Welcome to your CDP Climate Change Questionnaire 2022

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Sompo Holdings, Inc. , hereafter, Sompo Holdings, traces its roots back to Japan's first fire insurance company, established in 1888 with the aim of providing protection from the threat of fire in everyday life. Since then, Japanese society has changed due to the decline and aging of its population, climate change, and new conditions emerging as a result of technological innovation. In response, Sompo Holdings has helped tackle issues by passing down and putting into practice a philosophy focused on working for the well-being of people and society. In the coming era, Sompo Holdings continues taking on the challenge of new value creation in order to realize our vision of "A Theme Park for Security, Health & Well-being." Sompo Holdings adopted "Sompo Climate Action Plan: (1) Adaptation, 2) Mitigation, and 3) Social Transformation" in May 2021 and announced to achieve net-zero GHG emissions, including investments and insurance underwriting, by FY 2050. Through engagement with global initiatives in investment, financing and insurance underwriting, Sompo Holdings aims to participate in rulemaking around the world and provide clear solutions for dialogue with customers by providing cutting-edge information.

<At a Glance>

Sompo Holdings deploys P&C insurance business with approximately 30% of the market share in Japan and other diverse businesses such as Life insurance, Nursing care, Financial and other services.

Main operating consolidated companies a follows;

-Sompo Japan Insurance Inc.
-Sompo Himawari Life Insurance, Inc.
-Sompo Care Inc.
-SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
-Sompo Asset Management Co., Ltd.
-Sompo Risk Management Inc.
-Sompo Health Support Inc.
-Sompo Japan DC Securities Inc.
-Sompo Japan Partners Inc.
-Mysurance Inc.
-Sompo Warranty Inc.

-SOMPO Light Vortex Inc.
-Sompo International Holdings Ltd.
-Sompo Insurance China Co., Ltd.
-NIPPONKOA Insurance Company (China) Limited

<**Overseas operation>**
Sompo Holdings employees outside of Japan are engaged in insurance underwriting, claim handling, risk engineering and other services and boasts a global business network encompassing 29 countries and regions, including Europe, the Middle East, North America, Central and South America, Asia, Oceania and Africa.

<Participation in Sustainability Initiatives>
Sompo Holdings actively participates in sustainability initiatives globally and endeavors to take a leading role internationally and domestically.
Became a member to the CDP since 2005 and joined the CDP Advisory Board of Japan since 2007. Sompo Holdings and its group companies are also signatories to the following initiatives. World Business Council for Sustainable Development (Since 1995), UNGC (Since 2006), UNEPFI (Since 1995), Founding signatory to PRI (Since 2006) and PSI (Since 2012), Women's Empowerment Principles (Since 2012) and a member of the steering committee for Caring for Climate, an initiative established by UNGC, UNEPFI and UNCCC.
Sompo Holdings has been included to the Dow Jones Sustainability Indices for 21 times in total. Selected to DJSI Asia Pacific in 2021. Sompo Holdings is also included in Ethibel EXCELLENCE Investment Registers, FTSE4Good Index Series, FTSE Blossom Japan Index, MSCI ESG Leaders Indexes/SRI Indexes, MSCI Japan ESG Select Leaders Index, MSCI Japan Empowering Women Index (WIN), ECPI Global Developed ESG Best in class Equity Index and Morningstar Socially Responsible Investment Index.
Following TCFD Recommendations Report published in June 2017, Sompo Holdings declared support for TCFD and also participating in the TCFD insurance working group of UNEPFI to formulate TCFD standards for the insurance sector.
In July 2018, the Japan Climate Initiative Network was established to enhance information dissemination and the exchange of opinions among corporations, local governments, and civil society organizations actively taking measures to challenge climate change. Sompo Holdings endorses the purpose of this initiative and are participating as a founding member.
Sompo Holdings has become the first P&C insurance group in Japan to join Partnership for Carbon Accounting Financials (PCAF) and PCAF Insured Emissions Working Group in November 2021. PCAF is an international initiative established in 2015 to develop methods for measuring GHG emissions through financial institutions' investments and loans and insurance underwriting.
Sompo Asset Management has joined Net Zero Asset Managers Alliance (NZAM) which is an international group of asset managers committed to supporting the goal of net zero by 2050 in January 2022.
Sompo Holdings has joined Net Zero Asset Owner Alliance (NZAOA) which is an international group of investor committed to transitioning their investment portfolios to net zero by 2050 in May 2022, Net Zero Insurance Alliance (NZIA) which is an international group of insurers and reinsures committed to transitioning their underwriting portfolios to net zero by 2050 in June 2022.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	4 月 1, 2021	3 月 31, 2022	No

C0.3

(C0.3) Select the countries/areas in which you operate.

Belgium
Bermuda
Brazil
Canada
China
France
Germany
Hong Kong SAR, China
Indonesia
Italy
Japan
Malaysia
Mexico
Netherlands
Singapore
Spain
Switzerland
Thailand
Turkey
United States of America
Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

JPY

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

C-FS0.7

(C-FS0.7) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

	Does your organization undertake this activity?	Insurance types underwritten	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	No		
Investing (Asset manager)	Yes		Exposed to all broad market sectors
Investing (Asset owner)	Yes		Exposed to all broad market sectors
Insurance underwriting (Insurance company)	Yes	General (non-life) Life and/or Health	Exposed to all broad market sectors

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	JP3165000005
Yes, a Ticker symbol	8630

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain

Chief Sustainability Officer (CSO)	Senior Vice President and Executive Officer, Group CSO, the company is responsible for climate-related issues . Group CSO overlooks risks and opportunities across the following committees. ⅰ. Sustainable Management Committee - As for climate-related issues the committee discusses matters such as reduction of ESG risks and identify opportunities to promote sustainable initiatives including climate change issues for the group. The Committee is chaired with full responsibility by Group CSO. Group CSO as a responsible individual, can directly address ESG issues which include climate change issues and, if necessary, reports to the board of directors at the highest level. ⅱ. Group ERM Committee - As for climate-related risks, the committee appoints Group CSO as the risk owner, the most responsible C-suite officer, of the "Material Risk - the damage to Sompo Holdings' reputation related to transition to a carbon neutral society," and Group CSO is in charge of executing countermeasures and the matter is reported to Board of directors at least twice a year. As an example of decision on Sustainable Management Committee, Group CSO made 3 major decisions in FY 2021: -Set a target of Scope 3 Category 15 (announced May 2022) - Joined Net Zero Asset Owners Alliance (announced May 2022) and Net Zero Insurance Alliance (announced June 2022). - Joined in the International Initiative Partnership for Carbon Accounting Financials (PCAF) and in the PCAF Insurance Emissions Working Group (announced December 2021)

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding business plans Setting performance objectives	Climate-related risks and opportunities to our own operations	Sompo group has established a "Sustainable Management Committee" and identified seven material issues and KPIs for our group, including climate change. The KPIs will enable the entire Group to share goals and work together to address the Group's critical issues, including climate change, thereby further improving sustainability and ESG. The KPIs will also allow us to evaluate the progress and impact of our actions,

	Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues		and disclosure of the results will lead to enhancing trust among stakeholders and promoting engagement. To monitor and review the Group's progress and status regarding climate change, the Top Management Review Meeting is annually held. At the meeting, the Group CSO receives regular updates regarding results on our entire GHG footprints and activities to mitigate and adapt towards climate change from Sustainable Management Department. Sustainable Management Department will receive direct orders from the Group CSO regarding the company's wide strategy towards climate change in the course of our core business to scale up the Group's worldwide efforts. Also, Sustainable Management Department annually operates a survey to the entire Group regarding ESG data & issues. Keeping track of the ESG performance of the worldwide group companies allows us to identify issues as an opportunity and risk to all our divisions of the Group to take carefully tailored and prioritized actions on climate change.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	One of Sompo Holdings' board member has been engaged in research related to global management, Creating Shared Value (CSV) and SDGs for approximately 11 years and is a director of several companies. Since 2014, he has presided over the CSV Forum to support corporate growth through the creation of common value, including climate change. With the approval of the board authority, "Sompo Climate Action" was announced in May 2021, as mid-long term plan.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Sustainability Officer (CSO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our own operations	More frequently than quarterly

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction target	Senior Vice President and Executive Officer of the Company is responsible for climate-related issues as Group CSO. CSO is has responsible to generate business and develop products or services related to sustainability issues including climate change. Group CSO manages "Sustainable Management Committee", sets and establishes 7 material issues and KPIs which include climate change for Sompo Group. The KPIs will also allow us to evaluate the progress and impact of our actions, and disclosure of the results

			will lead to enhancing trust among stakeholders and promoting engagement, The monetary reward for Group CSO is linked to the degree of achievements KPI's related to climate change.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG criteria, including climate change?

	Employment-based retirement scheme that incorporates ESG criteria, including climate change	Describe how funds within the retirement scheme are selected and how your organization ensures that ESG criteria are incorporated
Row 1	Yes, as an investment option	Sompo Group has a defined contribution pension plan that allows employees to choose investment products at will. Investment products include multiple ESG products as defaults, allowing employees to freely select investment products. We also regularly replace investment products.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	Fiscal year basis
Medium-term	1	3	Mid-Term Management Plan
Long-term	3	30	Long-Term GHG Emission Reduction Plan

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

<Definition of Material Risk>

Under Strategic Risk Management (ERM), which is Sompo group's framework for risk management, "Risks that may have a material impact on the business" is defined as "Material Risk" and risks faced by business are comprehensively grasped and evaluated. The Group

CRO comprehensively identifies major risks based on risk assessments and the views of experts, etc., and evaluates the risks both qualitatively and quantitatively based on the frequency of occurrence and the degree of impacts (three criteria of economic loss, business continuity and reputation loss), assuming the impact of the risks on our group with specific scenarios. As for climate change, we evaluated the likelihood as large and impact on the business as large and defined the substantive financial and strategic impact to be a Material Risk.

Climate change risks, such as the occurrence of greater-than-expected aggravated natural disasters as well as reputation damage and the impact on asset prices caused by the transition to a decarbonized society, are Material Risks, which have substantive financial or strategic impact to our group's management.

<Description of the quantitative two indicators>
Substantive financial or strategic impact on our business is defined in our risk management process as follows: Impact (influence) of "Medium" or greater in Impact (Influence) and "Small" or greater in Likelihood. If Impact (influence) evaluation differs according to the three criteria, economic loss, business continuity and reputation loss, the highest evaluation is applied.

[Likelihood]
- Probability of occurrence is evaluated by the following 4-point scale:
1. Extremely Large: More than once a year
2. Large: Once or more in 10 year
3. Medium: Once or more in 100 years
4. Small: Less than once in 100 years

[Impact (Influence)]
- Economic losses are evaluated by the following 4-point scale:
1. Extremely Large: Economical loss of over 500 billion JPY or more; Revocation of business license; Extremely large damage to reputation.
2. Large: Economical loss of over 200 billion JPY or more; Suspension of major business operations; Large damage to reputation (Over 5 years to recover reputation).
3. Medium: Economical loss of over 10 billion JPY or more; Suspension of some business operations; Damage to reputation (2-3 years to recover reputation).
4. Small: Economical loss of below 10 billion JPY ; No influence in business operations; Small damage to reputation.

However, even if the risk does not meet our criteria, what is recognized as a major risk category in accordance with the Financial Services Agency's Guidelines for Supervision (e.g. liquidity risk and concentration risk) and what is determined to be closely monitored at the management level (e.g. Ill-informed strategic decision in the nursing care business and geopolitical risk) are also added to Material risk.

As for Climate Change risks, the risk is considered to have substantive impact to our business operation. We evaluate the likelihood of climate change risk as large and influence of climate change risks as large because economic loss can be more than 200 billion JPY with large damage to reputation.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

＜Risk Management Process＞

Sompo Group risk control system to manage risks & opportunities including climate change

●Identifying

Under this system, all departments and subsidiaries companies are annually required to implement risk assessment of Short (1 year), medium (less than 3 years) & long (more than 3 years) and report to Risk Management Dept. of Sompo Holdings at least twice a year.

The system begins with this assessment to comprehensively identify, quantitatively & qualitatively evaluate material risks of the group within the Material Risk Management Framework.

●Assessing

CRO gains deep understanding of material risks based on Group risk control's risk assessment with expert perspectives. After creating specific scenarios where risk influences our business, it is quantitative & qualitatively evaluated according to frequency of occurrence & degree of influence on 3 factors; economic losses, business continuity, reputation damage. As to the measure of occurrence frequency assessment, we set occurrence probability in 4 categories, at least once a year, at least every 10 years, at least every 100 years, & less than once every 100 years.

●Responding

Identified & assessed material risks are overseen and taken countermeasures for mitigating risks under the management of CRO. Management status is reported at least twice a year to the Managerial Administrative Committee (MAC), the COO's advisory committee & board of directors. Risks with large variations and responses that are delayed are reported to the Global Executive Committee (CEO's advisory committee) or MAC for consideration.

<Opportunity Management Process>
At Sompo group, the Sustainable Management Committee, chaired by CSO, the chief executive officer in the area of sustainability and composed of the executive officers in charge of corporate planning and sustainability at each Group company, promotes sustainable management for the entire group.
●Identifying
In order to realize a sustainable society, all divisions of each Group company formulate an annual action plan based on the group's material issues. Sompo group has formulated "Sompo Climate Action Plan" as the group's basic action plan on climate change in accordance with the group's mid-long term plan.
●Assessing
Sustainable Management dept. provided feedback on the initiatives specified in the annual action plan and reports on the status to the CSO at the Management Review. CSO approved & provided direction for steady implementation of decarburization measures, such as our own efforts to achieve net zero and strengthening investment and loan engagement. (Last year's top management was the CFO/CSO, so Sustainable Management dept. received instructions from the CFO/CSO in last year's management review. CSO has been the top management of Sustainable management dept. since August 2021.)

●Responding
KPI’s authorized by the CSO are incorporated into the action plan. Each department checks the status of initiatives twice a year, and reports the status & results to the Sustainable Management dept. At the Sustainable Management Committee, CSO reviews at least twice a year in response to Management Review’s instructions. The results are reported at least twice a year to MAC & board of directors in compliance with the necessities.

