup event at Mt. Zao



Chiba: Employee volunteering



Tokyo: Support for NPOs (watering flower beds)

Corporate citizenship activities in the environmental field

Activity and Result Partnership

In addition to the activities of the SAVE JAPAN Project and the Sompo's forest initiative, the Sompo Group is working to protect biodiversity and educate people about the environment through the SOMPO Environment Foundation.

PDF For further details, please refer to [Biodiversity and Encouraging People to Develop Skills Needed for Environmental Protection](#) (P.36-40).

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Initiatives of Supporting Activities and Researches for Social Welfare



Sompo Welfare Foundation

Activity and Result Partnership

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 and other increasingly complex social issues, the foundation also promotes activities that contribute to supporting various difficulties in daily life, 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 2022, the foundation invited applications from western 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.



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 2022, financial support was provided to 41 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 comprehensive local issues.



Very popular smartphone classes for the elderly taught by young people

Support for overseas welfare activities

The foundation has supported civil society organizations in the social welfare field in ASEAN countries, India, and South Africa since 2010. In FY2022, the foundation provided grants to four organizations in four countries, including a grant for wheelchairs needed for a social participation and empowerment program for people with disabilities (Indonesia), assistance for equipment and training materials needed to support vocational training and employment for poor youth (Malaysia), assistance for Braille book materials for visually impaired children (the Philippines), and assistance for a music appreciation event as part of an educational enrichment project for children who have lost their parents to COVID-19 (Vietnam).



Donation ceremony in Indonesia



Donation ceremony in Vietnam

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Initiatives of Supporting Activities and Researches for Social Welfare

Sompo welfare foundation award

The foundation has awarded outstanding academic literature in the field of social welfare since fiscal year 1999. In FY2021, Yu Nagata received the award for "Collaborative governance for integrated community care: implications for the changing roles of local government." Kentaro Hayashi received the Encouragement Award for "The Establishment of the Law for Social Security in England: a historical analysis on the role of legal institutions shaping <Livelihood Maintenance Systems>." The presentation ceremony was held on the 43rd floor of Sompo Japan headquarters building in March 2023, and the commemorative lecture and symposium by Yu Nagata was held at the Grand Ark Hanzomon in July 2023.



Prof. Nagata, a recipient of the foundation's award, and President Nishizawa



The commemorative lecture and symposium

Support for networking and learning of family caregivers for the elderly

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



Training for improving their care-giving skills

Scholarships for students studying to become certified care workers

To boost the workforce of caregivers, the foundation offers scholarships for students in two-year vocational school programs and high school students in the welfare field. In 2022, the foundation gave scholarships to seven first-year vocational school students and five second-year high school students. After graduating from the school, many of them are playing an active role as care professionals.



Practicum for students to become certified care workers

Financial support for gerontology research

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



Study groups on the Insurance Business Act

Contributing to Community through the Arts and Culture



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Sompo Fine Art Foundation (Sompo Museum of Art)

Activity and Result Partnership

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

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

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

Exhibitions in FY2022

Three years have now passed since the Sompo Museum of Art relocated to its new premises, and even in the midst of the COVID-19 pandemic, safety measures were adopted to ensure that exhibitions were held as planned. In spring, the museum held the Henri Le Sidaner – Henri Martin exhibition, while in summer and autumn, it hosted an exhibition entitled Renoir and Modern Art, Collections from the Petit Palais Museum, Geneva. In the autumn and winter months, it organized the Botanical Arts and the Development of Delicious Food exhibition. Accordingly, the museum's presence is becoming more established in the streets of Nishi-Shinjuku.

Henri Le Sidaner – Henri Martin

This exhibition focused on the works of two painters – Henri Le Sidaner and Henri Martin – both active in France at the end of the 19th century and the beginning of the 20th century. It was the first exhibition of its kind in Japan. Featuring approximately 70 works, mostly oil paintings, the exhibition traced the paths of the two painters and their artistic journey of inheriting the legacy of impressionism and incorporating serene and mysterious expressions of light into their paintings.

Exhibition Period: March 26, 2022 to June 26, 2022



Renoir and Modern Art, the Collection from Petit Palais Museum, Geneva

This exhibition showcased French modern paintings from the late 19th century to the early 20th century, drawn from the collections of the Petit Palais Museum in Geneva, Switzerland. It featured 65 oil paintings by 38 artists from numerous collections and presented a



Swiss Petit Palais Museum

timeline of French modern painting, from impressionism to the École de Paris.
Exhibition Period: July 13, 2022 to October 10, 2022

Botanical Arts and the Development of Delicious Food

In collaboration with Britain's Royal Botanical Gardens (the Kew Gardens), this exhibition featured botanical art with a special focus on plants used for food and beverages, including vegetables, fruit, tea, coffee, and herbs. Various archival materials were also on display, including old recipes, tea sets adorning dining tables, and cutlery. This exhibition provided visitors the chance to trace the history and culinary culture of the Britain.

Exhibition Period: November 5, 2022 to January 15, 2023



Art appreciation education in FY2022

The dialogue-based art appreciation education support project for elementary and junior high schools in Shinjuku Ward is now in its 15th year. The art appreciation classes continued in the second year of the pandemic and a safe environment was developed for the children based on repeated discussions with the schools and the board of education. New initiatives, such as a post-lesson review, were also tried. In FY2022, we were able to support art appreciation lessons at all 29 elementary schools and at seven of the 10 junior high schools.

Also, we resumed holding Gallery Talk Art sessions for general visitors and the special summer program Family Talk Art after a hiatus of three years due to the pandemic. These events provided visitors the opportunity to not only "see" art, but to talk about their appreciation of artwork with "words."

This fiscal year, eight new people joined the ranks of volunteers working at the museum, bringing the total number of gallery guides to 78. The training sessions incorporated the best of both online and face-to-face teaching methods and placed importance on interaction between gallery guides to ensure a fulfilling program.



Classroom-based lesson
Higashitoyama Elementary School in Shinjuku Ward



Art appreciation in the gallery
Hanazono Elementary School in Shinjuku Ward

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Support and recognition of artists

Nationwide Call for “FACE” and the Holding of the “FACE Exhibition”

The nationwide open-call contemporary painting competition, known as FACE, was first held in 2012. In the 11th FACE exhibition in 2023, there were 1,064 pieces submitted from all over Japan. The five judges were Mr. Reichi Noguchi (Senior Curator, Mitsubishi Ichigokan Museum), Ms. Tomoko Yabumae (Curator, Tokyo Metropolitan Art Museum), Mr. Tetsuya Oshima (Associate Professor, Tama Art University), Mr. Yoshinaga Moritani (Curator, Kanagawa Kenmin Hall), and Mr. Takefumi Umemoto (Director, Sompo Museum of Art). Following a process of preliminary screening and selection for awards, 81 works were chosen to be displayed, with nine pieces being selected for an award. The FACE Exhibition 2023, held at the Sompo Museum of Art, showcased selected works that “have a genuine power and the potential to be internationally recognized in the future” by capturing the essence of the times with various techniques and motifs. An audience award was also presented to one of the pieces in the exhibition based on visitor votes.

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

We hope that this open competition serves as a gateway for new and emerging artists, regardless of age or affiliation, and will be a source of support for many years to come for emerging talent.

FACE (Frontier Artists Contest Exhibition) 2023

Exhibition Period: February 18, 2023 to March 12, 2023

Provision of the Sompo Museum of Art Award

The SOMPO Museum Award was provided to a public exhibition run by 22 art associations for the purpose of supporting and nurturing emerging artists.



Momoko Yoshida
«Still milky_tune #4»
2022 Acrylic paint on
polyester fabric
112×106cm

Cooperating on loaning out major works

Exhibition of Seiji Togo and Artists Associated with Nika

This exhibition was arranged by the Kamei Museum and featured 13 oil paintings by Seiji Togo from our collection and works by artists associated with the Nika Association from the Kamei Art Museum’s collection.

Exhibition Period: August 2, 2022 to October 2, 2022

Venue: Kamei Museum (Sendai City, Miyagi Prefecture)

Commemoration of the Comprehensive Collaboration Agreement between Kurashiki City and SOMPO Japan: Seiji Togo and Shinichi Saito — Each Depiction of Women —

This exhibition was organized by the Kurashiki City Art Museum and showcased its collection of works by Shinichi Saito depicting blind female musicians, along with 61 oil paintings and 20 sketches by Seiji Togo from our collection.

Exhibition Period: October 22, 2022 to December 18, 2022

Venue: Kurashiki City Art Museum, Exhibition Rooms 2 and 3
(Kurashiki City, Okayama Prefecture)

The Puppet Theater “Himawari Hall”

Activity and Result Partnership

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

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



Performance at Himawari Hall



Puppet show performance at Sompo Care’s nursing homes

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Corporate Governance

Basic concept

Concept and Policy

Based on its Management Philosophy, the Sompo Group has positioned SOMPO's Purpose at the core of its management strategy as it tackles a wide range of social issues from a medium- to long-term perspective.

Sompo Holdings, as the holding company of all Group companies, considers continuous improvement of transparency and fairness of the Group's corporate governance and fulfillment of corporate social responsibility through business as essential for maintaining strong relations of trust with stakeholders. The Board of Directors has accordingly established this Policy to clarify basic policies regarding the overall vision for the governance structure and the development of governance framework. We continue to make efforts to enhance corporate governance in pursuit of the best corporate governance.

Web For further details, please visit the website: [Corporate Governance Policy](#)

Sompo Holdings, Inc. (hereinafter "the Company") has changed its governance structure to "Company with committees," effective June 2019, as part of efforts to strengthen corporate governance structure by separating management supervision from business execution in order to reinforce the supervisory function of the Board of Directors and to accelerate business execution by delegating substantial authorities from the Board of Directors to executive functions. The Company also established three committees – Nomination Committee, Audit Committee, and Compensation Committee – and established governance structure that works to improve transparency and fairness. In addition, executive officers make executive decisions and perform duties on the matters delegated from the Board of Directors under the comprehensive supervision by the Group CEO, while Business Segment System and Group Chief Officer (hereinafter "Group CxO") system are in place to ensure agile and flexible decision-making and business execution, with clearly defined authorities and responsibilities.

The Board of Directors sets the basic policy and the basic policies for Group management and for internal control which forms the foundation of Group management, appoints Executive Officers, and supervises the performance of duties by Directors and Executive Officers. Additionally, the Board of Directors delegates executive decisions to Executive Officers in principle, as far as the laws permit, to further strengthen the supervisory function of the Board of Directors and accelerate business execution.

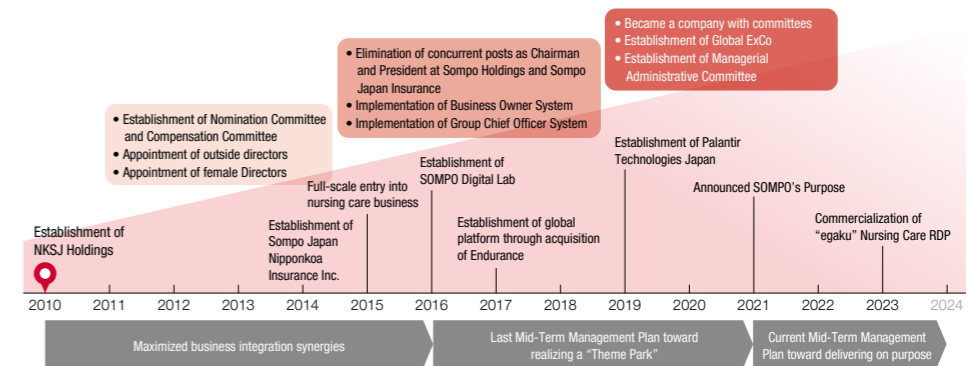


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History of governance

Concept and Policy Structure

Sompo Holdings was established in 2010 as a holdings company and decided to transform to realize "A Theme Park for Security, Health & Wellbeing" to address the challenge of realizing sustainable growth as a Group that conducts business mainly in Japan which faces population decline, population aging, and low economic growth. In 2021, we officially proclaimed our Purpose: With "A Theme Park for Security, Health & Wellbeing," create a society in which every person can live a healthy, prosperous and happy life in one's own way. Our Purpose identifies what kind of value we will provide to society. Again and again, it is SOMPO's governance that has clearly indicated the direction in which the Group should move and has led the transformations to achieve this.



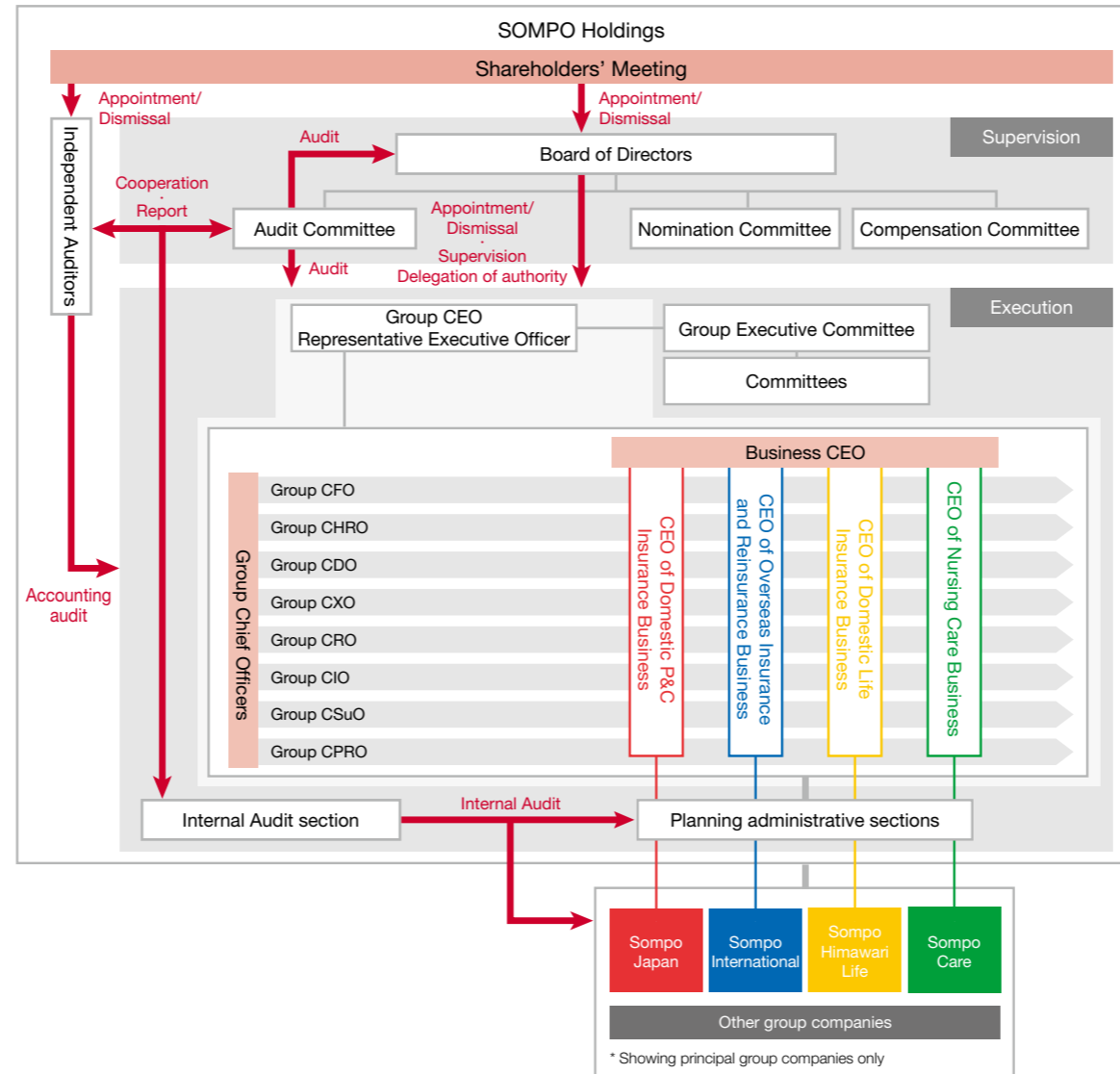
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Overview of corporate governance structure (After April 2024)

*As of February 29, 2024

Structure



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

* Showing principal group companies only

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Corporate Governance

Characteristics of the Board of Directors

*As of February 29, 2024

Structure Activity and Result

Function and role of the Board of Directors

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

To enhance its supervisory function, the Board has a majority of independent directors, and to ensure a considerable degree of diversity among its members, gender, nationality, and other factors are also taken into consideration. The governance structure is designed to enhance transparency and fairness by appointing company managers, academics, and those with specialized knowledge of law, finance, and accounting.

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

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

Preliminary briefing sessions for the Board of Directors

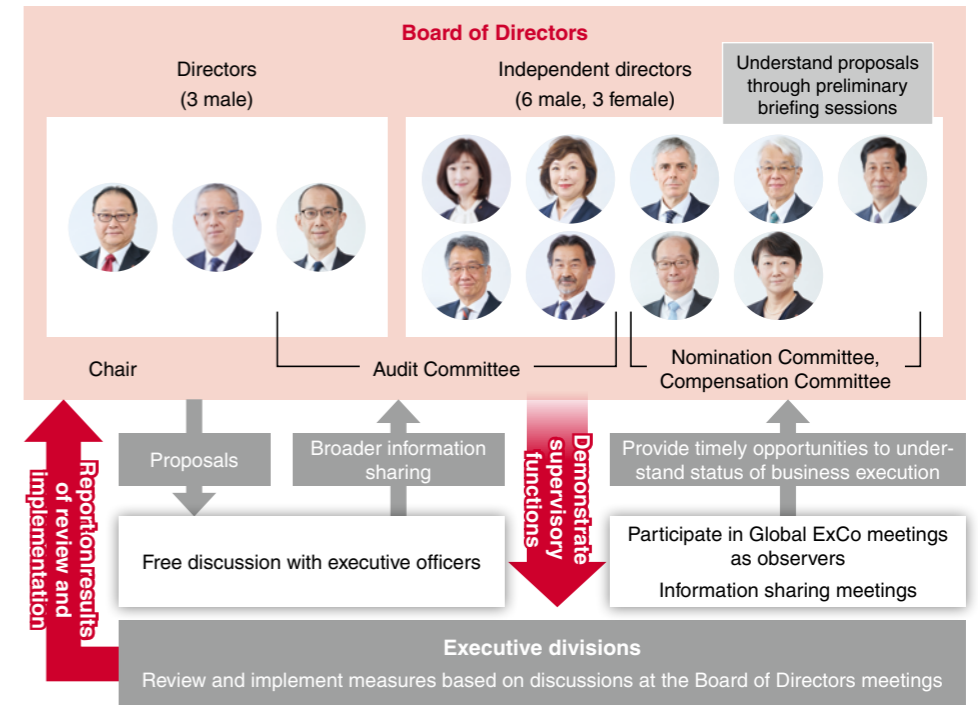
In order to ensure that the discussions of the Board of Directors are constructive and productive, preliminary briefing sessions are held for all outside directors before every meeting of the Board. During the Board meetings, discussions are informed by the opinions and questions raised at these sessions.

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

Giving scope to the supervisory function of the Board of Directors

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

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



Specific initiatives

- Business execution reports made by business CEOs and Group CxOs at the Board of Directors
- Providing observer access to directors to sit in on various committee meetings, such as the Global Executive Committee and the Managerial Administrative Committee
- Holding information-sharing meetings to provide timely updates to outside directors regarding items of business execution, without restricting the discussions solely to Board agenda items
- Holding free discussions about information concerning business operations
- Having outside directors and representative executive officers exchange opinions etc.

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Board of Directors performance

In fiscal 2022, the Board of Directors met a total of 14 times (attendance rate: 100%). The main agenda items of the Board of Directors in fiscal 2022 are outlined below.

