Sompo Holdings, Inc

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions
This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.
Terms of disclosure for corporate questionnaire 2024 - CDP

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10/01/2024, 10:06 am

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C1. Introduction

(1.1) In which language are you submitting your response?

Select from:
☑ English

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

Select from:
☑ JPY

(1.3) Provide an overview and introduction to your organization.

(1.3.1) Type of financial institution

Select from:
☑ Insurer

(1.3.2) Organization type

Select from:
☑ Publicly traded organization

(1.3.3) Description of 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 May 2021 Sompo Holdings adopted "Sompo Climate Action Plan: (1) Adaptation, 2) Mitigation, and 3) Social Transformation" and announced to achieve net-zero GHG emissions, including investments by FY 2050. Through engagement with global initiatives in investments and loans, 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. 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. -Sompo International Holdings Ltd. -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 Holdings, Inc.-SOMPO Light Vortex Inc. -Sompo Insurance China Co., Ltd. -NIPPONKOA Insurance Company (China) Limited. 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 about 30 countries and regions, including Europe, the Middle East, North America, Central and South America, Asia, Oceania and Africa. 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 22 times in total. Selected to DJSI Asia Pacific in 2023. Sompo Holdings is also included in FTSE4Good Index Series, FTSE Blossom Japan Index, MSCI ESG Leaders Indexes/SRI Indexes, MSCI Japan ESG Select Leaders Index and MSCI Japan Empowering Women Index (WIN). Following the Task Force on Climate-related Financial Disclosures (TCFD) recommendations report in June 2017, our Group declared its support for the TCFD and is participating in the TCFD Insurance Working Group of the United Nations Environment Programme Finance Initiative（UNEP FI). In addition, in preparation for the Task Force on Nature-related Financial Disclosures (TNFD) recommendations report in September 2023, Sompo Japan Insurance and Sompo Risk Management are participating in the TNFD Forum and are taking part in the pilot test of the UNEP FI TNFD framework. In July 2018, the Japan Climate Initiative 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. Furthermore, the Sompo Group has joined the Net-Zero Asset Owner Alliance (NZAOA), and the Net-Zero Asset Managers Initiative (NZAM), where it works to improve rule-making and its own efforts toward net zero.
[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	03/31/2024	*Select from:* ☑ Yes	*Select from:* ☑ No

[Fixed row]

(1.4.1) What is your organization's annual revenue for the reporting period?

4933646000000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☑ Yes

[Fixed row]

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

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

JP316500AP46

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

JP3165000005

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

8630

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No
[Add row]

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

Select all that apply
☑ China
☑ Italy
☑ Japan
☑ Spain
☑ Brazil
☑ Indonesia
☑ Singapore
☑ Luxembourg
☑ Switzerland
☑ Taiwan, China
☑ Turkey
☑ Bermuda
☑ Germany
☑ Malaysia
☑ Thailand
☑ United States of America
☑ United Kingdom of Great Britain and Northern Ireland

(1.9) What was the size of your organization based on total assets value at the end of the reporting period?

14832778000000

(1.10) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

Banking (Bank)

(1.10.1) Activity undertaken

Select from:
☑ No

Investing (Asset manager)

(1.10.1) Activity undertaken

Select from:
☑ Yes

(1.10.3) Reporting the portfolio value and % of revenue associated with the portfolio

Select from:
☑ Yes, the % of revenue associated with the portfolio

(1.10.5) % of revenue

0.3

(1.10.6) Type of clients

Select all that apply
☑ Asset owners
☑ Retail clients
☑ Institutional investors
☑ Business and private clients (banking)
☑ Corporate and institutional clients (companies)
☑ Government / sovereign / quasi-government / sovereign wealth funds

(1.10.7) Industry sectors your organization lends to, invests in, and/or insures

Select all that apply

- ☑ Retail
- ☑ Apparel
- ☑ Services
- ☑ Materials
- ☑ Hospitality
- ☑ Food, beverage & agriculture
- ☑ Biotech, health care & pharma
- ☑ Fossil Fuels
- ☑ Manufacturing
- ☑ Infrastructure
- ☑ Power generation
- ☑ Transportation services

Investing (Asset owner)

(1.10.1) Activity undertaken

Select from:

- ☑ Yes

(1.10.3) Reporting the portfolio value and % of revenue associated with the portfolio

Select from:

- ☑ Yes, the % of revenue associated with the portfolio

(1.10.5) % of revenue

12

(1.10.6) Type of clients

Select all that apply

- ☑ Asset owners
- ☑ Retail clients
- ☑ Institutional investors
- ☑ Business and private clients (banking)
- ☑ Family offices / high network individuals
- ☑ Corporate and institutional clients (companies)
- ☑ Government / sovereign / quasi-government / sovereign wealth funds

(1.10.7) Industry sectors your organization lends to, invests in, and/or insures

Select all that apply

- ☑ Retail
- ☑ Apparel
- ☑ Services
- ☑ Materials
- ☑ Hospitality
- ☑ Food, beverage & agriculture
- ☑ Biotech, health care & pharma
- ☑ Fossil Fuels
- ☑ Manufacturing
- ☑ Infrastructure
- ☑ Power generation
- ☑ Transportation services

Insurance underwriting (Insurance company)

(1.10.1) Activity undertaken

Select from:

- ☑ Yes

(1.10.2) Insurance types underwritten

Select all that apply

- ☑ General (non-life)
- ☑ Life and/or Health

(1.10.3) Reporting the portfolio value and % of revenue associated with the portfolio

Select from:

- ☑ Yes, the % of revenue associated with the portfolio

(1.10.5) % of revenue

81.1

(1.10.6) Type of clients

Select all that apply

☑ Asset owners
☑ Retail clients
☑ Institutional investors
☑ Business and private clients (banking)
☑ Family offices / high network individuals
☑ Corporate and institutional clients (companies)
☑ Government / sovereign / quasi-government / sovereign wealth funds

(1.10.7) Industry sectors your organization lends to, invests in, and/or insures

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Transportation services
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ International bodies

[Fixed row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☑ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☑ Upstream value chain
☑ Portfolio

(1.24.3) Highest supplier tier mapped

Select from:

☑ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:
☑ Tier 2 suppliers

(1.24.5) Portfolios covered in mapping

Select all that apply
☑ Investing (Asset manager)
☑ Investing (Asset owner)
☑ Insurance underwriting (Insurance company)

(1.24.7) Description of mapping process and coverage

The Group aims to provide sustainable value through engagement with stakeholders who influence the Group's business activities. The Group is conducting value chain mapping for its insurance business (domestic P&C insurance business, overseas insurance business, and domestic life insurance business), which accounts for more than 80% of the Group's sales, although it is partial. In mapping the value chain, the Group organizes the upstream, midstream, and downstream of the insurance business, referring to the SDGs Compass and other sources. The upstream is defined as product and service development, the midstream as sales, marketing, and asset management, and the downstream as accident response and insurance payment. In the mapping process, the Group collects information on how the Group is involved with shareholders, investors, employees, customers, agents, business partners, NPOs, local communities, etc. in each upstream, midstream, and downstream process, and then organizes the relationship with each stakeholder group. For example, in product and service development and sales and marketing, the Group receives materials and services such as paper from suppliers.
[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:
☑ No, but we plan to within the next two years

(1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:
☑ No standardized procedure

(1.24.1.6) Explain why your organization has not mapped plastics in your value chain

There is limited use of plastics in direct operations, while the entire value chain is aware of the use of plastics by underwriters and investees, but there is no way to understand and evaluate it.
[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

1

(2.1.3) To (years)

3

(2.1.4) How this time horizon is linked to strategic and/or financial planning

This time horizon covers the time horizon of the medium-term management plan, and it means that the identification, assessment, and management of environmental dependencies, impacts, risks, and opportunities are related to the financial aspects of the medium-term management plan. As part of our medium-term management plan, we plan to promote products and services that contribute to the spread of renewable energy and energy conservation. This is related to the identification, evaluation, and management of environmental opportunities, and the promotion of these products and services is important because it will have an impact on our finances.

Medium-term

(2.1.1) From (years)

4

(2.1.3) To (years)

10

(2.1.4) How this time horizon is linked to strategic and/or financial planning

This time horizon covers our mid-term GHG reduction plan, which has the goals of reducing GHG emissions by 60% and achieving a renewable energy adoption rate of 70% by 2030. The identification, assessment, and management of environmental dependencies, impacts, risks, and opportunities will have a significant impact on the promotion of efforts to achieve these goals.

Long-term

(2.1.1) From (years)

10

(2.1.2) Is your long-term time horizon open ended?

Select from:
☑ Yes

(2.1.4) How this time horizon is linked to strategic and/or financial planning

This time horizon covers our long term GHG reduction plan, which is our goal of achieving net zero by 2050, and the identification, assessment, and management of environmental dependencies, impacts, risks, and opportunities that will inform our efforts to achieve this goal.
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☑ Yes	*Select from:* ☑ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ National

(2.2.2.12) Tools and methods used

Enterprise Risk Management

☑ Enterprise Risk Management
☑ Internal company methods
☑ Risk models
☑ Stress tests

International methodologies and standards

☑ IPCC Climate Change Projections
☑ ISO 14001 Environmental Management Standard

Other

☑ Internal company methods
☑ Materiality assessment
☑ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Cyclones, hurricanes, typhoons
☑ Drought
☑ Flood (coastal, fluvial, pluvial, ground water)
☑ Heat waves
☑ Wildfires

Chronic physical

☑ Sea level rise
☑ Changing temperature (air, freshwater, marine water)

☑ Coastal erosion
☑ Change in land-use
☑ Ocean acidification
☑ Temperature variability

Policy
☑ Carbon pricing mechanisms
☑ Changes to international law and bilateral agreements
☑ Changes to national legislation

Market
☑ Changing customer behavior
☑ Inability to attract co-financiers and/or investors due to uncertain risks related to the environment

Reputation
☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback
☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology
☑ Transition to lower emissions technology and products

Liability
☑ Exposure to litigation
☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply
☑ NGOs
☑ Customers
☑ Employees
☑ Investors
☑ Suppliers
☑ Regulators
☑ Local communities
☑ Indigenous peoples

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

We have been certified with the ISO 14001 environmental management system since 1997 and have been complying with environmental laws and regulations. In doing so, we have determined how the organization, especially direct operations and upstream of value chain, impacts the environment, and how to improve our efforts by formulating plans to prepare for organizational risks and manage environmental impacts. Furthermore, in addition to the financial impact of higher-than-expected insurance claims payments due to the intensification and frequency of natural disasters, including typhoons, floods, and high tides, the impact will be long-term and highly uncertain, affecting various aspects of our group's business, including those outside the insurance business. On the other hand, the growing awareness of natural disaster risks and changes in social structure will bring about business opportunities such as the creation of new service demand and technological innovation. So, in assessing risk we have assumed low medium and high environmental change scenarios which are a combination of IPCC scenarios showing changes in average temperature and NGFS scenarios showing possible policy transition patterns and have assessed risks for each pattern. Through these risk assessments, we are encouraging active discussion of climate change at board and executive meetings. In terms of opportunity 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. 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 as the group's basic action plan on climate change in accordance with the group's mid-long term plan. 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 decarbonization measures such as our own efforts to achieve net zero. KPIs 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 Reviews instructions. The results are reported at least twice a year to Group Executive Committee and board of directors in compliance with the necessities.

Row 2

(2.2.2.1) Environmental issue

Select all that apply

☑ Forests

☑ Water

☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies
☑ Impacts
☑ Risks
☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

(2.2.2.4) Coverage

Select from:

☑ Partial

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term
☑ Medium-term
☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ Encore tool
☑ LEAP (Locate, Evaluate, Assess and Prepare) approach, TNFD
☑ TNFD – Taskforce on Nature-related Financial Disclosures
☑ WWF Biodiversity Risk Filter
☑ WWF Water Risk Filter

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Cyclones, hurricanes, typhoons
☑ Drought
☑ Flood (coastal, fluvial, pluvial, ground water)
☑ Heat waves
☑ Wildfires

Chronic physical

☑ Sea level rise
☑ Coastal erosion
☑ Change in land-use
☑ Ocean acidification
☑ Temperature variability
☑ Declining ecosystem services
☑ Increased ecosystem vulnerability
☑ Changing temperature (air, freshwater, marine water)

Policy

☑ Changes to international law and bilateral agreements
☑ Changes to national legislation

Market
☑ Changing customer behavior
☑ Inability to attract co-financiers and/or investors due to uncertain risks related to the environment

Reputation
☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback
☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology
☑ Other technology, please specify **:**Delays and failures of Nature-based solution

Liability
☑ Exposure to litigation
☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply
☑ NGOs
☑ Customers
☑ Employees
☑ Investors
☑ Regulators
☑ Local communities
☑ Indigenous peoples

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:
☑ Yes

(2.2.2.16) Further details of process

We have started to use the TNFD framework to comprehensively identify, assess, and manage dependencies, impacts, risks, and opportunities related to the interrelationships between climate change and natural capital such as forests and water, and biodiversity from FY2023. For example, we recognize that the destruction of ecosystems due to climate change and other factors will damage biodiversity and have a negative impact on crop growth due to a decline in pollination

function, as well as accelerating the intensification and frequency of weather disasters due to a decline in the disaster prevention function of mangrove forests and other forests. Therefore, we first identify and assess the degree of dependency and impact of our insurance and investment clients' industries, and identify high-risk industries taking into account the transaction amount of insurance underwriting and investment. To identify these, we use ENCORE to create heat maps of the items and magnitude of dependency and impact for each industry, and then create heat maps of dependency and impact for each insurance underwriting and investment that reflect the amount of insurance underwriting and investment. In addition, taking into account physical risks associated with the deterioration of ecosystem services, we are evaluating, analyzing, and responding to risks and opportunities arising from the current climate, strengthening of policies and laws and regulations for coexistence with nature, technological advances, and risks and opportunities associated with transitions, focusing on the entire value chain of the insurance business (upstream: product and service development, midstream: sales, marketing, and asset management, downstream: accident response and insurance payment) based on the LEAP approach proposed by the TNFD. For example, due to their dependence on and impact on nature, companies that our group underwrites and invests in face future risks such as instability in raw material procurement and operations, increased costs of responding to laws and regulations, and reduced sales. As a result, this could be converted into risks for our group's non-life insurance business, such as reduced insurance underwriting and increased insurance payments. On the other hand, we believe that the transition to nature-positive, as proposed by the Kunming-Montreal Biodiversity Framework, could lead to improved performance for companies that we underwrite and invest in, and opportunities for our group to provide products and services that contribute to nature.
[Add row]

(2.2.4) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts related to your portfolio activities?

	Process in place covering this portfolio	Dependencies and/or impacts related to this portfolio evaluated in this process
Investing (Asset manager)	*Select from:* ☑ Yes	*Select from:* ☑ Both dependencies and impacts
Investing (Asset owner)	*Select from:* ☑ Yes	*Select from:* ☑ Both dependencies and impacts
Insurance underwriting (Insurance company)	*Select from:* ☑ Yes	*Select from:* ☑ Both dependencies and impacts

[Fixed row]

(2.2.5) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities related to your portfolio activities?

	Process in place covering this portfolio	Risks and/or opportunities related to this portfolio are evaluated in this process	Is this process informed by the dependencies and/or impacts process?
Investing (Asset manager)	*Select from:* ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes
Investing (Asset owner)	*Select from:* ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes
Insurance underwriting (Insurance company)	*Select from:* ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.6) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities related to your portfolio activities.