<Risk Case Study for Physical risks>
●Situation
Natural disasters becoming more severe, frequent, we have identified climate change as a material risk under the material risk management framework. For previous years, we have taken countermeasures towards climate change and enhancing our resilience towards physical risks.
●Task
P&C insurance as a core business, climate change issues will significantly affect our whole business, Life insurance & Nursing Care, etc, operation and continuously need to evolve countermeasure toward physical risks. As one of the countermeasures, we continuously evaluated physical risks associated with the intensification of natural disasters using climate scenarios. With regard to the risk of wind & flood disasters, we have been conducting stress tests to quantitatively assess the financial impact of stress scenarios that have a significant impact on management, and verify the adequacy of capital and the effectiveness of risk mitigation measures.
●Action
To proactively enhance our countermeasures, we participated in the UNEP FI TCFD Insurance Working Group and estimated the impact of typhoons using a quantitative

model based on the comprehensive guidance issued by the working group in Jan 2021. The model is based on the IPCC RPC 8.5 scenario that captures the frequency of typhoons & changes in wind speed between 2050 & present, and calculates changes in frequency & damages.
●Result
The results of model show that the frequency of typhoons is about -30% to +30%, and the amount of damage per typhoon (gross basis) is about +10% to +50%. For natural disasters overseas, including hurricanes and floods in the United States, we are developing its own scenarios and applying them to overseas natural disaster models.

<Opportunity Case Study for Transition risks>
●Situation
Natural disasters becoming more severe, frequent, business are expected to contribute towards a resilient society and we are utilizing the CSR Management System to create business opportunities such as product development & risk consulting services that contribute to a resilient society.
●Task
All dept.'s at subsidiaries companies prepare an annual CSR Action Plan under this System based on the Group's CSR Material Issues for realizing sustainability in the Mid to Long term and to identify effective KPI's we need to understand the social trends towards transition risks.
●Action
We reported to the CSO at the management review and to the MAC chaired by COO in 2021 about our KPI's. Instruction from the CSO was to enhance in business creation related to climate change transition related products and services.
Sustainable management department provides feedback on the initiatives specified in the action plan and reports on the status of initiatives to CSO at the Management Review. CSO approves and provides direction for the development of such products & risk consulting services that contribute to climate change.
●Result
KPI's authorized by the CSO have incorporated into action plan of related dept.'s and companies. Each dept. checked the status of initiatives and report the results to the Sustainable management Dept. The Sustainable Management Committee chaired by CSO conduct reviewed twice a year in response to Management Review's instructions. The progress and results were reported to MAC (Chaired by COO).
As a result, insurance product for offshore wind power generation was developed and also many risk consulting services such as TCFD recommendation consulting was provided to our customers more than previous years. In addition offshore wind power insurance was highly evaluated by the government and awarded 3 insurance risk & advisory services.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<Company specific example of risk type> - For Sompo Holdings' strategic risk management, “Current Regulation” is the risk that needs to be assessed. For example, Sompo Holdings' 3 major buildings in Tokyo, Headquarters Building in Shinjuku, System Tachikawa Building & Data Processing Building are participating in the Tokyo Cap & Trade Scheme organized by the Tokyo Metropolitan Government. These 3 buildings consist of more than 10,000 working employees as the major operating Hub of the Group companies. The scheme requires a 25% to 27% decrease during FY2020 to FY2024 compared to base year CO2 emissions. - As the regulation becomes more severe due to the progress of climate change, there is a risk of increasing business expenses such as energy saving measures expenses and carbon credit purchase expenses. <How it is included in climate-related risk assessment> - Since the acquisition of the environmental management system ISO14001 from 1997, we have been fully complying with environment-related regulations. - Furthermore, engaging with global initiatives such as UNGC, WBCSD, and multi stakeholders, we evaluate collected information as to global mega-trends including regulatory issues throughout the year.
Emerging regulation	Relevant, always included	<Company specific example of risk type> - For Sompo Holdings' strategic risk management, “Emerging Regulation” is the risk that needs to be assessed. For example, we are monitoring and assessing regulatory enforcement on climate-related information disclosure such as TCFD and IFRS Foundations initiatives thorough the Sustainable Management Committee which is our sustainable issues reporting system and Risk Management System, which may defame our reputation and financially impact our profit or stock price once we fail to comply with the regulation (In the case of removed from ESG Indices which cause financial and reputation loss as we operate in Europe there is a risk of voluntary disclosure initiatives related to climate change such as TCFD to be regulated. Another example is an enforcement on carbon pricing, once the regulation turns into an obligation basis, it may incur extra cost as a risk at a global level such as suddenly purchasing sufficient renewable energy at each of our operating countries which include Asia, Europe, North America and South America, etc. <How it is included in climate-related risk assessment> - Since the acquisition of the environmental management system ISO14001 from 1997, we have been fully complying with environment-related regulation.

		- Furthermore, engaging with global initiatives such as UNGC, WBCSD, and multi stakeholders, we evaluate collected information as to global mega-trends including regulatory issues throughout the year.
Technology	Relevant, always included	<Company specific example of risk type> - For Sompo Holdings' strategic risk management, “Technology” is the risk that needs to be assessed. Specifically, we are sure that in the current era the evolution of digital technology, including AI, block-chains, and the Internet of Things (IoT), as well as the spread of mobile devices, is dramatically changing industry structures and creating risks and opportunities globally. For example, we currently utilize digital technologies to analyze new types of typhoons which have different courses so that we can provide climate-related products and services such as weather index insurance with sensing technology. Utilizing technologies, we could improve the accuracy and efficiency of grasping the impact of natural disasters and local conditions. As technology evolves day by day, if we don’t grasp and manage the latest technology, it may prevent our business development. <How it is included in climate-related risk assessment> - We set up the Digital Strategy Department under the Group CDO (Group Chief Digital Officer) pursuing innovation leveraging the power of digital technologies and aiming to develop climate-related products and services to enhance the resilience of the society. They regularly report the plans and results including the solution for climate change to the Group’s Sustainable Management Committee.
Legal	Relevant, always included	<Company specific example of risk type> Strengthening environment-related laws and regulations and increasing environmental awareness among citizens will lead to an increase in the number of lawsuits and higher compensation amounts. Examples of lawsuits could include lawsuits to hold companies responsible for environmental pollution caused by their corporate activities, the transition to a low-carbon and decarbonized society, and shareholder derivative lawsuits against management decisions of companies whose corporate value has decreased due to failure to adapt to climate change. Sompo Japan, which is one of Sompo group companies, sells liability insurance that covers legal fees and compensation for the defendant company's response to the lawsuit, and there are several insurance lines, including environmental pollution liability insurance, product liability insurance, and D&O liability insurance. The net claims paid for these casualty insurance lines, including liability insurance, was 171 billion JPY, accounting for 17% of all claims paid in FY 2021. In light of the above, an increase in the number of lawsuits will lead to an increase in both legal fees and indemnity insurance claims, and an increase in the amount of indemnity insurance claims will lead to an increase in indemnity insurance claims. <How it is included in climate-related risk assessment>

		Through Strategic Risk Management, Sompo Holdings monitors information on trends in the nature of lawsuits and evaluates them. Sompo Holdings defines emerging risks as those that are not currently material but which, due to environmental changes, could become material and have a significant impact on the Group in the future. We identify the precursors of risks becoming significant and manage such risks accordingly. Through dialogue with experts in Japan and overseas and with reference to various sources of information, we identify candidate emerging risks. Of these risks, we monitor, research, and study on a Group-wide basis those with potential effects above a certain level. In addition, the Company has participated in the research in the field of compensation in the TCFD Information Disclosure Pilot of the UNEP FI (United Nations Environment Programme Finance Initiative) from the Sustainability Promotion Office of the Corporate Planning Department of the holding company, and obtained the latest international information.
Market	Relevant, always included	<Company specific example of risk type> For Sompo Holdings' strategic risk management, "Market Trends" is the risk that needs to be assessed. For example, as the issue of climate warming is recognized as a common global issue, the development of a recycling-oriented society and an energy-saving society from mass production and mass consumption of resources, a recycling-oriented society utilizing local resources that do not use materials, an energy-saving society, and sharing services that do not use materials is expected. In June 2020, the Japanese government announced its "Long-term Strategy as a Growth Strategy Based on the Paris Agreement," which includes the promotion of mobility services aimed at improving services and convenience, promotion of initiatives to realize seamless mobility, and the rapid expansion of the sharing economy, including car sharing. "Mobility revolution" that will reduce car ownership by expanding car sharing could have a major impact on car insurance, which accounts for 50% of Sompo Holding's premium revenue Specifically, this could include a decrease in automobile insurance sales due to a decrease in the number of vehicles owned and a loss of new market opportunities (loss of sales opportunities) due to changes in the market environment. <How it is included in climate-related risk assessment> - Since 2017, we have been organizing a cross department team aiming to disclose climate-related financial information in line with TCFD recommendations. Utilizing expertise of respective departments, we gather all climate-related information and are monitoring the degree of impact of climate-related issues. Based upon Group ERM Basic Policy, the team members regularly report the issue to the management team, as necessary, the issue is discussed on the board. - Engaging with global initiatives such as UNGC, WBCSD, and multi

		stakeholders, we evaluate collected information in regard to global Mega-trends including market trends throughout a year.
Reputation	Relevant, always included	<Company specific example of risk type> - For Sompo Holdings' strategic risk management, "Reputation" risk incurred by insufficient action by not responding appropriately towards environmental initiatives which require actions beyond regulations or compliance such as follows; -As a financial institution, we are expected not to invest and underwrite insurances for companies or projects that are not aligned with the Paris Agreement - As an asset owner, we are expected to hold ESG engagement with companies From the respect of environmental issues such as tackling climate change, we have been proactively initiated and adapted to the world trend of social responsibility issues . Signing to an UN led ESG initiative or communicating with environmental NGO's would be the case and If we do not act appropriately we could lower our non-financial/ESG performance, which will lead to reputation risks. In particular, environmental NGOs have published their rankings of insurance companies that contribute to climate change by restricting insurance underwriting and investment in coal-related companies by insurance companies. As a third party evaluation of our reputation, Sompo Holdings has been selected and ranked 72th by "Inter Brand" among the whole Japanese business sector in FY2021 with the evaluation of approx., 512million USD. Inter Brand is an organization that evaluates and rank companies brand images which include CSR (environmental issues are included) aspects. If we do not achieve our reputation in ESG or climate change issues we will not be able to maintain our reputation as a good corporate citizen imaged brand. (e.g. Inter Brand evaluation for Sompo Holdings in FY2019 was 474million USD). <How it is included in climate-related risk assessment> - Since 2017, we have been organizing a cross department team aiming to disclose climate-related financial information in line with TCFD recommendations. Utilizing expertise of respective departments, we gather all climate-related information and are monitoring the degree of impact of climate-related issues. Based upon Group ERM Basic Policy, the team members regularly report the issue to the management team, as necessary, the issue is discussed on the board. - Responding to requests from ESG evaluation institutions such as CDP and DJSI, we are collecting information as to global mega-trends, stakeholder's needs and social reputation.

Acute physical	Relevant, always included	<Company specific example of risk type> For Sompo Holdings' strategic risk management, Acute Physical Risk needs to be assessed. Insurance paid towards natural disasters, such as storms, floods, hurricanes, typhoons, droughts, have increased recently causing great financial impact to our business. For example in 2016 to countermeasure natural disaster and to swiftly payout 63,000 insurance claims, over 1,000 headquarters employees in Tokyo were dispatched to the affected areas in Japan, influencing the business operation. In this case the risk is that accordance to the natural disasters insurance claims, the insurance payment and the operation cost will rise. Also if we do not respond to this incident swiftly we might lose trust from the society as a reputation risk. Also, there will be a rise in expense cost such as for transport, accommodation, etc, to dispatch 1,000 employees to the affected areas. <How it is included in climate related risk assessment> Since 2017, we have been organizing a cross dept. team aiming to disclose climate related financial information in line with TCFD recommendations. We use the expertise of each department to collect all climate-related information and monitor its impact on climate-related issues. Based upon Group ERM Basic Policy, the cross dept. team regularly report to the management team, and when necessary the issues are discussed at the board. We appropriately manage natural catastrophe risks by conducting quantitative analysis of data on past natural events and keeping the risks within tolerance levels, which are established in light of capital and profits. Further, in response to the recent increase in the frequency of natural catastrophes, we are acquiring the latest knowledge through analysis of the damage trends of recent typhoons & other natural catastrophes as well as through analysis of meteorological & climatic big data. We then incorporate our findings into in house models and upgrade them. At the same time, we use evaluations of natural catastrophe risks when considering appropriate premium levels and in business management decisions on business plans and reinsurance strategies. To accurately understand and manage events that may have a major impact on Group management, scenario stress tests, reverse stress tests & sensitivity analyses are conducted on a Group wide basis. We analyse the degree of impact on capital and risk and establish a system to implement countermeasures as necessary.
Chronic physical	Relevant, always included	<Company specific example of risk type> - For Sompo Holdings' strategic risk management, “Chronic Physical Risks” is the risk that needs to be assessed. Once temperature rises, for example in our group’s Nursing Care & Healthcare Business, the possibility of food poisoning (we manage a group company which

		provides food supply to nursing care houses) and the number of patients who get heatstroke will increase, which will affect our workers and business operations. <How it is included in climate-related risk assessment> - We have been organizing a cross department team aiming to disclose climate-related financial information in line with TCFD recommendations since 2017. Utilizing expertise of respective departments, we gather all climate-related information and are monitoring the degree of impact of climate-related issues. Based upon Group ERM Basic Policy, the team members regularly report the issue to the management team, as necessary, the issue is discussed on the board.

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure
Investing (Asset manager)	Yes
Investing (Asset owner)	Yes
Insurance underwriting (Insurance company)	Yes

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities
Investing (Asset manager)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative and quantitative	Short-term Medium-term Long-term	Scenario analysis	At Sompo Asset Management, we think that a variety of factors related to climate change can have impacts on corporate finance-both

						positively as opportunities or negatively as risks. At Sompo Asset Management, we deem that how we tackle climate change as contributions to society as a responsible investment manager. Thus, the way we manage climate change is underpinned by our strong governance structure, which oversees our responsible investment and stewardship activities. Sompo Asset Management became a signatory to Montreal Carbon Pledge in September 2017 and has been calculating the carbon footprint of a portfolio "SNAM Sustainable Investment Mother Fund" ever since. Not only calculating the footprints, we have been

						making analysis of how the carbon footprint of the portfolio altered in accordance with our investment activities changes. Furthermore, we have been modifying our analysis approach as we became a signatory to TCFD-we have adjusted out analysis method in conjunction with TCFD umbrella. At our climate change scenario analysis, we have been making analysis of how corporates are making progress towards Paris Agreement as well as overall sector-specific risk analysis. Also, we have been evaluating how the business opportunities might emerge as climate change prevails as well as how that would have impacts on portfolios.