Topic	Details
Evaluating and increasing the value of non-visible assets such as branding and engagement	Reviewed the progress of work-style reform initiatives, performance appraisal indicators, the grand design for the realization of human resources and organizational reform, and the Group's brand strategy.
Policies for handling ESG-related issues	Reviewed the progress and structure of initiatives in SDGs management, such as Value Creation Cycle efforts aimed at realizing our Purpose, and materiality KPIs including climate change response.
New value creation through DX and RDP	Reviewed the Nursing Care Real Data Platform (RDP) and initiatives to create new value utilizing digital and data in each business.
Policy on constructive communication with the capital markets	Reviewed the summary of IR activities for fiscal 2021 and the IR implementation plan for fiscal 2022, including further expansion of investor communication to enhance corporate value.
Business portfolio and policy on synergies between businesses	Decided on the business plan for fiscal 2023 and reviewed initiatives to build a Conglomerate Premium and the Group's capital policy.
Policy on measuring the benefits of purpose management	Reviewed the progress of the Mid-Term Management Plan and the status of efforts to visualize unrealized financial value including human capital in order to enhance corporate value.
Risk management policy, including a cybersecurity framework	Reviewed the status of the Group's cybersecurity system and risk control.

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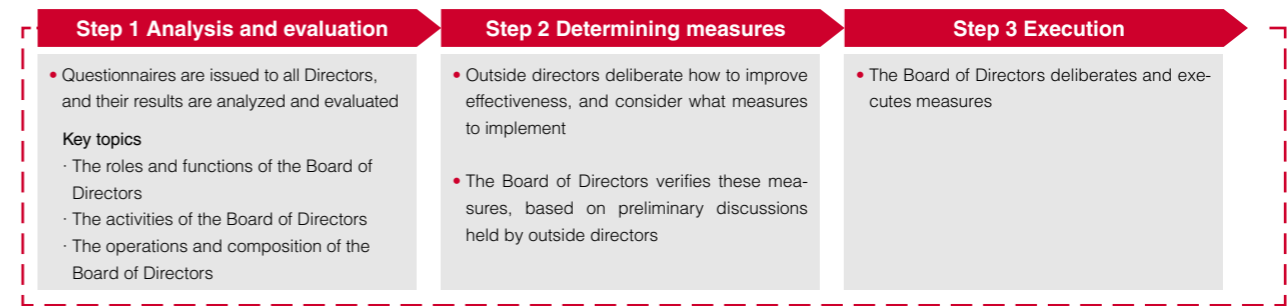
Evaluating the effectiveness of the Board of Directors

Activity and Result

Improving the effectiveness of the Board of Directors through PDCA cycles

As part of its efforts to improve the effectiveness of the Board of Directors, every year the Company issues a questionnaire, which includes a self-evaluation section, to each Director. We use the results of these questionnaires to analyze and evaluate the effectiveness of the Board of Directors as a whole. We also work to improve the functionality of the Board of Directors, and strengthen corporate governance. To this end, we actively incorporate the opinions of Directors, verify measures for any identified issues and for the further evolution of the Company, and carry out PDCA cycles for the execution of concrete initiatives that enhance the functionality of the Board of Directors.

PDCA cycles to improve the effectiveness of the Board of Directors



FY2022 evaluation results and FY2023 initiatives

<p>Main assessments of FY2022 initiatives</p>	<ul style="list-style-type: none"> Opinions were actively exchanged during the preliminary briefings held in conjunction with Board meetings, and as such, the sessions were assessed to be extremely valuable. Discussions during the Board meetings were assessed to have become more substantial than before, but at the same time, there was feedback suggesting that additional information and insights from other directors who did not attend the preliminary session would have been useful and that more clarification is needed regarding which points are to be discussed during the board meeting. 	<ul style="list-style-type: none"> Alongside the continued practice of expanded free discussions introduced in the previous fiscal year and the executive division reports and continual Board discussions, the on-site visits to each business were assessed to be useful in better understanding how business is being carried out. The balance between in-person and online Board meetings in the post-COVID era, as well as efforts to go paperless, were assessed to be contributing to really effective Board management. To allocate enough time for discussions on important future topics, it was suggested that free discussion time be further utilized and that the timely sharing of information needs to be continued going forward.
<p>Response to the assessments in FY2023 (As of June 2023)</p>	<p>The following are the topics that the Company's directors believe management ought to start or continue, discussing in more depth, as well as initiatives that might be effective in enabling the Board to function better.</p> <p>The Company will bear these items in mind and continue to take measures to enhance the Board's effectiveness.</p> <p>Topics that ought to be discussed in more depth by management:</p> <ul style="list-style-type: none"> Evaluating and increasing the value of non-visible assets such as branding and engagement Policies for handling ESG-related issues Policy on constructive communication with the capital markets New value creation through DX and RDP <p>Key initiatives to enable the Board of Directors to function better</p> <ul style="list-style-type: none"> Issue-driven, focused discussions dedicated to important topics Clarifying what matters should be deliberated at Board meetings and using preliminary briefing sessions effectively 	<ul style="list-style-type: none"> Business portfolio and policy on synergies between businesses Policy on measuring the benefits of purpose management Risk management policy, including a cybersecurity framework <p>Establishing mechanisms to help the Board understand the Company's operations, including on-site visits</p> <ul style="list-style-type: none"> Ensuring communication and information sharing between outside directors and statutory committees

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Corporate Governance

Nomination Committee

Activity and Result

The Nomination Committee aims to improve transparency and fairness in the Group's governance by introducing a third-party perspective to deliberations concerning the appointment and dismissal of Directors and Executive Officers at all Group companies. The Group is currently promoting transformation – or qualitative change – with the goal of achieving our Purpose. Improving diversity among Group officers is critical both to realizing our Purpose and to developing our global business – not just in insurance but in wide-ranging sectors, including Nursing Care & Seniors, and Digital. The Nomination Committee works to improve diversity among Group officers both when appointing individual directors and executive officers and when formulating the Succession Plan.

In fiscal 2022, based on the reorganization of the composition of the Board of Directors (reducing the total number of directors by 2 and the number of outside directors by 1), we selected candidates for the Board of Directors and the head of the Sompo International Tokyo Office. In addition, for the purpose of more effectively implementing the business strategy of the entire Group, we set up opportunities for the direct exchange of opinions between the Nomination Committee and each Business CEO in appointing Directors and Executive Officers of the major Group companies. Through its deliberations, the Nomination Committee intends to establish a diverse portfolio of Group officers, and contribute to realizing our Purpose and to improving corporate value.

Nomination Committee performance

In fiscal 2022, the Nomination Committee met a total of 10 times (attendance rate: 100%). Its main agenda items are listed below.

Topic	Details
Formulating the Succession Plan	<ul style="list-style-type: none"> • Certain key positions are critical for bringing about the further transformation and growth of the Sompo Group; in the Succession Plan, the Committee has established a system that will produce high-quality individuals from diverse backgrounds in a stable and effective way. • A total of 86 key positions in the Group, including the position of Group CEO, are governed by the Succession Plan. • When selecting succession candidates, the Committee draws up various criteria for consideration, such as the proportion of positions held by women, to ensure a diverse pool of talented personnel.
Appointing Director candidates	<ul style="list-style-type: none"> • After considering the criteria for the appointment of Directors and the balance of the Board of Directors as a whole, the Committee resolved an issue related to the appointment of Director candidates to be submitted to the Annual General Meeting of Shareholders.
Appointing Executive Officers	<ul style="list-style-type: none"> • The Committee resolved an issue related to the appointment of Executive Officers.
Appointing Directors at Sompo Japan Insurance and Sompo Himawari Life Insurance	<ul style="list-style-type: none"> • The Committee resolved an issue related to the appointment of Director candidates at Sompo Japan Insurance and Sompo Himawari Life Insurance.

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Corporate Governance

Audit Committee

Activity and Result

The Audit Committee consists of five directors, four of whom are independent directors. Under our highly independent and objective structure consisting mainly of them, we conduct audit activities with the mission of protecting stakeholders' interests through information sharing and active exchange of opinions among the Audit Committee and cooperation with the Internal Audit Department. Audits are conducted mainly through meetings with executive officers and other members of the Board of Directors. In fiscal 2022, we visited several Group companies to gain a deeper understanding of the actual business conditions through direct interviews with on-site staff members, thereby ensuring highly effective audits.

Under the Mid-Term Management Plan launched in fiscal 2021, the Company is aggressively pushing new initiatives – such as solutions that utilize real data – to achieve its goal of becoming “A Theme Park for Security, Health & Wellbeing,” and our audits have therefore become broader in scope. In this fiscal year, the final year of the Mid-Term Management Plan, I believe we can contribute to the enhancement of corporate value by drawing on the knowledge, expertise, and diverse backgrounds of each Member of the Audit Committee to conduct effective and high-level audits in a wide range of business areas in accordance with our auditing objectives in order to ensure the appropriateness of our efforts to achieve our Purpose.

Going forward, the Audit Committee will work to improve appropriate communication with the executive divisions and streamline its auditing methods based on timely and accurate information gathering and active discussions among the committee members, and will continue its efforts to meet stakeholder expectations by conducting audits of the highest quality.

Audit Committee performance

The Audit Committee formulates basic policies for audits and auditing plans, carries out audits year-round in accordance with these plans, and provides audit reports and a summary of its auditing activities at the end of each fiscal year. A report is provided to the Audit Committee following the completion of each audit activity, enabling the Committee to regularly verify the progress of the auditing plan. The Committee's year-round auditing activities include: attending important meetings and verifying important decisions; collecting information through meetings with Representative Executive Officers, through meetings with Business CEOs and Group CxOs, through meetings with general managers of departments and offices, and through site visits to Group companies in Japan and overseas; and providing feedback and suggestions regarding management operations.

In fiscal 2022, the Audit Committee met a total of 13 times (attendance rate: 97.6%). Our auditing activities for fiscal 2022 are outlined below.

Topic	Details
Audit Committee Responsibility System	<ul style="list-style-type: none"> The Audit Committee Responsibility System, which is continuing from the preceding fiscal year, was introduced with the aim of conducting audits of greater depth. Each Business CEO and Group CxO is assigned a primary auditor from among the members of the Audit Committee. Audit Committee members other than the primary auditor also actively participate, and after the audit, the committee has a lively exchange of opinions.
Collaborating with the Internal Audit Department	<ul style="list-style-type: none"> In order to strengthen collaboration with the Internal Audit Department, as in the preceding fiscal year, the General Manager of the Internal Audit Department attends meetings between Audit Committee members and officers, and is present at site visits to Group companies both in Japan and overseas. The Internal Audit Department also discusses the results of internal audits with Audit Committee members and participates in the lively exchange of opinions as described above.
Collaborating with Independent Accounting Auditors	<ul style="list-style-type: none"> We established a plan for year-round meetings with Ernst & Young ShinNihon LLC on the Overseas Insurance and Reinsurance Business and other businesses, and we work to mutually improve audit quality by ensuring frequent communications and engaging in lively exchanges of opinion, including requesting the provision of information from the viewpoint of an independent accounting auditor.
Measures to improve audit activities	<ul style="list-style-type: none"> The Audit Committee and other meetings were held both face-to-face and using video conferencing as appropriate to increase efficiency and ensure sufficient time for discussion. We visited several Group companies to gain a deep understanding of the actual business conditions through direct interviews with on-site staff members.

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Corporate Governance

Compensation Committee

Activity and Result

The Compensation Committee aims to improve transparency and fairness in the Group's governance by introducing a third-party perspective to deliberations about compensation for Directors and Executive Officers at all Group companies. It is imperative that the executive compensation structure not only imparts positive effects on governance, but also provides real incentives for Group officers to contribute to the enhancement of corporate value. From this perspective, we discussed revisions to Sompo Holdings' executive compensation system, and the following specific measures were taken effective April 2023: 1. Revision of the compensation levels; 2. A decrease in the fixed compensation ratio (increase in the variable compensation ratio); 3. Use of metrics for brand value and engagement as evaluation metrics in the strategic targets for performance-linked compensation; 4. Revision of long-term incentive program (changed from stock trust method to phantom stock method). These revisions will be implemented in the executive compensation plans of the major Group companies in fiscal 2024.

Two of the key questions concerning our Group's executive compensation structure are: "what compensation package should we award to the Group CEO?" and "how can we properly evaluate this?" In fiscal 2022, the Compensation Committee carefully deliberated the Group CEO's strategic goals and initiatives, and assessed the Group CEO's overall compensation, fixed compensation, and performance-linked compensation. The Committee will continue to discuss the Sompo Group's executive compensation structure, with a view to increasing its incentivizing effects to contribute to the enhancement of corporate value.

Compensation Committee performance

In fiscal 2022, the Compensation Committee met a total of 11 times (attendance rate: 100%). Its main agenda items are listed below.

Topic	Details
Revising executive compensation structures at Sompo Holdings	<ul style="list-style-type: none"> • Discussions were held to increase the incentivizing effects of the executive compensation structure of the Company, and the following revisions were implemented as of April 2023: <ol style="list-style-type: none"> 1. Revision of the compensation levels 2. A decrease in the fixed compensation ratio (increase in the variable compensation ratio) 3. Use of metrics for brand value and engagement as evaluation metrics in the strategic targets for performance-linked compensation 4. Revision of long-term incentive program (changed from stock trust method to phantom stock method)
Policy for handling differences in executive compensation between Japan and overseas	<ul style="list-style-type: none"> • Regarding differences in executive compensation between Japan and overseas, we conducted a study of our attractiveness to Directors and Executive Officers using assessments from an outside consulting firm and other sources. • We confirmed that going forward, we will make efforts to raise our attractiveness to Directors and Executive Officers outside of the Group to form a more competitive Director and Executive Officer portfolio.
Performance-linked compensation of the Group CEO	<ul style="list-style-type: none"> • The Committee assessed the Group CEO's initiatives in fiscal 2022, and determined the payment rates and payment amounts for performance-linked compensation.
Strategic goals and base amount of compensation of the Group CEO	<ul style="list-style-type: none"> • The Committee approved the Group CEO's fiscal 2023 strategic goals of 1. Business portfolio transformation; 2. Engagement, and Diversity & Inclusion; and 3. Improving corporate value. <ol style="list-style-type: none"> 1. Promote the transformation of the Sompo Group's business portfolio with the aim of realizing SOMPO's Purpose. 2. Engagement, and Diversity & Inclusion: Accelerate inclusion and diversity efforts with the aim of "creating innovation" and "improving employee happiness and job satisfaction," and realize an organizational and corporate culture in which diverse employees accept each other, respect each others' "My Purpose," and are able to fully demonstrate their individual strengths. 3. Improving corporate value: Enhance brand value by globally disseminating SOMPO's Purpose, Real Data Platform, and promotion of sustainability management, and enhance corporate value by increasing recognition amongst stakeholders. • The base amount of compensation for fiscal 2023 was determined based on the above strategic goals.
Performance-linked compensation of Executive Officers	<ul style="list-style-type: none"> • The Committee assessed the fiscal 2022 initiatives of Executive Officers. • It determined the performance-linked compensation payment rates and payment amounts.
Strategic goals and base amount of compensation of Executive Officers	<ul style="list-style-type: none"> • The Committee approved the fiscal 2023 strategic goals of all Executive Officers at Sompo Holdings and, based on these strategic goals, determined the base amount of compensation for fiscal 2023.

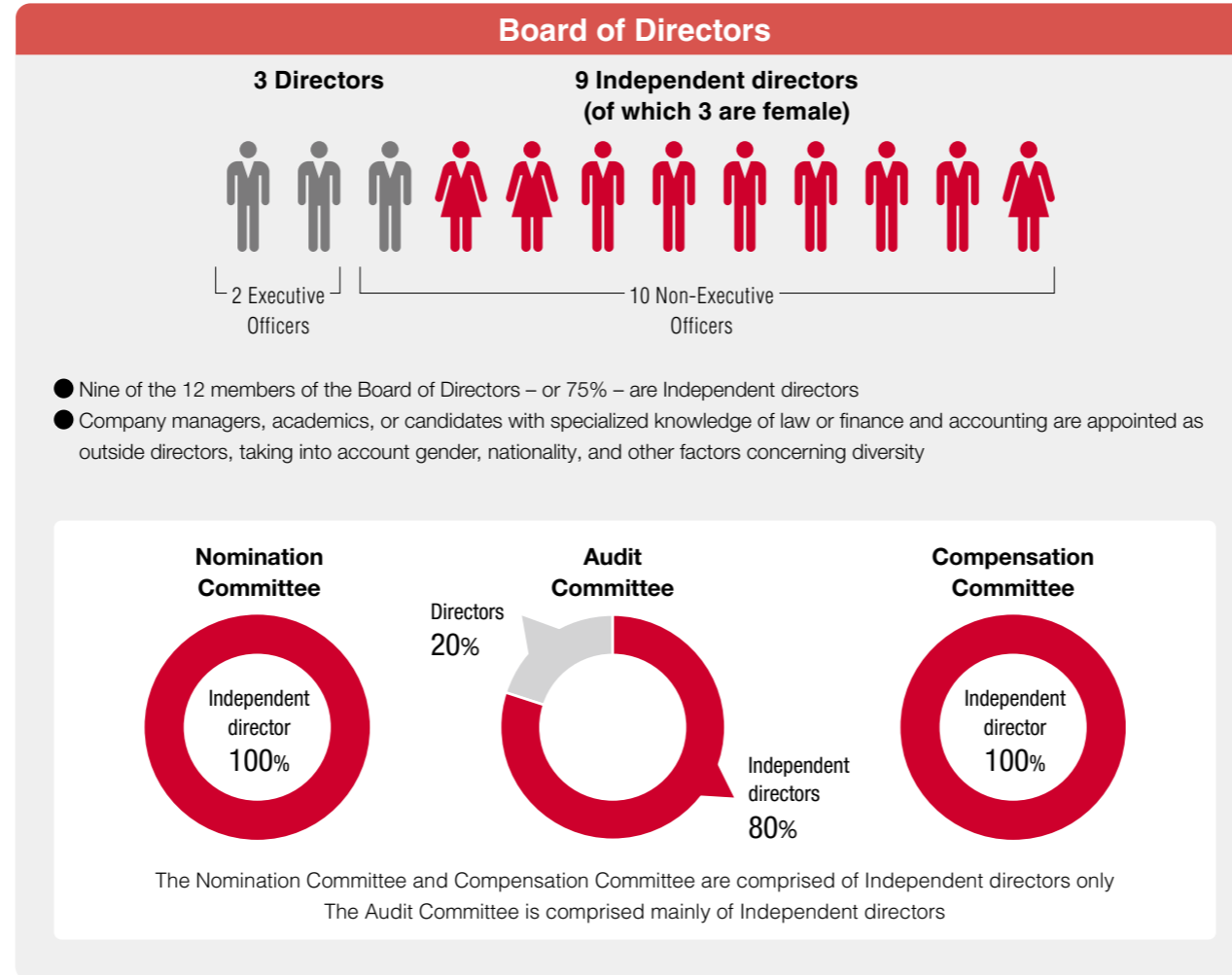


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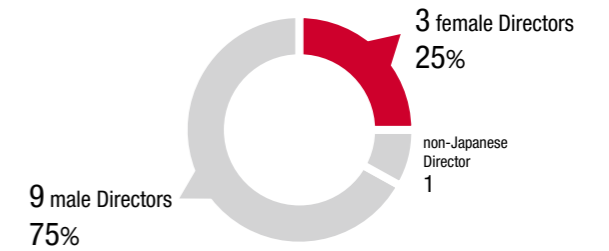
Structure of the Board of Directors and Various Committees

Structure



Director diversity

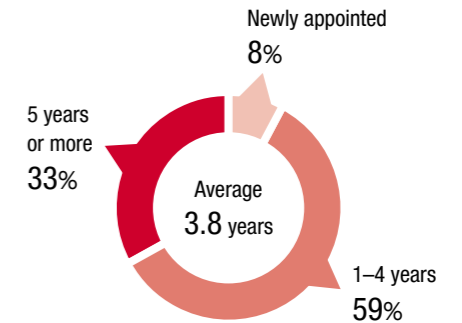
Of the 12 members of the Board of Directors, 3 are female and 9 are male; 1 of the male Directors is non-Japanese



Director tenure

The average tenure of the Directors is 3.8 years (including the tenure as the Audit & Supervisory Board member)

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



* As of July 1, 2023

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Director structure

Structure

Name	Reappointment/ new appointment	Positions	Tenure	Nomination Committee	Audit Committee	Compensation Committee	Expected roles, skills and areas of expertise								
							1) Business strategy	2) Global management	3) ESG, SDGs	4) Transformation strategies	5) Digital	6) HR strategy	7) Finance, accounting	8) Corporate governance	9) Legal, risk management
Kengo Sakurada	Reappointment	Director	13 years	—	—	—	●	●	●	●	●	●	●	●	●
Mikio Okumura	Reappointment	Director	1 year	—	—	—	●	●	●	●	●	●	●	●	●
Scott Trevor Davis	Reappointment	Independent Director	9 years	● (Chairman)	—	●	●	●	●	●	—	●	—	●	—
Kazuhiro Higashi	Reappointment	Independent Director	3 years	●	—	● (Chairman)	●	●	●	●	—	●	●	●	●
Isao Endo	Reappointment	Independent Director	9 years	●	—	●	●	●	—	●	●	●	●	—	—
Takashi Nawa	Reappointment	Independent Director	3 years	●	—	●	●	●	●	●	●	●	—	●	—
Meyumi Yamada	Reappointment	Independent Director	2 years	●	—	●	●	●	●	●	—	●	●	●	—
Misuzu Shibata	Reappointment	Independent Director	3 years	—	● (Chairman)	—	●	●	●	—	—	—	—	●	●
Kumi Ito	Reappointment	Independent Director	2 years	—	●	—	●	●	—	●	●	●	●	—	—
Masayuki Waga	Reappointment	Independent Director	1 year	—	●	—	●	●	●	—	●	●	●	●	●
Toru Kajikawa	New appointment	Independent Director	—	—	●	—	●	●	—	—	—	●	●	●	●
Satoshi Kasai	Reappointment	Director	1 year	—	●	—	●	●	—	●	—	●	—	●	—

*Details of each skill and area of expertise are as follows.