Investing (Asset manager)

(2.2.6.1) Environmental issue

Select all that apply

☑ Climate change

☑ Water

(2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

(2.2.6.4) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.6.5) Industry sectors covered by the assessment

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ Transportation services

(2.2.6.6) Frequency of assessment

Select from:

☑ Annually

(2.2.6.7) Time horizons covered

Select all that apply

☑ Short-term
☑ Medium-term
☑ Long-term

(2.2.6.8) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk assessment process

(2.2.6.9) Location-specificity used

Select all that apply
☑ Not location specific

(2.2.6.10) Tools and methods used

Select all that apply
☑ Scenario analysis

(2.2.6.11) Risk type and criteria considered

Policy
☑ Poor enforcement of environmental regulation

Reputation
☑ Impact on human health
☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Liability
☑ Non-compliance with regulations

(2.2.6.12) Partners and stakeholders considered

Select all that apply
☑ Customers
☑ Investors
☑ Local communities
☑ Regulators
☑ Suppliers

(2.2.6.13) Further details of process

Sompo Asset Management think that a variety of factors related to climate change can have impacts on corporate finance, both positively as opportunities or negatively as risks. 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. We 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.

And, from 2021 listed equities and bonds are added in the calculation. 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, and the portfolio subject to the risk management process is made up of domestic stocks, which account for about 30%. 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. In addition, in order to enhance the effectiveness of investment strategies that incorporate ESG integration, including climate-related risks and opportunities, we build relationships with companies through various channels to engage in constructive dialogue and promote climate-related initiatives. In addition to conducting necessary research for investment value assessment through dialogue with companies in the course of daily research activities, our analysts also conduct ESG questionnaires used for positive screening, which include questions on whether or not the company supports the TCFD, as well as the status of efforts to combat climate change and mid- to long-term visions for the environment. The "ESG score" given based on the responses to the questionnaire is used for positive screening and is fed back to companies to encourage further improvements in efforts to combat environmental issues. This investment process includes risk management functions for important climate-related risks for us.

Investing (Asset owner)

(2.2.6.1) Environmental issue

Select all that apply

☑ Climate change
☑ Forests
☑ Water
☑ Biodiversity

(2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

Select all that apply

☑ Dependencies
☑ Impacts
☑ Risks
☑ Opportunities

(2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

20

(2.2.6.4) Type of assessment

Select from:
☑ Qualitative and quantitative

(2.2.6.5) Industry sectors covered by the assessment

Select all that apply
☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ Transportation services

(2.2.6.6) Frequency of assessment

Select from:
☑ Annually

(2.2.6.7) Time horizons covered

Select all that apply
☑ Short-term
☑ Medium-term
☑ Long-term

(2.2.6.8) Integration of risk management process

Select from:
☑ Integrated into multi-disciplinary organization-wide risk assessment process

(2.2.6.9) Location-specificity used

Select all that apply
☑ Site-specific
☑ Not location specific

(2.2.6.10) Tools and methods used

Select all that apply

☑ ENCORE
☑ Risk models
☑ Scenario analysis
☑ WWF Biodiversity Risk Filter
☑ WWF Water Risk Filter

(2.2.6.11) Risk type and criteria considered

Acute physical

☑ Cyclones, hurricanes, typhoons
☑ Drought
☑ Flood (coastal, fluvial, pluvial, ground water)
☑ Heat waves
☑ Wildfires

Chronic physical

☑ Sea level rise
☑ Coastal erosion
☑ Change in land-use
☑ Permafrost thawing
☑ Ocean acidification
☑ Changing temperature (air, freshwater, marine water)
☑ Temperature variability
☑ Declining ecosystem services
☑ Land loss to desertification
☑ Increased ecosystem vulnerability
☑ Increased severity of extreme weather events

Policy

☑ Carbon pricing mechanisms
☑ Changes to international law and bilateral agreements
☑ Changes to national legislation

Market

☑ Changing customer behavior
☑ Inability to attract co-financiers and/or investors due to uncertain risks related to the environment

Reputation

☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback
☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology
☑ Transition to reusable products
☑ Other technology, please specify **:Delays and failures of Nature-based solution**
☑ Transition to recyclable plastic products
☑ Transition to increasing recycled content
☑ Transition to increasing renewable content
☑ Transition to lower emissions technology and products

Liability
☑ Exposure to litigation
☑ Non-compliance with regulations

(2.2.6.12) Partners and stakeholders considered

Select all that apply
☑ NGOs
☑ Customers
☑ Employees
☑ Investors
☑ Suppliers
☑ Regulators
☑ Local communities
☑ Indigenous peoples

(2.2.6.13) Further details of process

In terms of climate change, it can impact various aspects of the Group's business including activity as an asset owner, and the impacts are long-term and highly uncertain. Greenhouse gas emissions are calculated for listed equities 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, SAISON AUTOMOBILE&FIRE INSURANCE, Sompo International Holdings and Sompo Holdings, which own corporate assets. GHG emissions from owned assets are collected by referencing databases such as MSCI and CDP. To manage climate change risks, including the risks associated with natural disasters, we have developed a climate change risk framework to complement our existing risk control system and to identify, assess, and manage risks by taking an in-depth look at scenarios in which the Group is affected through various pathways in the long-term. The climate change risk framework "identifies environmental changes," "discusses their impact on the Group," and "assesses risks and controls" to capture the complex impacts of climate change. Based on the assessment results, risks that require continuous monitoring are visualized as "Climate Change Risk Map" to provide a bird's eye view of the impact, likelihood, timing of occurrence, and trends

of risks that primarily affect asset management, and we are working to increase discussion of climate change at our board of directors and executive bodies. And, in terms of nature, the companies in which we invests and lends money face the risk of future instability in raw material procurement and operations, increased costs of compliance with laws and regulations, and declining sales as a result of their dependence on and impact of nature. As a result, there is a possibility that these risks may be converted into risks for the Group's P&C insurance business, such as a decline in asset values. Therefore, we use ENCORE to create a heat map of the items and magnitude of dependence/impact in each sector, reflecting the amount of investments and loans, and identify high-risk sectors. We then identify and evaluate the risks and opportunities for our group, taking into account those high-risk sectors.

Insurance underwriting (Insurance company)

(2.2.6.1) Environmental issue

Select all that apply

☑ Climate change
☑ Forests
☑ Water
☑ Biodiversity

(2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

Select all that apply

☑ Dependencies
☑ Impacts
☑ Risks
☑ Opportunities

(2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

99

(2.2.6.4) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.6.5) Industry sectors covered by the assessment

Select all that apply

- ☑ Retail
- ☑ Apparel
- ☑ Services
- ☑ Materials
- ☑ Hospitality
- ☑ Food, beverage & agriculture
- ☑ Biotech, health care & pharma
- ☑ Fossil Fuels
- ☑ Manufacturing
- ☑ Infrastructure
- ☑ Power generation
- ☑ Transportation services

(2.2.6.6) Frequency of assessment

Select from:

- ☑ Annually

(2.2.6.7) Time horizons covered

Select all that apply

- ☑ Short-term
- ☑ Medium-term
- ☑ Long-term

(2.2.6.8) Integration of risk management process

Select from:

- ☑ Integrated into multi-disciplinary organization-wide risk assessment process

(2.2.6.9) Location-specificity used

Select all that apply

- ☑ Site-specific
- ☑ Not location specific

(2.2.6.10) Tools and methods used

Select all that apply

- ☑ ENCORE

☑ Risk models
☑ Scenario analysis
☑ WWF Biodiversity Risk Filter
☑ WWF Water Risk Filter

(2.2.6.11) Risk type and criteria considered

Acute physical
☑ Cyclones, hurricanes, typhoons
☑ Drought
☑ Flood (coastal, fluvial, pluvial, ground water)
☑ Heat waves
☑ Wildfires

Chronic physical
☑ Sea level rise
☑ Coastal erosion
☑ Change in land-use
☑ Permafrost thawing
☑ Ocean acidification
☑ Changing temperature (air, freshwater, marine water)
☑ Temperature variability
☑ Declining ecosystem services
☑ Land loss to desertification
☑ Increased ecosystem vulnerability
☑ Increased severity of extreme weather events

Policy
☑ Carbon pricing mechanisms
☑ Changes to international law and bilateral agreements
☑ Changes to national legislation

Market
☑ Changing customer behavior
☑ Inability to attract co-financiers and/or investors due to uncertain risks related to the environment

Reputation
☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback
☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology

☑ Transition to reusable products

☑ Other technology, please specify **:Delays and failures of Nature-based solution**

☑ Transition to recyclable plastic products

☑ Transition to increasing recycled content

☑ Transition to increasing renewable content

☑ Transition to lower emissions technology and products

Liability

☑ Exposure to litigation

☑ Non-compliance with regulations

(2.2.6.12) Partners and stakeholders considered

Select all that apply

☑ NGOs

☑ Customers

☑ Employees

☑ Investors

☑ Suppliers

☑ Regulators

☑ Local communities

☑ Indigenous peoples

(2.2.6.13) Further details of process

In terms of climate change, it can impact various aspects of the Group's business, including our P&C insurance business, and the impacts are long-term and highly uncertain. To manage climate change risks, including the risks associated with natural disasters, we have developed a climate change risk framework to complement our existing risk control system and to identify, assess, and manage risks by taking an in-depth look at scenarios in which the Group is affected through various pathways in the long-term. The climate change risk framework "identifies environmental changes," "discusses their impact on the Group," and "assesses risks and controls" to capture the complex impacts of climate change. Based on the assessment results, risks that require continuous monitoring are visualized as "Climate Change Risk Map" to provide a bird's eye view of the impact, likelihood, timing of occurrence, and trends of risks that primarily affect insurance underwriting. By gaining a bird's-eye view of the degree of impact, possibility, timing of emergence, trends, etc. of risks that mainly affect Insurance underwriting of Sompo Japan and Sompo International, which account for the majority of insurance underwriting.. And, in terms of nature, the companies in which we insure face the risk of future instability in raw material procurement and operations, increased costs of compliance with laws and regulations, and declining sales as a result of their dependence on and impact of nature. As a result, there is a possibility that these risks may be converted into risks for the Group's P&C insurance business, such as a decline in underwriting and increase in claims payments. We check the impact, possibility, timing, and trends of risks that primarily affect the insurance underwriting operations of Sompo Japan by using ENCORE to create a heat map of the items and magnitude of dependence/impact in each sector, reflecting the amount of insurance underwriting, and identify high-risk sectors. We then identify and evaluate the risks and opportunities for our group, taking into account those high-risk sectors.

[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:
☑ Yes

(2.2.7.2) Description of how interconnections are assessed

We use the TNFD framework to comprehensively identify, assess, and manage dependencies, impacts, risks, and opportunities regarding the interrelationships between climate change and natural capital such as forests and water, and biodiversity. For example, we recognize that "the destruction of ecosystems due to climate change and other factors will damage biodiversity and have a negative impact on crop growth due to reduced pollination functions, and will accelerate the intensification and frequency of weather disasters due to the reduced disaster prevention functions of mangrove forests, etc. Risks and opportunities due to dependence on and impacts on climate change, water, forests, etc. are not assessed for each environmental element, but rather a comprehensive assessment of the physical risks associated with the deterioration of ecosystem services combining climate change, water, forests, etc. Changes in the business environment due to policies and regulations, markets, technology, and reputation are also taken into consideration in a comprehensive manner, taking into account future trends in environmental elements such as climate change, water, and forests. While these changes in the business environment pose risks to our Group, they also have the potential for new developments, so we assess them from the perspective of both risks and opportunities. Of the processes answered in 2.2.2, processes based on the TNFD framework (LEAP approach) in Row 2, etc., may target environmental elements such as climate change, water, and forests, so they also serve as the above assessment.
[Fixed row]

(2.2.8) Does your organization consider environmental information about your clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process?

	We consider environmental information
Investing (Asset manager)	*Select from:*

	We consider environmental information
	☑ Yes
Investing (Asset owner)	*Select from:* ☑ Yes
Insurance underwriting (Insurance company)	*Select from:* ☑ Yes

[Fixed row]

(2.2.9) Indicate the environmental information your organization considers about clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process, and how this influences decision-making.

Investing (Asset manager)

(2.2.9.1) Environmental issues covered

Select all that apply

☑ Climate change
☑ Water

(2.2.9.2) Type of environmental information considered

Select all that apply

☑ Emissions data
☑ TCFD disclosures
☑ TNFD disclosures
☑ Energy usage data
☑ Climate transition plans
☑ Emissions reduction targets
☑ Science-Based Net-Zero Targets
☑ Water withdrawal and/or consumption volumes

(2.2.9.3) Process through which information is obtained

Select all that apply

☑ Directly from the client/investee
☑ From an intermediary or business partner
☑ Data provider

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ Transportation services

(2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

30

(2.2.9.6) Total portfolio value covered by the process

0

Investing (Asset owner)

(2.2.9.1) Environmental issues covered

Select all that apply

☑ Climate change

(2.2.9.2) Type of environmental information considered

Select all that apply

☑ Emissions data
☑ TCFD disclosures
☑ TNFD disclosures
☑ Climate transition plans
☑ Emissions reduction targets
☑ Science-Based Net-Zero Targets

(2.2.9.3) Process through which information is obtained

Select all that apply

☑ Directly from the client/investee
☑ From an intermediary or business partner
☑ Data provider

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ Transportation services

(2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

20

(2.2.9.6) Total portfolio value covered by the process

0

Insurance underwriting (Insurance company)

(2.2.9.1) Environmental issues covered

Select all that apply

☑ Climate change

(2.2.9.2) Type of environmental information considered

Select all that apply

☑ Emissions reduction targets

☑ Climate transition plans

(2.2.9.3) Process through which information is obtained

Select all that apply

☑ Directly from the client/investee

☑ From an intermediary or business partner

☑ Data provider

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

Select all that apply

☑ Retail

☑ Apparel

☑ Services

☑ Materials

☑ Hospitality

☑ Food, beverage & agriculture

☑ Biotech, health care & pharma

☑ Fossil Fuels

☑ Manufacturing

☑ Infrastructure

☑ Power generation

☑ Transportation services

(2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

99

(2.2.9.6) Total portfolio value covered by the process

0

[Add row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Liabilities

(2.4.3) Change to indicator

Select from:

☑ Absolute increase

(2.4.5) Absolute increase/ decrease figure

200000000000

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Time horizon over which the effect occurs

☑ Likelihood of effect occurring

☑ Other, please specify **:**degree of impacts

(2.4.7) Application of definition

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, and is reported to the Group Executive Committee and the Board of Directors at least twice a year. As for climate change, we evaluated the likelihood as large and impact on the business as medium 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. In terms of 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. About frequency of effect occurring is evaluated by the following 4-point scale: extremely large (more than once a year), large (once or more in 10 year), medium (once or more in 100 years) and small (less than once in 100 years). In terms of impact, it is evaluated by the following 4-point scale: extremely large (economical loss of over 500 billion JPY or more), large (economical loss of over 200 billion JPY or more), medium (economical loss of over 10 billion JPY or more) and small (economical loss of below 10 billion JPY). The risk is considered to have substantive impact to our business operation, and the thresholds are reviewed annually, including whether they are subject to revision. We evaluate the frequency of effect occurring of climate change risk as medium and the degree of impacts of climate change risks as large because economic loss can be more than 200 billion JPY with damage to reputation.