						At our carbon footprint calculation, we have changed our analysis method for the long-term that are consistent with our scenario analysis. Furthermore, we have expanded our carbon footprint calculation beyond the scope of “SNAM Sustainable Investment Mother Fund” to the overall Japanese equities investment portfolio.
Investing (Asset owner)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative and quantitative	Short-term Medium-term Long-term	Scenario analysis	In order to analyze the risks to which the investee is physically affected and the associated numerical effects, a method capable of quantitative and qualitative evaluation is adopted. A climate change framework is being developed to identify, assess and manage climate change

						risks. In this framework, evaluation is performed in the following three steps. Step 1. Identify changes brought about by climate change based on political, economic and research findings. Step 2. Discuss the impact of changes in the external environment on our group with external experts and related departments. Step 3. Evaluate the impact and potential of the content organized in Step 2 on Sompo group. In addition, based on the research results of external organizations such as the IPCC and the World Economic Forum, risk assessment is conducted under the assumption of possible policy transition patterns, and risks affecting asset management are

						continuously monitored through three transition patterns: a. Slow transition, b. Major transition immediately, and c. Transition at different speeds in different countries. Greenhouse gas emissions are calculated for listed stocks and corporate bonds whose scope is fixed by the calculation method such as PCAF and NZAOA, among assets held by Sompo group. The target assets are listed stocks and corporate bonds of Sompo Japan, Sompo Himawari Life and Sompo International Holdings, which account for the majority of corporate assets. GHG emissions from owned assets are collected by referencing databases such as MSCI and CDP.

						From the perspective of risks and opportunities in investment activities, we make investments with investee companies by referring to the GHG emissions of investee companies calculated above.
Insurance underwriting (Insurance company)	Integrated into multi-disciplinary company-wide risk management process	100	Qualitative and quantitative	Short-term Medium-term Long-term	Scenario analysis	In order to analyze the risks to which the investee is physically affected and the associated numerical effects, a method capable of quantitative and qualitative evaluation is adopted. A climate change framework is being developed to identify, assess and manage climate change risks. In this framework, evaluation is performed in the following three steps. Step 1. Identify changes brought about by climate change based on political, economic and

						research findings. Step 2. Discuss the impact of changes in the external environment on our group with external experts and related departments. Step 3. Evaluate the impact and potential of the content organized in Step 2 on our group. In addition, based on the research results of external organizations such as the IPCC and the World Economic Forum, risk assessment is conducted under the assumption of possible policy transition patterns, and risks affecting insurance underwriting are continuously monitored through three transition patterns: a. Slow transition, b. Major transition immediately, and c. Transition at different speeds in different countries.

						Greenhouse gas (GHG) emissions are calculated for listed stocks and corporate bonds whose scope is fixed by the calculation method such as PCAF and NZAOA, among assets held by Sompo group. The target assets are listed stocks and corporate bonds of Sompo Japan, Sompo Himawari Life and Sompo International Holdings, which account for the majority of corporate assets. GHG emissions from owned assets are collected by referencing databases such as MSCI and CDP. From the perspective of risks and opportunities in investment activities, we make investments with investee companies by referring to the GHG emissions

						of investee companies calculated above.

C-FS2.2d

(C-FS2.2d) Does your organization consider climate-related information about your clients/investees as part of your due diligence and/or risk assessment process?

	We consider climate-related information
Investing (Asset manager)	Yes
Investing (Asset owner)	Yes
Insurance underwriting (Insurance company)	Yes

C-FS2.2e

(C-FS2.2e) Indicate the climate-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision-making.

Portfolio

Investing (asset manager)

Type of climate-related information considered

Emissions data
Emissions reduction targets
Climate transition plans

Process through which information is obtained

Directly from the client/investee
Data provider
Public data sources

Industry sector(s) covered by due diligence and/or risk assessment process

Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products

Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

State how this climate-related information influences your decision-making

With regard to the impact of transition risks on our group's assets (Domestic stocks, domestic bonds, foreign stocks, foreign bonds), MSCI analyzed the impact of the transition to a low-carbon global economy on companies using Climate Value-at-Risk (CVaR) *provided by MSCI, based on scenarios in which temperature increases by the end of this century would be kept below 1.5, 2, and 3 degrees Celsius above pre-industrial levels. All domestic and overseas listed stocks and corporate bonds are covered. As a result of the analysis, the impact on domestic stocks increased.
Based on these results, in order to reduce the risk of green bank and portfolio transition among the companies in which we invest and finance, we are working to reduce the risk of transition and capture opportunities by strengthening engagement with the top 20 companies with the highest GHG emissions among the companies in which we hold shares and promoting the replacement of public and corporate bonds with sectors with the lowest GHG emissions at maturity.
*MSCI Climate Value-at-Risk

Portfolio

Investing (asset owner)

Type of climate-related information considered

Emissions data
Emissions reduction targets
Climate transition plans
TCFD disclosures

Process through which information is obtained

Directly from the client/investee
Data provider

Industry sector(s) covered by due diligence and/or risk assessment process

Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel

Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

State how this climate-related information influences your decision-making

With regard to the impact of transition risks on our group's assets (Domestic stocks, domestic bonds, foreign stocks, foreign bonds), MSCI analyzed the impact of the transition to a low-carbon global economy on companies using Climate Value-at-Risk (CVaR) *provided by MSCI, based on scenarios in which temperature increases by the end of this century would be kept below 1.5, 2, and 3 degrees Celsius above pre-industrial levels. All domestic and overseas listed stocks and corporate bonds are covered. As a result of the analysis, the impact on domestic stocks increased. Based on these results, in order to reduce the risk of green bank and portfolio transition among the companies in which we invest and finance, we are working to reduce the risk of transition and capture opportunities by strengthening engagement with the top 20 companies with the highest GHG emissions among the companies in which we hold shares and promoting the replacement of public and corporate bonds with sectors with the lowest GHG emissions at maturity.
*MSCI Climate Value-at-Risk

Portfolio

Insurance underwriting (Insurance company)

Type of climate-related information considered

Emissions data
Emissions reduction targets
Climate transition plans
TCFD disclosures

Process through which information is obtained

Directly from the client/investee
Data provider

Industry sector(s) covered by due diligence and/or risk assessment process

Energy
Materials

Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

State how this climate-related information influences your decision-making

Sompo group is working to enhance corporate resilience to social change through green transition support for underwriters and companies with which it invests and finances. We defines all companies engaged in business activities as GHG emitters and is subject to our underwriting policy.
In terms of insurance underwriting, we will stop new underwriting for new and existing coal-fired power generation and coal mine development (thermal coal), and we will stop new insurance contracts for energy mining projects in oil sand and the Arctic National Wildlife Refuge.
(However, if a reduction effect contributing to the realization of the Paris Agreement is recognized, such as the Company's innovative technologies such as carbon dioxide capture, utilization and storage (CCS, CCUS) and ammonia co-firing, the Company may carefully consider and respond to such reduction effect.)

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation

Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

Operational risk

Company-specific description

Sompo Holdings' three major buildings in Tokyo, the Headquarters Building in Shinjuku, the System Tachikawa Building and the Data Processing Building are participating in the Tokyo Cap and Trade Scheme organized by the Tokyo Metropolitan Government. The three buildings consist of more than 10,000 working employees as the major operating Hub of the Group companies.

The scheme requires a 25% to 27% decrease during FY2020 to FY2024 compared to base year CO2 emissions. There is a risk if the reduction of emissions is not achieved by penalty and shamed by disclosing the corporate name which impacts the reputation of the company. In addition, if the reduction target is not achieved we could be excluded from ESG indices which relate to stock price.

Time horizon

Medium-term

Likelihood

Very unlikely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

22,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Normally, carbon credits are transacted between 180 JPY to 1,000JPY. If you sum up all the estimated carbon credits of all the participating 3 buildings of Sompo Holdings the total cost will be approximately 22 million JPY(1,000JPY/tCO2 * reduction obligation(tCO2) of 3 buildings) which is less than 0.001% of the entire groups profit. As for the likelihood of this risk, we have been complying with the Cap and Trade Scheme and relevant emission reduction rules through the ISO14001 management system. Additionally, as a result of energy saving efforts in our three buildings, we have been fully complying with the emission reduction level. Therefore, we consider the likelihood of this risk “very unlikely”.

Cost of response to risk

5,100,000

Description of response and explanation of cost calculation

< Description of response>
While monitoring trends in environmental laws, we have fulfilled our obligation to reduce efforts based on the Act on the Rational Use of Energy (Energy Conservation Act) and to reduce greenhouse gas emissions based on the Tokyo Metropolitan Ordinance.
If the obligation is not met, we will have to raise the cost of emissions credits. Such costs need to be avoided and reported while fulfilling obligations.
Since the acquisition of the environmental management system ISO14001 from 1997, the secretariat of the ISO14001 management team will review its energy consumption data. The data along with the initiatives to reduce the CO2 emission is reported to the board of directors at least twice a year. Under this PDCA cycle, we have implemented a system to renew eco-friendly equipment and products. All of the group's main buildings are managed by a subsidiary company "Sompo Japan Corporate Service" and operates equipment management every year. Energy is saved by renewing equipment to eco-friendly products and all employees under the ISO14001 environmental management system are promoting eco-efficient initiatives to contribute in reducing CO2 emission as a whole. We reduced GHG emissions by 140,821 kg-CO2 by switching to LED lighting at the head office building and by 31,254 kg-CO2 by switching to LED lighting at the Data Processing Building.
In FY2021, we achieved a reduction of 947 tons of GHG emission on the basis of the Group's total energy consumption, satisfying the effort requirement of the Energy Conservation Law and meeting the compliance criteria with the Tokyo Metropolitan Ordinance.

<Explanation of cost calculation> Total of cost is 51,000,000 JPY
- The renewal examination fee for ISO 14001 environmental management system : 35,000,000 JPY
- Consulting fee for outside consulting companies: 16,000,000 JPY

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Cyclone, hurricane, typhoon

Primary potential financial impact

Increased insurance claims liability

Climate risk type mapped to traditional financial services industry risk classification

Operational risk

Company-specific description

The increase in extreme weather of natural disasters caused by climate change relates directly to an increase in insurance claims and payments (including reinsurance premiums). It is widely known that climate change is affecting the increase in recent extreme weather events such as tropical cyclones, hurricanes, typhoons, flood, drought, and sea level rise, etc. This would directly impact and necessitate a rise in premiums on the part of insurers, making it difficult to ensure stability in the insurance domain. Furthermore, due to the rise of the number of claims the operation in establishing a countermeasure headquarters on-sites, additional operational costs incur. For example in April 2016, countermeasure headquarters to swiftly pay out insurance was established towards approx. 63,000 fire insurance claims in Japan. A total number of 1,000 employees were dispatched from the Tokyo headquarters to the affected areas countermeasure offices to accomplish our customers' needs for swift insurance payment.

Time horizon

Short-term

Likelihood

Unlikely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

74,400,000,000

Potential financial impact figure – maximum (currency)

86,200,000,000

Explanation of financial impact figure

Insurance paid towards natural disasters has increased in recent years causing great impact to insurance business. Nat Cat SERVICE Munich Re, discloses in their research for weather related loss events in FY2021 worldwide as follows. Overall loss: 280 billion USD. Insured loss: 120 billion USD.
In fiscal 2021, Sompo Japan's weather-related insurance claims resulting from typhoons and other extraordinary natural disasters in Japan totaled 86.2 billion JPY after taking into account the number of insurance claims and insurance claims amount. Of this amount, Sompo Japan paid 74.4 billion JPY after deducting 11.8 billion JPY that was covered by reinsurance. We set these figures minimum and maximum financial impacts.
As for the likelihood of this risk, since we are under the circumstances we can attain reinsurance cover as calculated above, we consider the Magnitude of impact of this risk “Unlikely."

Cost of response to risk

20,500,000

Description of response and explanation of cost calculation

The increase in the number of natural disasters leads to an increase in the amount of insurance claims paid, which is a major risk for Sompo Japan. Therefore, in order to identify and reduce risks, Sompo group gathered information through participation in the Insurance WG of the UNEP FI/PSI from January 2018 to January 2021, and conducted scenario analysis in collaboration with Sompo Risk Management, one of Sompo group companies. In addition, to reduce risk, Japanese P&C insurance companies have adopted a maximum of 10 years for long-term contracts from October 2015 (up to 35 years before October 2015). This revision is due to the fact that it is difficult for P&C insurance companies to predict over the long term the premiums needed to pay for damages. At the same time, Sompo Japan is also handling risks through its own reinsurance.
As the result of these evaluation and activities, Sompo group predicts to increase natural disaster caused by climate change in the future. In order to reduce risks, Sompo group will continue to implement financial structural reforms, Price optimization, Underwriting, and Productivity improvement that have been implemented since 2020, in addition to risk hedging such as reinsurance to ensure the soundness of earnings.

1. Price optimization
Price strategy that emphasizes profitability, such as optimizing group discounts for corporate employees and setting rates based on age

2. Underwriting
・Optimized rates and underwriting conditions for high-loss agencies and corporate policies
・Accident prevention support

3. Productivity improvement
・Advance sales network structure reform

・Digitization (AI/Robotic Process Automation)/zero-based work review

In FY2020, these three measures improved earnings by 31 billion JPY, but in FY2021, they had an effect of 54 billion JPY, generating a year-on-year increase of 23 billion JPY. In addition, by FY2023, Sompo Japan plans to increase profits by approximately 57 billion JPY.

<Explanation of Cost of Response>
Our cost of operation to develop our physical risk analysis into a more forward-looking one is composed by the following item::
- Fees for TCFD Insurance working group of UNEP FI/ PSI: 2,500,000 JPY (100JPY / 1USD)
- Fees for Sompo Risk management Inc. to develop group based scenario analysis for physical risk in accordance with TCFD recommendation: around 18,000,000 JPY

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Technology

Substitution of existing products and services with lower emissions options

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

Market risk

Company-specific description

<Description including time horizon>
In a world where global temperature increases will be held to less than 1.5 ° C in 2050, effective measures against climate change will be taken under a certain level of economic development, and the environment and economy will be in harmony, it is assumed that a recycling-oriented society that makes use of local resources, an energy-saving society, and the development of material-free sharing services will develop. In the "Long-term strategy as a growth strategy based on the Paris Agreement" issued by the Japanese government in June 2020, the promotion of mobility services to improve services and convenience, the promotion of initiatives for the realization of seamless transportation, and the rapid expansion of the sharing economy including car sharing were indicated.

<Company-specific description>
In such a society, "mobility revolution" such as the development of seamless public transportation in the local community, may have an impact on the business of Sompo Holdings P&C insurance, of which auto insurance revenue exceed 50%, such as a decrease in the number of automobiles. Specifically, could include a decline in automobile insurance sales due to a decline in the number of vehicles owned, and the loss of opportunities in new markets as the market environment changes (loss of sales). To address these risks, Sompo Japan, Japanese P&C insurance company of Sompo Group, established a joint venture for person-to-person car sharing in 2019 and made a parking lot sharing business affiliate, positioning "Mobility as a Service" related businesses as a growth area. As of 2020, after two years since its establishment 500 thousand customers have registered to this person-to-person car sharing service. Drawing on the strengths of Sompo Japan, which has automobile insurance data and nationwide insurance agent sales channels, Sompo Japan is working to create business opportunities by developing related specialized insurance and services.