Items 1) and 2): Skills and areas of expertise where all Directors are expected to provide useful advice and supervision to the executive sector

Items 3) through 9): Skills and areas of expertise where each Director is expected to provide useful advice and supervision to the executive sector based on professional knowledge gained through his or her specific insight and experience

The above tables show skills and areas of expertise particularly expected for each director and do not indicate all of the skills and areas of expertise possessed by each director.

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Policies for appointment of Directors and Executive Officers

Concept and Policy

The Company appoints Directors and Executive Officers in accordance with the Policies for Appointment of Directors and Executive Officers outlined below. Candidates Directors are selected by the Nomination Committee and approved at the General Shareholders Meeting. Candidate Executive Officers are selected by the Nomination Committee and approved by the Board of Directors.

Policies for the appointment of Directors

The Company not only supervises and guides its subsidiaries, but also formulates a Group-wide management strategy that encompasses the business strategies of subsidiaries engaged in P&C insurance and various other businesses. The Company is responsible for ensuring the execution and realization of these strategies. The Board of Directors is comprised primarily of outside directors, so that it can draw on diverse and independent viewpoints and carry out objective evaluations of management issues. When appointing outside directors, nationality, gender, and other forms of diversity are considered.

Additionally, Directors are appointed according to criteria outlined in the Comprehensive Guidelines for Supervision of Insurance Companies. Outside directors are appointed according to 1) "Competency Requirements," 2) "Criteria for the Independence of Outside directors," and 3) "Requirements for Terms of Office." For the purpose of carrying out substantive discussions, the number of Directors is limited to 15, in accordance with the Articles of Incorporation.

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

1) Competency Requirements

The Company appoints outside directors who have a wide range of knowledge and experience in various fields. They may include corporate executives, academic experts, and professionals who have expert knowledge of law, or of finance and accounting. Outside directors are required to be able to devote the time and effort necessary to properly fulfill the role and responsibilities of Director.

2) Criteria for the Independence of Outside directors

The Company will assess the independence of outside directors from the Company based on the criteria below.

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

3) Requirements for Terms of Office

If the total terms of office as the outside director or Audit & Supervisory Board Member of the Company exceeds eight years, the Company will carefully consider whether there are any positive reasons for reappointment. Reappointment is not prevented if such reasons are found.

Policies for the composition of Executive Officers and criteria for their appointment

1) Policies for the composition of Executive Officers

The Company systematically develops managerial talent based on the Succession Plan. Regarding the composition of Executive Officers as a whole, the Company places importance on the diversity – including gender, age, experience, and nationality – and the balance of the management team.

2) Criteria for appointing Executive Officers

The Company appoints Executive Officers in accordance with the following criteria:

- The candidate is able to realize transformation based on the Group Management Philosophy and purpose.
- The candidate is able to develop the next generation of leaders who will drive the Group's transformation.
- The candidate is able to foster a Group culture that fills employees with confidence and pride, and encourages them to boldly take on challenges with high aspirations.
- The candidate is driven by their own mission and able to take action accordingly.
- The candidate has a high level of expertise and insight regarding the mission and roles they are tasked with.
- The candidate has experience and a track record regarding the mission and roles they are tasked with.
- The candidate understands the importance of diversity and is able to leverage it to create value.
- The candidate has the ability to make fair and impartial judgments and to achieve goals.
- The candidate has a fair and honest personality.

Outside director support system

Structure

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

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

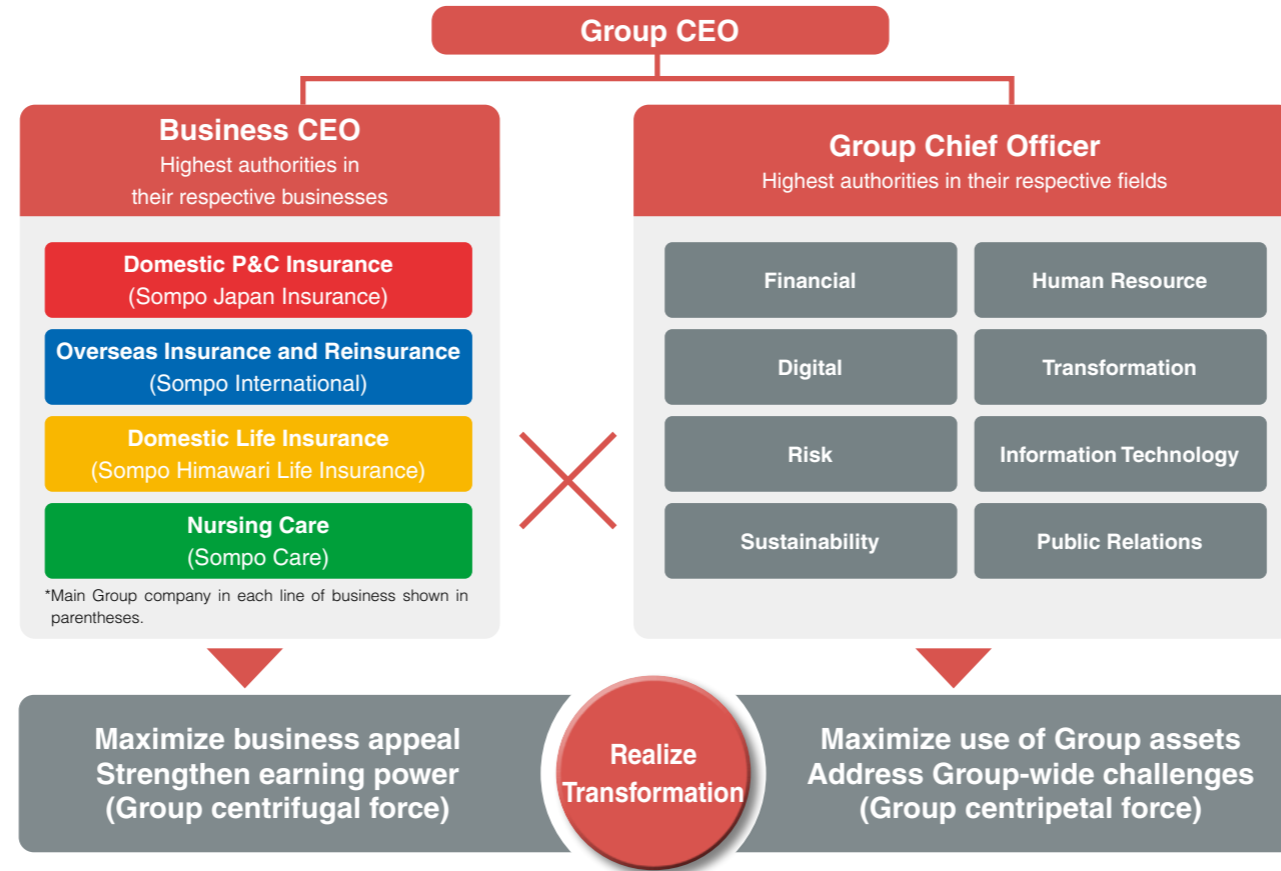
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Executive structure (After April 2024)

*As of February 29, 2024

Structure

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



Business Segment System

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

Group CxO system

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

Directors and executive officers with diverse array of backgrounds

The directors and executive officers hailing from diverse backgrounds keep their respective missions in mind when engaging in discussions and making high-quality decisions for the purpose of achieving the transformation of the Group. To that end, we strongly emphasize diversity in our human resources portfolio when formulating a succession plan and appointing directors and executive officers.

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Business execution structure

Executive Officers

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

Group CEO

Group CEO oversees overall operation of the Group as a Chief Executive Officer of the Group by strategically assigning business CEO that are the heads of each business segment and Group CxOs that are the heads of each function of the Group to realize agile and flexible business operation under discontinuous changes in business environment.

Business CEO

The Group adopts the business segment system where the heads of each business segment (domestic P&C insurance, overseas insurance, domestic life insurance, and nursing care) are delegated authority as business CEO for business strategy proposals, investment decisions, and personnel deployment to enable agile and flexible decision-making and business execution in each business segment that is close to customers.

Group CxO

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

Group ExCo

Global ExCo and the Managerial Administrative Committee (MAC) will be restructured to Group ExCo (chaired by Group CEO) April 2024.

(Reference) Committees until the end of FY2023

Global ExCo

Global ExCo is the advisory board for the Group CEO and the highest level of the executive committee. It meets six times a year in principle to discuss topics that have a significant impact on management, including Group-wide management strategies and business operation policies.

Global ExCo is chaired by the Group CEO and its membership also includes the Group COO, Business CEOs, Chairman of Overseas M&A, the Group CFO, Group CSO, and Group CHRO.

Managerial Administrative Committee (MAC)

As an advisory body to the Group COO, the Managerial Administrative Committee (MAC) deliberates on the execution of business strategies and important matters related to the management of the Company and Group companies.

It is chaired by the Group COO and its membership also includes the Group CxOs and Business CEOs.

Committees

Group ERM Committee

Established as a subcommittee of the Global ExCo*, the Group ERM Committee holds cross-group management discussions on important issues in the Group's strategic risk management and major risks surrounding the Group.

Global Transaction Committee

Established as a subcommittee of the Global ExCo*, the Global Transaction Committee conducts flexible and substantive discussions regarding investment considerations in the Overseas Insurance and Reinsurance Business and integrated management of acquired companies.

Investment Committee

The Investment Committee evaluates investment activities undertaken by the Group for business expansion, new business development, and other purposes from a professional and impartial perspective.

*Group ExCo (after April 2024)

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Name	Current title
Mikio Okumura	Group CEO, Director, President and Representative Executive Officer
Koji Ishikawa	CEO, Domestic P&C Insurance Business Senior Vice President and Executive Officer
James Shea	CEO, Overseas Insurance and Reinsurance Business Senior Vice President
Yasuhiro Oba	CEO, Domestic Life Insurance Business Senior Vice President and Executive Officer
Takamitsu Washimi	CEO, Nursing Care Business Senior Vice President and Executive Officer
Masahiro Hamada	Group CFO Senior Executive Vice President and Executive Officer
Shinichi Hara	Group CHRO Senior Executive Vice President and Executive Officer in charge of Legal Affairs and Internal Audit
Koichi Narasaki	Group CDO Senior Executive Vice President and Executive Officer
Katsuyuki Tajiri	Senior Executive Vice President in charge of Corporate Strategy and Overseas M&A General Manager, Office of Group CEO General Manager, Global Strategy Office
Kazufumi Watanabe	Group CXO, Executive Vice President and Executive Officer
Yoshihiro Uotani	Group CRO, Executive Vice President and Executive Officer

*The official name of each position is as follows

Group CEO : Group Chief Executive Officer

Group CFO : Group Chief Financial Officer

Group CHRO : Group Chief Human Resource Officer

Group CDO : Group Chief Digital Officer

Group CXO : Group Chief Transformation Officer

Group CRO : Group Chief Risk Officer

Group CIO : Group Chief Information Officer

Group CSuO : Group Chief Sustainability Officer

Group CPRO : Group Chief Public Relations Officer

*Executive structure and the officers are as of April 1, 2024

Name	Current title
Albert Chu	Group Co-CDO, Senior Vice President
Yoshiyasu Suzuki	Group CIO, Senior Vice President and Executive Officer General Manager, IT Strategy Planning Department
Ryoko Shimokawa	Group CSuO, Senior Vice President and Executive Officer
Hirofumi Shinjin	Group CPRO, Senior Vice President and Executive Officer
Kenneth Reilly	Executive Vice President, General Manager, Global Business Department
Hiroshi Horie	Executive Vice President in charge of Compliance
Yuji Kawauchi	Executive Vice President in charge of Overseas Business, Wellbeing
Yasuki Kume	Executive Vice President, Deputy Head of Wellbeing
Tsutomu Yamaguchi	Senior Vice President, Group Deputy CFO
Yohei Namiki	Senior Vice President in charge of Wellbeing General Manager, Wellbeing Business Department
Yuko Nakagawa	Senior Vice President in charge of Wellbeing



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Executive compensation structure

*As of February 29, 2024

Structure

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

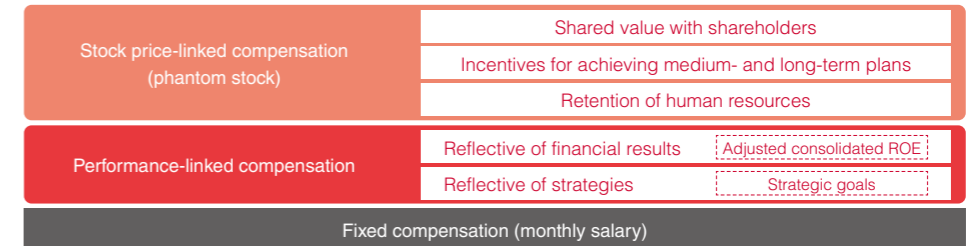
Basic Policies on Executive Compensation (applicable to all Group companies)

- a. The level and system of compensation shall ensure that top talent can be acquired and retained for the senior management of the Sompo Group.
- b. The executive compensation structure shall be consistent with the Group business strategy. It shall incentivize Directors and Executive Officers to improve their performance with the goal of achieving Group growth.
- c. Compensation shall reflect not just single-fiscal-year performance, but also reflect medium- to long-term results and the initiatives of Directors and Executive Officers.
- d. Compensation shall be determined in accordance with the scale of future-oriented missions undertaken by Directors and Executive Officers, and with the results of these missions. Compensation may take fixed factors associated with specific job titles or positions into consideration.
- e. The Company's Compensation Committee shall deliberate the compensation structures of the Company and its key subsidiaries, to ensure they have the objectivity, transparency, and fairness to fulfill accountability to stakeholders.

Overview of executive compensation structure

The Company considers the current Mid-Term Management Plan to be a period for realizing the transformation of the entire Group and each of its businesses. The Company regards performance-linked compensation for officers, the scale of the mission for realizing this transformation, and related initiatives as important elements of corporate governance, which underpins this transformation.

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



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

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

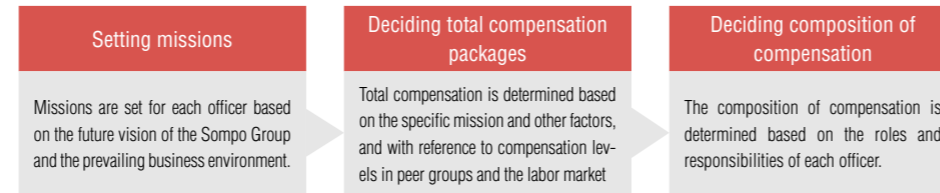
The Compensation Committee deliberates and determines the amount and composition of compensation for each Director and Executive Officer at the Company, in accordance with the decision-making process and calculation methods described below.

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(1) Decision-making process for total compensation packages

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



(2) Composition of compensation for officers

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

Overview of executive compensation system

	Type of compensation	% of total		Comments
		Group CEO	Other officers	
Fixed compensation	Monthly salary	33.4%	50-70%	<ul style="list-style-type: none"> Set for each officer in accordance with the roles and duties of their position Cash compensation paid monthly
Variable compensation	Performance-linked cash compensation	33.3%	15-25%	<ul style="list-style-type: none"> A base amount is set; actual payment is determined based on annual performance Based on an assessment of each officer's level of achievement for financial and strategic goals Paid in cash in June after the conclusion of the fiscal year
	Stock price-linked compensation	33.3%	15-25%	<ul style="list-style-type: none"> Payment amount is determined in accordance with the share price in order to share value with shareholders and promote medium- and long-term growth of the Group Payment in cash at any time after a certain period has elapsed since the granting of units up until retirement and also upon retirement
	Subtotal	66.6%	30%-50%	
Total		100%	100%	

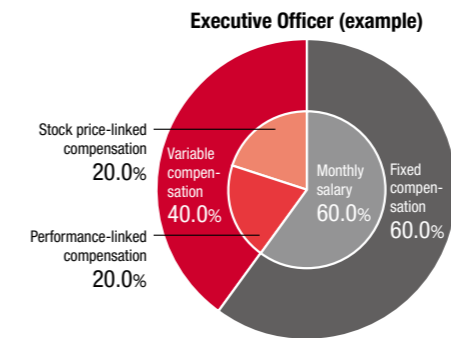
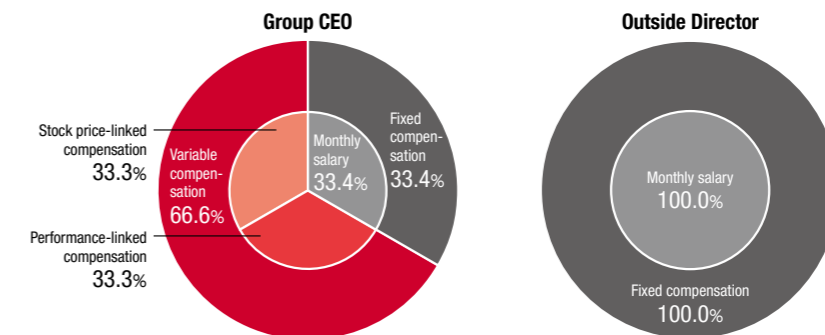
(3) Approaches and calculation methods for each of type of compensation

1) Fixed compensation (monthly salary)

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

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

Examples of compensation structure by position



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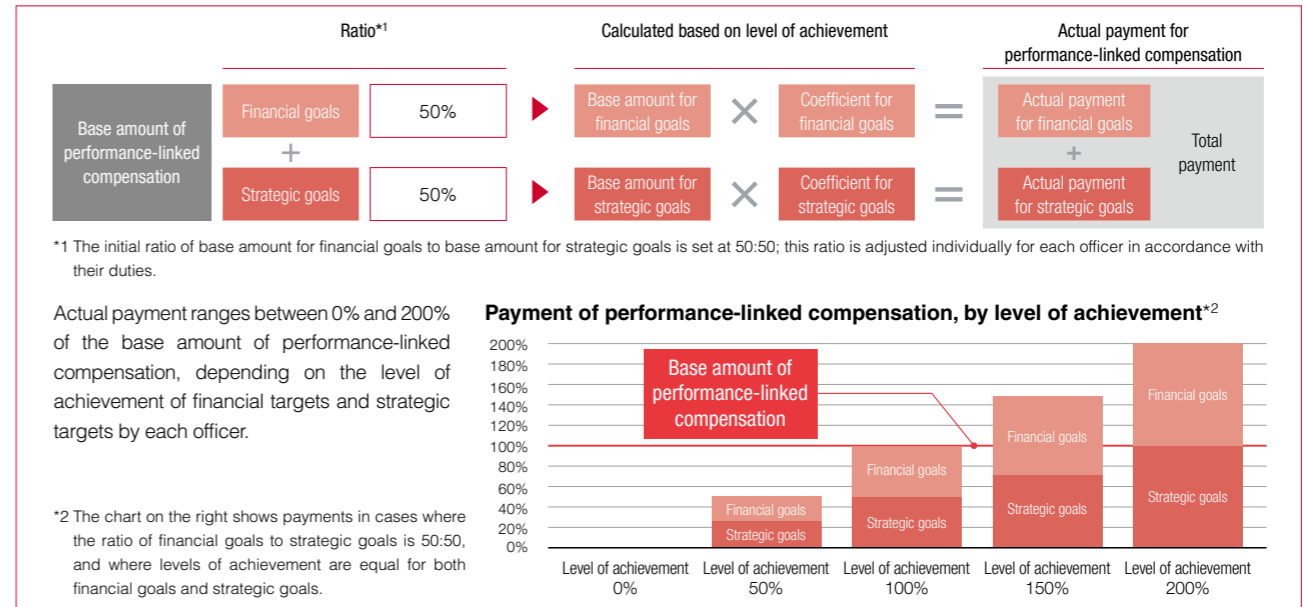
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2) Performance-linked compensation

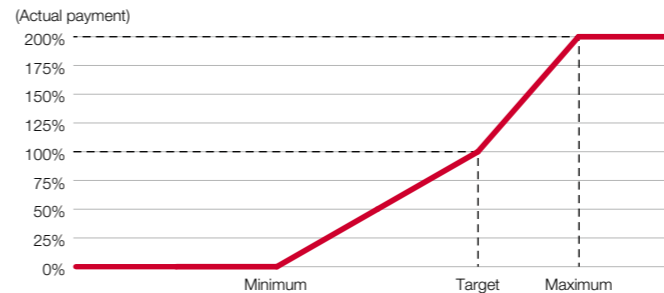
The Company operates a performance-linked compensation system that rewards officers for the contributions they made to each business's single-fiscal-year performance.