Opportunities

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Revenue

(2.4.3) Change to indicator

Select from:

☑ Absolute increase

(2.4.5) Absolute increase/ decrease figure

25000000000

(2.4.6) Metrics considered in definition

Select all that apply

☑ Time horizon over which the effect occurs

(2.4.7) Application of definition

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 In order to realize a sustainable society all divisions of each Group company formulate an annual action plan based on the groups material issues. Sompo group has formulated Sompo Climate Action as the groups basic action plan on climate change in accordance with the group's mid-long term plan. 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 decarbonization measures such as our own efforts to achieve net zero and strengthening investment and loan engagement KPIs authorized by the CSO are incorporated into the action plan. So, we have set a "transition insurance target" of increasing premium income from insurance products that contribute to decarbonization to 25 billion yen in Japan and overseas in fiscal year 2026 as a short time horizon, and will work to develop products and services that contribute to the spread of renewable energy and energy conservation, creating opportunities to respond to the serious risk of climate change fluctuations in a short time horizon. The thresholds will be reviewed after three years. 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 Reviews instructions. The results are reported at least twice a year to Global Executive Committee and board of directors in compliance with the necessities.

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both within our direct operations or upstream value chain, and within our portfolio

Forests

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both within our direct operations or upstream value chain, and within our portfolio

Water

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both within our direct operations or upstream value chain, and within our portfolio

Plastics

(3.1.1) Environmental risks identified

Select from:

☑ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:
☑ Insufficient data

(3.1.3) Please explain

We assume that the companies we insure and invest in use plastics, but only a limited number of them disclose data on plastics.
[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:
☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy
☑ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:
☑ Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply
☑ Operational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply
☑ Japan

(3.1.1.9) Organization-specific description of risk

Sompo Holdings' two major buildings in Tokyo, the Headquarters Building in Shinjuku and the Data Processing Building are participating in the Tokyo Cap and Trade Scheme organized by the Tokyo Metropolitan Government. The two buildings consist of more than 7,400 working employees as the major operating Hub of the Group companies. The scheme requires a 25% to 27% GHG 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.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:
☑ Less than 1%

(3.1.1.11) Primary financial effect of the risk

Select from:
☑ Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply
☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:
☑ Very unlikely

(3.1.1.14) Magnitude

Select from:

☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

If emissions reduction targets are not met, there is a risk that a company's reputation will be affected through fines or damage to its reputation through the public disclosure of its name, which will result in the company being no longer chosen by customers, affecting its business performance, and it may even be excluded from ESG indices linked to stock prices.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

31000000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

31000000

(3.1.1.25) Explanation of financial effect figure

*Normally, carbon credits are transacted between 200 JPY to 1,100JPY. If you sum up all the estimated carbon credits of all the participating 2 buildings of Sompo Holdings, the total cost will be approximately 31 million JPY(1,100JPY/tCO2 * reduction obligation(tCO2) of 2 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 two buildings, we have been fully complying with the emission reduction level. Therefore, we consider the likelihood of this risk “very unlikely”.*

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Implementation of environmental best practices in direct operations

(3.1.1.27) Cost of response to risk

12400000

(3.1.1.28) Explanation of cost calculation

Total of cost is 12,400,000 JPY - The renewal examination fee for ISO 14001 environmental management system: 2,100,000 JPY - Consulting fee for outside consulting companies: 10,300,000 JPY

(3.1.1.29) 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 SOMPO's 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 Corporate Services Inc." 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 204,375 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 FY2022, we achieved a reduction of 1,117 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.

Forests

(3.1.1.1) Risk identifier

Select from:
☑ Risk7

(3.1.1.2) Commodity

Select all that apply
☑ Not applicable

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Flooding (coastal, fluvial, pluvial, groundwater)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Insurance underwriting portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☑ Insurance risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Japan

(3.1.1.9) Organization-specific description of risk

Deforestation will have a significant impact on our property insurance. As if forests are not properly managed, with no stoppers on the sliding surface, landslide disaster become more likely on steep slopes. This will result in increased fire insurance claims, which will affect the Company's profits.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☑ 11-20%

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased insurance claims liability

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Deforestation will have a significant impact on our property insurance. As if forests are not properly managed, with no stoppers on the sliding surface, landslide disaster become more likely on steep slopes. This will result in increased fire insurance claims, which will affect the Company's profits. Landslide disaster are occurring more frequently in Japan, and their impact is considered to be medium. However, as it is difficult to identify the impacts individually, quantitative information is not available.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ No

(3.1.1.26) Primary response to risk

Nature based solutions, restoration and conservation

☑ Implement ecosystem restoration and long-term protection

(3.1.1.27) Cost of response to risk

1100000

(3.1.1.28) Explanation of cost calculation

Our company is engaged in forest conservation activities in eight locations across Japan under the name "SOMPO Forests." This activity fee includes volunteer insurance and travel expenses.

(3.1.1.29) Description of response

In order to prevent landslides and reduce insurance payments, we work across the Group to protect forests. Sompo Japan Insurance Inc. has signed agreements with eight municipalities across Japan to support forest maintenance activities, and is conducting volunteer forest maintenance activities and environmental education together with local residents, Group employees, insurance agents and their families. Through the Sompo's Forest initiative, we are communicating information about the relationship between forest conservation and improving disaster resilience of the area, and ultimately building disaster-resilient communities.

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk8

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Flooding (coastal, fluvial, pluvial, groundwater)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Investing (Asset manager) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☑ Strategic risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Japan

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Unknown

(3.1.1.9) Organization-specific description of risk

The analysis of dependencies and impacts in the sectors in which we have invested and financed has identified some sectors as high risk sectors with respect to water. First, with regard to dependence, the oil & gas, metals, and industrial sectors are highly dependent on groundwater, while the processed food and beverage manufacturing sectors are highly dependent on groundwater and surface water. With respect to impacts, the oil, gas, metals, and industry sector has been assessed as having significant impacts on "water use," and chemical and other materials manufacturing on "water use," among others. In terms of risk, sectors that are highly dependent on protection from wind and flood damage (such as agriculture) will perform worse, leading to lower sales of insurance products and reduced investment returns.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☑ Less than 1%

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Reduced profitability of investment portfolios

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:
☑ Unlikely

(3.1.1.14) Magnitude

Select from:
☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

For us, we believe that high-risk sectors that are highly dependent on and impacted by water may perform poorly due to water shortages, which could lead to lower returns on our investment.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:
☑ No

(3.1.1.26) Primary response to risk

Nature based solutions, restoration and conservation
☑ Implement ecosystem restoration and long-term protection

(3.1.1.27) Cost of response to risk

1100000

(3.1.1.28) Explanation of cost calculation

Our company is engaged in forest conservation activities in eight locations across Japan under the name "SOMPO Forests." This activity fee includes volunteer insurance and travel expenses.

(3.1.1.29) Description of response

Preventing water shortages will prevent the deterioration of the business performance of the companies in which it invests and loans. Therefore, we believe it is important to protect forests that have water storage functions, and we are engaged in activities to protect forests. For example, Sompo Japan Insurance Inc. has signed agreements with local municipalities in eight locations across Japan to support forest maintenance activities, and is conducting volunteer forest maintenance activities and environmental education together with local residents, Group employees, insurance agents and their families. Through the Sompo's Forest initiative, we are communicating information about forest conservation. As a result of it, this initiative will also help prevent landslides and protect forests.

Climate change

(3.1.1.1) Risk identifier

Select from:
☑ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical
☑ Cyclone, hurricane, typhoon

(3.1.1.4) Value chain stage where the risk occurs

Select from:
☑ Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply
☑ Operational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply
☑ Japan

(3.1.1.9) Organization-specific description of risk

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 the case of a typhoon that caused extensive damage in 2018, more than 5,000 employees gathered from all over the country to pay insurance claims quickly, which affected business operations.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:
☑ 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:
☑ Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply
☑ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:
☑ Unlikely

(3.1.1.14) Magnitude

Select from:
☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

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.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:
☑ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

110700000000

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

110700000000

(3.1.1.25) Explanation of financial effect figure

Net losses including direct cost and insurance payment incurred due to 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: 250 billion USD. Insured loss: 95 billion USD. Taking into account the number of weather-related insurance claims and insurance payment amounts due to extreme natural disasters such as typhoons occurring in Japan. In 2023, we has incurred a net loss of 104.3 billion yen on its financial statements. In 2024, we expects to incur a net loss of 110.70 billion yen, which will be the financial impact. As mentioned above, the possibility of disaster risk occurring has arisen, but as for increases in direct costs, we believe that the impact on finances will be "low" because recently we have systems in place that enable disaster response in areas far from disaster sites and we are using the latest technology, such as drones, which has reduced the number of employees who gather at one base to respond.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending
☑ Improve maintenance of infrastructure

(3.1.1.27) Cost of response to risk

5000000000

(3.1.1.28) Explanation of cost calculation

We expanded business with technology company (Palantir Technologies Inc.) (50 million USD, five-year). (1USD100yen)

(3.1.1.29) Description of response

Sompo Japan has been using them to focus on improving the profitability of its business insurance and supporting disaster response. One workflow alone has already delivered significant value to Sompo Japan in terms of underwriting profits and is currently being deployed to over 10,000 sales representatives across the Japanese insurance business. The company's disaster response operations have also been highly successful, streamlining traditionally labor-intensive tasks such as exchanging information with investigators and processing claims, creating workflows that are reusable across disasters, can now be accomplished in a few days. By promoting digital transformation, we aim to improve underwriting income and expenditure, improve operational efficiency, and create new business opportunities.

Climate change

(3.1.1.1) Risk identifier

Select from:
☑ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Technology
☑ Transition to lower emissions technology and products

(3.1.1.4) Value chain stage where the risk occurs

Select from:
☑ Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply
☑ Market risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Japan

(3.1.1.9) Organization-specific description of risk

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 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 P&C insurance. For example, Sompo Japan's net written premiums for automobile insurance in fiscal 2023 will be 1.82 trillion yen, accounting for 49.7% of the total. On the other hand, automobiles emit a lot of carbon dioxide, and the market is changing, requiring adaptation to a circular society, with electric vehicles and car sharing becoming more common. Therefore, if existing products and services cannot be replaced with options that emit less carbon dioxide, this will lead to lost opportunities to enter new markets (lost sales opportunities) and reduced sales of existing products.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:
☑ 41-50%

(3.1.1.11) Primary financial effect of the risk

Select from:
☑ Decreased revenues due to reduced demand for products and services

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply
☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:
☑ Unlikely

(3.1.1.14) Magnitude

Select from:
☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

If existing products and services cannot be replaced with options that emit less carbon dioxide, this will lead to lost opportunities to enter new markets (lost sales opportunities) and reduced sales of existing products.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:
☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

18000000000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

30000000000

(3.1.1.25) Explanation of financial effect 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 60 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

(3.1.1.26) Primary response to risk

Diversification
☑ Develop new products, services and/or markets

(3.1.1.27) Cost of response to risk

997000000

(3.1.1.28) Explanation of 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) are as follows. Annual business administration cost for person to person car sharing: approximately 997,000,000 JPY

(3.1.1.29) Description of 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. For example, through providing specialized insurance, the car-sharing business company provides new service like using electric car as the car-sharing. As a result of it, the number of membership increased from 700 thousands in 2022 to 840 thousands in 2023.

Climate change

(3.1.1.1) Risk identifier

Select from:
☑ Risk4

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical
☑ Cyclone, hurricane, typhoon

(3.1.1.4) Value chain stage where the risk occurs

Select from:
☑ Insurance underwriting portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply
☑ Insurance risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ United States of America

(3.1.1.9) Organization-specific description of risk

The Property and casualty 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. 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. For example, Sompo International Holdings Ltd. (SIH), one of Sompo Holdings' companies, generated 1,388 million USD in revenue from agricultural insurance in fiscal year 2023, making it one of the largest companies in the North American agricultural market. However, the agricultural sector is vulnerable to natural disasters, so it is necessary to pay close attention to natural disasters and the impacts to our business.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☑ 11-20%

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased insurance claims liability

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Unlikely

(3.1.1.14) Magnitude

Select from:
☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

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).

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:
☑ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

51700000000

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

51700000000

(3.1.1.25) Explanation of financial effect 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 FY2023 worldwide as follows. Overall loss: 250 billion USD. Insured loss: 95 billion USD. Sompo International's weather-related insurance claims resulting from typhoons and other extraordinary natural disasters totaled 517 million USD in fiscal 2023（324 million in 2022) after taking into account the number of insurance claims and insurance claims amount. We set this figures as a financial impact (1 USD100yen). And, in terms of a combined ratio, which is the sum of the loss ratio, which indicates the ratio of insurance claims paid to insurance premium income, and the expense ratio, which indicates the ratio of expenses to insurance premium income, in agricultural insurance in Sompo International the ration increased from 98.8 % in 2022 to 104.9% in 2023 because of drought in North America.

(3.1.1.26) Primary response to risk

Policies and plans
☑ Participation in environmental collaborative industry frameworks, initiatives and/or commitments

(3.1.1.27) Cost of response to risk

19000000

(3.1.1.28) Explanation of cost calculation

Our cost of operation to develop our physical risk analysis into a more forward-looking one is composed by the following item: - Fees for UNEP FI/ PSI: 3,000,000 JPY(100JPY / 1USD) - Fees for global initiatives to address social issues and to generate collective impact liaising with them: 16,000,000 JPY

(3.1.1.29) Description of response

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 International. 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. 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 International will implement financial structural reforms, especially scrutinizing underwriting portfolio for lower combined ratio.

Climate change

(3.1.1.1) Risk identifier

Select from:
☑ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Liability
☑ Regulation and supervision of environmental risk in the financial sector

(3.1.1.4) Value chain stage where the risk occurs

Select from:
☑ Investing (Asset owner) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☑ Policy and legal risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Japan

(3.1.1.9) Organization-specific description of risk

Sompo Japan, which is a P&C company of our group, has traditionally held strategic-holding stocks. In recent years, some cross-shareholdings have been criticized as not being an efficient investment, and they could be a factor in hindering the improvement of capital efficiency. There is also the downside of holding a large amount, which is a financial risk factor through price fluctuations. In the situation, stronger de-carbonization policies and regulations will cause negative price volatility in high-emission sector equities, leading to financial risks for our company. Now, as an asset owner, we have carbon-related assets, so we anticipate a significant decline in property values by tightening policies and regulations related to de-carbonization. Therefore, we have planned to reduce the amount of stock risk by selling our holdings of strategic stocks.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☑ Less than 1%

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Unlikely

(3.1.1.14) Magnitude

Select from:
☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

We anticipate a significant decline in property values by tightening policies and regulations related to de-carbonization.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:
☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

71000000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

71000000000

(3.1.1.25) Explanation of financial effect figure

Our company currently owns carbon-related assets worth 71,000 million yen. These assets are primarily oil and gas, not coal. Currently, due to strengthening of oil and gas regulations, the value of these assets may decrease significantly, and we believe that it is highly likely that the all assets will become stranded assets. As a result, we expect this will have a negative impact on our finances. On the other hand, regulations do not occur frequently, and their direction is somewhat known in advance, so we selected "unlikely to occur."