Time horizon

Long-term

Likelihood

Unlikely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

18,000,000,000

Potential financial impact figure – maximum (currency)

30,000,000,000

Explanation of financial impact figure

Based on various survey data, SOMPO independently calculated the growth potential of the parking lot sharing market, and by FY 2030, the market is expected to grow to about 600 billion to 100 billion JPY. We estimate the financial impact as the amount of risk of losing opportunities to provide sharing businesses and specialized insurance currently offered in these emerging markets. Multiply the expected market price by the current market share of approximately 30% for domestic P & C insurance to estimate the financial impact of lost business opportunities in future markets.

Calculation is as follows:
Maximum: 100 billion JPY x 30% share = 30 billion JPY
Minimum: 60 billion JPY x 30% share = 18 billion JPY

Cost of response to risk

2,650,000,000

Description of response and explanation of cost calculation

Response:
Sompo Holdings has positioned "Mobility as a Service" related businesses as growth fields through the establishment in 2019 of a joint venture for person-to-person car sharing and the conversion of a parking lot sharing business company into an affiliate. Leveraging the strength of Sompo Japan, which has automobile insurance data and nationwide insurance agent sales channels, Sompo Holdings minimizes the risk of missing business opportunities in these emerging markets by developing and providing related specialized insurance.

Cost calculation:
In addition to establishing a joint venture company for inter-individual car-sharing business, establishing a car-sharing business company as an affiliated company and operating the business, costs (year) and personnel expenses (year) are as follows.
Annual business administration cost for person to person car sharing : approximately 997,000,000 JPY
Annual business administration cost for parking sharing: approximately 1,653,000,000 JPY

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of climate adaptation, resilience and insurance risk solutions

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Sompo Holdings, as one of global leading social responsibility companies, has been proactively tackling sustainability issues, and fully incorporated the PDCA management system. Therefore, we are always aware of creating business opportunities even if new regulations apply. Sompo Risk Management Inc., as part of Sompo Holdings' social responsibility initiatives, has been expanding its consultation business in relation to Cap and Trade schemes, renewable energy, and solar & wind power based upon accumulated knowledge as well as experience of tackling climate change. In particular, Sompo Risk Management Inc. has been one of the "Registration Verification Authority" for "Tokyo Cap and Trade Scheme" organized by the Tokyo Metropolitan Government, which has been highly evaluated by the government and awarded the highest "S" Rank in the 9th consecutive year. Therefore, the regulation "Cap and trade schemes" could be one of business opportunities for our entire Group.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

174,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Sompo Risk Management Inc. has been expanding its consultation business in relation to Tokyo Cap and Trade Scheme and renewable energy, solar and wind power the total revenue for a year of released information is as follows;

Total: Around 174 million JPY

- 110 million JPY for Environmental related services including " Registered safety management audit institute " but excluding items below.
- 35 million JPY for "Risk consulting business related to renewable energy (solar energy and wind power)"
- 29 million JPY for "Regular Safety management examination for Wind Power Generation Business"

In 2021, sales increased by 32 millions from 2020.

As for the likelihood of this opportunity, since we have been developing new services and products, we consider the likelihood of this opportunity “Likely” in the midterm horizon.

Cost to realize opportunity

3,500,000

Strategy to realize opportunity and explanation of cost calculation

Strategy and Management: We have acquired the ISO14001 environmental management system since 1997 and integrated ISO26000 into our management system so that we can approach all social responsibility issues. That is how we are aware of new social trends including climate change and assess the impacts related to our business domain constantly. Through the PDCA management system utilizing the international standard, Sompo Risk Management Inc., as part of Sompo Holdings' social responsibility activities, has been expanding its consultation business in relation to Cap and trade schemes, renewable, solar and wind power based upon historical knowledge and experience of tackling climate change. In FY 2021, the Sustainability Department, which is the main department in charge of climate change in Sompo Risk Management Inc., increased the number of employees by 11 through new hires and internal transfers. In addition, the number of partners for GHG emission calculation and energy conservation diagnosis of factories has increased, and the business capacity has been increased.

Example: Sompo Risk Management Inc. has been one of the "Registration Verification Authority" for "Tokyo Cap and Trade Scheme" organized by the Tokyo Metropolitan Government, which have been highly evaluated by the government and awarded the highest "S" Rank in the 9th consecutive year.

Cost of Management:
The cost of the management system ISO14001 involves all employees from top to bottom, each year we have an external audit and the cost for the audit is approximately 3.5 million JPY. Although the costs of developing consulting services are not separately quantified, thanks to accumulated know-how and experiences in Sompo Risk Management Inc. since 1997 the impact of these costs are not significant.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of climate adaptation, resilience and insurance risk solutions

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

The P&C insurance industry is the sector vastly affected by the increase of natural disasters such as extreme weather caused by climate change, both in positive and negative sense. To cope with this changing environment and to take as much benefits out of it, Sompo Holdings has been developing and launching a number of products and services related to physical risks of climate change.
The Group is expanding the geographical areas abroad by tackling climate change as an opportunity. For example, Sompo Japan Insurance offers a variety of financial products and services that adapt towards climate change and also considering behavior change of consumers by providing products such as Weather Index Insurance in Thailand, Typhoon Guard Insurance in Philippines. In 2016 we received Japan's Environment Minister's Award for demonstrating the Principles for Financial Action towards a Sustainable Society. For our initiative in Myanmar utilizing the rainfall data estimated from earth observation satellites, we received the Japanese Minister of State for Space Policy Prize, at the Second Space Development and Utilization Grand Prize presentation. In FY2018, Sompo Insurance Thailand launched a new product to provide the first parametric weather insurance program for Longan farmers, developed under the direction of AgriSompo, an integrated platform to provide agriculture insurance and reinsurance solutions across globe, and in cooperation with Bank for Agriculture and Agricultural Cooperative (BAAC), in Thailand.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

266,854,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Sompo Holdings has originally developed Weather Index Insurance for rice farmers who struggle against drought in Thailand starting in 2010. Since 2017, Sompo International Holdings has been promoting AgriSompo, a global integrated agricultural insurance platform. In FY2020, Sompo International Holdings acquired Diversified Crop Insurance Services ("Diversified"), a leading U.S. crop insurance organization, and a strategic distribution partnership with InVivo Group, an agricultural cooperative in France.
With this acquisition, AgriSompo became one of the largest crop insurance providers in the U.S. and the world.
Sompo International Holdings' total agricultural insurance premiums increased annually from 97,592 USD in FY 2020 to 2,668,540 USD in FY 2021, an increase of 267% in FY 2021. The increase was due to the acquisition of Diversified Crop Services and an increase in the number of insurance policies. (1USD=100JPY)

As for the likelihood of this opportunity, since we have been developing our infrastructure to provide and develop our climate related products and services, we consider the likelihood of this opportunity "Very Likely" in the short term horizon.

Cost to realize opportunity

25,500,000

Strategy to realize opportunity and explanation of cost calculation

To identify opportunities in climate change, in fiscal 2021, our group identified 7 material issues and established KPIs for all sustainability factors, including climate change. To identify materiality, we participated in the TCFD Insurance Group of the UNEP FI, conducted scenario analysis using the TCFD recommended method in cooperation with Sompo Risk Management, a group company in our group, and participated in other global initiatives. In addition, through risk assessment using EMS, disaster prevention, disaster reduction, and the spread of renewable energy became new business areas of focus. In addition, through risk assessment using EMS, disaster prevention and mitigation, and the spread of renewable energy were identified as new business areas.

As a result of these activities, we believe there are business opportunities in expanding agricultural insurance. Since 2010, we have offered Weather Index Insurance to reduce agricultural business risks due to extreme weather events. The weather index insurance is an insurance product that pays the insurance amount determined by the contract when the weather index such as temperature, wind speed, rainfall, and hours of sunshine meets certain conditions. In 2010, we launched a weather index insurance for farmers in Northeast Thailand aiming at reducing their damages caused by drought. In Myanmar, we developed a weather index insurance that covers drought risk for rice and sesame farmers. In February 2019, we launched a parametric weather insurance program for longan fruit farmers in Thailand.
In order to expand its market into North America and Europe, where the agricultural market is large, we acquired Endurance Specialty Holdings in 2016, Diversified Crop Services in 2020, and ARA 1857 S.p.A. - Assicurazioni Rischi Agricoli VMG 1857 in 2021(This acquisition expected to close in 2022).

Our cost to realize developing climate-related products and services is composed by

following items:
- Fees for TCFD Insurance working group of UNEP FI/ PSI: 2,500,000 JPY(100JPY / 1USD)
- Fees for Sompo Risk Management Inc. to develop group based scenario analysis in accordance with TCFD recommendation : around 8,000,000 JPY
- Fees for global initiatives to address social issues and to generate collective impact liaising with them: 15,000,000 JPY

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Markets

Primary climate-related opportunity driver
Access to new markets

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
<Description including time horizon>
In a world where global temperature increases will be held to less than 1.5 ° C in 2050, effective measures against climate change will be taken under a certain level of economic development, and the environment and economy will be in harmony, it is assumed that a recycling-oriented society that makes use of local resources, an energy-saving society, and the development of material-free sharing services will develop. In the "Long-term strategy as a growth strategy based on the Paris Agreement" issued by the Japanese government in June 2020, the promotion of mobility services to improve services and convenience, the promotion of initiatives for the realization of seamless transportation, and the rapid expansion of the sharing economy including car sharing were indicated.

<Company-specific description>
In such a society, "mobility revolution" such as the development of seamless public transportation in the local community, may have an impact on the business of Sompo Holdings P&C insurance, of which auto insurance revenue exceed 50%, such as a decrease in the number of automobiles. Specifically, could include a decline in automobile insurance sales due to a decline in the number of vehicles owned, and the loss of opportunities in new markets as the market environment changes (loss of sales). To address these risks, we established a joint venture for person-to-person car sharing

in 2019 and made a parking lot sharing business affiliate, positioning "Mobility as a Service" related businesses as a growth area. As of 2020, after two years since its establishment 500 thousand customers have registered to this person-to-person car sharing service. Drawing on our strengths, which has automobile insurance data and nationwide insurance agent sales channels, we are working to create business opportunities by developing related specialized insurance and services. Sompo Japan started providing automobile insurance from 1960’s an era of motorization in Japan and now has grand data and nationwide insurance agent sales channels. We are continuously working to create new business opportunities by developing related specialized services.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

18,000,000,000

Potential financial impact figure – maximum (currency)

30,000,000,000

Explanation of financial impact figure

Based on various survey data, Sompo Holdings independently calculated the growth potential of the parking lot sharing market, and by FY2030, the market is expected to grow to about 60 to 100 billion JPY. As an estimate of financial impact, multiply the current domestic P&C insurance market share of approximately 30% and Calculation is as follows.
Maximum: 100 billion JPY x 30% share = 30 billion JPY
Minimum: 60 billion JPY x 30% share = 18 billion JPY

Cost to realize opportunity

2,650,000,000

Strategy to realize opportunity and explanation of cost calculation

<Strategy to realize opportunity>
Based on the above forecasts, Sompo Holdings has positioned "Mobility as a Service" related businesses as growth areas, including the establishment in 2019 of a joint venture for interpersonal car sharing and the conversion of a car sharing business into an affiliate. Drawing on the strengths of Sompo Japan, which has automobile insurance

data and nationwide insurance agent sales channels, Sompo Japan is working to create business opportunities by developing related specialized insurance.
Through the establishment of a joint venture company related to the car sharing business and the conversion of the car sharing business company into an affiliated company, Sompo Japan provides an interpersonal car sharing service that analyzes the demand for car sharing in areas and cars utilizing big data, a car sharing service utilizing the insurance agency network, and specialized insurance associated with these services.
In fiscal 2019, the number of car sharing members was more than 250,000, the number of registered vehicles was more than 8,000, and the cumulative number of car-sharing days was 130,000. In fiscal 2020, the number of car sharing members was more than 350,000, the number of registered vehicles was more than 16,000, and the cumulative number of car sharing days was 210,000. In fiscal 2021, the number of car sharing members was more than 500,000, the number of registered vehicles was more than 20,000, and the number of car sharing days was 280,000.

<Cost calculation>
In addition to establishing a joint venture company for inter-individual car-sharing business, establishing a car-sharing business company as an affiliated company and operating the business, costs (year) and personnel expenses (year) are as follows.
Annual business administration cost for person to person car sharing : approximately 997,000,000 JPY
Annual business administration cost for parking sharing : approximately 1,653,000,000 JPY

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

Yes, we have a transition plan which aligns with a 1.5°C world

Publicly available transition plan

Yes

Mechanism by which feedback is collected from shareholders on your transition plan

We do not have a feedback mechanism in place, but we plan to introduce one within the next two years

Attach any relevant documents which detail your transition plan (optional)

Page 26 of Sustainable report and all page of the NZIA press release.

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e_report2021 (1).pdf

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios NGFS scenarios Framework	Portfolio		To assess the impact of migration risk on our group's portfolio, the Sompo Group selected the NGFS scenario, which provides parameters for the Net zero 2050 scenario aligned with the 2050 net zero emissions target, and then used MSCI's Climate Value-at-Risk (CVaR) to assess the impact of policy risks and technological opportunities on our portfolio. The parameters are the cost of achieving GHG emission reduction targets for each portfolio company and the potential of the company's environmental technologies to contribute to the transition to a low-carbon society. Starting from this year, the evaluation period is set at our group's net zero target by 2050. Assumptions were based on the four scenario frameworks of the NGFS scenario: Orderly, Disorderly, Hot house world, Too little, and Too late.
Physical climate scenarios RCP 8.5	Company-wide		In order to predict future changes in typhoon risk associated with global warming, the Sompo Group selected the RCP 8.5 scenario, a model that captures changes in typhoon frequency and wind speed between 2050 and the present to calculate changes in frequency and damage costs, and evaluated it using the d4 PDF (database for Policy Decision making for Future climate change), a climate prediction database developed under the Ministry of Education, Culture, Sports, Science and Technology's Climate Change Risk Information Creation Program. The parameters

			are Typhoon frequency and damage amount per unit wind. Starting from this year, the evaluation period is set at our group's net zero target by 2050. Analytical Selection is a simplified quantitative analysis tool based on the comprehensive outer line of the UNEP FI TCFD Insurance Working publication (calculation scenario based on the RCP 8.5 scenario in IPCC).