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

- To determine performance-linked compensation, the Company first sets a base amount of performance-linked compensation. This base amount is then multiplied by a coefficient that reflects the level of achievement of single-fiscal-year financial goals and strategic goals.
- The base amount of performance-linked compensation is defined as the amount to be paid if financial goals and strategic goals are fully achieved. The base amount is determined individually for each officer.
- Performance-linked compensation comprises financial performance-linked compensation and strategic performance-linked compensation. The allocation ratio of these two compensations is determined by the Compensation Committee in accordance with the nature of the mission assigned to each officer.
- The performance indicators adopted as the financial goals include adjusted consolidated ROE, among others, for the fiscal year, and the coefficient is determined according to the actual results versus the targets in the business plan.
- The performance indicators adopted as the strategic goals are the metrics agreed on by the Group CEO, business CEO, or other director or executive officer responsible for their evaluation in accordance with the mission of each director and executive officer, and the coefficient is determined according to the level of achievement.
- Of the performance indicators adopted as the strategic goals, an engagement indicator for all directors and executive officers and a brand value indicator for some directors and executive officers have been set as mandatory components for measuring Unrealized Financial Value.



Financial goals



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

Strategic goals

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

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

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Indicators used for performance-linked compensation

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

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

*1 Net income for the Domestic P&C Insurance Business is the standalone figure for Sompo Japan Insurance.
 *2 In the Nursing Care & Seniors Business, the financial indicator adopted for the president of Sompo Care is adjusted profit at Sompo Care (standalone basis).
 *3 Adjusted profit and sales in the digital business are for Palantir Technologies Japan (standalone basis).

3) Stock price-linked compensation

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

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

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

$$\left[\text{Stock price-linked compensation base amount} \times \text{Strategic goal evaluation coefficient from previous FY} \right] \div \text{Company's closing share price on the grant date} = \text{Number of units granted}$$

- The units granted will vest at the end of the fiscal year three years after the grant date. Once vested, they will be categorized into PS 1 and PS 2. If the director or executive officer resigns voluntarily before the vesting date, the units will not be eligible for vesting.
- PS 1 and PS 2 units will be divided evenly (50% each) and be subject to the following.
 - PS 1: After vesting, an amount based on the current share price at any time up until retirement, along with an equivalent cumulative dividend amount, will be paid in cash.
 - PS 2: Upon retirement, an amount based on the share price calculated with a prescribed method, along with an equivalent cumulative dividend amount, will be paid in cash.
- The payment amount will be determined as follows.

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

$$\left[\text{Number of PS 1 units designated by the director or executive officer} \times \text{Closing share price on the day the director or executive officer indicated their intention to receive PS 1} \right] + \text{Equivalent cumulative dividend amount}$$

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

$$\left[\text{Number of unexercised PS 1 and PS 2 units up until the day of retirement} \times \text{Share price at the time of retirement (calculated based on a prescribed method)} \right] + \text{Equivalent cumulative dividend amount}$$

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Total compensation, total compensation by type, and number of eligible officers for each officer category, in FY2022

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

Officer category	Total compensation (million yen)	Compensation by type (million yen)				No. of eligible executives
		Fixed compensation (monthly compensation)	Retirement benefits, etc.	Performance-linked compensation		
				Cash compensation	Non-cash compensation	
				Performance-linked cash compensation	Performance-linked stock compensation	
Directors (excluding outside directors)	78	73	—	2	2	5
Outside directors	187	187	—	—	—	10
Executive Officers	1,725	779	—	642	302	19
Total	1,990	1,040	—	645	305	31

*1 The amounts for total compensation, total compensation by type, and the number of eligible directors and executive officers include: one executive officer who resigned on March 31, 2021; six executive officers who resigned on March 31, 2022, and one director who resigned at the end of the 12th Annual General Meeting of Shareholders held on June 27, 2022.

*2 Compensation for the two directors who concurrently serve as executive officers and the one director who concurrently served as executive officer up until March 31, 2022, is separated into director compensation and executive officer compensation; the compensation for each position is included in the applicable total compensation amount. For this reason, the total number of eligible directors and executive officers differs from the combined number for each classification.

*3 Performance-linked cash compensation is paid in cash, and is the total of: compensation based on performance in the previous fiscal year and provisions to reserves for compensation based on performance in the current fiscal year. It excludes provisions to reserves for the previous fiscal year. Performance-linked stock compensation prior to revisions to the Company's Policies on Decisions Pertaining to Executive Compensation is non-cash compensation, and is the total of: the amount of provisions to reserves for stock benefits recorded for the current fiscal year, based on performance in the previous fiscal year.

*4. All compensation for Directors and Executive Officers is compensation from the insurance holding company. There is no compensation from the parent of the insurance holding company.

Total consolidated compensation for each officer in FY2022

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

Name	Total compensation from the Company and its consolidated subsidiaries (million yen)	Officer category	Company category	Total compensation by type from the Company and its consolidated subsidiaries (million yen)			
				Fixed compensation (monthly compensation)	Retirement benefits, etc.	Performance-linked compensation	
						Cash compensation	Non-cash compensation
				Performance-linked cash compensation	Performance-linked stock compensation		
Kengo Sakurada	477	Director	Sompo Holdings, Inc.	6	—	2	1
		Executive Officer		127	—	209	130
Mikio Okumura	308	Director	Sompo Japan Insurance Inc.	—	—	—	—
		Director	Sompo Holdings, Inc.	4	—	—	1
		Executive Officer		99	—	127	75
James Shea	721	Director	Sompo International Holdings Ltd.	—	—	—	—
		Executive Officer	Sompo Holdings, Inc.	267	—	—	—
John R. Charman	915	Director	Sompo International Holdings Ltd.	160	—	293	—
		Executive Officer	Sompo Holdings, Inc.	—	—	278	—
		Director	Sompo International Holdings Ltd.	—	—	636	—

*1 The amounts of performance-linked compensation show compensation paid in the current fiscal year; provisions to reserves in the current fiscal year are not included.

*2 For compensation paid in foreign currencies, the amounts show yen equivalents.

*3 James Shea resigned as Executive Officer on March 31, 2023 and was appointed Senior Vice President on April 1, 2023.

*4 John R. Charman resigned as Executive Officer on March 31, 2022.



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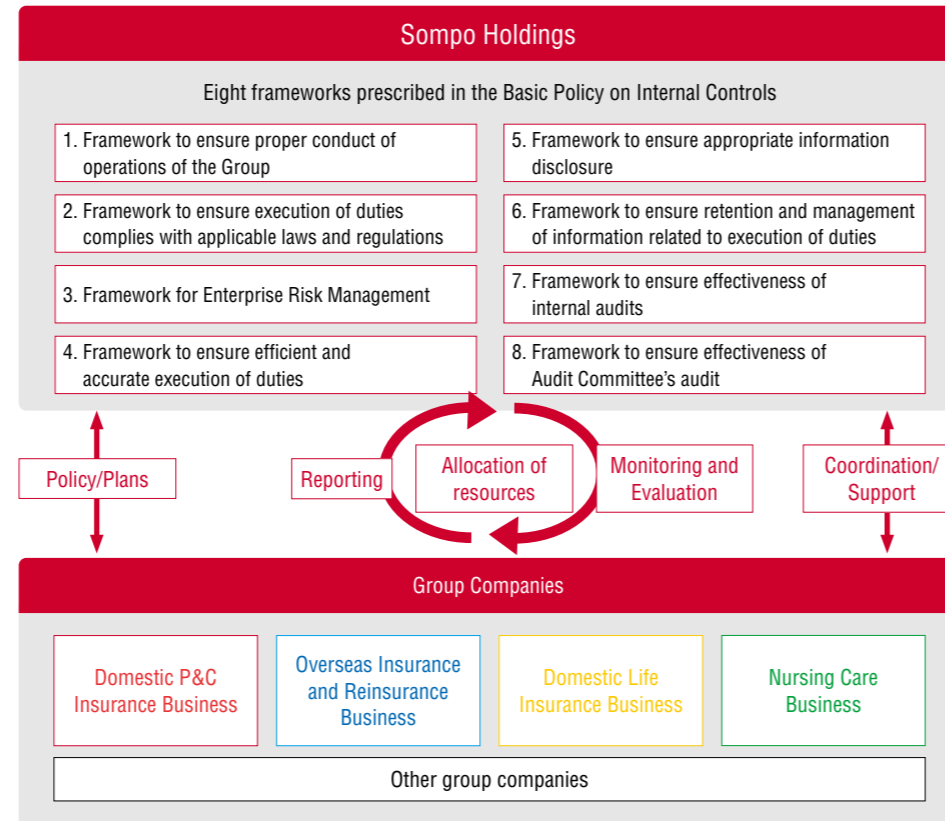
Group internal controls to support corporate governance

Concept and Policy

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

In addition, to ensure that the Group's controls function both effectively and efficiently, the Company enters into management contracts with each Group company, properly understands and checks the situation at each company, and continuously works to enhance and strengthen internal control systems at a Group level.

Group internal controls systems



Web For further details, please visit the website: [Basic Policy on Internal Controls](#)



16.1, 16.5, 16.6

Basic concept and policy

Concept and Policy

As part of its commitment to compliance, the Sompo Group has formulated various policies and codes of conduct, such as the Sompo Group Basic Policy on Compliance, and established compliance systems, and raised awareness of these policies among Group officers and employees. We are a company that seeks to maintain a healthy social presence; to this end, rather than viewing compliance simply as complying with laws and regulations, we have been working to develop a culture that encourages each employee to act autonomously and independently in accordance with corporate ethics and social norms.

Basic Policy on Compliance

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

Basic Policy on Compliance (Overview)

1. Compliance as the major premise for business operations

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

2. Nurturing and enhancing compliance awareness of officers and employees

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

3. Systematic efforts to ensure compliance

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

4. Early detection of issues and prompt actions

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

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



Compliance

Sompo Group Compliance Code of Conduct

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

The Sompo Group Compliance Code of Conduct (collectively, “the Code of Conduct”) clearly shows the actions required to ensure that all officers and employees (“Employees”) of the Sompo Group understand the importance of compliance and act in ways that consider compliance seriously. All Employees must act in compliance with the Code of Conduct.

Web For further details, see the following: [Sompo Group Compliance Code of Conduct](#)

Sompo Group Compliance Code of Conduct

1. Compliance with Laws, Regulations and Internal Rules

We will act with integrity and good sense in compliance with laws, regulations and internal rules, and based on social norms and corporate ethics.

2. Respect for Human Rights

We will respect human rights in every aspect of our business activities.

3. Maintain and Promote a Healthy and Safe Working Environment

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

4. Protection of Company Assets

We will only use the assets of the Group for the Group’s business activities and properly protect them.

5. Proper Document Creation and Management

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

6. Fair and Free Competition

We will construct and maintain a sincere relationship with customers, competitors, and outsourcing partners, etc., and pursue fair and free competition.

7. Prohibition of Bribery

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

8. Prohibition of Conflict of Interest

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

9. Protection and Management of Personal and Confidential Information

We will properly deal with personal information, confidential information that we obtain and data, etc. that we create in connection with our business in accordance with laws, regulations and internal rules.

10. Protection of Intellectual Property

We will protect intellectual property possessed by the Group, and will not infringe it possessed by third parties.

11. Prohibition of Insider Trading

By strictly prohibiting insider trading by Employees, we will ensure investors’ trust in the securities market.

12. Elimination of Relationships with Organized Crime Forces

We will strive not to have any relationship with organized crime forces, maintain public confidence, and realize a safe society and sound corporate management.

13. Prevention of Money Laundering and Terrorist Financing

We will strive to ensure that the Group’s products and services are not used to transfer proceeds from crime, to finance terrorists, or to proliferate weapons of mass destruction.

14. Appropriate Political Activities

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

15. Appropriate Financial Reporting, Tax Processing Based on Laws and Regulations

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

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Compliance

Initiatives

Structure Activity and Result

We coordinate with Group companies so that they can increase the effectiveness of their compliance initiatives, and we have been working to evolve our compliance frameworks based on Group strategies and external environments. In response to increased social awareness of data protection, for example, we are implementing measures to address privacy risks and working on improving the early detection of warning signs, such as screening potential conduct risks.

In addition, in our internal reporting and consultation (whistleblowing) system, which is an important mechanism for early detection of problem events, we are working to strengthen protections for whistleblowers and those seeking consultation. In addition to enforcing confidentiality, we have established a system based on the relevant laws and regulations of each country. This provides a system for internal reporting and consultation that can be used promptly in the event of problems that are difficult to resolve in the workplace. In fiscal 2022, there were 261 internal reports or consultations, and we are working to revitalize the system so that users can seek consultation with confidence.

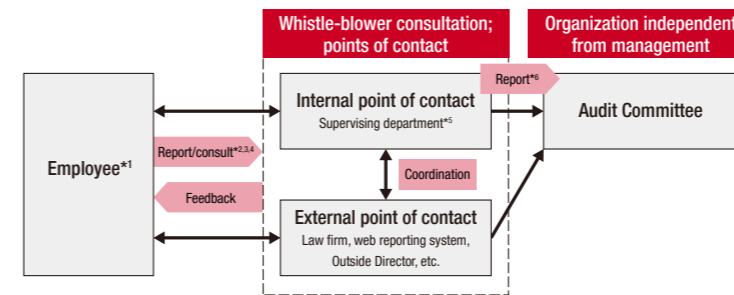
While the Group has insurance business at its core, it has expanded into new business areas such as the Nursing Care Business and Digital Business. We have also been working to create new businesses and transform existing businesses through partnerships and the use of new digital technologies and data. When developing compliance frameworks, it is necessary to consider not only the relevant laws, but also the business characteristics, scale, and operating conditions of each Group company, as well as the potential risks they face. As such, we mutually participate in Group company meetings, and vice-versa; we also hold Chief Compliance Officer meetings, attended by the heads of the Compliance Departments in each business. This is a forum to share examples of effective initiatives undertaken by each business, and to exchange opinions on the issues we face. In this way, through our efforts to understand conditions at the Group and share information, we support the development of compliance frameworks at Group companies.

Whistle-blowing and consultation system

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

System for receiving reports and consultations	<ul style="list-style-type: none"> • Reports and consultations are handled by a specific person in charge (“Response Person”), who is obliged to maintain confidentiality. • Reports and consultations received through external hotlines will be appropriately forwarded to the supervisory division, taking into consideration the intentions of the whistle-blowing or consulter. • The results of the investigation will be reported back to the whistleblower or consulter by the internal or external hotlines as appropriate.
Protection of reports and consulters	<p>We are working to strengthen protections for whistleblowers and those seeking consultation, and we have prepared an internal reporting and consultation system that can be used quickly and safely when problems that are difficult to resolve at work occur.</p> <ul style="list-style-type: none"> • We require our Response Person to maintain strict confidentiality. • We prohibit any attempt to identify the whistleblower or person seeking consultation, or any disadvantageous treatment of them, and clearly stipulate the disciplinary measures to be taken against those who violate the rules.

Flow of procedures after receiving reports or consultations



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

Examples of receiving reports and consultations

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

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

Number of whistle-blowing cases

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



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Compliance training

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

Item	FY2019	FY2020	FY2021	FY2022	Companies covered		
					Consolidated companies in Japan		Overseas consolidated companies
					Sompo Japan	Other group companies	
Ratio of employees who received compliance training	90.7%	93.9%	94.2%	92.8%	●	●*	●

*Excluding the data of Sompo Care Inc.

Developing the Group's internal audit framework

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

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

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Compliance

Establishment of Group Tax Policy

Concept and Policy

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

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

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

Group Tax Policy

1. Regulatory Compliance

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

2. Approach to International Taxation

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

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

3. Optimization of Tax Burden

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

4. Relationship with the Tax Authorities

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

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

Tax Management System of SOMPO Group

Structure

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

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

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ERM

Our basic approach to ERM

Concept and Policy

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

To ensure the effectiveness of its ERM, the Company has established the Sompo Group Risk Appetite Statement, which serves as a guideline for risk taking, and has put in place systems for capital allocation and other ERM functions. Furthermore, to support ERM, the Group integrates and manages various risks of the Group, and to keep up with changes in the business environment, the Group constantly monitors and develops responses to ERM-related issues.