(3.1.1.26) Primary response to risk

Policies and plans
☑ Participation in environmental collaborative industry frameworks, initiatives and/or commitments

(3.1.1.27) Cost of response to risk

3000000

(3.1.1.28) Explanation of cost calculation

Our cost of operation to analyze the risk of changing regulations and policies is composed by the following item. - Fee for NZAOA (Net-Zero Asset Owner Alliance): approx. 3,000,000 JPY

(3.1.1.29) Description of response

We are a member of the NZAOA (Net-Zero Asset Owner Alliance) and aim to commit to transitioning to a portfolio with net zero greenhouse gas emissions by 2050 in order to achieve the goal of the Paris Agreement (limiting global warming to less than 1.5C). NZAOA has established target guidelines, which we believe are important in preparing for this risk. We believe that by following these guidelines, we can prevent the risk of asset value decline and stranded assets by formulating transition plans and encouraging transitions through engagement with fossil fuel companies.

Climate change

(3.1.1.1) Risk identifier

Select from:
☑ Risk6

(3.1.1.3) Risk types and primary environmental risk driver

Liability
☑ Regulation and supervision of environmental risk in the financial sector

(3.1.1.4) Value chain stage where the risk occurs

Select from:
☑ Investing (Asset manager) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☑ Policy and legal risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Japan

(3.1.1.9) Organization-specific description of risk

Sompo Asset Management has a fund that selects and manages companies to invest in based on its own share price analysis from among companies that are actively working on environmental issues. On the other hand, we also hold carbon-related assets amounting to 21 billion JPY. These assets are subject to the risk of asset value fluctuations due to changes in climate change-related policies and laws, and we assume that the asset values will drop significantly as de-carbonization laws and regulations are strengthened.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☑ Less than 1%

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Unlikely

(3.1.1.14) Magnitude

Select from:
☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

We assume that the asset values will drop significantly as de-carbonization laws and regulations are strengthened.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:
☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

18400000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

18400000000

(3.1.1.25) Explanation of financial effect figure

Sompo Asset Management currently owns 18.4 billion JPY of carbon-related assets. This asset is primarily oil and gas, not coal. Currently, it is assumed that this asset value will decrease significantly, and we believe that it is highly likely that the all assets will become stranded assets due to the tightening of laws and regulations related to oil and gas. On the other hand, we have chosen "Unlikely" because laws and regulations do not occur frequently, and since the direction is known to some extent in advance, we have chosen a Medium as a magnitude of impact.

(3.1.1.26) Primary response to risk

Engagement
☑ Engage with customers

(3.1.1.27) Cost of response to risk

1500000

(3.1.1.28) Explanation of cost calculation

Our cost of operation to analyze the risk of changing regulations and policies and engagement is composed by the following item. - Fee for Principal for Responsibility Investment (PRI): approx. 1,500,000 JPY

(3.1.1.29) Description of response

We are a signatory to the Principal for Responsibility Investment (PRI), and PRI develops engagement guidelines. And, we believe that engagement is an important part of preparing for the risk of changing regulations and policies. Then, we are stepping up our dialogue, including in high-emission sectors, to prepare for the risks posed by increased legislation on climate change. Through dialogue, we are promoting GHG emission reduction targets and the introduction of lower-carbon technologies. In addition to our independent efforts, we engage with as lead investors. For example, As for the major energy companies that we engage, in May 2020, the company set out a vision of achieving carbon neutrality for their own emissions by 2040, but in 2022 it reviewed its carbon neutral plan and announced that it would aim to become carbon neutral by 2050, including Scope3 emissions, in addition to our own emissions.
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:
☑ Assets

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

71000000000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

639487000000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:
☑ 11-20%

(3.1.2.7) Explanation of financial figures

Assets vulnerable to transition risks include carbon-related assets. Due to changes in legal systems, there is a very high possibility that asset values will decline or assets will become stranded. The figures shown here show the amount of coal, oil and gas-related assets as carbon-related assets for the entire Group, and their percentage relative to total assets. Additionally, assets vulnerable to physical risks include fire insurance premiums as a non-life insurance company. If a natural disaster such as a typhoon occurs, insurance payments will increase from this premium income, which could have a negative impact on our overall assets. The figures reported here show the net written premiums for fire insurance for the entire Group, and the percentage of fire insurance relative to total net written premiums. [Add row]

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.6.1) Environmental opportunities identified

Select from:
☑ Yes, we have identified opportunities, and some/all are being realized

Forests

(3.6.1) Environmental opportunities identified

Select from:
☑ Yes, we have identified opportunities, and some/all are being realized

Water

(3.6.1) Environmental opportunities identified

Select from:
☑ No

(3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities

Select from:
☑ No standardized procedure

(3.6.3) Please explain

We believe there is a relationship between the non-life insurance industry and water risk. This is because risks such as flooding lead to increased fire insurance payouts for our company. On the other hand, we believe that providing products and services that lead to disaster prevention and mitigation to prevent water risks can be an opportunity. However, water risks arise from multiple factors, and there is no established method for evaluating them as opportunities, making them difficult to evaluate.
[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:
☑ Opp1

(3.6.1.2) Commodity

Select all that apply

☑ Not applicable

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Development of climate adaptation, resilience and insurance risk solutions

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Japan

(3.6.1.8) Organization specific description

Sompo Holdings, 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 11th consecutive year. Therefore, the regulation "Cap and trade schemes" could be one of business opportunities for our entire Group.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:
☑ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:
☑ Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

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, and then the total revenue for a year will be expanding.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:
☑ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

291000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

291000000

(3.6.1.23) Explanation of financial effect figures

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 291 million JPY (-185 million JPY for Environmental related services including " Registered safety management audit institute " but excluding items below. - 56 million JPY for "Risk consulting business related to renewable energy (solar energy

and wind power)(excluding publicly offered projects)". - 50 million JPY for "Regular Safety management examination for renewable energy (solar, wind) Power Generation Business"). In 2023, sales increased by 114 million from 2022. 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.

(3.6.1.24) Cost to realize opportunity

3000000

(3.6.1.25) Explanation of cost calculation

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 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.

(3.6.1.26) Strategy to realize opportunity

We have acquired the ISO14001 environmental management system since 1997. That is how we are aware of new social trends including climate change and assess the impacts related to our business domain constantly, and this initiative is a high priority for us as it clearly demonstrates our stance on the environment before we ask our insurance underwriters or investment and loan recipients to take action. Through the PDCA management system, 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 FY2023, the Sustainability Department, which is the main department in charge of climate change in Sompo Risk Management Inc., was increased by six new hires. 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. 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 11th consecutive year from 2013 to 2023.

Forests

(3.6.1.1) Opportunity identifier

Select from:
☑ Opp7

(3.6.1.2) Commodity

Select all that apply
☑ Not applicable

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Reputational capital

☑ Reputational benefits resulting in increased demand for products/services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Insurance underwriting portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Japan

(3.6.1.8) Organization specific description

Our company is working to conserve forests because forests have the ability to absorb CO2, and we are offering insurance products to help maintain CO2 absorption. We believe that forests have value as carbon credits, as they absorb carbon dioxide and contribute to preventing global warming. Since December 2022, Sompo Japan Insurance Inc. has been providing compensation for forest-derived carbon credits, the first initiative of its kind in Japan, for the voluntary credit market aimed at reducing GHG emissions with the utilization of natural capital. With the aim of promoting the introduction of forest credits, this compensation addresses the risk associated with reduced CO2 absorption in the event that a forest owned by a credit creator is damaged, potentially resulting in the inability to obtain expected credits. In this way, we provide insurance for maintaining ability of absorbing CO2 by forest

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:
☑ Unlikely (0–33%)

(3.6.1.12) Magnitude

Select from:
☑ Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The expansion of this insurance product means that more forests are preserved, which not only prevents disasters and reduces insurance payments, but also leads to increased premium income for our company.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:
☑ No

(3.6.1.24) Cost to realize opportunity

1100000

(3.6.1.25) Explanation of cost calculation

Our company is engaged in forest conservation activities in eight locations across Japan under the name "SOMPO Forests." This activity fee includes volunteer insurance and travel expenses.

(3.6.1.26) Strategy to realize opportunity

By offering this insurance product that helps maintain CO2 absorption, we believe that the need for this product is expected to increase in the carbon credit market, which is expected to expand in the future. Through increased demand for this product, we will be able to externally demonstrate our contribution to decarbonization through nature, which we believe will contribute to improving our reputation.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Development of climate adaptation, resilience and insurance risk solutions

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Japan

☑ United States of America

(3.6.1.8) Organization 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 FY2018, Sompo Insurance Thailand launched a new product to provide the first parametric weather insurance program for Longan (fruits) 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. And, recently we are working to develop products and services that contribute to the spread of renewable energy and energy conservation, including the "ONE SOMPO WIND Service" (insurance and risk management service for offshore wind power operators).

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium-high

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The Company can develop and launch a number of products and services related to the physical risks of climate change, which will lead to higher premium income and lower claims payments, thereby increasing profits.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

25000000000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

25000000000

(3.6.1.23) Explanation of financial effect figures

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. We are working to develop products and services that contribute to the spread of renewable energy and energy conservation, including the "ONE SOMPO WIND Service" (insurance and risk management service for offshore wind power operators). Then, we have set a "Transition Insurance Target" aiming to achieve premium income of 25 billion yen in fiscal 2026 for insurance products that contribute to decarbonization both domestically and overseas. 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.

(3.6.1.24) Cost to realize opportunity

19000000

(3.6.1.25) Explanation of cost calculation

Our cost to realize developing climate-related products and services is composed by following items. - Fees for UNEP FI/ PSI: 3,000,000 JPY(100JPY / 1USD) - Fees for global initiatives to address social issues and to generate collective impact liaising with them: 16,000,000 JPY

(3.6.1.26) Strategy to realize opportunity

In order to identify opportunities in climate change in fiscal 2021, the Group has identified seven important issues and set KPIs for all sustainability elements, including climate change. In addition, to identify materiality, we have joined the TCFD Insurance Group of UNEP FI and, in cooperation with our group company SOMPO Risk Management, conducted scenario analysis using the TCFD recommended methodology and participated in other global initiatives. In addition, through risk assessment using EMS, we have identified disaster prevention and mitigation and the spread of renewable energy as new business areas, which are related to our main business of insurance and have been prioritized higher than other opportunities. For example, since 2010, we have been offering "weather index insurance" to reduce agricultural management risks caused by abnormal weather. Weather index insurance is an insurance product in which the insurance amount specified in the contract is paid when weather indexes such as temperature, wind speed, rainfall, and sunshine hours meet certain conditions. In 2010, we launched weather index insurance aimed at reducing damage caused by drought for farmers in northeastern Thailand. In Myanmar, we developed weather index insurance to cover drought risks for rice and sesame farmers. In February 2019, we launched a parametric weather insurance program for Longan (fruits) farmers in Thailand. With the aim of expanding into North America and Europe, which have large agricultural markets, we acquired Endurance Specialty Holdings in 2016, Diversified Crop Services in 2020, and ARA 1857 SpA Assicurazioni Rischi Agricoli VMG 1857 in 2021. These acquisitions completed in 2022. We are also working to develop products and services that contribute to the spread of renewable energy and energy conservation, including the "ONE SOMPO WIND Service" (insurance and risk management service for offshore wind power generation companies).

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Markets

☑ Expansion into new markets

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Japan

(3.6.1.8) Organization specific description

In a world where global temperature increases will be held to less than 1.5 C in 2050, it is assumed that 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 2020, the promotion of initiatives for the realization of seamless transportation, and the rapid expansion of the sharing economy including car sharing were indicated. In such a society, "mobility revolution" 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, it 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 2023, 840 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.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

☑ High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Expanding car sharing services will contribute to our bottom line.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

18000000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

30000000000

(3.6.1.23) Explanation of financial effect figures

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

(3.6.1.24) Cost to realize opportunity

997000000

(3.6.1.25) Explanation of 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) is as follows. Annual business administration cost for person to person car sharing: approximately 997,000,000 JPY

(3.6.1.26) Strategy to realize opportunity

Based on the above outlook, Sompo Holdings has positioned its "Mobility as a Service" related business as a growth area, such as by establishing a peer-to-peer car sharing joint venture in 2019 and making a car sharing business company an affiliate. This is because the automobile market in Japan is expected to shrink in the future, which will have a significant impact on automobile insurance, which accounts for more than 50% of the Company's insurance revenue. We are working to create business opportunities by developing related specialized insurance, taking advantage of Sompo Japan's strengths in automobile insurance data and nationwide insurance agency sales channels. Through the establishment of a joint venture company related to the car sharing business and the making of a car sharing business company into an affiliate, Sompo Japan provides peer-to-peer car sharing services that use big data to analyze areas and automobile car sharing demand, car sharing services that utilize insurance agency networks, and specialized insurance associated with these services. In fiscal 2019, the number of car sharing members was more than 250,000 and the number of registered vehicles was more than 8,000. As of 2023, three years after its establishment, the company has 840,000 registered customers and over 44,000 registered vehicles.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp4

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Increased efficiency of production and/or distribution processes

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Insurance underwriting portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Japan

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☑ Unknown

(3.6.1.8) Organization 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 developing and launching not only a number of products and services related to physical risks of climate change but also utilizing new technologies such as generative AI and blockchain and Generative AI for improvement of underwriting profit. For example, Sompo Japan, which is a P&C company, provides the following services to increase insurance underwriting profit and reduce claims payments using new technology. "Climate change physical risk visualization" (It evaluates physical risks according to multiple climate change scenarios based on property information such as collateral properties of client companies). "Earthquake risk visualization" (It evaluates earthquake risk based on property information such as collateral properties of client companies). These services benefits for not only our client companies but also our company because it precisely understands the amount of risk (quantification of opportunities) due to climate change. As a result of it, they leads to securing and improving insurance underwriting profits and reducing insurance payments.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:
☑ Medium

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

Sompo Japan provides services that utilize new technology to improve underwriting profits and reduce insurance payments. This service benefits not only our client companies, but also our company, as it enables us to accurately grasp the amount of risk posed by climate change (quantification of opportunities), which in turn leads to securing and improving underwriting profits and reducing insurance payment amounts.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:
☑ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

20000000000

(3.6.1.23) Explanation of financial effect figures

Sompo Japan has been using them to focus on improving the profitability of its business insurance and supporting disaster response. One workflow alone has already delivered significant value to Sompo Japan in terms of underwriting profits and is currently being deployed to over 10,000 sales representatives across the Japanese insurance business. The company's disaster response operations have also been highly successful, streamlining traditionally labor-intensive tasks such as exchanging information with investigators and processing claims, creating workflows that are reusable across disasters, can now be accomplished in a few days. By promoting digital transformation, we aim to improve underwriting income and expenditure, improve operational efficiency, and create new business opportunities. The efficiency of digital transformation was 2.2 billion JPY in FY 2021, but it expanded to 12.3 billion JPY in FY 2022, and it could reach 20 billion yen in fiscal 2023.

(3.6.1.24) Cost to realize opportunity

5000000000

(3.6.1.25) Explanation of cost calculation

We expanded business with technology company (Palantir Technologies Inc.) in 2023 (50 million USD, five-year). (1USD100yen)

(3.6.1.26) Strategy to realize opportunity

Sompo Japan has been focused on improving profitability for the commercial insurance business, and supporting disaster response. Digital transformation has already delivered significant value in terms of underwriting profits in the company, and is now being rolled out to 10,000 salespeople across the Japanese insurance business. The organization's disaster response work has also delivered substantial results — streamlining traditionally labor-intensive efforts such as exchanging information with inspectors and processing claims into reusable workflows across disasters that can now be executed in days. Improving operational efficiency is expected to lower insurance prices, increase competitiveness, and increase the number of underwritten policies.