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

1. Impact of an increase in insurance payments due to an increase in natural disasters associated with climate change;

Sompo group's P&C insurance business, which accounts for more than 80% of Sompo group's net sales, pays substantial insurance claims for damage caused by natural disasters (Earthquakes, storm and flood damage, snowstorms, etc.) both in Japan and overseas, and can have a material impact on our business results. Natural disasters may occur in all countries and regions of the globe due to accelerated climate change, so they need to be quantitatively assessed. In addition, due to the frequent occurrence and intensification of natural disasters caused by climate change, the provision of stable insurance may become difficult due to the effects of an increase in insurance claims and a deterioration in the balance of underwriting.

2. Impact on asset management and insurance underwriting in our group due to stranded assets in sectors with high greenhouse gas emissions and worsening credit risk;

Fossil fuels such as coal, oil, and natural gas will not be able to be used as an energy source if it becomes necessary to reduce carbon dioxide emissions in response to climate change, and it is thought that their asset value will decline significantly. The company holding the asset is required to write down the value of the asset for financial accounting purposes, which will severely damage the company's income statement and balance sheet. If Sompo group had invested or underwrote this company, it would have a very negative impact on our portfolio.

Results of the climate-related scenario analysis with respect to the focal questions

<Impact of increased insurance payments due to increased natural disasters associated with climate change>

1.Results of Analysis

Using RPC 8.5 and NGFS scenarios, we estimate the occurrence frequency of water disasters such as typhoons and hurricanes in the world and the damage amount per 1 unit of water disasters. According to the scenario analysis, natural disasters, including

typhoons and hurricanes, could increase further in the future, resulting in economic losses of more than 200 billion JPY.

2. Whether the results were reflected in decisions and actions
As a result, in order to reduce our payment risk, we increased change in reserve for outstanding losses and claims by 14.3 billion JPY from 13.3 billion JPY in the previous fiscal year to 27.6 billion JPY in fiscal 2021. In the United States, based on the results of these calculations, we collaborates with external vendors and research institutions to analyze the impact of climate change risks, and uses these results in its own scenarios as well as in overseas natural disaster models in Sompo group's P&C insurance business.

<Impact on asset management and insurance underwriting in our group due to stranded assets and worsening credit risk in sectors with high GHG emissions>
1. Results of Analysis
Through MSCI ' s Climate Value-at Risk and NGFS analyses, we examined the impact of corporate policy risks associated with the transition to a low-carbon global economy and the impact of technological opportunities arising from efforts to mitigate and adapt to climate change, on our group's portfolio assets (Domestic stocks, domestic bonds, foreign stocks, foreign bonds), based on a scenario in which the temperature increase by the end of the 21 century is contained at 1.5 °C, 2 °C, and 3 °C below pre-industrial levels. As a result of the analysis, the impact of domestic stocks is about twice that of foreign stocks, and that of domestic corporate bonds is about seven times that of foreign corporate bonds.

2. Whether the results were reflected in decisions and actions
Based on our analysis, we have set a target to reduce the GHG emissions of our asset management portfolio by 25% by 2025 (total GHG emissions of stocks and bonds compared to 2019 levels) by strengthening engagement with the top 20 GHG emitters among our assets, including high-impact domestic stocks, promoting the replacement of high-emission industries with low-emission industries upon maturity of corporate bonds, and redistributing funds to impact investments in consideration of ESG.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	(Situation) With the Paris Agreement, offshore wind power is attracting attention as a form of renewable energy. The Japanese government has set a target in the Fifth Basic Energy Plan

		to increase the total installed capacity of wind power generation to about 10 GW by FY2030. In addition, the Act on Promoting the Utilization of Sea Areas for the Development of Marine Renewable Energy Power Generation Facilities came into effect on April 1, 2019 to promote offshore wind power generation. (Task) On the other hand, stable management of the wind power generation business, which is a large-scale project worth hundreds of billions of yen, remains a challenge. We are exposed to a variety of risks, including the increasing frequency of natural disasters and accidents specific to offshore wind power generation. Quantitative analysis of the risks inherent in offshore wind power generation and the risks of natural disasters, which have different characteristics depending on the location, is essential, and measures such as risk management and the transfer of these risks to insurance are essential and have an impact on our business. (Action) As a result of the scenario analysis in our group, the technological opportunities of Japanese companies under the 1.5 °C scenario will have the greatest impact. We will develop renewable energy-related insurance underwriting products and services for its main customers, Japanese companies. Against this situation, in 2020, Sompo Japan released the ONE SOMPO WIND Service, which supports businesses by providing a comprehensive range of services, from identifying and assessing risks in offshore wind power generation to arranging insurance. We have launched "Sompo Climate Action" in our mid-term management plan from 2021 to 2023, and we plan to support the transition of society by providing risk consulting services and insurance in the wind power business. (Result) Our proposal for risk consulting services, which enables us to provide professional and multifaceted support in the business planning of mid-term offshore wind power development projects, has been highly evaluated. As proof of this, we have been awarded insurance/risk advisory services in three of the four promotion zones designated by the government. We have started providing "ONE SOMPO

		WIND Service" in terms of risk identification and assessment.
Supply chain and/or value chain	Yes	(Situation) Financial institutions, as asset holders, are playing an important role in the transition to a decarbonized society. In this sense, investee companies are important stakeholders in the supply chain of financial institutions. Sompo group used Climate Value-at-Risk provided by MSCI to analyze the impact of migration risk on our group's assets (Domestic stocks, domestic bonds, foreign stocks, foreign bonds), assuming that temperature increases at the end of this century will remain below 1.5 °C, 2 °C, and 3 °C above pre-industrial levels. As a result, the impact on domestic stocks was the greatest. (Result) In our Medium-Term Management Plan "Sompo Climate Action," Sompo Holdings has set greenhouse gas reduction targets in line with the Paris Agreement, and aims to achieve a carbon neutral society by 2050. As a concrete activity of this goal, we are promoting the transition to green by strengthening engagement with the top 20 companies with high emissions among our shareholdings. Regarding corporate bonds, we have set a target of reducing GHG emissions in our asset management portfolio by 25% by 2025 (Based on total GHG emissions from stocks and corporate bonds compared to fiscal 2019) by promoting the replacement of high-emitting sectors with low-emitting sectors at the time of maturity and by reallocating such resources to impact investments and transition finance that take ESG into consideration. We became the first Japanese P&C insurance company to join three initiatives: the Net Zero Asset Owners Alliance (joined in May 2022), the Net Zero Insurance Alliance (joined in June 2022), and the Net Zero Asset Managers Initiative (joined in January 2022).
Investment in R&D	Yes	(Situation) Due to climate change, major natural disasters have become more frequent in the past few years as a new normal risk influencing many lives. (Task) There is a heightened need to develop new measures to address natural disasters, particularly given that disaster-related rules of experience and prediction methods amassed over the years have started to prove ineffective.

		(Action) In light of these conditions, in order to enhance local disaster preparedness capabilities, Sompo Japan has formed a business alliance with One Concern, a Silicon Valley (U.S.A.)-based startup specializing in disaster preparedness systems. The two companies have begun jointly developing a disaster preparedness and mitigation system using advanced AI technology. (Result) Sompo Japan and One Concern have made partnerships with 6 Japanese major cities to develop the system. The system predicts floods from a weather forecast 72 hours before the incident occurs. The aim of this project is to enhance the Japanese local communities resilience in the coming few years with the aim to enhance the resilience in Japan. In addition, Sompo Holdings has invested approx. 100 million USD in One Concern financially.
Operations	Yes	(Situation) One example of transition risk in the connection with business operation is the increased cost of complying with stricter CO2 emission regulations. For example, in Japan, under the Energy Conservation Law, energy use reduction is an effort obligation, and the Tokyo Metropolitan Government has imposed a reduction obligation in global warming countermeasures with performance obligations. In addition to the regulations, we have been making efforts to reduce GHG emissions in line with the Paris Agreement. (Task) Sompo Holdings has been tackling a target of reducing emissions by 60% in FY2030 and 100% in FY2050, using FY2017 as the base year. We have also set a target of 70% renewable energy use by 2030. Sompo Holdings identifies group-based materiality KPIs which include climate change. Since then, we has been tracking the KPI which is set in the level of target reduction percentage in each year. Since SBT initiative recommends global companies to set the level of 1.5℃, we are promoting energy conservation and the use of renewable energy in company-owned buildings and has set GHG reduction targets higher than current levels below 2 °C.

		(Action and Result) In FY2021, we have invested 1,301,539,067 JPY in energy-saving construction costs and continued to discuss a level of ambition for GHG reduction initiatives.)Sompo Japan switched electricity from its energy source to 100% renewable energy in Head quester building in 2021. And it set a medium-term target to pursue the higher ratio by switching to renewable energy in all company-owned buildings.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs	(Situation) In recent years, climate change has led to an increase in the scale and frequency of natural disasters. (Task) The increase in the number of natural disasters is certain to lead to an increase in the amount of insurance claims paid, necessitating a reform of the profit structure. 1) Price optimization for insurance products (Insurance Premium) 2) Insurance Underwriting(Insurance Rates), 3)Efficient Business operations (Productivity improvement) (Action) As an example of measures toward reforming the profit structure, Sompo Japan has strengthened the following three measures. (1) Price optimization for insurance products: Pricing strategy that emphasizes profitability, such as optimizing group discounts for corporate employees and setting rates based on age. (2)Insurance Underwriting: ・Optimized rates and underwriting conditions for high-loss agencies and corporate policies ・Accident prevention support (3)Productivity improvement: ・Advance sales network structure reform ・Digitalization(AI/Robotic Process Automation)/Non paper promotion / Tele-commuting, zero-based work review As an example we have implemented a zero based work review in

		promoting employees to work at home (Tele commuting) through digitalization, costs were reduced by 6 billion JPY per year in 2020 and 2021. (Result) As a result of these measures, the profit in FY2021 increased by 59 billion JPY compared to the previous year. By FY2023, we plan to increase profits by approximately 100 billion JPY compared to FY2020.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?

Yes

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's transition to a 1.5°C world.

Financial Metric

OPEX

Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)

0.02

Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)

0.1

Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)

0.2

Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world

The Sompo Group uses electricity from both renewable and fossil fuel sources. Of this amount, only electricity generated from renewable energy sources is reported as "in line with the 1.5 °C world" as part of OPEX in the financial statements. As part of its commitment to achieve Net Zero emissions by FY 2050, Sompo Group aims to introduce 70% renewable energy by 2030.
Sompo Japan, one of Sompo group companies, plans to switch all of its buildings to 100% renewable energy. In 2021, we achieved 100% renewable energy in our

Headquarter building, and renewable energy share of OPEX increased by 0.02% compared to 2019. It is expected to increase by 0.01% in 2025 and 0.2% in 2030.

C-FS3.6

(C-FS3.6) Does the policy framework for your portfolio activities include climate-related requirements for clients/investees, and/or exclusion policies?

Yes, our framework includes both policies with client/investee requirements and exclusion policies

C-FS3.6a

(C-FS3.6a) Provide details of the policies which include climate-related requirements that clients/investees need to meet.

Portfolio

Investing (Asset manager)

Type of policy

Sustainable/Responsible Investment Policy
Investment policy/strategy

Portfolio coverage of policy

100

Policy availability

Publicly available

Attach documents relevant to your policy

C-FS3.6a_ESGにフォーカスしたファンドラインナップ_ＳＯＭＰＯアセットマネジメント.pdf

C-FS3.6a_Sompo Asset Management Responsible Investment Policy _ Sompo Asset Management Co., Ltd_.pdf

Criteria required of clients/investees

Disclosure of Scope 1 emissions
Disclosure of Scope 2 emissions
Set a science-based emissions reduction target

Value chain stages of client/investee covered by criteria

Direct operations only

Timeframe for compliance with policy criteria

Clients/investees must be compliant within the next year

Industry sectors covered by the policy

Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

Exceptions to policy based on

Explain how criteria coverage and/or exceptions have been determined

Funds that conduct ESG Positive Screening conduct ESG questionnaires, including environmental issues, to companies, and assign ESG scores based on the responses to the questionnaires, and invest in companies that meet or exceed a certain level.

Portfolio

Investing (Asset owner)

Type of policy

Sustainable/Responsible Investment Policy
Other, please specify
Underwriting policy

Portfolio coverage of policy

100

Policy availability

Publicly available

Attach documents relevant to your policy

Refer to Page 3 and 4 of "Policy_Sompo Holdings" and all page of "0630_New policy".

0630_New policy_e_20220628_1.pdf

Policy _ Sompo Holdings.pdf

Criteria required of clients/investees

Disclosure of Scope 1 emissions
Disclosure of Scope 2 emissions
Disclosure of Scope 3 emissions
Set a science-based emissions reduction target
Develop a climate transition plan

Value chain stages of client/investee covered by criteria

Direct operations only

Timeframe for compliance with policy criteria

Clients/investees must be compliant within the next year

Industry sectors covered by the policy

Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment
Utilities
Real Estate

Exceptions to policy based on

Explain how criteria coverage and/or exceptions have been determined

Since business activities in all industries emit GHGs, all stocks and bonds are covered. With no GHG reduction plan in place by 2025, companies that generate 30% or more of their income from coal-fired power generation, thermal coal mining, or oil sand mining, or generate 30% or more of their energy from coal, will not be insured, invested, or financed.

Portfolio

Insurance underwriting (Insurance company)

Type of policy

Insurance underwriting policy

Portfolio coverage of policy

100

Policy availability

Publicly available

Attach documents relevant to your policy

Refer to Page 3 and 4 of "Policy_Sompo Holdings" and all page of "0630_New policy".

0630_New policy_e_20220628_1.pdf

Policy _ Sompo Holdings.pdf

Criteria required of clients/investees

Disclosure of Scope 1 emissions
Disclosure of Scope 2 emissions
Disclosure of Scope 3 emissions
Set a science-based emissions reduction target

Value chain stages of client/investee covered by criteria

Direct operations only

Timeframe for compliance with policy criteria

Clients/investees must be compliant within the next year

Industry sectors covered by the policy

Energy
Materials
Capital Goods
Commercial & Professional Services
Transportation
Automobiles & Components
Consumer Durables & Apparel
Consumer Services
Retailing
Food & Staples Retailing
Food, Beverage & Tobacco
Household & Personal Products
Health Care Equipment & Services
Pharmaceuticals, Biotechnology & Life Sciences
Software & Services
Technology Hardware & Equipment
Semiconductors & Semiconductor Equipment
Telecommunication Services
Media & Entertainment

Utilities
Real Estate

Exceptions to policy based on

Explain how criteria coverage and/or exceptions have been determined

Since business activities in all industries emit GHG emissions, all stocks and bonds are covered. With no GHG emissions reduction plan in place by 2025, companies that generate 30% or more of their income from coal-fired power generation, thermal coal mining, or oil sand mining, or generate 30% or more of their energy from coal, will not be insured, invested, or financed.