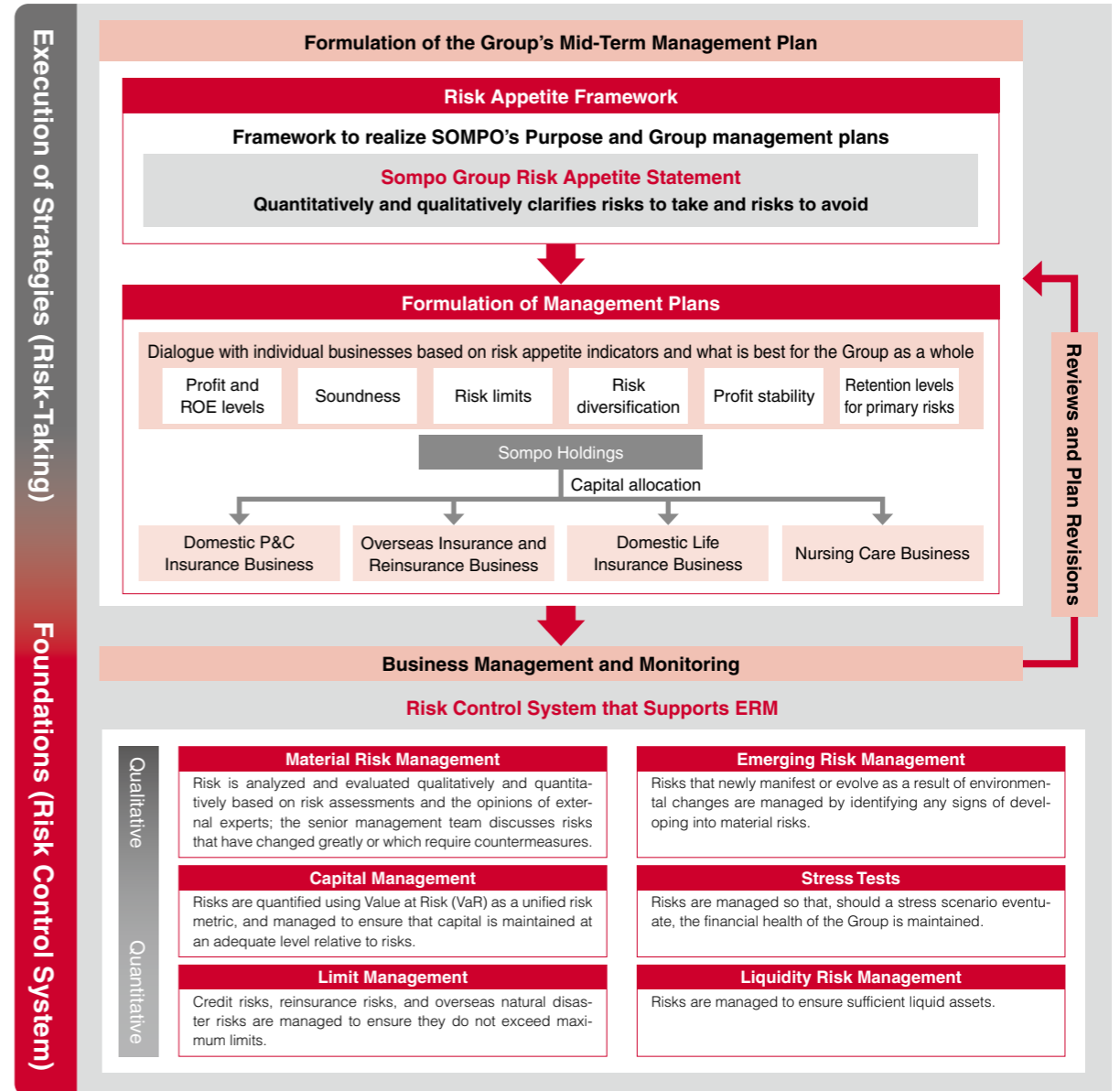
ERM as the “Compass of Management”

Structure

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

As we accelerate scale and diversification initiatives centering on the insurance business, we are also committed to creating new customer value in order to contribute to addressing issues in society and improving prospects for profit growth over the long-term. To achieve this, we make use of the ERM framework, also known as the “compass of management,” to guide the Group in the best direction by not only avoiding losses before they happen, but by reducing opportunity losses, such as missed investments in new businesses. We make sure of this by (1) accurately analyzing and grasping the Group’s current position (multifaceted analysis), (2) sensitively detecting potential future risks (accurately understanding and addressing key risks), and (3) clearly indicating which course the Group ought to take (recommendation of an optimal business portfolio).

Overview of the Sompo Group’s Enterprise Risk Management



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ERM

Pursuing resilience from two aspects

Structure

The COVID-19 pandemic that emerged in 2019 served as a valuable lesson for companies about the importance of resilience in the face of operational disruptions and interruptions. Even in the wake of the pandemic, with geopolitical divisions widening and cyberattacks becoming more sophisticated due to emerging technologies, our ERM will require “resilience” from two aspects: risk portfolio and operations.

The first aspect involves the building of a resilient portfolio that is supportive of management discussions to continually review risks that should be taken and the risks to be avoided by quantifying the impacts on financial soundness, profitability, and capital efficiency, taking into account the rapidly changing internal and external business environment.

The second aspect is the establishment of resilient operations, which involves visualizing how increasingly diverse and complex risks will affect the Group and establishing operations to ensure that our businesses and services can continue even when risks materialize.

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

ERM of the Sompo Group

Activity and Result

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

1. Risk appetite framework

The “Risk Appetite Framework” is a system for increasing the certainty of achieving the Group’s strategic goals – as set forth in the Management Philosophy, SOMPO’s Purpose, and the Group’s Management Plan – by taking risks based on the Sompo Group Risk Appetite Statement. This clearly states the risks the Group will take and the risks it will avoid. We formulate a Group’s Management Plan and allocate capital to each business, after dialogue with the respective management teams, based on risk appetite indicators and the perspective of overall Group optimization.

2. Risk control system

For effective risk control, Sompo Group uses a “Risk Control System” that identifies, analyzes, and evaluates the various risks surrounding the Group.

We define risks that could have a significant impact on business as “material risks” and we comprehensively identify and evaluate these risks based on risk assessments and the insights of experts. We use concrete scenarios to form assumptions of how we might be impacted by a material risk, evaluate the probability of occurrence and the degree of impact (in three categories: economic loss, business continuity, and reputational damage) from both qualitative and quantitative points of view, and then discuss the adequacy of our countermeasures.

Additionally, the Group defines “emerging risks” as risks that have the potential to emerge or change, through changes in the environment or other factors, such that they would have a significant impact on the Group in the future. We manage emerging risks appropriately by monitoring any signs that they may develop into material risks.

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

Web For further details on the Risk Appetite Framework and the Risk Control System, please visit the website: [ERM Framework](#)

Initiatives to foster and embed a risk culture

Activity and Result

To respond quickly to changes in a highly uncertain business environment, it is essential for every executive and employee to accurately identify risks and opportunities, which are becoming increasingly diverse and complex, and then take appropriate action. To address this, the Group is working to foster and embed a sound “risk culture” that supports the Enterprise Risk Management (ERM) framework.

Specifically, the CRO regularly communicates the Group’s vision and the latest risk information to ensure that each employee has an ERM mindset. We also promote understanding and dialogue on ERM through training and other means so that appropriate risk assessment can be conducted at each workplace, thereby enhancing corporate value and resolving social issues.

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ERM

— Risk management and business continuity

Basic concept

Concept and Policy

The Sompo Group recognizes that, in order to fulfill its social mission and role in times of crisis, continuous and unremitting efforts are required to ensure the continuation and early recovery of important operations in each line of business, and we are working to systematically improve our systems in a manner designed to achieve this.

The most recent damage estimates for an earthquake directly hitting the Tokyo metropolitan area announced by the Tokyo Metropolitan Disaster Prevention Council in May 2022 predict that major infrastructure will be shut down or severely restricted for a longer period than previously expected. The Group is therefore working to improve the reliability of business continuity by establishing alternate bases outside the Tokyo metropolitan area and strengthening infrastructure such as communications and emergency power supplies to key locations.

We are constantly updating our countermeasures based on the latest information on potential threats. These threats include weather disasters (typhoons, torrential rain, floods, etc.), which are expected to become more severe due to climate change, earthquakes in the Nankai Trough, and eruptions of Mt. Fuji.

Initiatives

Activity and Result

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

The headquarters and other important offices of Group companies are concentrated in the Tokyo metropolitan area. Believing that the suspension of functions in Tokyo could have a significant impact on business continuity, no matter how well we have prepared, the Group is preparing alternate business continuity bases, mainly in the Kansai region.

For example, in the case of Sompo Japan Insurance Inc., if a major earthquake in the Tokyo metropolitan area forces a shutdown of the head office functions, a system and manuals are in place at the interim base in Osaka to take over crisis response and critical operations, and annual drills are held to prepare for this.

In addition, the Group has established a system in which crisis response personnel are stationed at all times in the Kansai region to oversee the Group's crisis response.

Occurrence of a major earthquake, etc.



Strengthening communication countermeasures: Introduction of Starlink satellite communications

In the event of a large-scale earthquake, communications may stop or become severely overloaded, rendering not only telephone calls but also the Internet unusable. The Sompo Group has therefore deployed the Starlink satellite communications system, which became a hot topic at the start of the conflict in Ukraine, at the Group's alternate base in Nishitokyo City, which will enable the Group to carry out some of its important operations.

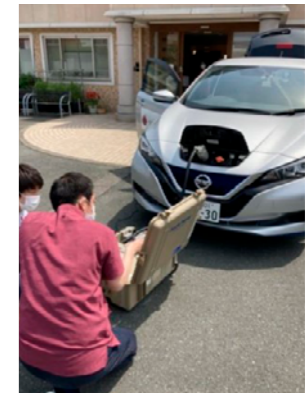


Starlink kit

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

Anticipating that power may not be supplied to its nursing care facilities in the event of a disaster, Sompo Care is proceeding with the deployment of electric vehicles (EVs) and hybrid vehicles (PHVs) that can be used as emergency power sources. (50 vehicles as of November 2023)

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



Deployment of emergency power supply

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Cybersecurity

Promotion structure

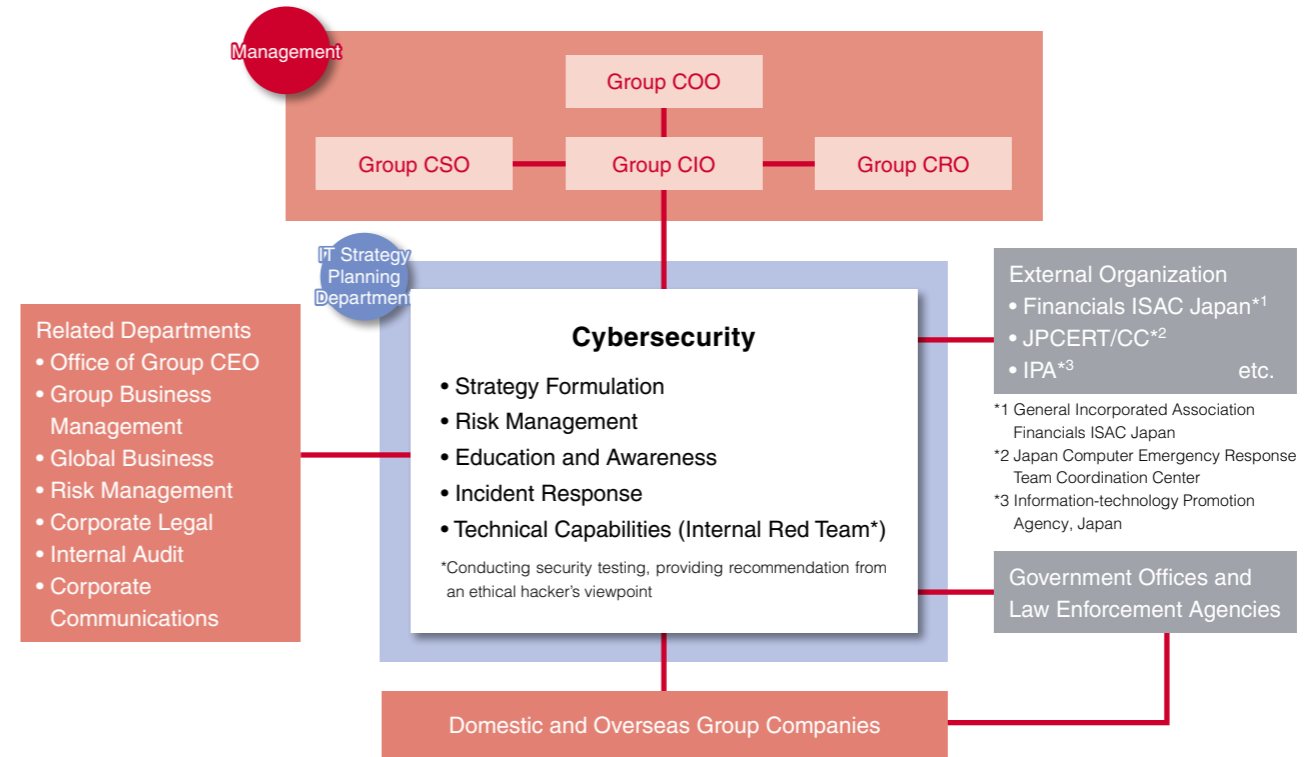
Structure

A team of cyber experts that transcends departmental boundaries

Cybersecurity is a domain in which the environment is constantly changing, and knowledge and application of cutting-edge technologies are required. We have therefore established a Cyber Center of Excellence (COE) structure within SOMPO Holdings, and this specialized team is playing a central role in promoting effective enhancement of the structure based on a division of roles among the companies. The policy and direction have been decided based on discussions by relevant executives, led by the Group CIO. In particular, in addition to the IT departments, the Office of Group CEO, Group Business Management Department, Risk Management Department, and other related departments are working together to strengthen resilience, which requires action that transcends departmental boundaries. Similarly, in preparation for the occurrence of security incidents, we have established HD-CSIRT (Computer Security Incident Response Team) within Sompo Holdings. In this way, we have an organizational structure in place that enables quick and timely actions, including information sharing, decision-making, and forensic investigations, in response to a variety of emergencies. HD-CSIRT also collaborates with other companies in the industry and security-related organizations to improve the level of maturity not only of the Group but also of the entire security community.

Global risk response framework

Cyber risk knows no borders. To address this global risk, we have established cybersecurity response centers overseas as well as in Tokyo. These cyber units at overseas bases are staffed by highly knowledgeable and skilled “white hat hackers” who conduct various security tests, train each company’s security personnel, and conduct research and investigations of cyber technology. We also conduct cyber patrol activities to monitor Internet assets regardless of country or region. During normal (non-emergency) times, security personnel monitor the safety of assets within the Group to find urgent vulnerabilities and identify suspected information leaks, monitor the behavior of attackers, and raise awareness and provide technical support to the entire Group.



*Structure for FY2023



Monitoring work by the SOC (Security Operation Center) team

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Initiatives

Activity and Result

Nurturing cybersecurity personnel

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



Cyber Tech Talk at the Cyber Lab

Adapting to new technologies

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



Cyber Lab set up at the headquarters in Shinjuku

Fostering a culture of security and security education

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

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



Security newsletter distributed to Group company personnel

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ESG Risk Management



Basic concept and policy

Concept and Policy

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

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

Policy for ESG-related Underwriting, Investment and Loan

Advancing the Energy Transition

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

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

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

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

We have been a signatory to the United Nation's Principles for Sustainable Insurance (PSI) and Principles for Responsible Investment (PRI) for several years, and in order to more proactively realize the goals of the Paris Agreement, the Group has recently joined the Net Zero Asset Owner Alliance (NZAOA), and the Net Zero Asset Managers Initiative (NZAM). We aim to support our customers on their sustainability journey, working with them to reduce their carbon footprint.

Advancing Social Equity

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

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

In addition, when underwriting insurance and making investments and loans, and when entering into new partnerships with each of our business partners (brokers, reinsurers, investment managers, lessees, vendors, etc.), we take into consideration our Group's Sustainability related vision and policies.

Aspiring for Excellence in Governance

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

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

*1 We may carefully consider and respond to cases where there are innovative technologies such as Carbon Dioxide Capture, Utilization, and Storage (CCS, CCUS), carbon recycling, ammonia co-firing, or other innovative technologies in place that are expected to reduce GHG emissions and contribute to the realization of the Paris Agreement.

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

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

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ESG Risk Management

Sensitive projects and sectors

Concept and Policy

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

Underwriting

With respect to insurance underwriting projects that may have a negative impact on the environment and society, in addition to anti-social forces, to which underwriting is prohibited, we identify businesses to be targeted as shown in the table below, evaluate their negative impact on the environment and society, and carefully respond; for example, when necessary, the Sustainability Department will discuss countermeasures from an ESG perspective with the Sales Department and Underwriting Department.

Investment and loans

With respect to investment and loan projects that may have a negative impact on the environment and society, in addition to cluster bomb manufacturers, to which investment and loans are prohibited, we identify projects to be targeted as shown in the table below, evaluate their negative impact on the environment and society, and carefully respond.

List of sensitive projects/sectors

Category	Related to
Environmental	<ul style="list-style-type: none"> ■ Projects with negative impact on UNESCO World Heritage Sites ■ Projects with negative impact on Ramsar-listed wetlands
Social	<ul style="list-style-type: none"> ■ Human rights violations Projects on Child labor and Forced labor ■ Inhumane weapons Nuclear, biological or chemical weapons, anti-personnel mines and other inhumane weapons

ESG risk response structure

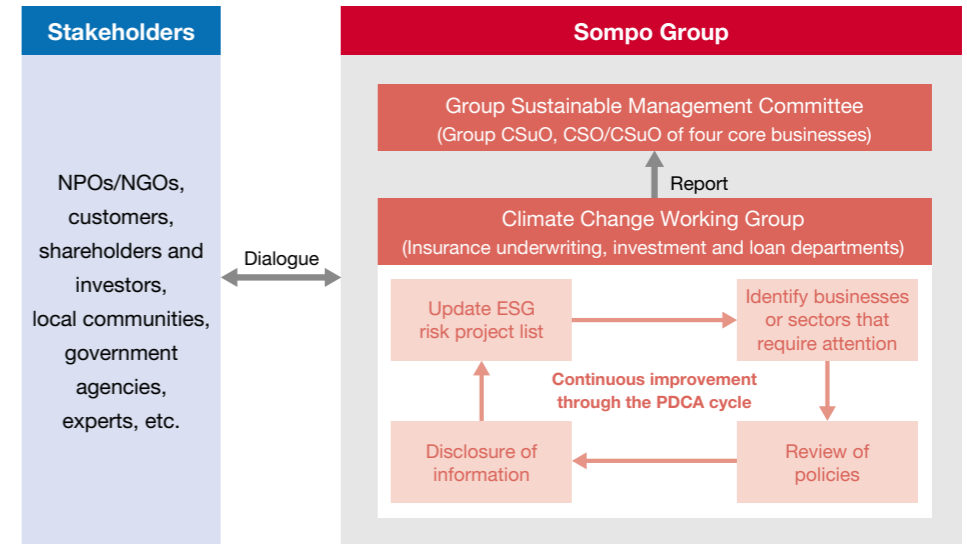
Structure

ESG risk management through the ERM framework

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

Incorporating ESG factors into business processes

When there are concerns recognized as highly important in businesses such as underwriting, investments, and loans, after collecting information from and exchanging opinions with stakeholders, the Group Sustainable Management Committee and its subordinate organizations hold discussions and regularly update the list of projects that pose an ESG risk, identify businesses and sectors that require attention, and revise various relevant policies. In fiscal 2022, the list of projects that pose an ESG risk was updated to 67 projects.



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General information on data

To identify our ESG-related issues, we have conducted ESG surveys targeting our Group companies since fiscal year 2011. The tables below show our major ESG data, as obtained from the survey results. The survey is conducted on Sompo Holdings and its consolidated companies in and outside Japan.

Organizations surveyed in FY2022

- | | |
|--|--|
| <p><Company Name></p> <ul style="list-style-type: none"> • Sompo Holdings, Inc. • Sompo Japan Insurance Inc. • SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED • Sompo Japan Partners Inc. • Mysurance Inc. • Sompo International Holdings Ltd. • Endurance Specialty Insurance Ltd. • Endurance Assurance Corporation • Endurance Worldwide Insurance Limited • SI Insurance (Europe), SA • Sompo Sigorta Anonim Sirketi | <ul style="list-style-type: none"> • Sompo Holdings (Asia) Pte. Ltd. • Berjaya Sompo Insurance Berhad • Sompo Seguros S.A. • Sompo Himawari Life Insurance Inc. • Sompo Care Inc. • ND Software Co.,Ltd. • Sompo Warranty Inc. • SOMPO Light Vortex Inc. • Sompo Asset Management Co.,Ltd. • Sompo Japan DC Securities Inc. • Sompo Risk Management Inc. • Sompo Health Support Inc. • Other 52 companies |
|--|--|

Scope of the report and coverage ratio

Scope of the report by category		Coverage ratio based on sales revenue*1		
Consolidated companies in Japan	Sompo Japan	67.1%	52.9%	100%
	Other group companies		14.2%	
Overseas consolidated companies		32.9%	32.9%	

*1 Formula for coverage ratio

$$\text{Coverage ratio (\%)} = \frac{\text{Total sales revenue of Group companies that responded to survey}}{\text{Total sales revenue of Group companies subject to survey}} \times 100$$

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

Reporting period

[1] Companies with head office in Japan

Unless otherwise stated, data reported are for fiscal year 2022 (April 2022 to March 2023).

[2] Companies other than [1]

Unless otherwise stated, data reported are for calendar year 2022 (January to December 2022).