Climate change

(3.6.1.1) Opportunity identifier

Select from:
☑ Opp5

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services
☑ Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:
☑ Investing (Asset owner) portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply
☑ Japan

(3.6.1.8) Organization specific description

We provide products and services for various risks. Currently, requests for disclosure of information on climate change are increasing rapidly, and many companies are having difficulty calculating GHG emissions and others, and if they are unable to disclose information, they face reputational risk. Then, we not only develop

climate change-related products and services ourselves, but also invest as an asset owner and provide climate change-related products and services through joint research. For example, as an asset owner, we are investing in pulsESG, which is a venture company that provide products covering from calculating GHG emissions to disclosing information on climate change. In the development process of the product, we have conducted joint research by providing calculation methods and information related to GHG calculation. And, products are being developed and marketed as products that support climate change-related disclosures.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues through access to new and emerging markets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ More likely than not (50–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The product is being developed and marketed as products that support climate change-related disclosures. In this way, new markets can be accessed, which can lead to increasing revenue.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

750000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

750000000

(3.6.1.23) Explanation of financial effect figures

With the unification of ESG standards and the Corporate Governance Code, etc., corporate information disclosure is becoming more and more sophisticated, and many companies face increasing legal and reputational risks that cannot respond to information disclosure. In response to such risks, as an asset owner, we will support the information disclosure of many companies by investing in ESG-related products and services that have strengths in ESG information disclosure and conducting joint research. Along with that, we aim to achieve sales of 750 million JPY by 2027 through investing in companies and selling by ourselves.

(3.6.1.24) Cost to realize opportunity

240000000

(3.6.1.25) Explanation of cost calculation

Selling, general and administrative expenses to sell the products and services by 2027: *240,000,000 JPY*

(3.6.1.26) Strategy to realize opportunity

Currently, there are multiple competitors in the market for products and services such as GHG emissions measurement and fields, but the products and services made we are currently investing in are not possessed by other companies, and we are fully committed to them. In addition to trying to expand the market by appealing to the public, by inputting our past know-how through joint research, etc., we will create even more superior product. And, in order to achieve potential financial impact figure of 750 million JPY, for example, we will take a strategy of aggressively investing and selling to the market as a sales agent. In addition, we will add a service that support the disclosure of information related to ESG's "S (social)" in addition to information related to climate change after 2024, and the sales of products and services will increase.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp6

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Markets

☑ Increased demand for funds that invest in companies that have positive environmental credentials

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Investing (Asset manager) portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Japan

(3.6.1.8) Organization specific description

Since 1999, Sompo Asset Management has operated the Sompo Japan Green Open (Buna no Mori), which invests in companies that actively address environmental issues, referring to the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators by Financial Service Agency in Japan. We have a dialogue with companies and they have a chance to mitigate and/or adapt to climate change. By investing in companies that actively address environmental issues, investors' funds are expected to indirectly contribute to environmental conservation. The total greenhouse gas emissions (carbon intensity) of the Fund is at a level lower than the market average (TOPIX: Tokyo Stock Price Index), and the stocks in which the Fund invests and are selected for the analysis of environmental management capabilities are highly rated for their environmental performance. The amount of total asset increased from 32.7 billion JPY in FY2022 to 44.2 billion JPY in FY2023.*

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased portfolio value due to upward revaluation of assets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:
☑ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:
☑ Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The positive environmental impact of the fund will be recognized and can lead to expansion of the fund itself, leading to increased revenues.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:
☑ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

69000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

69000

(3.6.1.23) Explanation of financial effect figures

The companies in which the fund invests are also proactive in their environmental initiatives and create a positive impact on the environment, and companies with excellent environmental management in which this fund invests are expected to have positive business opportunities through active efforts in environment-related technologies and low-carbon products and services. It is expected that there is potential to offset the impact. As a result of the expansion of the environmental efforts of the companies in which we have invested, there is a result that an investment of 100 million yen produced an economic effect of 69,000 JPY in 2023. This is based on the market capitalization of each company, assuming that the latest holdings (as of the end of December 2023) were held throughout the year (FY2023).

(3.6.1.24) Cost to realize opportunity

1500000

(3.6.1.25) Explanation of cost calculation

Our cost of operation to develop our engagement into a more forward-looking - Fees for Principal for Responsibility Investment (PRI): approx. 1,500,000 JPY

(3.6.1.26) Strategy to realize opportunity

We are a signatory to the Principles for Responsible Investment (PRI), which has established guidelines for engagement. We believe that engagement can lead to new opportunities compared to divestment, and are actively engaged in it. In order to realize opportunities that lead to potential financial benefits, as an investment management company, we aim to place the common goal of improving corporate value and sustainable growth at the center of dialogue between companies and investors, share mutual understanding, and engage in constructive exchanges of opinions to solve problems. In fiscal 2023, through the research activities of our corporate analysts, we were able to hold a total of approximately 2,300 dialogues with companies. In the dialogues, we discuss environmental themes such as environmental management, GHG emission reduction plans, TCFD response, and measures to reduce environmental impact, as well as information disclosure such as promoting ESG information disclosure. Engaging with companies also contributes to opportunities for mitigating and adapting to climate change, and to increasing economic benefits by encouraging companies to take environmental measures.
[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:
☑ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

21000000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ Less than 1%

(3.6.2.4) Explanation of financial figures

Revenues that align with opportunities for environmental issues are insurance premium income for decarbonization-related insurance products. We have set a "Transition Insurance Target" of increasing insurance premium income for decarbonization-related insurance products to 25 billion yen in Japan and overseas by fiscal year 2026, and are working to develop products and services that contribute to the spread of renewable energy, including offshore wind power, and energy conservation. The figures shown here are for the reporting year, and the percentage of the total is the percentage of insurance premium income for decarbonization-related insurance products to the net premium income of our entire company.

[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☑ Quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☑ Executive directors or equivalent

☑ Non-executive directors or equivalent

☑ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☑ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

The Company supervises and guides its subsidiaries, formulates management strategy for the Group that encompasses management strategies for subsidiaries that are engaged in the P&C insurance business and other various businesses, and is responsible for ensuring the execution and realization of these strategies. From this perspective, the Board of Directors selects Outside Directors to facilitate objective decision-making with respect to management issues from a diverse and independent viewpoint and perspective with consideration of diversity such as gender and nationalities, and the majority of the Board of Directors consists of Outside Directors. Additionally, the Directors are selected based on the selection criteria that incorporate the Comprehensive Guidelines for Supervision of Insurance Companies. Outside Directors are selected based on I. "Ability Requirements", II. "Standards regarding Independence of Outside Directors", and III. "Requirements

for Terms of Office". For the purpose of carrying out substantive discussions, the number of Directors shall be limited to 15 (fifteen) in accordance with the Articles of Incorporation. Note: In this policy, gender refers to all gender-related events, knowledge, and values, including the existence of the gender division of labor and LGBTQ.

(4.1.6) Attach the policy (optional)

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[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

Climate change

(4.1.1.1) Board-level oversight of this environmental issue

Select from:
☑ Yes

Forests

(4.1.1.1) Board-level oversight of this environmental issue

Select from:
☑ No, but we plan to within the next two years

(4.1.1.2) Primary reason for no board-level oversight of this environmental issue

Select from:
☑ Judged to be unimportant or not relevant

(4.1.1.3) Explain why your organization does not have board-level oversight of this environmental issue

At present, we are just beginning to identify risks and opportunities, as well as dependencies and impacts on each sector of our insurance underwriting and investment destinations, and are not yet able to grasp what significant impacts there will be on our company or whether there is any relevance.

Water

(4.1.1.1) Board-level oversight of this environmental issue

Select from:
☑ No, but we plan to within the next two years

(4.1.1.2) Primary reason for no board-level oversight of this environmental issue

Select from:
☑ Judged to be unimportant or not relevant

(4.1.1.3) Explain why your organization does not have board-level oversight of this environmental issue

At present, we are just beginning to identify risks and opportunities, as well as dependencies and impacts on each sector of our insurance underwriting and investment destinations, and are not yet able to grasp what significant impacts there will be on our company or whether there is any relevance.

Biodiversity

(4.1.1.1) Board-level oversight of this environmental issue

Select from:
☑ Yes
[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply
☑ Chief Sustainability Officer (CSO)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Individual role descriptions

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets
☑ Overseeing and guiding scenario analysis
☑ Overseeing the setting of corporate targets
☑ Monitoring progress towards corporate targets
☑ Approving corporate policies and/or commitments
☑ Monitoring the implementation of the business strategy
☑ Overseeing reporting, audit, and verification processes
☑ Monitoring the implementation of a climate transition plan
☑ Overseeing and guiding the development of a business strategy
☑ Overseeing and guiding acquisitions, mergers, and divestitures
☑ Monitoring supplier compliance with organizational requirements
☑ Monitoring compliance with corporate policies and/or commitments
☑ Overseeing and guiding the development of a climate transition plan
☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
☑ Overseeing and guiding public policy engagement
☑ Overseeing and guiding public policy engagement
☑ Reviewing and guiding innovation/R&D priorities
☑ Approving and/or overseeing employee incentives
☑ Overseeing and guiding major capital expenditures

(4.1.2.6) Scope of board-level oversight

Select all that apply

☑ Risks and opportunities to our own operations
☑ The impact of our own operations on the environment
☑ Risks and opportunities to our investment activities
☑ The impact of our investing activities on the environment
☑ Risks and opportunities to our insurance underwriting activities
☑ The impact of our insurance underwriting activities on the environment

(4.1.2.7) Please explain

The SOMPO Group has established key issues and KPIs, including climate change and biodiversity. Climate change-related risks/opportunities and progress on KPIs are reported to the Board of Directors through 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. The Group CSuO, through its Sustainable Management Committee, made the following two important decisions in FY2023. -Revise the ESG policy on investments and insurance underwriting -Set transition insurance targets for underwriting*

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply
☑ Chief Sustainability Officer (CSO)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:
☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply
☑ Individual role descriptions

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:
☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply
☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
☑ Overseeing reporting, audit, and verification processes

(4.1.2.6) Scope of board-level oversight

Select all that apply
☑ Risks and opportunities to our own operations
☑ The impact of our own operations on the environment
☑ Risks and opportunities to our investment activities
☑ The impact of our investing activities on the environment
☑ Risks and opportunities to our insurance underwriting activities
☑ The impact of our insurance underwriting activities on the environment

(4.1.2.7) Please explain

The SOMPO Group has established key issues and KPIs, including climate change and biodiversity. Climate change and biodiversity-related risks/opportunities and progress on KPIs are reported to the Board of Directors through the following committees. ・Sustainable Management Committee - As for climate change and biodiversity-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 and biodiversity issues and, if necessary, reports to the board of directors at the highest level.
[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:
☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Consulting regularly with an internal, permanent, subject-expert working group
☑ Engaging regularly with external stakeholders and experts on environmental issues
☑ Integrating knowledge of environmental issues into board nominating process
☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

☑ Executive-level experience in a role focused on environmental issues

Forests

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

☑ Executive-level experience in a role focused on environmental issues

Water

(4.2.1) Board-level competency on this environmental issue

Select from:
☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply
☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience
☑ Executive-level experience in a role focused on environmental issues

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue	Primary reason for no management-level responsibility for environmental issues	Explain why your organization does not have management-level responsibility for environmental issues
Climate change	*Select from:* ☑ Yes	*Select from:*	*Rich text input [must be under 2500 characters]*
Forests	*Select from:* ☑ No, but we plan to within the next two years	*Select from:* ☑ Not an immediate strategic priority	*As for forests, it is not clear what significant impact they will have on our business, and they have not yet been incorporated into our strategy.*
Water	*Select from:* ☑ No, but we plan to within the next two years	*Select from:* ☑ Not an immediate strategic priority	*As for water, it is not clear what significant impact it will have on our business, and it has not yet been incorporated into our strategy.*

	Management-level responsibility for this environmental issue	Primary reason for no management-level responsibility for environmental issues	Explain why your organization does not have management-level responsibility for environmental issues
Biodiversity	*Select from:* ☑ Yes	*Select from:*	*Rich text input [must be under 2500 characters]*

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities
☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing engagement in landscapes and/or jurisdictions
☑ Managing public policy engagement related to environmental issues
☑ Managing supplier compliance with environmental requirements
☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments
☑ Measuring progress towards environmental corporate targets
☑ Measuring progress towards environmental science-based targets
☑ Setting corporate environmental policies and/or commitments
☑ Setting corporate environmental targets

Strategy and financial planning
☑ Developing a climate transition plan
☑ Implementing a climate transition plan
☑ Conducting environmental scenario analysis
☑ Managing annual budgets related to environmental issues
☑ Implementing the business strategy related to environmental issues
☑ Developing a business strategy which considers environmental issues
☑ Managing environmental reporting, audit, and verification processes
☑ Managing acquisitions, mergers, and divestitures related to environmental issues
☑ Managing major capital and/or operational expenditures relating to environmental issues
☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other
☑ Providing employee incentives related to environmental performance

(4.3.1.3) Coverage of responsibilities

Select all that apply
☑ Dependencies, impacts, risks, and opportunities related to our investing activities
☑ Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities
☑ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:
☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:
☑ Quarterly

(4.3.1.6) Please explain

The Group Sustainable Management Committee is chaired by the Group CSO and its membership comprises Executive Officers in charge of corporate planning and sustainability at Group companies. The Committee meets at least once a quarter to discuss like developing a climate transition plan and implementing a climate transition plan integrating climate related issues into the strategy and assessing and managing climate related risks and opportunities which related to the overall business including investment and underwriting. It then submits policies and measures for discussion to the Sompo Groups highest executive committee called Group ExCo thereby raising the quality of our decision-making. Like this CSO has collected and monitored climate related issues through managing this Committee. Furthermore the Board of Directors including preliminary briefing meetings also receives reports on the discussions held by Group ExCo from CSO thereby increasing the effectiveness of its supervisory function.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level
☑ Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities
☑ Assessing environmental dependencies, impacts, risks, and opportunities

(4.3.1.3) Coverage of responsibilities

Select all that apply
☑ Dependencies, impacts, risks, and opportunities related to our investing activities
☑ Dependencies, impacts, risks, and opportunities related to our insurance underwriting activities
☑ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:
☑ More frequently than quarterly

(4.3.1.6) Please explain

The Group Sustainable Management Committee is chaired by the Group CSO and its membership comprises Executive Officers in charge of corporate planning and sustainability at Group companies. The Committee meets at least once a quarter to discuss like managing biodiversity related risks and opportunities which related to the overall business including investment and underwriting. It then submits policies and measures for discussion to the Sompo Groups highest executive committee called Group ExCo thereby raising the quality of our decision-making. Like this CSO has collected and monitored biodiversity related issues through managing this Committee. Furthermore the Board of Directors including preliminary briefing meetings also receives reports on the discussions held by Group ExCo from CSO thereby increasing the effectiveness of its supervisory function.
[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:
☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

25

(4.5.3) Please explain

Senior Vice President and Executive Officer of the Company is responsible for climate-related issues as Group CSO. CSO 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 social 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. Multiple KPIs are set, and achievement of all KPIs has a large positive impact on incentives. The incentive accounts for 25% of executive compensation.