C-FS3.6b

(C-FS3.6b) Provide details of your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Portfolio

Investing (Asset manager)
Investing (Asset owner)
Insurance underwriting (Insurance company)

Type of exclusion policy

All Coal

Year of exclusion implementation

2,020

Timeframe for complete phase-out

By 2025

Application

New business/investment for new projects
New business/investment for existing projects
Existing business/investment for existing projects

Country/Region the exclusion policy applies to

Other, please specify

There are no excluded areas.

Description

◆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 or make any new investments in 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), unless they establish a GHG reduction plan by January 2025 (*3) .

◆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 palace 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.

C-FS3.7

(C-FS3.7) Does your organization include climate-related requirements in your selection process and engagement with external asset managers?

	Climate-related requirements included in selection process and engagement with external asset managers
Row 1	Yes

C-FS3.7a

(C-FS3.7a) Provide details of the climate-related requirements included in your selection process and engagement with external asset managers.

Coverage

Minority of assets managed externally

Mechanisms used to include climate-related requirements in external asset manager selection

Include climate-related requirements in investment mandates
Review investment manager's climate-related policies

Describe how you monitor and engage with asset managers to ensure investment activities are consistent with your climate strategy

Sompo group announced "Sompo Climate Action Plan" at our IR in May 2021, and set a policy to achieve net-zero in its investments and insurance underwriting by 2050.
Sompo Asset Management, Inc. (SAM), a group company that manages a portion of Sompo Japan's assets, joined the Net Zero Managers Alliance (NZAM) in 2022 to achieve to net-zero in its management portfolio by 2050, and is conducting activities consistent with our group's policy.
Some Japan conducts the annual meeting with SAM to confirm that SAM is making investments in accordance with the SOMPO Group's ESG policies.
When making new investments, we also check the consistency with our group's EGS policy. In June 2022, we will join NZAOA and NZAM and strengthen our investment and underwriting policy. In the case of coal-related industries, we will make investment decisions after confirming consistency with our group's investment and underwriting policy, such as whether there is a transition plan or whether it is scheduled to be prepared by January 2025.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target
Portfolio target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2
Scope 3

Scope 2 accounting method
Market-based

Scope 3 category(ies)
Other (upstream)

Base year
2018

Base year Scope 1 emissions covered by target (metric tons CO2e)
37,265

Base year Scope 2 emissions covered by target (metric tons CO2e)
159,922

Base year Scope 3 emissions covered by target (metric tons CO2e)
111,070

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
308,257

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
69

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
86

Target year
2031

Targeted reduction from base year (%)
60

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
123,302.8

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

26,663

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

121,882

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

79,506

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

228,051

% of target achieved relative to base year [auto-calculated]

43.365330444

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

This data includes domestic and overseas group companies. Downstream, as described in C 6.5, is not applicable except for Cat. 15. The target of Cat. 15 are described in C-FS 4.1 d. Cat.2 is excluded from the target.

This target is currently being reviewed by the Science Based Targets initiative, but met all of the following criteria;

- the % of emissions in scope are 70% or higher,
- targets must cover both scope 1 and 2 emissions,
- has a medium time frame (target year is between 5 and 15 years more than the “Start year” inclusive),
- has a long time frame (target year is after 15 years more than the “Start year”),
- the targets meet at least a 2.1% year-on year emissions reductions between base year and target year.

Plan for achieving target, and progress made to the end of the reporting year

To achieve the target of reducing GHG emissions by 60% (compared to 2017 levels) by 2030, we will replace its buildings with LED lighting and high-efficiency air conditioning, regenerate 70% of its total energy consumption, use EVs for company vehicles, reduce GHG emissions through business trips, and reduce paper consumption.

In fiscal 2021, we upgraded our buildings to LED lighting and high-efficiency air conditioning, and introduced renewable energy. Through these efforts, we achieved our target of approximately 37.8%.

List the emissions reduction initiatives which contributed most to achieving this target

C-FS4.1d

(C-FS4.1d) Provide details of the climate-related targets for your portfolio.

Target reference number
Por1

Year target was set
2,022

Portfolio
Investing (Asset owner)

Product type/Asset class/Line of business
Fixed income
Listed equity

Sectors covered by the target
All sectors

Portfolio coverage of target
30

Target type
Portfolio emissions

Target type: Absolute or intensity
Absolute

Scopes included in temperature alignment

Metric (or target numerator if intensity)
tCO2e

Target denominator

Base year
2,019

Figure in base year
2,072,536

Percentage of portfolio emissions covered by the target
100

Interim target year

2,025

Figure in interim target year

1,554,402

Target year

2,050

Figure in target year

0

Figure in reporting year

1,854,777

% of target achieved relative to base year [auto-calculated]

10.5068862495

Aggregation weighting used

Proportion of portfolio emissions calculated in the reporting year based on asset level data

100

Proportion of the temperature score calculated in the reporting year based on company targets

Target status in reporting year

New

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science-based target initiative in the next two years

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

This is because listed stocks and corporate bonds subject to reduction targets under the Net Zero Asset Owners Alliance are included, and the calculation method for GHG emissions has not been determined, and sovereign bonds and unlisted stocks are not included.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Target year for achieving net zero

2050

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next 2 years

Please explain target coverage and identify any exclusions

This data includes domestic and overseas group companies. This target is currently being reviewed by the Science Based Targets initiative, but met all of the following criteria;
- the % of emissions in scope are 70% or higher,
- targets must cover both scope 1 and 2 emissions,
- has a medium time frame (target year is between 5 and 15 years more than the “Start year” inclusive),
- has a long time frame (target year is after 15 years more than the “Start year”),
- the targets meet at least a 2.1% year-on year emissions reductions between base year and target year.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Unsure

Planned milestones and/or near-term investments for neutralization at target year

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	14	0
To be implemented*	12	285
Implementation commenced*	0	0
Implemented*	28	22,642
Not to be implemented	5	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings

Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

113

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

364,315,000

Payback period

16-20 years

Estimated lifetime of the initiative

16-20 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

18,376

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

116,674,630

Investment required (unit currency – as specified in C0.4)

1,140,965,000

Payback period

16-20 years

Estimated lifetime of the initiative

16-20 years

Comment

Initiative category & Initiative type

Low-carbon energy consumption
Hydropower (capacity unknown)

Estimated annual CO2e savings (metric tonnes CO2e)

2,778

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

28,222,529

Payback period

No payback

Estimated lifetime of the initiative

<1 year

Comment

Additional cost is calculated by 4.5JPY/kwh ×(multiplied) 6,271,673kwh.

Initiative category & Initiative type

Company policy or behavioral change

Resource efficiency

Estimated annual CO2e savings (metric tonnes CO2e)

1,375

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 1: Purchased goods & services

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

938,484,260

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

3-5 years

Comment

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	Dedicated budget for energy efficiency "Top Management Review Meeting" is held annually to monitor and review the group's progress and status regarding climate change for Sompo Holdings. At the meeting, the Group CSO received regular updates regarding on our GHG footprints and the results of the activities to adapt and mitigate climate change from Sustainable Management Dept. also receives

	direct orders from Group CSO regarding the company wide strategy to diminish our carbon footprint in the course of our business activities.

C-FS4.5

(C-FS4.5) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?

Yes

C-FS4.5a

(C-FS4.5a) Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate change, including any taxonomy used to classify the products(s).

Product type/Asset class/Line of business

Insurance

Motor

Taxonomy or methodology used to classify product

Internally classified

Description of product

Web Agreement; Web Agreement is a service in which customers who have entered into insurance contracts over the internet can view their insurance agreement on their computer. Customers can reduce paper usage by choosing Web Agreement. A portion of the cost reduced is used as capital for the Save Japan Project, an initiative that protects the domestic natural environment and works towards creating a sustainable society while bearing in mind about developing the next generation.

In FY 2021, Web Agreement saved approximately 465 ton of paper, which is calculated as an estimated 707t -CO2 reduction.

Product enables clients to mitigate and/or adapt to climate change

Mitigation

Portfolio value (unit currency – as specified in C0.4)

534,100,000,000

% of total portfolio value

91

Type of activity financed/insured or provided

Paperless/digital service

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

Yes, an acquisition

Name of organization(s) acquired, divested from, or merged with

Acquisition of Diversified Crop Insurance Services (DCIS)

Details of structural change(s), including completion dates

Sompo International Holdings Ltd. (SIH), one of Sompo Holdings' companies, completed to the acquisition of Diversified Crop Insurance Services (DCIS) a subsidiary of CGB Enterprises, Inc. (CGB) in December 28th, 2020. The acquisition brought insurance revenues from the agriculture sector to more than 2 billion USD, making it the world's largest provider of agricultural insurance.
With the expansion of its offices, SIH has seen a 1.5 fold increase in electricity consumption and a 40,000 fold increase in gasoline consumption due to an increase of 560 long-distance operating vehicles. Premium of agricultural insurance increased 998 million USD in FY 2020 to 2,669 million USD in FY2021.

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
Row 1	No

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold

Row 1	Yes	Base year emissions are recalculated when the amount of increase or decrease in emissions resulting from the following changes is 0.5% or more of the emissions in the base year. - Cases which the calculation target company has changed due to a company merger, etc. (involving both an increase and a decrease) - When the calculation method such as the emission factor used in the calculation has been changed Base year emissions were recalculated because the increase in emissions from the acquisition of C 5.1a was more than 0.5% of base year emissions.

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

4 月 1, 2017

Base year end

3 月 31, 2018

Base year emissions (metric tons CO2e)

37,265

Comment

Scope 2 (location-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 2 (market-based)

Base year start

4 月 1, 2017

Base year end

3 月 31, 2018

Base year emissions (metric tons CO2e)

159,922

Comment

Scope 3 category 1: Purchased goods and services

Base year start

4 月 1, 2017

Base year end

3 月 31, 2018

Base year emissions (metric tons CO2e)

16,389

Comment

Scope 3 category 2: Capital goods

Base year start

4 月 1, 2017

Base year end

3 月 31, 2018

Base year emissions (metric tons CO2e)

50,187

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

4 月 1, 2017

Base year end

3 月 31, 2018

Base year emissions (metric tons CO2e)

33,811

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

4 月 1, 2017

Base year end

3 月 31, 2018

Base year emissions (metric tons CO2e)

16,609

Comment

Scope 3 category 5: Waste generated in operations

Base year start

4 月 1, 2017

Base year end

3 月 31, 2018

Base year emissions (metric tons CO2e)

13,644

Comment

Scope 3 category 6: Business travel

Base year start

4 月 1, 2017

Base year end

3 月 31, 2018

Base year emissions (metric tons CO2e)

21,865

Comment

Scope 3 category 7: Employee commuting

Base year start

4 月 1, 2017

Base year end

3 月 31, 2018

Base year emissions (metric tons CO2e)

8,751

Comment

Scope 3 category 8: Upstream leased assets

Base year start

4 月 1, 2017

Base year end

3 月 31, 2018

Base year emissions (metric tons CO2e)

0

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

4 月 1, 2017

Base year end

3 月 31, 2018

Base year emissions (metric tons CO2e)

0

Comment

Scope 3 category 10: Processing of sold products

Base year start

4 月 1, 2017

Base year end

3 月 31, 2018

Base year emissions (metric tons CO2e)

0

Comment

Scope 3 category 11: Use of sold products

Base year start

4 月 1, 2017

Base year end

3 月 31, 2018

Base year emissions (metric tons CO2e)

0

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

4 月 1, 2017

Base year end

3 月 31, 2018

Base year emissions (metric tons CO2e)

0

Comment

Scope 3 category 13: Downstream leased assets

Base year start

4 月 1, 2017

Base year end

3 月 31, 2018

Base year emissions (metric tons CO2e)

0

Comment

Scope 3 category 14: Franchises

Base year start

4 月 1, 2017

Base year end

3 月 31, 2018

Base year emissions (metric tons CO2e)

0

Comment

Activity volume: Energy consumption was calculated based on the number of franchisees and the energy consumption per typical office building of our group

companies.
Emission factor: We mainly used data from the "List of Emission Factors" provided by the Ministry of the Environment's "Greenhouse Gas Emissions Calculation, Reporting, and Publication System.
Calculation method: CO2 emissions were calculated by multiplying the amount of energy by the emission factor.
Insurance sales agents do not fall under the category of franchise in the strict sense of the term. Therefore, the number of franchisees is zero, resulting in zero emissions in this category.

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

26,663

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

125,276

Scope 2, market-based (if applicable)

121,882

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

11,151

Emissions calculation methodology

Average data method
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Activity data: The volume of purchased goods and services in the reporting year was calculated from the financial data. Activities that correspond to this category are as follows; Use of paper, Printing, Water supply, Sewerage, Use of PC server.
Emissions factor: We mainly applied data from the "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.2)" created by Japan Ministry of the Environment and Ministry of Economy, Trade and Industry.
Methodology: We calculated CO2 emissions by multiplying the volume of purchased goods and services and the emissions factor.

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

44,736

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Activity data: The volume of capital goods (New construction of buildings) in the reporting year was calculated from the financial data.
Emissions factor: We mainly applied data from the "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.2)" created by Japan Ministry of the Environment and Ministry of Economy, Trade and Industry.
Methodology: We calculated CO2 emissions by multiplying the volume of capital goods and the emissions factor.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

28,210

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Activity data :The annual energy consumption in the reporting year was compiled on the basis of data from internal systems.
Emissions factor: We mainly applied data from the "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.2)" created by Japan Ministry of the Environment and Ministry of Economy, Trade and Industry.
Methodology: We calculated CO2 emissions by multiplying Fuel, Electricity and Steam consumption and the emissions factor.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

11,810

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Activity data: The volume of Upstream transportation and distribution in the reporting year was calculated from the financial data.
Emissions factor: We mainly applied data from "Default emission factor based on Act on Promotion of Global Warming" and "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver3.2)" created by Japan Ministry of the Environment and Ministry of Economy, Trade and Industry.
Methodology: We calculated CO2 emissions by multiplying the volume of upstream transportation and distribution and the emissions factor.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

13,247

Emissions calculation methodology

Average data method
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Activity data: The amount of waste by type in the reporting year was estimated from figures of some domestic business sites as sample.
Emission factor: We mainly applied data from "the basic database of Carbon Footprint Communication Program conducted by Japanese government and JEMAI (Japan Environmental Management Association for Industry)" and "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver. 3.2) created by Japan Ministry of the Environment and Ministry of Economy, Trade and Industry".
Methodology: We calculated CO2 emissions by multiplying the amount of waste by type and the emissions factors by treatment method.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

7,457

Emissions calculation methodology

Average data method
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Activity data: The distance of business travel in the reporting year was calculated from the data on the internal systems. And the volume of business travel (train, super express, bus, taxi, car rental, airplane, ship, staying at the hotel) in the reporting year was calculated from the financial data.
Emissions factor: Mainly data from the "LCI Database IDEAv2 (for calculating supply chain greenhouse gas emissions) (version updated on March 16, 2020) and Data from "Guidelines for Calculating Greenhouse Gas Emissions for Carbon Offsetting (Ministry of the Environment)" and "Database on Greenhouse Gas Emissions in Supply Chains of Companies (Ver. 3.2) (Ministry of the Environment and Ministry of Economy, Trade and Industry)" were used.
Methodology: We calculated CO2 emissions by multiplying the amount of business travel (distance and amount) by an emission factor.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

7,630

Emissions calculation methodology

Other, please specify

Guideline: Ministry of the Environment "Basic Guidelines for Calculating Greenhouse Gas Emissions through Supply Chains (ver. 2.4)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Activity data: Employee commuting costs (train, bus, private car, and ship) in the reporting year was calculated from the financial data.
Emission factor: We mainly used data from the "List of Calculation Methods and Emission Factors in the System for Calculation, Reporting, and Publication of Greenhouse Gas Emissions" (Ministry of the Environment) and the "Database on Greenhouse Gas Emissions in the Supply Chain of Companies (Ver. 3.2)" (Ministry of the Environment and Ministry of Economy, Trade and Industry).
Methodology: CO2 emissions were calculated by multiplying the commuting costs by an emission factor.