Changes in the scope of data acquisition

- FY2021: Expansion of the scope of data acquisition through the acquisition of Diversified Crop Insurance Services (2020)
- FY2022: Expansion of the scope of data acquisition through establishment of SOMPO Light Vortex (2021) and acquisition of ND Software (2022)

Group employee data

Number of employees (by employment status)

Item	Unit	Male	Female	Total
Regular employees	People	20,651	28,406	49,057
Temporary employees	People	1,501	12,717	14,218
Total	People	22,152	41,123	63,275

Number of employees (by region)

Item	Unit	Japan	Asia & Middle East	Europe & North/South America	Total
Regular employees	People	41,590	1,586	5,881	49,057
Temporary employees	People	14,159	13	46	14,218
Total	People	55,749	1,599	5,927	63,275

*1 Number of employees by region (except Japan) is calculated based on the locations of consolidated companies under Sompo International.
*2 Employees of Sompo Holdings, Sompo Japan, Sompo Himawari Life, and Sompo Care of which 99.54% are Japanese nationals, 0.43% are Asian nationals, and 0.03% are U.S. or European nationals.

Reporting of greenhouse gas (GHG)

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

Scope	Category	Activity items subject to calculation
Scope 1	Direct emissions	City gas consumption, class A heavy oil consumption, kerosene consumption, LPG consumption, fuel consumption by company fleets
Scope 2	Indirect emissions from energy sources	Electricity consumption, heat (steam) consumption
Scope 3	Category1	Purchased goods & services
	Category3	Fuel- and energy-related activities not included in Scope 1 and 2
	Category4	Upstream transportation & distribution
	Category5	Waste generated in operations
	Category6	Business travel
Scope 3	Category7	Employee commuting
	Category15	Investments (Equities)
	Category15	Investments (Bonds)

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Environmental performance data

Environmental data										
Item	Unit	FY2019	FY2020	FY2021	FY2022	Companies covered			Third-Party Assurance	
						Consolidated companies in Japan		Overseas consolidated companies		
						Sompo Japan	Other group companies			
GHG (Scope 1-3) Total (excluding Scope 3 Category 15)	t-CO ₂ e	297,974	265,156	233,962	239,554	●	●	●	✓	
GHG (Scope 1)	t-CO ₂ e	34,763	30,354	26,663	28,209	●	●	●	✓	
GHG (Scope 2)	t-CO ₂ e	148,343	141,274	120,251	116,611	●	●	●	✓	
Total (excluding Category 15)	t-CO ₂ e	114,868	93,527	87,048	94,734	●	●	●	✓	
Category1	t-CO ₂ e	15,198	12,975	11,151	12,893	●	●	●	✓	
Category3	t-CO ₂ e	32,057	30,467	27,935	27,741	●	●	●	✓	
Category4	t-CO ₂ e	16,097	15,096	11,810	11,207	●	●	●	✓	
Category5	t-CO ₂ e	14,335	13,351	13,247	15,192	●	●	●	✓	
Category6	t-CO ₂ e	21,960	6,514	7,457	15,305	●	●	●	✓	
Category7	t-CO ₂ e	15,220	15,124	15,448	12,395	●	●	●	✓	
Category15	Equities	t-CO ₂ e	1,013,157	948,530	931,821	—	●	●	●	✓
	Bonds	t-CO ₂ e	1,059,379	906,207	909,893	—	●	●	●	✓
Total GHG emissions per employee	t-CO ₂ e	4.66	4.22	3.78	3.79	●	●	●	✓	
City gas consumption	m ³ -N	3,540,788	3,308,645	3,533,791	3,587,303	●	●	●	✓	
Class A heavy oil consumption	kℓ	195	193	161	21	●	●	●	✓	
Kerosene consumption	kℓ	243	229	274	223	●	●	●	✓	
LPG consumption	t	1,730	1,649	259	258	●	●	●	✓	
Fuel consumption by company fleets	kℓ	8,571	7,050	7,069	7,400	●	●	●	✓	
Electricity consumption	kWh	304,203,466	297,620,074	276,342,950	269,387,782	●	●	●	✓	
Heat (steam) consumption	MJ	92,018,627	91,529,224	89,600,884	93,542,484	●	●	●	✓	
Paper consumption	t	8,129	6,821	5,771	6,157	●	●	●	✓	
Clean water usage	kℓ	349,465	247,222	1,727,914	3,089,640	●	●	●	✓	
Wastewater discharge	kℓ	326,872	223,481	1,747,207	3,064,254	●	●	●	✓	
Total amount of waste generated	t	16,958	13,916	13,378	14,689	●	●	●	✓	
Amount of waste recycled	t	4,816	3,253	3,496	3,423	●	●	●	✓	
Amount of non-recycled waste (total amount disposed)	t	12,142	10,663	9,883	11,266	●	●	●	✓	
Breakdown by disposal method	landfill	t	14	25	313	13	●	●	●	✓
	Incineration (with thermal)	t	12,128	10,638	9,491	11,002	●	●	●	✓
	Incineration (without thermal)	t	0	0	75	10	●	●	●	✓
	Other Dispositions	t	0	0	4	240	●	●	●	✓
Disposal method unknown	t	0	0	0	0	●	●	●	✓	
Total floor space	m ²	1,517,474	1,499,409	1,465,009	1,398,415	●	●	●	✓	
Share of green purchasing	%	52.2	52.3	47.0	45.9	●	●	●	✓	
Human development of environmental field	Attendees of Public Seminars on the Environment	Persons	1,173	7,176	5,610	7,146	—	—	—	✓
	Participants of CSO Learning Program	Persons	55	43	78	75	—	—	—	✓
	Participants of SAVE JAPAN Project	Persons	2,652	1,502	907	2,517	—	—	—	✓

*1 The Group has been received an annual Assurance Statement by a third-party certification organization. The coverage of the survey is Sompo Holdings, Inc., and main consolidated subsidiaries, and in the process of data collection in FY2022, we reviewed and recalculated the data collected and calculated prior to FY2021.

*2 Total floor space includes the results of Sompo Holding and its domestic and overseas consolidated subsidiaries, excluding Sompo Care.

*3 The "Public Seminars on the Environment" has shifted from a traditional face-to-face format to an online program from FY2020 onward.

*4 The number of participants in the "SAVE JAPAN Project" includes participants in online-type events.

GHG emissions from investments and loans (Scope 3, Category 15)

We calculate the GHG emissions of the companies to which our group invest, using a calculation method that is being studied and developed by the Partnership for Carbon Accounting Financials (hereinafter referred to as PCAF), and targets the GHG emissions reductions.

The scope of the calculation is Scope 1 and Scope 2 GHG emissions of companies issuing listed equities and corporate bonds for which the calculation method has been developed by the PCAF.

Asset class		Unit	FY2019	FY2020	FY2021
Equities	Total GHG emission	t-CO ₂ e	1,013,157	948,530	931,821
	Weighted average carbon intensity of investee (WACI)	t-CO ₂ e/Million USD	119.60	100.58	125.05
Bonds	Total GHG emission	t-CO ₂ e	1,059,379	906,207	909,893
	Weighted average carbon intensity of investee (WACI)	t-CO ₂ e/Million USD	121.07	133.77	167.04

*1 WACI stands for Weighted Average Carbon Intensity. The WACI calculation method has changed from the 2021 figures.

*2 Calculated using data provided by MSCI ESG Research for Scope 1 and Scope 2 listed equities and corporate bonds in Japan and overseas (Coverage: 86.4% of listed equities and 81.6% of corporate bonds in FY2021 on a market value basis.).

*3 GHG emissions are our company's share of the investee's EVIC (Enterprise Value Including Cash) base, and WACI is the weighted average of GHG emissions per unit of sales for each investee's portfolio holdings.

*4 This report contains information (the "Information") sourced from MSCI Inc., its affiliates or information providers (the "MSCI Parties") and may have been used to calculate scores, ratings or other indicators. The Information is for internal use only, and may not be reproduced/redisseminated in any form, or used as a basis for or a component of any financial instruments or products or indices. The MSCI Parties do not warrant or guarantee the originality, accuracy and/or completeness of any data or Information herein and expressly disclaim all express or implied warranties, including of merchantability and fitness for a particular purpose. The Information is not intended to constitute investment advice or a recommendation to make (or refrain from making) any investment decision and may not be relied on as such, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the MSCI Parties shall have any liability for any errors or omissions in connection with any data or Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

*5 Numerical data may be adjusted retroactively.

Environmental accounting (FY2022 GHG reduction investment cost and effect)

Item	Amount Invested (JPY)	Investment Effect (JPY)	Reduction in GHG (t-CO ₂ e)
Scope1 and 2	853,146,900	19,806,077	464.7

*The amount invested in FY2022 is mainly the total cost of energy-saving construction work, such as work to upgrade air conditioning equipment in our Group-owned buildings. The investment effect is calculated based mainly on the reduction in the consumption of electricity as a result of energy-saving construction work on our Group-owned buildings. Note that although the investment amount for one fiscal year is shown, the CO₂ reduction effects will continue over the long term.

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Item		Unit	FY2019	FY2020	FY2021	FY2022	Companies covered			Third-Party Assurance
							Consolidated companies in Japan		Overseas consolidated companies	
							Sompo Japan	Other group companies		
Executive or higher	Male	Persons	214	188	355	348				
	Female	Persons	16	19	35	45	●	●	●	
	Total	Persons	230	207	390	393				
Department manager level or higher but lower than executive	Male	Persons	837	821	1,103	1,075				
	Female	Persons	164	178	229	244	●	●	●	
	Total	Persons	1,001	999	1,332	1,319				
Section manager level or higher but lower than department manager level	Male	Persons	2,642	3,014	3,926	4,015				
	Female	Persons	794	1,060	1,614	1,748	●	●	●	
	Total	Persons	3,436	4,074	5,540	5,763				
Ratio of female employees in managerial positions		%	23.8	24.2	26.8	28.1	●	●	●	
Share of female in management positions in revenue-generating functions		%	18.0	22.0	24.1	25.5	●	●	●	
Share of female in STEM-related positions		%	36.9	32.2	41.0	33.8	●	●	●	
Ratio of employees with disabilities		%	2.29	2.42	2.45	2.41	●	●	●	
Union membership rate		%	98.0	98.0	97.9	97.9	●	●		
Total number of new employee hires	Male	Persons	1,590	1,243	1,641	1,943				
	Female	Persons	4,504	3,720	3,896	4,631				
	Total	Persons	6,094	4,963	5,537	6,574	●	●	●	
	Managerial position	Persons	60	41	149	190				
	Non-managerial position	Persons	6,034	4,922	5,388	6,384				
Total		Persons	6,094	4,963	5,537	6,574				
Percentage of job openings filled by internal candidates		%	100	100	100	100		●		
Rate of internal promotion to management		%	—	—	—	93.8		●		
Number of employees who took childcare leave	Male	Persons	377	443	516	472				
	Female	Persons	2,045	2,090	2,005	2,035	●	●	●	
	Total	Persons	2,422	2,533	2,521	2,507				
Average number of days taken off work for childcare leave by employees	Male	Days	5.6	6.8	8.6	18.6				
	Female	Days	183.0	183.6	178.8	183.3	●	●	●	
	Total	Days	155.4	152.7	144.0	152.3				
Number of employees who took childcare support system (Shorter work hour system +Earlier/later work hour system)		Persons	2,724	2,839	2,900	2,965	●	●	●	
Number of employees who took family care leave	Male	Persons	50	22	32	36				
	Female	Persons	90	70	71	74	●	●	●	
	Total	Persons	140	92	103	110				
Gender wage gap (Average female wage/average male wage)	All employees	%	—	—	—	45.5				
	Regular employment	%	—	—	—	52.0	●	●	●	
	Non-regular employment	%	—	—	—	50.8				
Number of employees using telecommuting system		Persons	13,241	31,008	28,769	26,036	●	●	●	
Number of employees who used flextime work system		Persons	2,354	4,333	3,941	3,889	●	●	●	
Ratio of flextime work system use		%	6.8	12.3	11.6	11.5	●	●	●	
Ratio of paid vacation use		%	67.0	70.8	72.9	76.0	●	●	●	
Occupational accident frequency rate		—	5.71	6.07	5.44	5.22	●	●	●	

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Item	Unit	FY2019	FY2020	FY2021	FY2022	Companies covered			Third-Party Assurance
						Consolidated companies in Japan		Overseas consolidated companies	
						Sompo Japan	Other group companies		
Total days lost due to absenteeism	Days	63,690	59,980	59,037	79,569	●	●	●	✓
Absentee Rate	%	0.42	0.39	0.39	0.51	●	●	●	
Ratio of overtime work	%	10.9	10.4	11.2	11.3	●	●	●	
Employee turnover rate (all)	Total	%	11.2	10.5	11.5	12.0			
	Of these, voluntary	%	8.3	7.8	8.0	9.3			
Employee turnover rate (excluding Nursing Care Business)	Total	%	7.9	6.8	9.1	9.7	●	●	●
	Of these, voluntary	%	4.0	3.0	4.0	5.5			
Employee turnover rate (Nursing Care Business only)	Total	%	18.0	17.3	15.7	15.9			
	Of these, voluntary	%	17.2	16.5	15.0	15.4			
Ratio between CEO compensation and employee average compensation	Total CEO compensation	Million JPY	326	400	432	477			
	Employee compensation (average amount)	JPY	11,069,985	11,090,287	11,284,115	12,319,899		●	
	Ratio	Times	29.4	36.1	38.3	38.7			
Employee Engagement	Japan	Point	3.27	3.34	3.46	3.50			
		Response Rate	—	52.0	76.0	72.0			
	Overseas	Point	3.81	4.02	4.02	4.12			
		Response Rate	—	—	91.1	98.0	●	●	●
Percentage of respondents reporting high employee engagement	Japan	%	—	11.0	15.0	17.0			
	Overseas	%	—	—	36.0	48.0			
	Total	%	—	11.0	17.8	19.4			
Customer Satisfaction Rate	%	89.1	89.1	89.2	88.7	●			
Number of volunteers from employees	Persons	39,297	29,730	5,814	5,958	●	●		
Social Contribution	JPY	2,031,288,146	1,830,737,862	1,467,676,195	1,676,276,065	●			

*1 We count the number of male and female employees by position, in FY2019 and FY2020 the number of employees in domestic consolidated companies and overseas consolidated companies, and from FY2021 onwards the number of employees in domestic group companies and overseas consolidated companies.
 *2 We count the share of women in management positions responsible for revenue-generating functions among managers in departments involved in the output of products and services, such as sales, with the exception of support departments such as HR, legal, and IT.
 *3 We count STEM (Science, Technology, Engineering, or Mathematics) related employees who have skills on mathematic or IoT such as actuaries, web developer, etc.
 *4 We calculate the gender wage gap based on the provisions of the "Act on the Promotion of Women's Active Engagement in Professional Life" (Law No. 64, 2015).
 *5 We have a provision for paid maternity and paternity leave over and above the legal requirement.
 *6 We use Q12 provided by Gallup in our engagement surveys.
 *7 Sompo Japan conducts customer satisfaction survey to customers who were involved in car accidents by sending them questionnaire upon insurance payment.
 *8 In FY2020, the total number of Group employees and agency employees participating was counted; In FY2021 and FY2022, due to a change in data aggregation methods, only the number of Group employees participating was counted.
 *9 Absentee Rate is a Total number of days lost due to absenteeism ÷ Number of scheduled working days per year ÷ Total number of employees × 100 at SOMPO Holdings and major domestic and overseas consolidated companies.

Amount of contributions to initiatives in FY2022

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

(Currency: JPY)

Purpose	Addressing social issues by cooperating with below initiatives				
	WBCSD	UNGC	Council for Better Corporate Citizenship	UNEP FI	UN PRI
Amount of Contribution	11,314,000	1,110,000	220,000	3,057,901	1,481,266

Contributions to trade associations or tax-exempt trade associations are as follows.
 FY2019: JPY 243,869,052; FY2020: JPY 156,266,712; FY2021: JPY 147,841,122; FY2022: JPY 133,798,540

Training & development inputs

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

*Data covers the amount of Sompo Japan and Himawari Life for FY2021, and for Sompo Holdings, Sompo Japan, Himawari Life, and Sompo Care for FY2022.

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Wage ratio by gender (by position)

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

The main reason for the difference in wages between men and women among regular workers is the relatively high wage levels of occupations (IT, digital, etc.) and the high ratio of men in managerial positions. If they are the same, we have a wage system in which there is no difference in wages due to gender.

Item	Unit	FY2022	Companies covered		
			Consolidated companies in Japan		Overseas consolidated companies
			Sompo Japan	Other group companies	
Officers	base salary only	%	112.7	●	
	base salary + other cash incentives	%	90.1		
Managers	base salary only	%	84.3	●	
	base salary + other cash incentives	%	83.3		
Non-managerial positions	base salary only	%	55.3	●	

*The wage ratio is the ratio of the average wage for women to the average wage for men.

Third-party assurance

About third-party assurance

To ensure the reliability of reported numbers, Sompo Holdings has received third-party assurance from British Standards Institution (BSI) for some of the environmental and social performance data for fiscal year 2022.

The relevant data is indicated with a checkmark (✓) in the below link "Environmental and Social Data."

Web [Assurance Statement \(Environment Performance Data FY2022\)](#)
[Assurance Statement \(Social Performance Data FY2022\)](#)

Independent Evaluation

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

Recognition

Recognized with prestigious A score for Climate Action by CDP

Sompo Holdings

Sompo Holdings was selected as "The Climate A List" for the seventh time by global environment non-profit CDP. CDP is a collaborative initiative by the world's leading institutional investors to encourage businesses worldwide to adopt climate change strategies and disclose their GHG emissions.



(February 2024)

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

Sompo Holdings

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

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



(December 2023)

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

Sompo Risk Management

Sompo Risk Management received the highest ranked "S" rating for the tenth consecutive year among the registered and certified institutions in the Tokyo Cap-and-Trade Program.

(March 2023)

[Web Information Technology Federation of Japan \(IT-renmei\)](#)

Certification

Certified as a 2023 Health & Productivity Management Outstanding Organization (White 500)

For the seventh consecutive year, we have been selected as one of the 2023 Health & Productivity Management Outstanding Organizations (White), which is jointly awarded by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) in recognition of companies that excel in health and productivity management*. In addition, 22 SOMPO Group companies were certified as 2023 Health & Productivity Management Outstanding Organizations in the Large Enterprise Category and Small and Medium Enterprise Category by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council), with eight of these companies being certified as 2023 Health & Productivity Management Outstanding Organizations in the Large Enterprise Category (White 500).

*"Health and productivity management" is a registered trademark of the Workshop for the Management of Health on Company and Employee.

[Certified Group Companies]

■ Health & Productivity Management Outstanding Organization (White 500)

- Sompo Holdings, Inc. (seven consecutive years)
- Sompo Japan Insurance Inc. (seven consecutive years)
- Sompo Himawari Life Insurance Inc. (seven consecutive years)
- Sompo Health Support Inc. (seven consecutive years)
- Prime Assistance Inc. (five consecutive years)
- Sompo Japan Partners Inc. (four consecutive years)
- Sompo Corporate Service Inc. (three consecutive years)
- SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (first recognition)

■ Health & Productivity Management Outstanding Organizations (Large Enterprise Category)

- Sompo Risk Management Inc. (seven consecutive years)
- Sompo Business Services, Inc. (seven consecutive years)
- Sompo Communications Inc. (five consecutive years)
- Sompo Japan Career Bureau, Inc. (five consecutive years)
- Sompo Systems, Inc. (four consecutive years)
- Sompo Care, Inc. (two consecutive years)

■ Health & Productivity Management Outstanding Organizations (Small and Medium-sized Enterprise Category)

- Wellness Communications Corporation (five consecutive years)
- Sompo Asset Management Co., Ltd. (four consecutive years)
- Sompo Japan DC Securities Inc. (three consecutive years)
- Sompo Business Solutions Inc. (three consecutive years)
- Sompo Commercial Line Claims Support Inc. (three consecutive years)
- Sompo Credit Inc. (three consecutive years)
- Sompo Warranty Inc. (three consecutive years)
- Sompo Challenged Inc. (two consecutive years)



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Inclusion in ESG Related Indices

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

Dow Jones Sustainability Indices

Sompo Holdings

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



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

FTSE4Good Index Series

Sompo Holdings

The FTSE4Good Index Series is a group of SRI indexes that evaluate the performances of companies that meet globally recognized corporate responsibility standards, including such ESG issues as aspects on environment and human rights.