Forests

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:
☑ No, but we plan to introduce them in the next two years

(4.5.3) Please explain

Currently, we do not recognize Forest as important issues for our company. However, we will consider offering incentives when we determine them to be important issues.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:
☑ No, but we plan to introduce them in the next two years

(4.5.3) Please explain

Currently, we do not recognize Water as important issues for our company. However, we will consider offering incentives when we determine them to be important issues.
[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Sustainability Officer (CSO)

(4.5.1.2) Incentives

Select all that apply

☑ Promotion

☑ Salary increase

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

Strategy and financial planning

☑ Achievement of climate transition plan

Emission reduction

☑ Reduction in emissions intensity

☑ Reduction in absolute emissions

☑ Emissions reductions across portfolio companies

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Senior Vice President and Executive Officer of the Company is responsible for climate-related issues as Group CSO. CSO 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 social 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. Multiple KPIs are set, and achievement of all KPIs has a large positive impact on incentives. Progress on KPIs is evaluated annually and reflected in promotions and salary increases.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The Incentive reflect the evaluation of the sustainability manager, and the evaluation is based on the achievement of KPIs and the expansion of cooperation between customers and suppliers. It not only gives us an incentive to improve the evaluation, but also strengthens our commitment to the climate to achieve the net zero target.
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☑ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply
☑ Climate change
☑ Forests

☑ Water
☑ Biodiversity

(4.6.1.2) Level of coverage

Select from:
☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply
☑ Direct operations
☑ Upstream value chain
☑ Downstream value chain
☑ Portfolio

(4.6.1.4) Explain the coverage

Global markets, including the Group and all value chains, and all stakeholders

(4.6.1.5) Environmental policy content

Environmental commitments
☑ Commitment to a circular economy strategy
☑ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments
☑ Commitment to 100% renewable energy
☑ Commitment to net-zero emissions
☑ Commitment to not invest in fossil-fuel expansion

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply
☑ Yes, in line with the Paris Agreement

☑ Yes, in line with the Kunming-Montreal Global Biodiversity Framework
☑ Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation

(4.6.1.7) Public availability

Select from:
☑ Publicly available

(4.6.1.8) Attach the policy

c4.6_Sustainability report2023_Please see 3-4, 8, 36 pages.pdf
[Add row]

(4.7) Does the policy framework for the portfolio activities of your organization include environmental requirements that clients/investees need to meet, and/or exclusion policies?

	Policy framework for portfolio activities include environmental requirements for clients/investees, and/or exclusion policies
Investing (Asset manager)	*Select from:* ☑ Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies
Investing (Asset owner)	*Select from:* ☑ Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies
Insurance (Insurance company)	*Select from:* ☑ Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies

[Fixed row]

(4.7.1) Provide details of the policies which include environmental requirements that clients/investees need to meet.

Investing (Asset manager)

(4.7.1.1) Environmental issues covered

Select all that apply

☑ Climate change

(4.7.1.2) Type of policy

Select all that apply

☑ Investment policy/strategy

☑ Stewardship policy

(4.7.1.3) Public availability

Select from:

☑ Publicly available

(4.7.1.4) Attach the policy

C4.7.1 Sompo Asset Management Our Response to Japan's Stewardship Code.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☑ Direct operations

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Retail

☑ Apparel

☑ Services

☑ Fossil Fuels

☑ Manufacturing

☑ Infrastructure

☑ Materials
☑ Hospitality
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Power generation
☑ Transportation services

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

In addition to dialogue through the daily research activities of our in-house analysts, we also conduct an annual ESG survey conducted by Sompo Risk Management, a specialized research company with a leading track record in Japan in the ESG research field, to evaluate companies' ESG performance. In the survey, we check the establishment of an environmental management system, the disclosure of environmental information, and the reduction of environmental impact as evaluation items, and use them as selection criteria for investment target stocks for ESG-focused products to determine the scope of application.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

Climate-specific commitments

☑ Commitment to disclose Scope 1 emissions
☑ Commitment to disclose Scope 2 emissions
☑ Commitment to disclose Scope 3 emissions
☑ Commitment to net-zero emissions
☑ Commitment to set a science-based emissions reduction target

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ No, and we do not plan to measure this in the next two years

(4.7.1.17) Explain why your organization does not measure the % of clients/investees compliant with the policy

It depends on the level of compliance, but we are not currently conducting measurements. However, we would like to consider doing so in the future, taking into account the importance of measurements, etc.

Investing (Asset owner)

(4.7.1.1) Environmental issues covered

Select all that apply

☑ Climate change

(4.7.1.2) Type of policy

Select all that apply

☑ Sustainable/Responsible Investment Policy

(4.7.1.3) Public availability

Select from:

☑ Publicly available

(4.7.1.4) Attach the policy

4.7_Sustainability report_Please see 121pages.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☑ Direct operations

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation

☑ Hospitality
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Transportation services

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

Since business activities in all industries emit greenhouse gases, all investments and loans are covered. With no GHG reduction plan in place by 2025, companies that generate 20% or more of their income from coal-fired power generation, thermal coal mining, or oil sand mining, or generate 20% or more of their energy from coal, will not be insured, invested, or loans. Therefore, the portfolio companies subject to the policy account for 100% of the total portfolio value.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

Climate-specific commitments

☑ Commitment to net-zero emissions
☑ Commitment to not funding climate-denial or lobbying against climate regulations
☑ Commitment to disclose Scope 1 emissions
☑ Commitment to disclose Scope 2 emissions
☑ Commitment to develop a climate transition plan
☑ Commitment to set a science-based emissions reduction target

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

(4.7.1.16) Target year for 100% compliance

Select from:
☑ Already met

Insurance (Insurance company)

(4.7.1.1) Environmental issues covered

Select all that apply
☑ Climate change

(4.7.1.2) Type of policy

Select all that apply
☑ Insurance underwriting policy

(4.7.1.3) Public availability

Select from:
☑ Publicly available

(4.7.1.4) Attach the policy

4.7_Sustainability report_Please see 121pages.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:
☑ Direct operations

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ Transportation services

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

All insurance portfolios are covered because business activities in all industries emit greenhouse gases. With no GHG reduction plan in place by 2025, companies that generate 20% or more of their income from coal-fired power generation, thermal coal mining, or oil sand mining, or generate 20% or more of their energy from coal, will not be insured, invested, or financed. Therefore, the underwriters covered by this policy represent 100% of the total portfolio value.

(4.7.1.12) Requirements for clients/investees

Climate-specific commitments

☑ Commitment to disclose Scope 1 emissions
☑ Commitment to disclose Scope 2 emissions
☑ Commitment to set a science-based emissions reduction target

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

(4.7.1.16) Target year for 100% compliance

Select from:
☑ Already met
[Add row]

(4.7.2) Provide details of your exclusion policies related to industries, activities and/or locations exposed or contributing to environmental risks.

Investing (Asset manager)

(4.7.2.1) Type of exclusion policy

Select from:
☑ All coal

(4.7.2.2) Fossil fuel value chain

Select all that apply
☑ Upstream

(4.7.2.3) Year of exclusion implementation

2022

(4.7.2.4) Phaseout pathway

Select all that apply
☑ New business/investment for new projects
☑ New business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2022

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

We will not make new investments in or loans for new or existing coal power plants or thermal coal mine projects（※） ※We may carefully consider and respond to cases where there are innovative technologies such as Carbon Dioxide Capture, Utilization, and Storage (CCS, CCUS), carbon recycling, ammonia co-firing, or other innovative technologies in place that are expected to reduce GHG emissions and contribute to the realization of the Paris Agreement. (Note) There is no investment or loan for the project.

Investing (Asset owner)

(4.7.2.1) Type of exclusion policy

Select from:

☑ All coal

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2022

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2022

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

We will not make new investments in or loans for new or existing coal power plants or thermal coal mine projects（※） ※We may carefully consider and respond to cases where there are innovative technologies such as Carbon Dioxide Capture, Utilization, and Storage (CCS, CCUS), carbon recycling, ammonia co-firing, or other innovative technologies in place that are expected to reduce GHG emissions and contribute to the realization of the Paris Agreement.

Insurance underwriting (Insurance company)

(4.7.2.1) Type of exclusion policy

Select from:

☑ All coal

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2022

(4.7.2.4) Phaseout pathway

Select all that apply

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

(4.7.2.5) Year of complete phaseout

2022

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply
☑ Worldwide

(4.7.2.7) Description

We will not underwrite new insurance for new or existing coal power plants or thermal coal mine projects(※). ※We may carefully consider and respond to cases where there are innovative technologies such as Carbon Dioxide Capture, Utilization, and Storage (CCS, CCUS), carbon recycling, ammonia co-firing, or other innovative technologies in place that are expected to reduce GHG emissions and contribute to the realization of the Paris Agreement.

Investing (Asset manager)

(4.7.2.1) Type of exclusion policy

Select from:
☑ Oil from tar sands

(4.7.2.2) Fossil fuel value chain

Select all that apply
☑ Upstream

(4.7.2.3) Year of exclusion implementation

2022

(4.7.2.4) Phaseout pathway

Select all that apply
☑ New business/investment for new projects
☑ New business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2022

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply
☑ Worldwide

(4.7.2.7) Description

We also will not make new investments in or loans for oil and gas extraction projects in the oil sands

Investing (Asset owner)

(4.7.2.1) Type of exclusion policy

Select from:
☑ Oil from tar sands

(4.7.2.2) Fossil fuel value chain

Select all that apply
☑ Upstream

(4.7.2.3) Year of exclusion implementation

2022

(4.7.2.4) Phaseout pathway

Select all that apply

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

(4.7.2.5) Year of complete phaseout

2022

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply
☑ Worldwide

(4.7.2.7) Description

We also will not make new investments in or loans for oil and gas extraction projects in the oil sands

Insurance underwriting (Insurance company)

(4.7.2.1) Type of exclusion policy

Select from:
☑ Oil from tar sands

(4.7.2.2) Fossil fuel value chain

Select all that apply
☑ Upstream

(4.7.2.3) Year of exclusion implementation

2022

(4.7.2.4) Phaseout pathway

Select all that apply
☑ New business/investment for new projects

☑ New business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2022

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

We also will not underwrite new insurance for oil and gas extraction projects in the oil sands

Investing (Asset manager)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Arctic oil and gas

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2022

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2022

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

We also will not make new investments in or loans for oil and gas extraction projects in the AMAP area(Arctic Monitoring and Assessment Programme).※ ※Defined by AMAP, excluding operations in Norwegian territories.

Investing (Asset owner)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Arctic oil and gas

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2022

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2022

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

We also will not make new investments in or loans for oil and gas extraction projects in the AMAP area(Arctic Monitoring and Assessment Programme).※ ※Defined by AMAP, excluding operations in Norwegian territories.

Insurance underwriting (Insurance company)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Arctic oil and gas

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2022

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2022

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

We also will not underwrite new insurance for oil and gas extraction projects in the oil sands or the AMAP area(Arctic Monitoring and Assessment Programme).
[Add row]

(4.9) Does your organization offer its employees a pension scheme that incorporates environmental criteria in its holdings?

Climate change

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:

☑ Yes, as an investment option

(4.9.2) Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated

SOMPO Group has a defined contribution pension plan that allows employees to freely choose the investment products they want to use. The investment products include several ESG products (active management) by default, allowing employees to freely select investment products. Approximately 6% of the current investment products are ESG products that incorporate environmental criteria. We also regularly replace our investment products. We file TCFD reports on our climate-related disclosure and responsible investment policies.

Forests

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:
☑ Yes, as an investment option

(4.9.2) Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated

SOMPO Group has a defined contribution pension plan that allows employees to freely choose the investment products they want to use. The investment products include several ESG products (active management) by default, allowing employees to freely select investment products. Approximately 6% of the current investment products are ESG products that incorporate environmental criteria. We also regularly replace our investment products. We file TCFD reports on our climate-related disclosure and responsible investment policies.

Water

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:
☑ Yes, as an investment option

(4.9.2) Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated

SOMPO Group has a defined contribution pension plan that allows employees to freely choose the investment products they want to use. The investment products include several ESG products (active management) by default, allowing employees to freely select investment products. Approximately 6% of the current investment products are ESG products that incorporate environmental criteria. We also regularly replace our investment products. We file TCFD reports on our climate-related disclosure and responsible investment policies.
[Fixed row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:
☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

- ☑ UNEP FI
- ☑ UN Global Compact
- ☑ Climate Action 100+
- ☑ CDP Investor Signatory
- ☑ Net Zero Asset Owner Alliance
- ☑ Partnership for Carbon Accounting Financials (PCAF)
- ☑ Task Force on Nature-related Financial Disclosures (TNFD)
- ☑ Task Force on Climate-related Financial Disclosures (TCFD)
- ☑ World Business Council for Sustainable Development (WBCSD)
- ☑ Science-Based Targets Initiative for Financial Institutions (SBTi-FI)
- ☑ Japan Climate Initiative (JCI)
- ☑ Net Zero Asset Managers initiative
- ☑ Principles for Responsible Investment (PRI)
- ☑ UNEP FI Principles for Sustainable Insurance
- ☑ Glasgow Financial Alliance for Net Zero (GFANZ)

(4.10.3) Describe your organization's role within each framework or initiative

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. We contribute to measure and disclose GHG emissions in insurance by working to develop international standards, and PCAF published a consultation on methods for future measurement and disclosure through our contribution to working group. And, we has begun working with customers to achieve a green transition by changing its ESG underwriting and lending policies. 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. [Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☑ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☑ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

☑ Paris Agreement

(4.11.4) Attach commitment or position statement

c4.11_Sustainability report2023_Please see 4pages.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☑ No

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

*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 Group 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.We also review our policies every year, taking into account trends in the international community, such as the Paris Agreement. 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.)
[Fixed row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:
☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Global
☑ Other global trade association, please specify :Japan Association of Corporate Executives

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply
☑ Climate change
☑ Forests
☑ Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:
☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:
☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

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. Similarly, we have also set a goal of increasing the introduction rate of renewable energy to 70% or more by fiscal 2030. Furthermore, our company and the association share the position of focusing on partnerships between companies and NPOs/NGOs. For example, the Sompo Environment Foundation has a "CSO Learning Program" for internships with environmental NPOs/NGOs, and has run "Public Seminars on the Environment" together with environmental NPOs/NGOs. In the same way, the association supports NPOs and NGOs in Japan and overseas that are engaged in nature conservation. And, we support NPOs/NGOs through the association. In fiscal 2022, we will participate in matching with NPOs/NGOs and make donations to support NPO/NGOs through the association. Like this, our positions promoting renewable energy and supporting NPO/NGOs to advance climate change initiatives are same, and we have actions to influence the position of the association.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

220000

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

The aim is to cooperate and promote the association's activities related to climate-related issue like introducing renewable energy and building partnerships with environmental NPOs/NGOs.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:
☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement
☑ Kunming-Montreal Global Biodiversity Framework
☑ Sustainable Development Goal 6 on Clean Water and Sanitation
[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:
☑ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:
☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply
☑ TCFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply
☑ Climate change

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy
☑ Governance
☑ Emission targets
☑ Emissions figures
☑ Risks & Opportunities
☑ Value chain engagement
☑ Dependencies & Impacts

(4.12.1.6) Page/section reference

page 31-40

(4.12.1.7) Attach the relevant publication

c4.12 MainStreamReport 有価証券報告書(page31-40).pdf

(4.12.1.8) Comment

Consistent with TCFD disclosure standards, we disclose our environmental strategies, emissions data, environmental dependencies, impacts, risks and opportunities on our website.