Upstream leased assets

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

0

Emissions calculation methodology

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Activity data: The annual energy consumption in the reporting year was compiled on the basis of data from internal systems.
Emission factor: We mainly used data from the "List of Emission Factors" provided by the Ministry of the Environment's "Greenhouse Gas Emissions Calculation, Reporting, and Publication System.
Calculation method: CO2 emissions were calculated by multiplying energy consumption by the emission factor.
This data is included in Scope 1+2 and does not fall under this category. Therefore, it is zero as emissions in this category.

Downstream transportation and distribution

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

0

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Activity data: The volume of activities in this category in the reporting year was calculated from the financial data. But there is nothing applicable in this category because documents sent to customers, etc. fall under the category of "Upstream transport and delivery". Therefore, the volume of activities in this category was calculated as zero.

Processing of sold products

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

0

Emissions calculation methodology

Site-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Activity amount: Amount of energy required for processing sold products
Emission factor: We mainly used data from the "List of Emission Factors" provided by the Ministry of the Environment's "Greenhouse Gas Emissions Calculation, Reporting, and Publication System.
Calculation method: CO2 emissions were calculated by multiplying the amount of energy required to process the product by the emission factor.
Since our product, insurance, is intangible and does not require energy when used, the amount of activity is zero and the emissions in this category are also zero.

Use of sold products

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

0

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Activity data: The volume of activities in this category in the reporting year was calculated from the financial data.
Since our product, insurance, is intangible and does not require energy when used, the amount of activity is zero and the emissions in this category are also zero.

End of life treatment of sold products

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

0

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Activity: Total weight of products from the time of sale to the end of use by the customer, including packaging, etc.
Emission factors: We mainly used data from "List of Calculation Methods and Emission Factors in the System for Calculation, Reporting, and Publication of Greenhouse Gas Emissions" (Ministry of the Environment) and "Database of Greenhouse Gas Emissions in the Corporate Supply Chain (Ver3.2)" (Ministry of the Environment and Ministry of Economy, Trade and Industry).
Calculation method: CO2 emissions were calculated by multiplying weight by emission factors for each processing method.
Since our product, insurance, is intangible and generates no waste, it does not fall under this category. Therefore, the amount of activity is zero and the emissions in this category are also zero.

Downstream leased assets

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

0

Emissions calculation methodology

Asset-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Activity data: The annual energy consumption in the reporting year was compiled on the basis of data from internal systems.
Emission factor: We mainly used data from the "List of Emission Factors" provided by the Ministry of the Environment's "Greenhouse Gas Emissions Calculation, Reporting, and Publication System.
Calculation method: CO2 emissions were calculated by multiplying energy consumption by the emission factor.
This data is included in Scope 1+2 and does not fall under this category. Therefore, it is zero as emissions in this category.

Franchises

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

0

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Activity volume: Energy consumption was calculated based on the number of franchisees and the energy consumption per typical office building of our group companies.
Emission factor: We mainly used data from the "List of Emission Factors" provided by the Ministry of the Environment's "Greenhouse Gas Emissions Calculation, Reporting, and Publication System.
Calculation method: CO2 emissions were calculated by multiplying the amount of energy by the emission factor.
Insurance sales agents do not fall under the category of franchise in the strict sense of the term. Therefore, the number of franchisees is zero, resulting in zero emissions in this category.

Other (upstream)

Evaluation status

Please explain

Other (downstream)

Evaluation status

Please explain

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000000036

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

148,545

Metric denominator

unit total revenue

Metric denominator: Unit total

4,167,496,000,000

Scope 2 figure used

Market-based

% change from previous year

19.8

Direction of change

Decreased

Reason for change

Scope 1+2 decreased by about 13% due to mitigation activities such as purchasing renewable energy and switching to LED lighting. On the other hand, profit in 2021 increased by about 8%.
Unit requirement for the previous year: 0.000000044 t-CO2e / JPY

Intensity figure

2.4

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

148,545

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

61,899

Scope 2 figure used

Market-based

% change from previous year

11.9

Direction of change

Decreased

Reason for change

Scope 1+2 decreased by 13% due to mitigation activities such as purchasing renewable energy and switching to LED lighting. FY2021 number of FTE employee decreased by about 1% compared to previous fiscal year.
Unit requirement for the previous year: 2.7 t-CO2e / FTE

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	2,778	Decreased	1.6	Sompo Japan Insurance has successfully reduced its Scope2 emissions by 2,778t-CO2e in FY2021 by expanding the use of renewable energy. [Calculation method] 1.6% = (CO2 emission reduction by use of renewable energy in FY2021: 2,778t-CO2e) / (Scope 1+2 emissions in FY2020: 171,048t-CO2e) * 100
Other emissions reduction activities	18,489	Decreased	11	Sompo Japan Insurance successfully reduced Scope 1 and Scope 2 emissions in 2021 by 18,489t-CO2e compared to 2020. [Calculation method] 11% = (Reduction activities in FY2021: 18,489t-CO2e) / (Scope 1 + 2 emissions in FY2020: 171,048t-CO2e) * 100 Emissions reduction activities are

				mainly due to the reduction of electricity consumption through energy-saving activities such as the use of LED lighting. Electricity reduction is one of the Group's KPIs in relation to climate change.
Divestment				
Acquisitions	5,807	Increased	3.4	As described in C5.1a, on December 28, 2020, Sompo International Holding, Inc. (SIH), a subsidiary of Sompo Holdings, Inc. and CGB Enterprises, Inc. completed the acquisition of Diversified Crop Insurance Services (DCIS). As a result, Scope 1 emissions increased by 5,807t-CO2e in FY2021, especially due to an increase in the number of vehicles. [Calculation method] 3.4% = (Scope 1 CO2 emissions increase due to acquisition: 5,807t-CO2e) / (Scope 1+2 emissions in FY2020: 171,048t-CO2e) x 100
Mergers				
Change in output				
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	120,612	120,612
Consumption of purchased or acquired electricity		6,275	274,102	280,376

Consumption of purchased or acquired heat		0	1,799	1,799
Consumption of purchased or acquired steam		0	9,511	9,511
Consumption of purchased or acquired cooling		0	13,580	13,580
Consumption of self-generated non-fuel renewable energy		62		62
Total energy consumption		6,337	419,603	425,940

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

Indonesia

Consumption of electricity (MWh)

175

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

175

Country/area

Brazil

Consumption of electricity (MWh)

1,712

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1,712

Country/area
China

Consumption of electricity (MWh)
653

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

653

Country/area
Germany

Consumption of electricity (MWh)
13

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

13

Country/area
Italy

Consumption of electricity (MWh)
35

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

35

Country/area
Japan

Consumption of electricity (MWh)
265,123

Consumption of heat, steam, and cooling (MWh)

76,926

Total non-fuel energy consumption (MWh) [Auto-calculated]

342,049

Country/area

Luxembourg

Consumption of electricity (MWh)

18

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

18

Country/area

Malaysia

Consumption of electricity (MWh)

1,264

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1,264

Country/area

Singapore

Consumption of electricity (MWh)

175

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

175

Country/area

Spain

Consumption of electricity (MWh)

14

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

14

Country/area

Switzerland

Consumption of electricity (MWh)

84

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

84

Country/area

Turkey

Consumption of electricity (MWh)

1,370

Consumption of heat, steam, and cooling (MWh)

131

Total non-fuel energy consumption (MWh) [Auto-calculated]

1,501

Country/area

United States of America

Consumption of electricity (MWh)

9,274

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

9,274

Country/area

United Kingdom of Great Britain and Northern Ireland

Consumption of electricity (MWh)

467

Consumption of heat, steam, and cooling (MWh)

439

Total non-fuel energy consumption (MWh) [Auto-calculated]

906

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement

CDP-verification-letter-2021_SompoHD_Fixed20220712.pdf

Page/ section reference
Page2

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement

CDP-verification-letter-2021_SompoHD_Fixed20220712.pdf

Page/ section reference
Page2

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Purchased goods and services

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP-verification-letter-2021_SompoHD_Fixed20220712.pdf

Page/section reference

Page2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP-verification-letter-2021_SompoHD_Fixed20220712.pdf

Page/section reference

Page2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Upstream transportation and distribution

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP-verification-letter-2021_SompoHD_Fixed20220712.pdf

Page/section reference

Page2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Waste generated in operations

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP-verification-letter-2021_SompoHD_Fixed20220712.pdf

Page/section reference

Page2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP-verification-letter-2021_SompoHD_Fixed20220712.pdf

Page/section reference

Page2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Employee commuting

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CDP-verification-letter-2021_SompoHD_Fixed20220712.pdf

Page/section reference

Page2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C7. Emissions breakdown	Progress against emissions reduction target	Tokyo Cap and Trade Program	Tokyo Cap and Trade Program applies to 3 buildings of Sompo Japan Insurance. These buildings are verified by third party verification about their GHG emissions every year.

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Stakeholder expectations
Change internal behavior
Drive energy efficiency
Drive low-carbon investment

GHG Scope

Scope 1
Scope 2

Application

Applied to the reduction of company-wide Scope 1 & Scope 2 emissions

Actual price(s) used (Currency /metric ton)

1,000

Variance of price(s) used

The above prices is a uniformed price, based on the unit purchase price (1,000 JPY, per ton of CO2 emissions) referring to the Tokyo Cap & Trade Scheme.

Type of internal carbon price

Internal fee
Implicit price

Impact & implication

Internal Carbon Pricing (ICP) will be examined and judged based on a comparative balance after confirming the external price of the Tokyo Cap & Trade Scheme.
Investment in energy saving equipment such as high efficiency appliances and LED lighting introduction as well as CO2 reduction effects based on a comparison of installation prices.
Since the purpose of investment in energy saving facilities is not merely to reduce CO2, but also include various effects such as periodic facility renewal, the appropriateness of prices is confirmed for each item.
We use ICP for investment decision making in regard of LED or CO2 efficient facility. Sompo Japan owns at least 150 buildings and using ICP we prioritize which building we should invest first by assessing the each buildings GHG emissions.
We convert estimated GHG emission to a monetary figure by 1,000JPY/tCO2, as uniformed price. By monetizing GHG emissions, priorities are determined based upon the economic rationale compared with the investment amount. In case of a decision to introduce an eco-efficient facility system to Building A on an investment basis, the decision to priorities Building B was made by taking into consideration the effect of CO2 reduction.
In the past, investment decisions were based solely on cost effectiveness calculated

based on electricity consumption. By introducing ICP, the estimated carbon credits of Sompo's 3 buildings participating in the Tokyo Cap & Trade Scheme total cost sum up to approx. 22 million JPY (1,000JPY/tCO2 reduction obligation of 3 buildings). There is a payment risk of max. of 22 million JPY but have been complying with the scheme and relevant emission reduction rules. ICP is now included in investment decisions and evaluated from various perspectives. As a result of energy saving efforts in our 3 buildings, we have fully complied with the emission reduction level. In addition, understanding the monetary value of GHG emissions and the impact to society, awareness towards renewable energy have grown internally as an important sustainability issue. As a majority of our domestic business operation is conducted at offices with more than 40,000 employees working, the energy consumption at an office level emits approx. 50% of our GHG emissions. We are now in a process in expanding the implementation of such eco-friendly energy.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our customers/clients

Yes, other partners in the value chain

C-FS12.1b

(C-FS12.1b) Give details of your climate-related engagement strategy with your clients.

Type of clients

Customers/clients of Insurers

Type of engagement

Engagement & incentivization (changing client behavior)

Details of engagement

Run an engagement campaign to educate clients about climate change

Work in partnership with asset owner clients on decarbonization goals, consistent with an ambition to reach net zero emissions by 2050 or sooner across all assets under management

Encourage clients to set a science-based emissions reduction target

% client-related Scope 3 emissions as reported in C-FS14.1a

12

Portfolio coverage (total or outstanding)

12

Rationale for the coverage of your engagement

Engagement targeted at clients with the highest potential impact on the climate

Impact of engagement, including measures of success

Sompo Group adopted “Sompo Climate Action Plan: (1) Adaptation, 2) Mitigation, and 3) Social Transformation” in May 2021 and announced our long-term goal to achieve net-zero GHG emissions, including investments and insurance underwriting, by FY 2050. Through engagement with global initiatives in investment, financing and insurance underwriting, we aim to participate in rulemaking around the world and provide clear solutions for dialogue with customers by providing cutting-edge information.
Specifically, Sompo Holdings has been participating in an insurance-related emissions working group launched jointly by PCAF and NZIA since November 2021.
Sompo Asset Management joined NZAM in January 2022, Sompo Holdings joined NZAOA in May 2022, and NZIA in June. Together with our NZIA membership, we have also updated our ESG investment and underwriting policies and strengthened our engagement to support our customers’ green transition to achieve net zero GHG emissions, including financing and underwriting.