FTSE Blossom Japan Index/ FTSE Blossom Japan Sector Relative Index

Sompo Holdings

The FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index are created by the global index provider FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) and are used by a wide variety of market participants to create and assess responsible investment funds and other products.

The FTSE Blossom Japan Index is designed to measure the performance of Japanese companies demonstrating strong Environmental, Social and Governance (ESG) practices.

The FTSE Blossom Japan Sector Relative Index reflects the performance of Japanese companies that demonstrate outstanding Environmental, Social and Governance (ESG) practices relative to their respective sectors and is designed to be sector neutral. To promote the transition to a low-carbon economy, it also features an assessment of corporate climate change initiatives and governance.



MSCI ESG Leaders Indexes

Sompo Holdings

These indexes comprise companies from various industries that have earned high evaluations in relation to the environment, society, and governance.



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

MSCI Japan ESG Select Leaders Index

Sompo Holdings

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



MSCI Japan Empowering Women Index (WIN)

Sompo Holdings

MSCI Japan Empowering Women Index (WIN) is designed to select companies with high evaluation in gender diversity from among the MSCI Japan IMI Top 500 Index.



S&P/JPX Carbon Efficient Index

Sompo Holdings

This is an index that weights constituent stocks by focusing on the status of disclosure of environmental information and the level of carbon efficiency (carbon emissions per unit sales) within TOPIX, a representative stock index reflecting the trend of the Japanese market.



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Comparative Table of Stakeholder Capitalism Metrics

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

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

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

Principle of Governance		
Theme	Core metrics and disclosures	Page References
Governing purpose	<p>Setting purpose The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.</p>	<p>Toward the Realization of SOMPO's Purpose The Group Management Philosophy, Purpose, Materiality Integrated Annual Report 2023 (P.44-45 Value Creation Cycle)</p>
Quality of governing body	<p>Governance body composition Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.</p>	<p>Integrated Annual Report 2023 (P.94-121 Governance) Corporate Governance Management System ESG Data (Governance Data)</p>
Stakeholder engagement	<p>Material issues impacting stakeholders A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.</p>	<p>Stakeholder Engagement SDG-Based Management Progress Towards our Materiality and KPIs Building ESG Considerations Into Our Operations</p>
Ethical behavior	<p>Anti-corruption 1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.</p> <p>Protected ethics advice and reporting mechanisms A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organizational integrity; and 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.</p>	<p>Compliance System Overview of the Status of Internal Control System ESG Data (Governance Data)</p> <p>Overview of the Status of Internal Control System Stakeholder Engagement Building ESG Considerations Into Our Operations</p>
Risk and opportunity oversight	<p>Integrating risk and opportunity into business process Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.</p>	<p>Integrated Annual Report 2023 (P.112-113 Enterprise Risk Management (ERM)) Response to Recommendations of the Task Force on Climate-related Financial Disclosures SDG-Based Management Progress Towards our Materiality and KPIs</p>

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Theme	Expanded metrics and disclosures	Page References
Governing purpose	Purpose-led management How the company's stated purpose is embedded in company strategies, policies and goals.	SDG-Based Management Progress Towards our Materiality and KPIs Integrated Annual Report 2023 (P.44-45 Value Creation Cycle)
Quality of governing body	Progress against strategic milestones Disclosure of the material strategic economic, environmental and social milestones expected to be achieved in the following year, such milestones achieved from the previous year, and how those milestones are expected to or have contributed to long-term value.	Progress Towards our Materiality and KPIs
	Remuneration 1. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental and social topics, as connected to the company's stated purpose, strategy and long-term value. 2. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: <ul style="list-style-type: none"> • Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses and deferred or vested shares • Sign-on bonuses or recruitment incentive payments • Termination payments • Clawbacks • Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives and all other employees 	Integrated Annual Report 2023 (P.108-111 Executive compensation structure) ESG Data (Governance Data) Remuneration, etc., for Officers
Risk and opportunity oversight	Economic, environmental and social topics in capital allocation framework How the highest governance body considers economic, environmental and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments	Corporate Governance Policy Management Structure of Corporate Governance Management System SDG-Based Management
Planet		
Theme	Core metrics and disclosures	Page References
Climate change	Greenhouse gas (GHG) emissions For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO ₂ e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	ESG Data (Environmental Performance Data)
	TCFD implementation Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	Response to Recommendations of the Task Force on Climate-related Financial Disclosures
Nature loss	Land use and ecological sensitivity Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	Information unavailable. Will collect/ analyze information and work toward its disclosure.
Freshwater availability	Water consumption and withdrawal in water-stressed areas Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	ESG Data (Environmental Performance Data)

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Theme	Expanded metrics and disclosures	Page References
Climate change	<p>Paris-aligned GHG emissions targets Define and report progress against time-bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. This should include defining a date before 2050 by which you will achieve net-zero greenhouse gas emissions, and interim reduction targets based on the methodologies provided by the Science Based Targets initiative, if applicable. If an alternative approach is taken, disclose the methodology used to calculate the targets and the basis on which they deliver on the goals of the Paris Agreement.</p>	<p>Response to Recommendations of the Task Force on Climate-related Financial Disclosures SOMPO Climate Action Integrated Annual Report 2023 (P.88-93 Climate Action)</p>
	<p>Impact of GHG emissions Report wherever material along the value chain (GHG Protocol Scope 1, 2 & 3) the valued impact of greenhouse gas emissions. Disclose the estimate of the societal cost of carbon used and the source or basis for this estimate.</p>	<p>ESG Data (Reporting of Greenhouse Gases (GHGs))</p>
People		
Theme	Core metrics and disclosures	Page References
Dignity and equality	<p>Diversity and inclusion Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).</p>	<p>Key Initiatives (Employees - Diversity & Inclusion) ESG Data (Social Performance Data)</p>
	<p>Pay equality Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.</p>	<p>ESG Data (Social Performance Data)</p>
	<p>Wage level 1. Ratios of standard entry level wage by gender compared to local minimum wage. 2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.</p>	<p>ESG Data (Social Performance Data)</p>
	<p>Risk for incidents of child, forced or compulsory labour An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.</p>	<p>Key Initiatives (Employees - Respect for Human Dignity and Rights)</p>
Health and well-being	<p>Health and safety 1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.</p>	<p>ESG Data (Social Performance Data) Key Initiatives (Employees - Wellness Management)</p>
Skills for the future	<p>Training provided Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).</p>	<p>ESG Data (Training & Development Inputs)</p>

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Theme	Expanded metrics and disclosures	Page References
Dignity and equality	Pay gap 1. Mean pay gap of basic salary and remuneration of full-time relevant employees based on gender (women to men) and indicators of diversity (e.g. BAME to non-BAME) at a company level or by significant location of operation. 2. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	ESG Data (Social Performance Data)
	Discrimination and harassment incidents and the total amount of monetary losses Number of discrimination and harassment incidents, status of the incidents and actions taken, and the total amount of monetary losses as a result of legal proceedings associated with: a) law violations; and b) employment discrimination.	ESG Data (Governance Data)
	Freedom of association and collective bargaining at risk 1. Percentage of active workforce covered under collective bargaining agreements. 2. An explanation of the assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk, including measures taken by the organization to address these risks.	ESG Data (Social Performance Data)
	Human rights review, grievance impact and modern slavery 1. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country	Key Initiatives (Employees - Respect for Human Dignity and Rights)
Health and well-being	Employee well-being 1. The number of fatalities as a result of work-related ill-health, recordable work-related ill-health injuries, and the main types of work-related ill-health for all employees and workers. 2. a) Percentage of employees participating in "best practice" health and well-being programmes, and b) Absentee rate (AR) of all employees.	ESG Data (Social Performance Data)
Prosperity		
Theme	Core metrics and disclosures	Page References
Employment and wealth generation	Absolute number and rate of employment Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	ESG Data (Social Performance Data)
	Economic contribution 1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: <ul style="list-style-type: none"> • Revenues • Operating costs • Employee wages and benefits • Payments to providers of capital • Payments to government • Community investment 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	Investor Materials ESG Data (Social Performance Data)
	Financial investment contribution Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	Integrated Annual Report 2023 (P.145-148 Consolidated Financial Statements)

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Innovation of better products and services	Total R&D expenses Total costs related to research and development.	IR Presentation—Progress of Mid-Term Management Plan (May 2023) (P.14)
Community and social vitality	Total tax paid The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	Investor Materials
Theme	Expanded metrics and disclosures	Page References
Employment and wealth generation	Infrastructure investments and services supported Qualitative disclosure to describe the below components: 1. Extent of development of significant infrastructure investments and services supported. 2. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. 3. Whether these investments and services are commercial, in-kind or pro bono engagements.	Key Initiatives (Stockholders / Investors - Our Response to the Stewardship Code) Key Initiatives (Communities - Socially Beneficial Activity by Our Employees) Key Initiatives (Communities - Contributing to Community through the Arts and Culture) Key Initiatives (Communities - Support for Areas Affected by Major Disasters)
	Significant indirect economic impacts 1. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. 2. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities (e.g. national and international standards, protocols, policy agendas).	SDG-Based Management Key Initiatives (Customers)
Innovation of better products and services	Social value generated Percentage of revenue from products and services designed to deliver specific social benefits or to address specific sustainability challenges	IR Presentation—"egaku" Strategy for Nursing Care and Senior Business (March 2023) Integrated Annual Report 2023 (P.19 Key Financial Performance Indicators)
Community and social vitality	Total Social Investment Total Social Investment (TSI) sums up a company's resources used for "S" in ESG efforts defined by CECP Valuation Guidance.	ESG Data (Amount of Contributions to Initiatives in FY2022)
	Total tax paid by country for significant locations Total tax paid and, if reported, additional tax remitted, by country for significant locations.	Key Initiatives (Stockholders / Investors - Our Response to the Stewardship Code)

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The statement of use; Sompo Group has reported in accordance with the GRI Standards for the period from 1 April 2022 to 31 March 2023.
*It also covers some activities after April 2023.

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

General Disclosures 2021

Disclosures No.	Requirements	Page References (or Reasons for Omission)
The organization and its reporting practices		
2-1	a. report its legal name; b. report its nature of ownership and legal form; c. report the location of its headquarters; d. report its countries of operation.	Web Corporate Profile Web Overseas Insurance
2-2	a. list all its entities included in its sustainability reporting; b. if the organization has audited consolidated financial statements or financial information filed on public record, specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting; c. if the organization consists of multiple entities, explain the approach used for consolidating the information, including: i. whether the approach involves adjustments to information for minority interests; ii. how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities; iii. whether and how the approach differs across the disclosures in this Standard and across material topics.	Editorial Policy (P.1) Sustainability Data (General information on data) (P.123) Web Integrated Annual Report 2023 (P.222-224 Corporate Data, The Company, Subsidiaries, and Affiliates)
2-3	a. specify the reporting period for, and the frequency of, its sustainability reporting; b. specify the reporting period for its financial reporting and, if it does not align with the period for its sustainability reporting, explain the reason for this; c. report the publication date of the report or reported information; d. specify the contact point for questions about the report or reported information.	Editorial Policy (P.1)
2-4	a. report restatements of information made from previous reporting periods and explain: i. the reasons for the restatements; ii. the effect of the restatements.	Not applicable
2-5	a. describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved; b. if the organization's sustainability reporting has been externally assured: i. provide a link or reference to the external assurance report(s) or assurance statement(s); ii. describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; iii. describe the relationship between the organization and the assurance provider.	Third-party assurance (P.127)

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Activities and workers		
2-6	<p>a. report the sector(s) in which it is active;</p> <p>b. describe its value chain, including:</p> <ul style="list-style-type: none"> i. the organization's activities, products, services, and markets served; ii. the organization's supply chain; iii. the entities downstream from the organization and their activities; <p>c. report other relevant business relationships;</p> <p>d. describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared to the previous reporting period.</p>	<ul style="list-style-type: none"> Web Group Businesses Web Corporate Profile Web Financial Highlights Web Value Chain Web Announcement of FY2023 1st Quarter Results
2-7	<p>a. report the total number of employees, and a breakdown of this total by gender and by region;</p> <p>b. report the total number of:</p> <ul style="list-style-type: none"> i. permanent employees, and a breakdown by gender and by region; ii. temporary employees, and a breakdown by gender and by region; iii. non-guaranteed hours employees, and a breakdown by gender and by region; iv. full-time employees, and a breakdown by gender and by region; v. part-time employees, and a breakdown by gender and by region; <p>c. describe the methodologies and assumptions used to compile the data, including whether the numbers are reported:</p> <ul style="list-style-type: none"> i. in head count, full-time equivalent (FTE), or using another methodology; ii. at the end of the reporting period, as an average across the reporting period, or using another methodology; <p>d. report contextual information necessary to understand the data reported under 2-7-a and 2-7-b;</p> <p>e. describe significant fluctuations in the number of employees during the reporting period and between reporting periods.</p>	<ul style="list-style-type: none"> Sustainability Data (Group employee data) (P.123) Sustainability Data (Social performance data) (P.125-127)
2-8	<p>a. report the total number of workers who are not employees and whose work is controlled by the organization and describe:</p> <ul style="list-style-type: none"> i. the most common types of worker and their contractual relationship with the organization; ii. the type of work they perform; <p>b. describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is reported:</p> <ul style="list-style-type: none"> i. in head count, full-time equivalent (FTE), or using another methodology; ii. at the end of the reporting period, as an average across the reporting period, or using another methodology; <p>c. describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods.</p>	<ul style="list-style-type: none"> Sustainability Data (Group employee data) (P.123) Sustainability Data (Social performance data) (P.125-127)
Governance		
2-9	<p>a. describe its governance structure, including committees of the highest governance body;</p> <p>b. list the committees of the highest governance body that are responsible for decisionmaking on and overseeing the management of the organization's impacts on the economy, environment, and people;</p> <p>c. describe the composition of the highest governance body and its committees by:</p> <ul style="list-style-type: none"> i. executive and non-executive members; ii. independence; iii. tenure of members on the governance body; iv. number of other significant positions and commitments held by each member, and the nature of the commitments; v. gender; vi. under-represented social groups; vii. competencies relevant to the impacts of the organization; viii. stakeholder representation. 	<ul style="list-style-type: none"> Sustainability Promotion Structure (P.12) Corporate Governance (P.91-109)

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2-10	<p>a. describe the nomination and selection processes for the highest governance body and its committees;</p> <p>b. describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration:</p> <ul style="list-style-type: none"> i. views of stakeholders (including shareholders); ii. diversity; iii. independence; iv. competencies relevant to the impacts of the organization. 	<p>Sustainability Promotion Structure (P.12)</p> <p>Corporate Governance (P.91-109)</p>
2-11	<p>a. report whether the chair of the highest governance body is also a senior executive in the organization;</p> <p>b. if the chair is also a senior executive, explain their function within the organization's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated.</p>	<p>Sustainability Promotion Structure (P.12)</p> <p>Corporate Governance (P.91-109)</p>
2-12	<p>a. describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development;</p> <p>b. describe the role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people, including:</p> <ul style="list-style-type: none"> i. whether and how the highest governance body engages with stakeholders to support these processes; ii. how the highest governance body considers the outcomes of these processes; <p>c. describe the role of the highest governance body in reviewing the effectiveness of the organization's processes as described in 2-12-b, and report the frequency of this review.</p>	<p>Purpose, Materiality (P.7-11)</p> <p>Sustainability Promotion Structure (P.12)</p> <p>Corporate Governance (P.91-109)</p> <p>ESG Risk Management (P.121-122)</p>
2-13	<p>a. describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people, including:</p> <ul style="list-style-type: none"> i. whether it has appointed any senior executives with responsibility for the management of impacts; ii. whether it has delegated responsibility for the management of impacts to other employees; <p>b. describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people.</p>	<p>Sustainability Promotion Structure (P.12)</p> <p>Corporate Governance (P.91-109)</p>
2-14	<p>a. report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization's material topics, and if so, describe the process for reviewing and approving the information;</p> <p>b. if the highest governance body is not responsible for reviewing and approving the reported information, including the organization's material topics, explain the reason for this.</p>	<p>Sustainability Promotion Structure (P.12)</p> <p>Corporate Governance (P.91-109)</p>
2-15	<p>a. describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated;</p> <p>b. report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to:</p> <ul style="list-style-type: none"> i. cross-board membership; ii. cross-shareholding with suppliers and other stakeholders; iii. existence of controlling shareholders; iv. related parties, their relationships, transactions, and outstanding balances. 	<p>Sustainability Promotion Structure (P.12)</p> <p>Corporate Governance (P.91-109)</p>
2-16	<p>a. describe whether and how critical concerns are communicated to the highest governance body;</p> <p>b. report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.</p>	<p>Sustainability Promotion Structure (P.12)</p> <p>Corporate Governance (P.91-109)</p>
2-17	<p>a. report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.</p>	<p>Sustainability Promotion Structure (P.12)</p> <p>Corporate Governance (P.91-109)</p>
2-18	<p>a. describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people;</p> <p>b. report whether the evaluations are independent or not, and the frequency of the evaluations;</p> <p>c. describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices.</p>	<p>Sustainability Promotion Structure (P.12)</p> <p>Corporate Governance (P.91-109)</p>

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2-19	<p>a. describe the remuneration policies for members of the highest governance body and senior executives, including:</p> <ul style="list-style-type: none"> i. fixed pay and variable pay; ii. sign-on bonuses or recruitment incentive payments; iii. termination payments; iv. clawbacks; v. retirement benefits; <p>b. describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.</p>	Corporate Governance (P.91-109)
2-20	<p>a. describe the process for designing its remuneration policies and for determining remuneration, including:</p> <ul style="list-style-type: none"> i. whether independent highest governance body members or an independent remuneration committee oversees the process for determining remuneration; ii. how the views of stakeholders (including shareholders) regarding remuneration are sought and taken into consideration; iii. whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organization, its highest governance body and senior executives; <p>b. report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable.</p>	Corporate Governance (P.91-109)
2-21	<p>a. report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual);</p> <p>b. report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual);</p> <p>c. report contextual information necessary to understand the data and how the data has been compiled.</p>	Corporate Governance (P.91-109)
Strategy, policies and practices		
2-22	<p>a. report a statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development.</p>	Group CSuO Message (P.6)
2-23	<p>a. describe its policy commitments for responsible business conduct, including:</p> <ul style="list-style-type: none"> i. the authoritative intergovernmental instruments that the commitments reference; ii. whether the commitments stipulate conducting due diligence; iii. whether the commitments stipulate applying the precautionary principle; iv. whether the commitments stipulate respecting human rights; <p>b. describe its specific policy commitment to respect human rights, including:</p> <ul style="list-style-type: none"> i. the internationally recognized human rights that the commitment covers; ii. the categories of stakeholders, including at-risk or vulnerable groups, that the organization gives particular attention to in the commitment; <p>c. provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this;</p> <p>d. report the level at which each of the policy commitments was approved within the organization, including whether this is the most senior level;</p> <p>e. report the extent to which the policy commitments apply to the organization's activities and to its business relationships;</p> <p>f. describe how the policy commitments are communicated to workers, business partners, and other relevant parties.</p>	<p>Group CSuO Message (P.6)</p> <p>SOMPO Climate Action (P.17)</p> <p>Leadership on Global Environmental Issues (P.18)</p> <p>Climate Change (Information Disclosure Based on TCFD Recommendations) (P.19-35)</p> <p>Human Rights (P.51-57)</p> <p>Purpose, Materiality (P.7-11)</p> <p>Sustainability Promotion Structure (P.12)</p> <p>Stakeholder Engagement (P.14)</p> <p>Participation in Sustainability Initiatives (P.15-16)</p> <p>ERM (P.115-116)</p> <p>Sustainability Vision and Policy (P.3-4)</p>
2-24	<p>a. describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including:</p> <ul style="list-style-type: none"> i. how it allocates responsibility to implement the commitments across different levels within the organization; ii. how it integrates the commitments into organizational strategies, operational policies, and operational procedures; iii. how it implements its commitments with and through its business relationships; iv. training that the organization provides on implementing the commitments. 	<p>Human Rights (P.51-57)</p> <p>Compliance (P.110-114)</p> <p>ERM (P.115-116)</p> <p>Web Value Chain</p>