Row 2

(4.12.1.1) Publication

Select from:

☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☑ TNFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy
☑ Governance
☑ Emission targets
☑ Emissions figures
☑ Risks & Opportunities
☑ Value chain engagement
☑ Dependencies & Impacts
☑ Biodiversity indicators
☑ Public policy engagement
☑ Content of environmental policies

(4.12.1.6) Page/section reference

Web site downloaded in PDF. Please check it all.

(4.12.1.7) Attach the relevant publication

c4.12 Response to TCFD and TNFD2024.pdf

(4.12.1.8) Comment

Consistent with TNFD disclosure standards, we disclose our environmental strategies, emissions data, environmental dependencies, impacts, risks and opportunities on our website.
[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ Annually

Forests

(5.1.1) Use of scenario analysis

Select from:
☑ No, but we plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:
☑ Insufficient data

(5.1.4) Explain why your organization has not used scenario analysis

Sompo Group focuses on climate change measures for the purpose of calculating and reducing GHG emissions in investment and insurance underwriting, recognizes the importance of biodiversity, and participates in the TNFD Forum, which reviews trends in our relationship as a financial institution.

Water

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ First time carrying out analysis
[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios
☑ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:
☑ No SSP used

(5.1.1.3) Approach to scenario

Select from:
☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:
☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply
☑ Acute physical
☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:
☑ 4.0°C and above

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2025
☑ 2030
☑ 2040
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Climate change (one of five drivers of nature change)

Finance and insurance
☑ Cost of capital

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

In order to quantitatively grasp and evaluate risks of the increased severity and frequency of natural disasters, we are working to understand the long-term impacts of a climate change based on large-scale analysis using weather and climate big data such as the Database for Policy Decision-making for Future Climate Change (d4PDF), a climate prediction database developed under the Ministry of Education, Culture, Sports, Science and Technology's Climate Change Risk Information Creation Program. We are also analyzing and evaluating the medium-term impact over the next five to ten years and incorporating this information into our business strategies. Also, to predict future changes in typhoon risk associated with global warming, the Sompo Group used the simplified quantitative model based on the guidance issued by the TCFD insurance working group of UNEP FI, a model that captures changes in typhoon frequency and wind speed based on RCP8.5 scenario between 2050 and the present to calculate changes in frequency and damage costs. 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.

(5.1.1.11) Rationale for choice of scenario

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. Due to the frequent occurrence and intensification of natural disasters caused by climate change, the provision of stable insurance may become difficult because of the effects of an increase in insurance claims and a deterioration in the balance of underwriting. Considering these rationales, it is essential to assess the risk of natural disasters that climate change brings quantitatively. Therefore, in analyzing the impact of those natural disasters, we use d4 PDF, which enables us to evaluate future changes in extreme events such as typhoons and heavy rains stochastically and with greater accuracy by using a number of ensemble simulations. Also, we use the simplified quantitative model based on the guidance issued by the TCFD insurance working group of UNEP FI, which can calculate changes in typhoon frequency and damages based on the RCP 8.5 scenario.

Water

(5.1.1.1) Scenario used

Water scenarios

☑ WWF Water Risk Filter

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2050

(5.1.1.9) Driving forces in scenario

Finance and insurance

☑ Sensitivity of capital (to nature impacts and dependencies)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The analysis assumes physical risks that may arise from environmental deterioration, and so takes these into account in the pessimistic scenarios for 2030 and 2050. In this scenarios, physical risk in a world with unequal and unstable socio-economic development (SSP3) and high GHG emission levels (RCP6.0 /RCP8.5), a pathway which will lead to an increase of global mean surface temperature of approximately 3.5C by the end of the 21st century.

(5.1.1.11) Rationale for choice of scenario

Unlike greenhouse gases, water risks have completely different characteristics depending on the location, so efforts must be made with an understanding of the characteristics of each location. The TNFD framework requires disclosure of "the locations of assets and activities in the organization's direct operations and, where possible, upstream and downstream value chains that meet the criteria for high-priority locations." The priority areas are the points of contact between business and nature, and serve as reference information when identifying and evaluating risks and opportunities, so this scenario was used.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ NGFS scenarios framework, please specify **:**We analyzed 3 scenario frameworks, "Delayed transition", "Net Zero 2050" and "Nationally Determined Contributions(NDCs)".

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.0°C - 2.4°C

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025
☑ 2030
☑ 2040
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Speed of change (to state of nature and/or ecosystem services)
☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Cost of capital
☑ Sensitivity of capital (to nature impacts and dependencies)

Regulators, legal and policy regimes

☑ Global regulation
☑ Political impact of science (from galvanizing to paralyzing)
☑ Level of action (from local to global)
☑ Global targets
☑ Methodologies and expectations for science-based targets

Relevant technology and science

☑ Granularity of available data (from aggregated to local)
☑ Data regime (from closed to open)

Direct interaction with climate

☑ On asset values, on the corporate
☑ Perception of efficacy of climate regime

Macro and microeconomy

☑ Domestic growth
☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

To understand the short-, medium- to long-term impact of the transition to a decarbonized society on our group's portfolio, we selected and analyzed three climate change scenarios published by the NGFS in November 2023 as Phase 4: (1)Disorderly/Delayed transition, (2)Orderly/Net Zero 2050, and (3)Hot House World/Nationally Determined Contributions(NDCs). Based on those three scenarios of NGFS, we analyzed the impact on our group's portfolio assets using the Climate Value-at-Risk (CVaR) provided by MSCI for policy risks arising from tighter laws and regulations and global economic changes that will affect companies in the transition to a decarbonized society and technology opportunity arising from climate change mitigation and adaptation initiatives. 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.

(5.1.1.11) Rationale for choice of scenario

Sompo group is a financial institution that operates non-life and life insurance businesses. As a part of the financial institution's business, we make investments and loans through equity and bond investments etc, using premiums received from clients and customers. 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. In that meaning, managing the risks associated with the transition to a decarbonized society is essential as they affect the group's portfolio of investments and loans, and hence its business strategy and financial plans. Therefore, the NGFS scenarios, which provide not only climate change-related variables such as GHG emissions and carbon prices but also financial and economic variables, were used as assumptions, and CVaR, a method for measuring the impact of policy changes and disasters associated with climate change on corporate value, was utilized to conduct a scenario analysis of the impact on the group's portfolio.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ NGFS scenarios framework, please specify **:**We analyzed 3 scenario frameworks, "Delayed transition", "Net Zero 2050" and "Nationally Determined Contributions(NDCs)".

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:
☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply
☑ Policy
☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:
☑ 1.5°C or lower

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2025
☑ 2030
☑ 2040
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Speed of change (to state of nature and/or ecosystem services)
☑ Climate change (one of five drivers of nature change)

Finance and insurance
☑ Cost of capital
☑ Sensitivity of capital (to nature impacts and dependencies)

Regulators, legal and policy regimes
☑ Global regulation
☑ Political impact of science (from galvanizing to paralyzing)
☑ Level of action (from local to global)
☑ Global targets
☑ Methodologies and expectations for science-based targets

Relevant technology and science
☑ Granularity of available data (from aggregated to local)
☑ Data regime (from closed to open)

Direct interaction with climate
☑ On asset values, on the corporate
☑ Perception of efficacy of climate regime

Macro and microeconomy
☑ Domestic growth
☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

To understand the short-, medium- to long-term impact of the transition to a decarbonized society on our group's portfolio, we selected and analyzed three climate change scenarios published by the NGFS in November 2023 as Phase 4: (1)Disorderly/Delayed transition, (2)Orderly/Net Zero 2050, and (3)Hot House World/Nationally Determined Contributions(NDCs). Based on those three scenarios of NGFS, we analyzed the impact on our group's portfolio assets using the Climate Value-at-Risk (CVaR) provided by MSCI for policy risks arising from tighter laws and regulations and global economic changes that will affect companies in the transition to a decarbonized society and technology opportunity arising from climate change mitigation and adaptation initiatives. 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.

(5.1.1.11) Rationale for choice of scenario

Sompo group is a financial institution that operates non-life and life insurance businesses. As a part of the financial institution's business, we make investments and loans through equity and bond investments etc, using premiums received from clients and customers. 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. In

that meaning, managing the risks associated with the transition to a decarbonized society is essential as they affect the group's portfolio of investments and loans, and hence its business strategy and financial plans. Therefore, the NGFS scenarios, which provide not only climate change-related variables such as GHG emissions and carbon prices but also financial and economic variables, were used as assumptions, and CVaR, a method for measuring the impact of policy changes and disasters associated with climate change on corporate value, was utilized to conduct a scenario analysis of the impact on the group's portfolio.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ NGFS scenarios framework, please specify **:**We analyzed 3 scenario frameworks, "Delayed transition", "Net Zero 2050" and "Nationally Determined Contributions(NDCs)".

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 3.0°C - 3.4°C

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025
☑ 2030
☑ 2040
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Speed of change (to state of nature and/or ecosystem services)
☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Cost of capital
☑ Sensitivity of capital (to nature impacts and dependencies)

Regulators, legal and policy regimes

☑ Global regulation
☑ Political impact of science (from galvanizing to paralyzing)
☑ Level of action (from local to global)
☑ Global targets
☑ Methodologies and expectations for science-based targets

Relevant technology and science

☑ Granularity of available data (from aggregated to local)
☑ Data regime (from closed to open)

Direct interaction with climate

☑ On asset values, on the corporate
☑ Perception of efficacy of climate regime

Macro and microeconomy

☑ Domestic growth
☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

To understand the short-, medium- to long-term impact of the transition to a decarbonized society on our group's portfolio, we selected and analyzed three climate change scenarios published by the NGFS in November 2023 as Phase 4: (1)Disorderly/Delayed transition, (2)Orderly/Net Zero 2050, and (3)Hot House World/Nationally Determined Contributions(NDCs). Based on those three scenarios of NGFS, we analyzed the impact on our group's portfolio assets using the Climate Value-at-Risk (CVaR) provided by MSCI for policy risks arising from tighter laws and regulations and global economic changes that will affect companies in the transition to a decarbonized society and technology opportunity arising from climate change mitigation and adaptation initiatives. 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.

(5.1.1.11) Rationale for choice of scenario

Sompo group is a financial institution that operates non-life and life insurance businesses. As a part of the financial institution's business, we make investments and loans through equity and bond investments etc, using premiums received from clients and customers. 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. In that meaning, managing the risks associated with the transition to a decarbonized society is essential as they affect the group's portfolio of investments and loans, and hence its business strategy and financial plans. Therefore, the NGFS scenarios, which provide not only climate change-related variables such as GHG emissions and carbon prices but also financial and economic variables, were used as assumptions, and CVaR, a method for measuring the impact of policy changes and disasters associated with climate change on corporate value, was utilized to conduct a scenario analysis of the impact on the group's portfolio.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ Customized publicly available climate physical scenario, please specify :We assumed low, medium, and high environmental change scenarios, which are a combination of IPCC scenarios showing changes in average temperature and NGFS scenarios showing possible policy transition patterns, and assessed risks for each pattern.

(5.1.1.3) Approach to scenario

Select from:
☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:
☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply
☑ Acute physical
☑ Chronic physical
☑ Policy

(5.1.1.6) Temperature alignment of scenario

Select from:
☑ 1.5°C or lower

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2025
☑ 2030
☑ 2040
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Changes to the state of nature

☑ Number of ecosystems impacted
☑ Changes in ecosystem services provision
☑ Speed of change (to state of nature and/or ecosystem services)
☑ Climate change (one of five drivers of nature change)

Finance and insurance
☑ Cost of capital
☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands
☑ Consumer sentiment
☑ Consumer attention to impact
☑ Impact of nature footprint on reputation
☑ Impact of nature service delivery on consumer
☑ Sensitivity to inequity of nature impacts

Regulators, legal and policy regimes
☑ Global regulation
☑ Political impact of science (from galvanizing to paralyzing)
☑ Level of action (from local to global)
☑ Global targets
☑ Methodologies and expectations for science-based targets

Relevant technology and science
☑ Granularity of available data (from aggregated to local)
☑ Data regime (from closed to open)

Direct interaction with climate
☑ On asset values, on the corporate
☑ Perception of efficacy of climate regime

Macro and microeconomy
☑ Domestic growth
☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

To realize comprehensive risk evaluation, we have assumed low, medium, and high environmental change scenarios, which are a combination of IPCC scenarios showing changes in average temperature and NGFS scenarios showing possible policy transition patterns, and have assessed risks for each pattern (Low: a combination of "SSP1-1.9" and "Orderly/Net Zero 2050", Medium: a combination of "SSP2-4.5" and "Disorderly/Delayed Transition", High: a combination of "SSP5-8.5" and "Hot House World/Current Policy, Nationally Determined Contributions (NDCs)"). Based on the assessment results, risks that require continuous monitoring are visualized as a climate change risk map, which provides a bird's-eye view of the impact, likelihood, timing of occurrence, and trends of risks that primarily affect insurance underwriting and asset management, thereby stimulating discussion of climate change at the Board of Directors and other executive bodies. The climate change risk map is made from the perspective of "Short-term (within 2-3 years)", "Medium-term (2030)" and "Long-term (2050)".

(5.1.1.11) Rationale for choice of scenario

Climate change can impact various aspects of the Group's business, including our P&C insurance business, and the impacts are long-term and highly uncertain. To manage climate change risks, including the risks associated with natural disasters, we have developed a climate change risk framework to complement our existing risk control system and to identify, assess, and manage risks by taking an in-depth look at scenarios in which the Group is affected through various pathways in the long-term. In order to capture the complex impacts of climate change and to enable a comprehensive assessment and bird's-eye view of the risks, three patterns of environmental change were selected, combining not only IPCC scenarios showing changes in average temperature and the resulting changes in climate phenomena, but also NGFS scenarios showing policy shifts, analysis.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ Customized publicly available climate physical scenario, please specify **:**We assumed low, medium, and high environmental change scenarios, which are a combination of IPCC scenarios showing changes in average temperature and NGFS scenarios showing possible policy transition patterns, and assessed risks for each pattern.

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical
☑ Chronic physical
☑ Policy

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.6°C - 1.9°C

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025
☑ 2030
☑ 2040
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature
☑ Number of ecosystems impacted
☑ Changes in ecosystem services provision
☑ Speed of change (to state of nature and/or ecosystem services)
☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Cost of capital
☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands
☑ Consumer sentiment
☑ Consumer attention to impact
☑ Impact of nature footprint on reputation
☑ Impact of nature service delivery on consumer
☑ Sensitivity to inequity of nature impacts

Regulators, legal and policy regimes
☑ Global regulation
☑ Political impact of science (from galvanizing to paralyzing)
☑ Level of action (from local to global)
☑ Global targets
☑ Methodologies and expectations for science-based targets

Relevant technology and science
☑ Granularity of available data (from aggregated to local)
☑ Data regime (from closed to open)

Direct interaction with climate
☑ On asset values, on the corporate
☑ Perception of efficacy of climate regime

Macro and microeconomy
☑ Domestic growth
☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

To realize comprehensive risk evaluation, we have assumed low, medium, and high environmental change scenarios, which are a combination of IPCC scenarios showing changes in average temperature and NGFS scenarios showing possible policy transition patterns, and have assessed risks for each pattern (Low: a combination of "SSP1-1.9" and "Orderly/Net Zero 2050", Medium: a combination of "SSP2-4.5" and "Disorderly/Delayed Transition", High: a combination of "SSP5-8.5" and "Hot House World/Current Policy, Nationally Determined Contributions (NDCs)"). Based on the assessment results, risks that require continuous monitoring are visualized as a climate change risk map, which provides a bird's-eye view of the impact, likelihood, timing of occurrence, and trends of risks that

primarily affect insurance underwriting and asset management, thereby stimulating discussion of climate change at the Board of Directors and other executive bodies. The climate change risk map is made from the perspective of “Short-term (within 2-3 years)”, “Medium-term (2030)” and ”Long-term (2050)”.