We include commercial insurances as our portfolio. Our measure of success is all listed companies have a transition plan by January 2025.
Sompo Japan Insurance Inc., which provides P&C insurance, asked 1,690 companies to explain our policies and confirmed their climate change related activities through questionnaire survey in 2021. Sompo Japan Insurance received responses from 610 companies and found that 53% of all companies have a transition plan in place and 74% of listed companies have one.
In addition, in order to further understand our policies and promote initiatives of each company, we invited 151 companies that responded to the survey to a briefing session to strengthen their efforts. This initiative only started in 2021, and the percentage of target enterprises that have prepared transition plans is scheduled for a second round of compilation in 2022. We believe that through this engagement, more companies are developing transition plans than at the outset.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Sompo Holdings sets material issues and KPIs based on material issues including engagement with stakeholders. Sompo Holdings continues to check the status of each material issue and KPIs. Monitoring material issues and KPIs allows the group to achieve ever-greater non-financial performance, while also allowing us to evaluate progress, disclose results and, in turn, promote dialogue and build trust with our stakeholders.
In order to solve social issues such as climate change on a global scale, Sompo Holdings feels the need to collaborate with our stakeholders, especially with our agencies who are important partners in the sales channel.
Sompo Holdings encourages its approx. 40,000 agencies through sales promotion in Japan to promote Web Agreement, a service in which customers who have entered into insurance contracts over the internet can view their insurance agreement on their computer. As for

promotion, we renewed the agent insurance contract system to easily select the web based insurance clause rather than the paper based insurance clause. Each year we monitor and disclose the result in our annual reporting. We also provide tools such as broaches to encourage our agents to continuously communicate and engage with our customers to join this initiative towards a sustainable society. This initiative started since 2012 and has been awarded several accolades from governmental officials, etc., which also help to engage more and create stronger partnership with our stakeholders.
Customers can reduce paper usage by choosing Web Agreement. A portion of the cost reduced is used as capital for the Save Japan Project, an initiative that protects the domestic natural environment and works towards creating a sustainable society while bearing in mind about developing the next generation.

C-FS12.2

(C-FS12.2) Does your organization exercise voting rights as a shareholder on climate-related issues?

	Exercise voting rights as a shareholder on climate-related issues
Row 1	Yes

C-FS12.2a

(C-FS12.2a) Provide details of your shareholder voting record on climate-related issues.

Method used to exercise your voting rights as a shareholder

Exercise voting rights directly

How do you ensure your shareholder voting rights are exercised in line with your overall climate strategy?

Percentage of voting disclosed across portfolio

100

Climate-related issues supported in shareholder resolutions

Board oversight of climate-related issues

Do you publicly disclose the rationale behind your voting on climate-related issues?

Yes, for all

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

On page 50 of Sompo group Integrated Report 2020, it is disclosed that our group is conducting activities based on plans and targets that are consistent with the goals of the Agreement.

annualreport2021.pdf

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

The Sompo group has a process to ensure that direct and indirect activities affecting we are consistent with climate change measures.
In Mid-Term Management Plan starting from FY 2021, we has set forth "Sompo Climate Action" (Adaptation to Climate Change, Mitigation, and Contribution to Social Transformation) as a priority issue. Responding to climate change is positioned as an important issue, and sustainable management for the entire group is promoted by the Global Executive Committee (4 times a year), which is composed of the CEO of Sompo group and the presidents of group companies, and the Sustainable Management Committee, which is chaired by CSO, who is responsible for corporate planning and sustainability at each group company. Through this committee, we confirm, report, and discuss the alignment with Sompo group strategy.

For example, Sompo group is participating in economic organizations such as the Japan Business Federation (Keidanren) and the Japanese Association of Corporate Executives (chaired by our group CEO), and is promoting activities consistent with the goals of the Paris Agreement. In 2021, we set the Sompo Climate Action in line with the goals of the Paris Agreement. Sompo Climate Action is positioned as one of the important material issues and KPIs that comprehensively identify Sompo’ s social issues from the perspectives of both importance to management and impact on stakeholders, based on our story of value creation towards the realization of environmental goals as well as international norms such as the United Nations Global Compact and ISO 26000. However, achieving the targets is difficult with our own GHG emissions. To this end, we have formulated the Sompo Climate Action as a concrete action plan and linked it with the action plans of Group companies.
(Our targets for reducing GHG emissions are a 60% reduction in FY 2030 (compared to FY 2017) and net zero emissions in FY 2050 * Scope 3 for FY 2050 includes investments and underwriting.)

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify

Japan Association of Corporate Executives

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We have already influenced them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

The Japan Association of Corporate Executives (Chairman: CEO of Sompo Holdings, Inc.) released on July 29, 2021, a policy proposal that calls for achieving a 40% renewable energy ratio in Japan's energy mix in 2030.

The Japan Association of Corporate Executives (Keizai Doyukai) has proposed that the renewable energy ratio of 40% in 2030 will consist of 30% solar and wind power generation and 10% hydroelectric, biomass and geothermal power generation. To achieve this, it is essential for the government to clearly express its intention and guide policies, for the private sector to make active and continuous investments, and for the public to change their awareness of global warming and energy issues and change their behavior.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

2021q4_report.pdf

Page/Section reference

Governance: Page 28-35
Strategy: Page 28-35
Risks and Opportunities : Page 28 -35
Indicators and targets: Page 35

Content elements

Governance
Strategy
Risks & opportunities
Emission targets
Other metrics

Comment

Publication

In mainstream reports, in line with the CDSB framework (as amended to incorporate the TCFD recommendations)

Status

Underway – previous year attached

Attach the document

annualreport2021.pdf

Page/Section reference

Governance: Page 101-103 and 112
Strategy: Page 44, 64, 76-79
Risks and Opportunities: Page 45-49
Emission figure: Page 76
Emission target : Page 76 and 79

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C-FS12.5

(C-FS12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Partnership for Carbon Accounting Financials (PCAF) Science-Based Targets Initiative for Financial Institutions (SBTi-FI)	＜PCAF＞ Sompo Group has been participating in PCAF's Insured Associated Emissions Working Group (Working group to develop international standards for measurement and disclosure of GHG emissions through underwriting), which was established by PCAF with NZIA, since November 2021. PSI (Principles of Liability Insurance), a United Nations-related organization involved in the establishment of NZIA (* Mr. Sato, then chairman of Sompo Japan, participated in the PSI inauguration ceremony @ Rio + 20 in 2012), held an event on June 20 to celebrate its 10 year anniversary. PCAF and NZIA announced that they would publish a consultation on methods for future measurement and disclosure. The goal of the method is to be completed in January 2023. We have also joined NZIA (June 2022), and has begun working with customers to achieve a green transition by changing its ESG underwriting and lending policies. <SBTi-FI> From FY2021, we announced a greenhouse gas emission reduction policy, which aims to achieve net zero by 2050. We are working toward a goal of 60% reduction in 2030 (compared to 2017) by promoting measures such as switching to renewable energy as a source of over 70% of electricity used by the Group.

		We committed to Science Based Targets (SBT), a global initiative that supports achieving the Paris Agreement's 1.5°C goal. We also participated in financial SBT expert advisory group and are involved in creating a framework as the only Japanese insurance group. We are also actively engaged in constructive dialogue with investees and business partners on the theme of ESG, and are working to reduce the environmental impact throughout the value chain.

C14. Portfolio Impact

C-FS14.0

(C-FS14.0) For each portfolio activity, state the value of your financing and insurance of carbon-related assets in the reporting year.

Investing in all carbon-related assets (Asset manager)

Are you able to report a value for the carbon-related assets?

Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

35,617,483

Percentage of portfolio value comprised of carbon-related assets in reporting year

3.4

Investing in coal (Asset manager)

Are you able to report a value for the carbon-related assets?

Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

0

Percentage of portfolio value comprised of carbon-related assets in reporting year

0

Investing in oil and gas (Asset manager)

Are you able to report a value for the carbon-related assets?

Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

5,040,797

Percentage of portfolio value comprised of carbon-related assets in reporting year

0.48

Investing all carbon-related assets (Asset owner)

Are you able to report a value for the carbon-related assets?

Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

3,035,851,154

Percentage of portfolio value comprised of carbon-related assets in reporting year

30

Investing in coal (Asset owner)

Are you able to report a value for the carbon-related assets?

Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

66,308,455

Percentage of portfolio value comprised of carbon-related assets in reporting year

1

Investing in oil and gas (Asset owner)

Are you able to report a value for the carbon-related assets?

Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

169,950,242

Percentage of portfolio value comprised of carbon-related assets in reporting year

2

Insuring all carbon-related assets

Are you able to report a value for the carbon-related assets?

Yes

Insuring coal

Are you able to report a value for the carbon-related assets?

Yes

Insuring oil and gas

Are you able to report a value for the carbon-related assets?

Yes

C-FS14.1

(C-FS14.1) Does your organization measure its portfolio impact on the climate?

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric
Investing (Asset manager)	Yes	Portfolio emissions Other carbon footprinting and/or exposure metrics (as defined by TCFD)
Investing (Asset owner)	Yes	Portfolio emissions Other carbon footprinting and/or exposure metrics (as defined by TCFD)
Insurance underwriting (Insurance company)	Yes	Portfolio emissions

C-FS14.1a

(C-FS14.1a) Provide details of your organization’s portfolio emissions in the reporting year.

Investing (Asset manager)

Portfolio emissions (metric unit tons CO2e) in the reporting year

2,626,223

Portfolio coverage

99.4

Percentage calculated using data obtained from clients/investees

100

Emissions calculation methodology

The Global GHG Accounting and Reporting Standard for the Financial Industry

Please explain the details and assumptions used in your calculation

Included listed equities for which the PCAF WG has established a methodology for calculating GHG emissions.

Investing (Asset owner)

Portfolio emissions (metric unit tons CO2e) in the reporting year

1,854,777

Portfolio coverage

30

Percentage calculated using data obtained from clients/investees

100

Emissions calculation methodology

The Global GHG Accounting and Reporting Standard for the Financial Industry

Please explain the details and assumptions used in your calculation

Included listed equities and corporate bonds for which the PCAF WG has established a methodology for calculating GHG emissions.

Insurance underwriting (Insurance)

Portfolio emissions (metric unit tons CO2e) in the reporting year

320,000

Portfolio coverage

12

Percentage calculated using data obtained from clients/investees

100

Emissions calculation methodology

The Global GHG Accounting and Reporting Standard for the Financial Industry

Please explain the details and assumptions used in your calculation

Includes commercial insurance and reinsurance of listed companies for which the PCAF WG has established a methodology for calculating GHG emissions.

C-FS14.1b

(C-FS14.1b) Provide details of the other carbon footprinting and/or exposure metrics used to track the impact of your portfolio on the climate.

Portfolio

Investing (asset manager)

Portfolio metric

Weighted average carbon intensity (tCO2e/Million revenue)

Metric value in the reporting year

126.4

Portfolio coverage

99.4

Percentage calculated using data obtained from clients/investees

100

Calculation methodology

Sompo group adopted WACI because WACI is a weighted average of a company's GHG emissions per unit of sales according to the percentage of the investor's portfolio, and it can identify companies with high GHG emissions per unit of production. TCFD also encourages investors to use WACI because it is a reliable indicator that many investors use.

We uses WACI to identify companies and sectors that could potentially generate significant emissions in the future and target them for priority engagement enhancements. As a result, we was able to identify some of the power sectors with small holdings as high emission sectors.

Portfolio

Investing (asset owner)

Portfolio metric

Weighted average carbon intensity (tCO2e/Million revenue)

Metric value in the reporting year

0.69

Portfolio coverage

30

Percentage calculated using data obtained from clients/investees

100

Calculation methodology

Sompo group adopted WACI because WACI is a weighted average of a company's GHG emissions per unit of sales according to the percentage of the investor's portfolio, and it can identify companies with high GHG emissions per unit of production. TCFD also encourages investors to use WACI because it is a reliable indicator that many investors use.

We uses WACI to identify companies and sectors that could potentially generate significant emissions in the future and target them for priority engagement enhancements. As a result, we was able to identify some of the power sectors with small holdings as high emission sectors.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization’s portfolio impact?

	Portfolio breakdown
Row 1	Yes, by asset class

C-FS14.2a

(C-FS14.2a) Break down your organization's portfolio impact by asset class.

Asset class	Portfolio metric	Portfolio emissions or alternative metric
Investing Listed Equity	Absolute portfolio emissions (tCO2e)	948,569
Investing Fixed Income	Absolute portfolio emissions (tCO2e)	906,207
Insurance Property & Casualty	Absolute portfolio emissions (tCO2e)	320,000

C-FS14.3

(C-FS14.3) Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?

	Actions taken to align our portfolio with a 1.5°C world
Investing (Asset manager)	Yes
Investing (Asset owner)	Yes
Insurance underwriting (Insurance company)	Yes

C-FS14.3a

(C-FS14.3a) Does your organization assess if your clients/investees' business strategies are aligned with a 1.5°C world?

	Assessment of alignment of clients/investees' strategies with a 1.5°C world
Investing (Asset manager)	Yes, for all
Investing (Asset owner)	Yes, for all
Insurance underwriting (Insurance company)	Yes, for all

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, executive management-level responsibility	At the 1992 Rio Summit, the then president participated as chairman of the Keidanren Nature Conservation Council and was the first Japanese financial institution to set up a Global Environment Office. Since then, we have been tackling global environmental issues in cooperation with NPOs and other organizations. In 1997, we became the first Japanese financial institution to acquire ISO 14001 certification, an environmental certification system, and are working to adapt to and mitigate climate change, including biodiversity issue. We also contribute to social transformation through participation in sustainability promotion organizations and rulemaking. In recent years, there has been a sense of crisis regarding biodiversity In December 2020, we joined the Strategic Advisory Group of Business for Nature to gather industry opinions and make policy recommendations.	Risks and opportunities to our own operations

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to not explore or develop in legally designated protected areas Commitment to respect legally designated protected areas Commitment to no conversion of High Conservation Value areas Commitment to no trade of CITES listed species	CBD – Global Biodiversity Framework SDG Other, please specify TNFD Forum, Environmental Foundation, WBCSD

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?
Row 1	No, but we plan to assess biodiversity-related impacts within the next two years

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Species management Education & awareness Other, please specify Participation in Business for Nature's strategic advisory group, holding of environmental courses on biodiversity for citizens, forest improvement activities in cooperation with six municipalities, and nationwide development of the SAVE JAPAN Project

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In mainstream financial reports	Governance Risks and opportunities	On Page 21 and 35 of the mainstream report. 1

In voluntary sustainability report or other voluntary communications	Governance Risks and opportunities	On Page 27, 51, and 65 of Integrated report 2021. [2]

[1]2021q4_report.pdf

[2]annualreport2021.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

In "Value of the carbon-related assets in your portfolio (unit currency-as specified in C 0.4)" of C-FS 14.0, the message "The entered value is out of the allowable range" is displayed. Therefore, in order to answer the correct value for C-FS 14.0, we will answer only the currency of C-FS with 1,000 JPY. The currency for other questions is 1 JPY.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Group CSuO (Chief Sustainability Officer), Senior Vice President and Executive Officer	Chief Sustainability Officer (CSO)