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2-25	<ul style="list-style-type: none"> a. describe its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to; b. describe its approach to identify and address grievances, including the grievance mechanisms that the organization has established or participates in; c. describe other processes by which the organization provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to; d. describe how the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms; e. describe how the organization tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback. 	<ul style="list-style-type: none"> Sustainability Vision and Policy (P.3-4) Human Rights (P.51-57) Compliance (P.110-114)
2-26	<ul style="list-style-type: none"> a. describe the mechanisms for individuals to: <ul style="list-style-type: none"> i. seek advice on implementing the organization's policies and practices for responsible business conduct; ii. raise concerns about the organization's business conduct. 	<ul style="list-style-type: none"> Stakeholder Engagement (P.14) Compliance (P.110-114) ESG Risk Management (P.121-122)
2-27	<ul style="list-style-type: none"> a. report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by: <ul style="list-style-type: none"> i. instances for which fines were incurred; ii. instances for which non-monetary sanctions were incurred; b. report the total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by: <ul style="list-style-type: none"> i. fines for instances of non-compliance with laws and regulations that occurred in the current reporting period; ii. fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods; c. describe the significant instances of non-compliance; d. describe how it has determined significant instances of non-compliance. 	<ul style="list-style-type: none"> Compliance (P.110-114)
2-28	<ul style="list-style-type: none"> a. report industry associations, other membership associations, and national or international advocacy organizations in which it participates in a significant role. 	<ul style="list-style-type: none"> Participation in Sustainability Initiatives (P.15-16)
Stakeholder engagement		
2-29	<ul style="list-style-type: none"> a. describe its approach to engaging with stakeholders, including: <ul style="list-style-type: none"> i. the categories of stakeholders it engages with, and how they are identified; ii. the purpose of the stakeholder engagement; iii. how the organization seeks to ensure meaningful engagement with stakeholders. 	<ul style="list-style-type: none"> Stakeholder Engagement (P.14) ESG Risk Management (P.121-122)
2-30	<ul style="list-style-type: none"> a. report the percentage of total employees covered by collective bargaining agreements; b. for employees not covered by collective bargaining agreements, report whether the organization determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organizations. 	<ul style="list-style-type: none"> Sustainability Data (Social performance data) (P.125-127)

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Material Topics 2021

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Material Topics		
3-1	a. describe the process it has followed to determine its material topics, including: <ul style="list-style-type: none"> i. how it has identified actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, across its activities and business relationships; ii. how it has prioritized the impacts for reporting based on their significance; b. specify the stakeholders and experts whose views have informed the process of determining its material topics.	Purpose, Materiality (P.7-11)
3-2	a. list its material topics; b. report changes to the list of material topics compared to the previous reporting period.	Purpose, Materiality (P.7-11)
3-3	a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: <ul style="list-style-type: none"> i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: <ul style="list-style-type: none"> i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures; f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	Purpose, Materiality (P.7-11) SOMPO Climate Action (P.17) Leadership on Global Environmental Issues (P.18) Climate Change (Information Disclosure Based on TCFD Recommendations) (P.19-35) Human Rights (P.51-57) Sustainability Promotion Structure (P.12) Stakeholder Engagement (P.14) Participation in Sustainability Initiatives (P.15-16)

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Economic

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Economic Performance 2016		
201-1	<p>a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:</p> <ul style="list-style-type: none"> i. Direct economic value generated: revenues; ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments; iii. Economic value retained: "direct economic value generated" less "economic value distributed." <p>b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.</p>	<p>Sustainability Data (Social performance data) (P.125-127)</p>
201-2	<p>a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:</p> <ul style="list-style-type: none"> i. a description of the risk or opportunity and its classification as either physical, regulatory, or other; ii. a description of the impact associated with the risk or opportunity; iii. the financial implications of the risk or opportunity before action is taken; iv. the methods used to manage the risk or opportunity; v. the costs of actions taken to manage the risk or opportunity. 	<p>SOMPO Climate Action (P.17) Leadership on Global Environmental Issues (P.18) Climate Change (Information Disclosure Based on TCFD Recommendations) (P.19-35)</p>
201-3	<p>a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.</p> <p>b. If a separate fund exists to pay the plan's pension liabilities:</p> <ul style="list-style-type: none"> i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them; ii. the basis on which that estimate has been arrived at; iii. when that estimate was made. <p>c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.</p> <p>d. Percentage of salary contributed by employee or employer.</p> <p>e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.</p>	<p>Web Integrated Annual Report 2023 (P.180 Retirement Benefits 1. Outline of retirement benefit plans)</p>
201-4	<p>a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including:</p> <ul style="list-style-type: none"> i. tax relief and tax credits; ii. subsidies; iii. investment grants, research and development grants, and other relevant types of grant; iv. awards; v. royalty holidays; vi. financial assistance from Export Credit Agencies (ECAs); vii. financial incentives; viii. other financial benefits received or receivable from any government for any operation. <p>b. The information in 201-4-a by country.</p> <p>c. Whether, and the extent to which, any government is present in the shareholding structure.</p>	<p>Not applicable</p>

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Indirect Economic impacts 2016		
203-1	<p>a. Extent of development of significant infrastructure investments and services supported.</p> <p>b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.</p> <p>c. Whether these investments and services are commercial, in-kind, or pro bono engagements.</p>	<p>Corporate Citizenship Activities (P.83-86)</p> <p>Initiatives of Supporting Activities and Researches for Social Welfare (P.87-88)</p> <p>Contributing to Community through the Arts and Culture (P.89-90)</p> <p>Sustainability Data (Social performance data) (P.125-127)</p>
203-2	<p>a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.</p> <p>b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.</p>	<p>Climate Change (Information Disclosure Based on TCFD Recommendations) (P.19-35)</p> <p>Financial Inclusion and Promoting Insurance for All Kinds of People and Risks (P.64-65)</p>
Anti-corruption 2016		
205-1	<p>a. Total number and percentage of operations assessed for risks related to corruption.</p> <p>b. Significant risks related to corruption identified through the risk assessment.</p>	<p>Information unavailable. Will collect/ analyze information and work toward its disclosure.</p>
205-2	<p>a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.</p> <p>b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.</p> <p>c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.</p> <p>d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.</p> <p>e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.</p>	<p>Compliance (P.110-114)</p>
205-3	<p>a. Total number and nature of confirmed incidents of corruption.</p> <p>b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.</p> <p>c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.</p> <p>d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.</p>	<p>Information unavailable. Will collect/ analyze information and work toward its disclosure.</p>

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Environmental

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Materials 2016		
301-1	a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by: i. non-renewable materials used; ii. renewable materials used.	Sustainability Data (Environmental performance data) (P.124)
301-2	a. Percentage of recycled input materials used to manufacture the organization's primary products and services.	Sustainability Data (Environmental performance data) (P.124)
301-3	a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected.	Sustainability Data (Environmental performance data) (P.124)
Energy 2016		
302-1	a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used.	Sustainability Data (Environmental performance data) (P.124)
302-2	a. Energy consumption outside of the organization, in joules or multiples. b. Standards, methodologies, assumptions, and/or calculation tools used. c. Source of the conversion factors used.	Sustainability Data (Environmental performance data) (P.124)
302-3	a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both.	Sustainability Data (Environmental performance data) (P.124)
302-4	a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all. c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. d. Standards, methodologies, assumptions, and/or calculation tools used.	Sustainability Data (Environmental performance data) (P.124)
302-5	a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples. b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. c. Standards, methodologies, assumptions, and/or calculation tools used.	Sustainability Data (Environmental performance data) (P.124)

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Biodiversity 2016		
304-1	<p>a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information:</p> <ul style="list-style-type: none"> i. Geographic location; ii. Subsurface and underground land that may be owned, leased, or managed by the organization; iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas; iv. Type of operation (office, manufacturing or production, or extractive); v. Size of operational site in km² (or another unit, if appropriate); vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem); vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation). 	Not applicable.
304-2	<p>a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:</p> <ul style="list-style-type: none"> i. Construction or use of manufacturing plants, mines, and transport infrastructure; ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources); iii. Introduction of invasive species, pests, and pathogens; iv. Reduction of species; v. Habitat conversion; vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level). <p>b. Significant direct and indirect positive and negative impacts with reference to the following:</p> <ul style="list-style-type: none"> i. Species affected; ii. Extent of areas impacted; iii. Duration of impacts; iv. Reversibility or irreversibility of the impacts. 	<p>Biodiversity (P.36-37)</p> <p>Encouraging People to Develop Skills Needed for Environmental Protection (P.38-39)</p>
304-3	<p>a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals.</p> <p>b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.</p> <p>c. Status of each area based on its condition at the close of the reporting period.</p> <p>d. Standards, methodologies, and assumptions used.</p>	<p>Biodiversity (P.36-37)</p> <p>Encouraging People to Develop Skills Needed for Environmental Protection (P.38-39)</p>
304-4	<p>a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk:</p> <ul style="list-style-type: none"> i. Critically endangered ii. Endangered iii. Vulnerable iv. Near threatened v. Least concern 	Not applicable.

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Emissions 2016		
305-1	<ul style="list-style-type: none"> a. Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent. b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all. c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent. d. Base year for the calculation, if applicable, including: <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used. 	<p>Sustainability Data (Environmental performance data) (P.124)</p> <p>Third-party assurance (P.127)</p>
305-2	<ul style="list-style-type: none"> a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent. b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent. c. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all. d. Base year for the calculation, if applicable, including: <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used. 	<p>Sustainability Data (Environmental performance data) (P.124)</p> <p>Third-party assurance (p.127)</p>
305-3	<ul style="list-style-type: none"> a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent. b. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all. c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent. d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation. e. Base year for the calculation, if applicable, including: <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. g. Standards, methodologies, assumptions, and/or calculation tools used. 	<p>Sustainability Data (Environmental performance data) (P.124)</p> <p>Third-party assurance (P.127)</p>
305-4	<ul style="list-style-type: none"> a. GHG emissions intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). d. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all. 	<p>Sustainability Data (Environmental performance data) (P.124)</p>
305-5	<ul style="list-style-type: none"> a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO₂ equivalent. b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all. c. Base year or baseline, including the rationale for choosing it. d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). e. Standards, methodologies, assumptions, and/or calculation tools used. 	<p>Sustainability Data (Environmental performance data) (P.124)</p> <p>Third-party assurance (P.127)</p>

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305-6	a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent. b. Substances included in the calculation. c. Source of the emission factors used. d. Standards, methodologies, assumptions, and/or calculation tools used.	Not applicable.
305-7	a. Significant air emissions, in kilograms or multiples, for each of the following: i. NO _x ii. SO _x iii. Persistent organic pollutants (POP) iv. Volatile organic compounds (VOC) v. Hazardous air pollutants (HAP) vi. Particulate matter (PM) vii. Other standard categories of air emissions identified in relevant regulations b. Source of the emission factors used. c. Standards, methodologies, assumptions, and/or calculation tools used.	Not applicable.

Social

Disclosures No.	Requirements	Page References (or Reasons for Omission)
Training and Education 2016		
404-1	a. Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender; ii. employee category.	Sustainability Data (Social performance data) (P.125-127)
404-2	a. Type and scope of programs implemented and assistance provided to upgrade employee skills. b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	Talent Development (P.48-50)
404-3	a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	Talent Development (P.48-50)
Diversity and Equal Opportunity 2016		
405-1	a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	Sustainability Data (Social performance data) (P.125-127)
405-2	a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation. b. The definition used for "significant locations of operation."	Sustainability Data (Social performance data) (P.125-127)

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Local Communities 2016		
413-1	<p>a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:</p> <ul style="list-style-type: none"> i. social impact assessments, including gender impact assessments, based on participatory processes; ii. environmental impact assessments and ongoing monitoring; iii. public disclosure of results of environmental and social impact assessments; iv. local community development programs based on local communities' needs; v. stakeholder engagement plans based on stakeholder mapping; vi. broad based local community consultation committees and processes that include vulnerable groups; vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; viii. formal local community grievance processes. 	Biodiversity (P.36-37)
413-2	<p>a. Operations with significant actual and potential negative impacts on local communities, including:</p> <ul style="list-style-type: none"> i. the location of the operations; ii. the significant actual and potential negative impacts of operations. 	Not applicable.
Customer Privacy 2016		
418-1	<p>a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:</p> <ul style="list-style-type: none"> i. complaints received from outside parties and substantiated by the organization; ii. complaints from regulatory bodies. <p>b. Total number of identified leaks, thefts, or losses of customer data.</p> <p>c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.</p>	Compliance (P.110-114)

Third-Party Opinion of the Sompo Group's CSR and Sustainability Initiatives



Hideto Kawakita

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

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

<https://blog.canpan.info/iihoe/>
(in Japanese)

This third-party opinion is based on the information available in the CSR and sustainability section of the Sompo Holdings website, the Integrated Annual Report released in August 2023, and with reference to interviews with personnel from Sompo Care and the customer service quality, operations, administration, human resources, and CSR/sustainability departments. It concerns activities undertaken through fiscal year 2022 and those ongoing in fiscal year 2023 (up to mid-December 2023).

The Group has continued to implement CSR and sustainability initiatives with a pioneering spirit primarily by participating in global initiatives and establishing policies and systems geared towards addressing medium- and long-term material issues. On the other hand, however, it must be pointed out that there are signs of the Group's culture of respecting customers and social norms being undermined, to some extent, by the string of incidents that came to light recently. Going forward, I strongly urge the Group to return to its roots and reassess and reshare the principles and values outlined in its purpose and expand upon its partnerships with various external stakeholders in an effort to solve social issues and create value, including the development of business models, so that it can establish long-term sustainability in its businesses and in its contributions to society.

Initiatives progressing well but requiring further effort

- On the topic of [improving the quality of customer service](#), initiatives are currently being systematically promoted with the aim of enhancing the quality of responses in departments tasked with handling inquiries related to insurance claim services and policies. Whilst I do applaud these measures, going forward, the growing number of households headed by elderly individuals, people with disabilities, and foreign nationals will necessitate the development of services and measures that cater to the diversity of customers. For example, the use of easy-to-understand Japanese and measures to encourage the gradual adoption of smartphone apps. Furthermore, it is expected that the knowledge gained will not only benefit value chain partners, including insurance agents, but will also be utilized in the form of services to other companies.
- On the topic of [mitigating and adapting to climate change](#), I commend the Group for already greatly reducing its paper consumption and the size of its company car fleet, plus efforts to further continue doing so, and for continuing to introduce renewable energy, establishing GHG emission reduction targets for customers to whom it extends investments and loans, responding to climate change risks and opportunities primarily by suspending the underwriting of new insurance contracts for, and investments and loans to, coal-fired power plants and coal mine developments, and continuing long-term programs in collaboration with civil society, such as public seminars on environmental issues and wildlife conservation activities. Going forward, I continue to strongly urge the Group to assist clients in introducing renewable energy and improving business efficiency and insulation so that its Group companies and agencies can benefit from a knock-on effect in order to reduce their GHG emissions in Japan, and to expand its collaboration with business partners with a view to protecting biodiversity and other resources at the Group's paper suppliers and improving energy efficiency, including the adoption of heat insulating materials and cogeneration power systems at nursing care service centers. Also, in Japan and overseas, I would also like to see the Group support, from a financial and insurance perspective, the so-called "eco-driving campaign" and decarbonization investments. With that in mind, in

order to ascertain, in concrete terms, the kind of world, customers, and Group situation it will likely encounter in the 2050s, I think the Group's TCFD scenarios need to be quantitative and more accurate. Furthermore, I still hope to see an evolution in the Group's services by way of active collaboration with agencies, business partners, and NPOs/NGOs, which is one of the Group's major strengths, to meet the requirements of the TNFD and strengthen services that support the formulation of sector-specific assumption scenarios.

- On the topic of [efforts to protect human rights](#), I commend the Group for (1) identifying and working on material issues, including employee health and safety and long working hours, based on the Group's human rights materiality assessments in line with its policy on human rights, for (2) surveying 1,633 investee companies about their ESG measures, for (3) developing consultation-oriented insurance services as a business, and for (4) conducting workplace environment surveys at Sompo Care. In the future, to seriously promote human rights transformation and financial services that contribute to human rights respect and prevention of human rights risks in the P&C insurance sector and at business partners, I hope to see successive developments starting with industries thought to have the biggest impact regarding human rights due diligence, the avoidance of negative impacts, and access to remedy in the event that issues do arise. I also hope to see initiatives in the company established in the form of a management system and more opportunities for the Group's executives and employees, as well as those of its agencies, to receive relevant training, in light of the Group's interaction with society on multiple fronts and the fact that it holds a dominant position in numerous settings.
- On the topic of [maintaining and improving the health of employees and providing a supportive workplace](#), it is positive that more than 4,000 employees of the 62,000-strong workforce now use leave and shorter working hours to fulfill their childcare, elderly care, and nursing care commitments, while more than 26,000 employees are making use of the Group's teleworking arrangements. In the future, I strongly hope that the Group will continue to provide support to young female employees to prevent illness and manage their health in order to reduce the gender gap in the years of service to a more reasonable level. Also, I highly applaud the fact that the weighting of female candidates in the succession plan for 86 key posts in the Group has now reached 41%. I hope the Group will continue to clarify its long-term personnel portfolio targets and I also expect the Group to continue to expand its system for nurturing the next generation of globally active senior management by providing training to validate assumptions in preparation for the market and business environment of the future. I would also like to see the Group encouraging the creation of communities where people with disabilities and other minority employees can share their experience and knowledge and mutually support each other in the context of their stage in life.
- On the topic of [the Group's governance structure](#), it is commendable that there is so much diversity in the management team, especially in terms of gender, nationality, and professional experience. On the other hand, the Group's corporate governance is being put to the test because of the recent series of incidents, so I hope to see the Group adopt a more hands-on approach to governance instead of focusing on the balance of the Board's makeup and perfunctory meetings and structures.

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Ryoko Shimokawa

Group CSuO, Senior Vice President
and Executive Officer

I thank Mr. Hideto Kawakita, Chief Executive Officer of the International Institute for Human, Organization and the Earth (IIHOE), once again for his opinions and advice on the Group's initiatives this fiscal year.

In this year's third-party opinion, he draws on his extensive experience and insight from being involved with the Group for many years as one of its stakeholders, to broadly highlight the challenges we face in light of our current situation. As he mentioned in his opening statement, we will look to return to our roots once again and reassess the Group's reason for existence and the value we provide to society. In addition, we will endeavor to rebuild the trust of all our stakeholders by listening closely to the feedback of stakeholders outside the Group, in particular, in an effort to enhance and improve our initiatives.

Of all the different issues the Group is currently addressing, Mr. Kawakita provided numerous comments and advice about climate change. As it stands now, we are aiming to reduce our greenhouse gas (GHG) emissions by 60% compared to 2017 levels by the year 2030. To achieve this target, the Group as a whole is taking steps towards the adoption of renewable energy and a reduction in paper usage, among other measures. Improving energy efficiency at nursing care facilities, in particular, is an issue that will inevitably need addressing and Mr. Kawakita provided some tangible advice on improving the heat insulation capacity of buildings and utilizing cogeneration

power systems. He also expects the Group to support an eco-driving campaign, investments in decarbonization, and other insurance-backed initiatives. To enhance the sustainability of society and properly fulfil our own commitments, we plan to engage in discussions with each Group company and firmly press ahead with these initiatives.

On human rights, Mr. Kawakita commented on the provision of services that encourage a human rights transformation at our business partners. In addition to strengthening our due diligence, we will continue to enhance the training we provide to our own Group officers and employees, and to watch our interactions with agents and distributors, to reinforce our own management system. We hope these efforts will help us further develop our insurance and risk management services.

Given the issues pointed out and advice provided by Mr. Kawakita, we recognize how significant the expectations are for us to address social issues through the Group's insurance, nursing care, and other related businesses. We will continue to focus our core business operations to address these social issues so that we might live up to these expectations.

March 2024

Ryoko Shimokawa

Group Chief Sustainability Officer, Senior Vice President and Executive Officer

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