(5.1.1.11) Rationale for choice of scenario

Climate change can impact various aspects of the Group's business, including our P&C insurance business, and the impacts are long-term and highly uncertain. To manage climate change risks, including the risks associated with natural disasters, we have developed a climate change risk framework to complement our existing risk control system and to identify, assess, and manage risks by taking an in-depth look at scenarios in which the Group is affected through various pathways in the long-term. In order to capture the complex impacts of climate change and to enable a comprehensive assessment and bird's-eye view of the risks, three patterns of environmental change were selected, combining not only IPCC scenarios showing changes in average temperature and the resulting changes in climate phenomena, but also NGFS scenarios showing policy shifts, analysis.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ Customized publicly available climate physical scenario, please specify :We assumed low, medium, and high environmental change scenarios, which are a combination of IPCC scenarios showing changes in average temperature and NGFS scenarios showing possible policy transition patterns, and assessed risks for each pattern.

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

☑ Policy

(5.1.1.6) Temperature alignment of scenario

Select from:
☑ 2.5°C - 2.9°C

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2025
☑ 2030
☑ 2040
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Changes to the state of nature
☑ Number of ecosystems impacted
☑ Changes in ecosystem services provision
☑ Speed of change (to state of nature and/or ecosystem services)
☑ Climate change (one of five drivers of nature change)

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☑ Cost of capital
☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands
☑ Consumer sentiment
☑ Consumer attention to impact
☑ Impact of nature footprint on reputation

☑ Impact of nature service delivery on consumer
☑ Sensitivity to inequity of nature impacts

Regulators, legal and policy regimes
☑ Global regulation
☑ Political impact of science (from galvanizing to paralyzing)
☑ Level of action (from local to global)
☑ Global targets
☑ Methodologies and expectations for science-based targets

Relevant technology and science
☑ Granularity of available data (from aggregated to local)
☑ Data regime (from closed to open)

Direct interaction with climate
☑ On asset values, on the corporate
☑ Perception of efficacy of climate regime

Macro and microeconomy
☑ Domestic growth
☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

To realize comprehensive risk evaluation, we have assumed low, medium, and high environmental change scenarios, which are a combination of IPCC scenarios showing changes in average temperature and NGFS scenarios showing possible policy transition patterns, and have assessed risks for each pattern (Low: a combination of "SSP1-1.9" and "Orderly/Net Zero 2050", Medium: a combination of "SSP2-4.5" and "Disorderly/Delayed Transition", High: a combination of "SSP5-8.5" and "Hot House World/Current Policy, Nationally Determined Contributions (NDCs)"). Based on the assessment results, risks that require continuous monitoring are visualized as a climate change risk map, which provides a bird's-eye view of the impact, likelihood, timing of occurrence, and trends of risks that primarily affect insurance underwriting and asset management, thereby stimulating discussion of climate change at the Board of Directors and other executive bodies. The climate change risk map is made from the perspective of "Short-term (within 2-3 years)", "Medium-term (2030)" and "Long-term (2050)".

(5.1.1.11) Rationale for choice of scenario

Climate change can impact various aspects of the Group's business, including our P&C insurance business, and the impacts are long-term and highly uncertain. To manage climate change risks, including the risks associated with natural disasters, we have developed a climate change risk framework to complement our existing

risk control system and to identify, assess, and manage risks by taking an in-depth look at scenarios in which the Group is affected through various pathways in the long-term. In order to capture the complex impacts of climate change and to enable a comprehensive assessment and bird's-eye view of the risks, three patterns of environmental change were selected, combining not only IPCC scenarios showing changes in average temperature and the resulting changes in climate phenomena, but also NGFS scenarios showing policy shifts, analysis.
[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply
☑ Risk and opportunities identification, assessment and management
☑ Strategy and financial planning
☑ Resilience of business model and strategy
☑ Capacity building
☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:
☑ Portfolio

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

[Focal Questions] 1) Impact of an increase in insurance payments due to an increase in natural disasters associated with climate change; 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 etc.) both in Japan and overseas, and can have a material impact on our business results. Natural disasters may occur in all countries/regions of the globe due to accelerated climate change, so they need to be quantitatively assessed. In addition, 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 GHG 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 GHG emissions, and 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. [Outcomes of the climate-related scenario analysis with respect to the focal questions] 1) Outcomes Using RCP 8.5 and NGFS scenarios, we estimate the occurrence frequency of water disasters in the world and the damage amount per

1 unit of water disasters. According to the scenario analysis, natural disasters could increase further in the future, resulting in economic losses of more than 200 billion JPY. The frequency of typhoons increases or decreases from minus 30% to 30%, but the amount of damage per typhoon increases by 10% to 50%. In agricultural insurance, which is one of our strengths, insurance payments increase sharply when crops are damaged by natural disasters. Like this, disasters and our insurance are closely related. 2) Whether the outcomes were reflected in decisions and actions As a result, in order to reduce our payment risk, we increased underwriting reserves by 335 billion JPY from 9,475 billion JPY in FY2022 to 9,810 billion JPY in FY 2023. 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. In addition, we began discussing a review of our ESG-related insurance underwriting, investments and loans in FY2023 and finalized the review in June 2024. 1) Outcomes As a result of CVaR and NGFS analysis on our group's portfolio assets (Domestic stocks and bonds, foreign stocks and bonds), regarding comparison by asset type, we found the impact is greatest for all assets in the Net Zero 2050 (1.5C) scenario, which shows that even in an orderly transition, policy risks are significant to achieve the 1.5C target. Also, the impact of policy risk and technology opportunity is the largest for domestic stocks, at -37.3% and 7.3% under the Net Zero 2050, respectively. Comparing stocks and bonds, we see that stocks have a larger impact because bonds never redeem above par value and the impact of policy risk and opportunity is limited. When it comes to comparison by time horizon, we can see that in our portfolio, the majority of the current costs will become apparent in the long term (between 2030 and 2050). In particular, the "Delayed transition (2C)" scenario assumes a rapid policy transition after 2030, so the long-term impact is particularly pronounced. In addition, the policy risk is the highest in the "Net Zero 2050 (1.5C)" scenario at -18.52%, which shows that even in an orderly transition, policy risks are large in the long term to achieve the 1.5C target. 2) Whether the outcomes were reflected in decisions and actions Based on our analysis, in addition to our existing target of 25 % GHG reduction by 2025 in our portfolio, we started to discuss formulating a new interim GHG reduction target in FY2023, and finally set a new target to reduce intensity by 50-60% by 2030 (Listed stocks, corporate bonds, loans to listed companies, listed stocks and corporate bonds funds, compared to 2019). We will try to achieve the target by engaging with the top 20 GHG emitters among our assets, including high-impact domestic stocks, promoting the replacement of high-emission industries with low emission ones.

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

We expect that insurance revenues and investment returns will decrease due to the deterioration of business performance in sectors that are highly dependent on nature due to the deterioration of ecosystem services. In the scenario analysis, we used the Water Risk Filter and considered the pessimistic scenarios of 2030 and 2050. The scenario is Physical risk in a world with unequal and unstable socio-economic development (SSP3) and high GHG emission levels (RCP6.0 /RCP8.5), a

pathway which will lead to an increase of global mean surface temperature of approximately 3.5C by the end of the 21st century. As a result, we determined that the risk of water shortages and water quality in Japan is low. On the other hand, the risk of flooding is increasing, but the risk is reduced because floods and other wind and water damage are compensated for by insurance.
[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:
☑ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:
☑ Yes

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:
☑ We have a different feedback mechanism in place

(5.2.8) Description of feedback mechanism

In addition to receiving feedback at general meetings of shareholders, we hold regular meetings to receive feedback from our shareholders and environmental NGOs.

(5.2.9) Frequency of feedback collection

Select from:
☑ More frequently than annually

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

In addition to identifying risks and opportunities based on scenario analysis, etc., the transition plan is being developed with a view to aligning with macro trends related to climate change. As for trends led by the United Nations, we are closely monitoring the discussions on such as the Paris Agreement, the IPCC 6th Report, COP26, and referring to them in developing the transition plan. Globally, we are participating in initiatives such as GFANZ (and its affiliate NZAOA), which work across the financial industry to accelerate efforts to address climate change, and PCAF etc., and are incorporating target setting and planning methods into the transition plan from quantitative and qualitative aspects. In addition to global trends, we also take into account the Japanese government's policies and regulatory developments, such as the "Green Growth Strategy for Carbon Neutrality by 2050" jointly developed by METI, the Financial Services Agency, and other Japanese regulatory authorities, which we believe will have a significant impact on our transition plan. With the progress of new disclosure frameworks such as the ISSB globally and the government's 7th Energy Plan in Japan, macro trends surrounding climate change are expected to accelerate and change in the future, and we believe it is necessary to grasp these trends in a timely and appropriate manner and incorporate them into the transition plan. We will continue to engage in dialogue with multi-stakeholder groups, including NGOs that are calling for the suspension of insurance underwriting and investment in coal and fossil fuel projects, and we will continue to brush up our transition plan by taking hints from the requirements in global ESG assessments such as CDP and DJSI.

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

We established "SOMPO Climate Action" in FY2021, which include climate change "1.Adapt to climate change" and "2.Mitigate climate change" along with "3.Contribute to societal transformation" as our commitment to implement a comprehensive approach to climate change risks and opportunities, under which we will promote strategic initiatives throughout the Group. [1.Adapt to climate change] We help enhance societal resilience by developing products/services through collaboration. We contribute to a stable food supply through the continued delivery of risk management tools through "AgriSompo", a global integrated platform for agricultural insurance. And, we are offering "SOMPO SUSTAINA", a web-based platform that allows users to easily quantify and visualize the future impact of climate change physical risks such as floods and typhoons on their property and corporate activities. These initiatives contribute to the realization of a sustainable society by helping to resolve various issues that must be addressed in order for companies to achieve sustainable growth. [2.Mitigate climate change] As for our own GHG, we have a target of "60% reduction in Scope 1, 2, 3 by 2030", "net zero by 2050", and "70% introduction of renewable energy by 2030". In FY2023, we reduced GHG mainly through switching to renewables and reductions in paper, transportation and delivery. GHG reductions achieved were 25.7% and the introduction of renewables reached 9.0% as of the end of FY2023. As for investments&loans, we set an interim target of a 25% reduction by 2025. To achieve this, we are promoting a switch from high GHG emitting sectors to low ones at the time of maturity redemption of bonds, and engagement with the top 20 high GHG emitting companies among our equity holdings. As of the end of FY2023, GHG reductions reached 20.7% and we discussed companies of the top 20. As for insurance underwriting, we newly set a "Transition Insurance Target" aiming to achieve premium income of 25 billion yen in FY2026 for insurance products that contribute to decarbonization both domestically and overseas. To achieve this, we are working to develop products/services that contribute to the spread of renewables and energy conservation. In addition, we calculated GHG emissions in insurance underwriting using data from companies that disclose GHG emissions and disclosed it. [3.Contribute to societal transformation] In accordance with the spirit of the Japanese Stewardship Code, Sompo Japan conducts an ESG survey every year to confirm the policies and status of the companies in which it holds shares. In FY2023, the survey was sent to 1,446 companies and 318 responded. The survey is used to understand the needs of each company and provide opportunities for collaboration, supporting sustainability efforts. Also, we revised "Policy for ESG-related Underwriting, Investments & Loans" to stricter one in 2024 June (Changed the definition of main coal industry and expanded the Arctic circle).

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

(Page 17, 24-28) Sustainablity Report2023.pdf,SOMPO Climate Action(The latest WEB site).pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☑ Forests
☑ Plastics
☑ Water
☑ Biodiversity

(5.2.14) Explain how the other environmental issues are considered in your climate transition plan

As part of our sustainability governance, we established the "Climate Change Working Group", which holds working-level discussions on issues related to climate change in insurance underwriting and asset management, as well as on how to improve corporate value. We also discuss biodiversity in this WG as we believe that scrutiny of its risks and opportunities can improve corporate value. In the WG, to identify and assess nature-related risks and opportunities, we are analyzing and taking action based on the LEAP approach recommended by the TNFD with a focus on our domestic P&C insurance (Sompo Japan Insurance Inc.) and consulting business (Sompo Risk Management Inc.). In the LEAP approach, we used the WWF's Biodiversity Risk Filter etc. to check whether the Group's business sites are in ecologically sensitive locations from the perspectives of ecosystem integrity, biodiversity importance, water physical risk etc. Then we identified high-risk sectors by identifying and assessing dependencies and impacts in the sectors we invest in and loan, or provide insurance underwriting to, taking into account transaction amounts. After that, nature related risks and opportunities were identified and evaluated. After the risk identification, "Loss of Biodiversity", which interacts with climate change, is investigated as an emerging risk in our risk management framework. Regarding metrics, in addition to climate change, we also refer to the global core disclosure indicators in the TNFD framework for nature-related indicators, such as paper consumption, clean water usage and total amount of waste generated etc. As one of efforts to tackle risks above, Sompo Japan delivers "SAVE JAPAN Project" with NPOs which conducts community-based biodiversity conservation activities funded by the cost savings generated from the customers choosing web-based insurance policies and terms and conditions, instead of paper. Also, we identify businesses that warrant caution when insurance underwriting and investments and loans could have a negative impact on the environment and society. For example, projects thought to be detrimental to natural or cultural heritage sites protected under the UNESCO World Heritage Convention, or projects that threaten wetlands designated under the Ramsar Convention are subject to evaluation by Sompo Risk Management Inc. to assess their negative impacts. In this way, we adopt a cautious approach to insurance underwriting and financing for the projects.
[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☑ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply
☑ Products and services
☑ Upstream/downstream value chain
☑ Investment in R&D
☑ Operations
[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply
☑ Risks
☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply
☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

(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, we considered the technological opportunities of Japanese companies under the 1.5 C scenario would have the greatest impact. We have been developed 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. Also, we have launched "Sompo Climate Action" in our mid-term management plan from 2021 to 2023, and we announced 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.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

(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, withdrew in May 2023), and the Net Zero Asset Managers Initiative (joined in January 2022).

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply
☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

(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 turned out to be ineffective. (Action) In light of these conditions, Sompo Japan has formed a business alliance with Weathernews Inc.,which is one of the world's largest private weather information companies. The aim is to create new value and business by combining the wealth of data and knowledge on weather with data and knowledge on insurance and risk services to solve social problems. (Result) As one of the outputs from the alliance, we developed and launched a disaster prevention and mitigation platform called "SORA Resilience" in April 2023. It enables users to capture information on risks that are currently occurring and visualizes predicted risk impacts that will occur in the future. Also, risks affecting registered sites can be received via email alerts and can also be visually identified on the map screen.

Operations

(5.3.1.1) Effect type

Select all that apply
☑ Risks
☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply
☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

(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 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 tackling GHG reduction targets written above which is consistent with the Paris Agreement's 1.5 target (a reduction of at least 4.2% each year). (Action and Result) In FY2023, we have invested 1,548,121,000 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 office building in 2021 and five large-scale buildings in 2022 and 2023. And, it set a medium-term target to pursue the higher ratio by switching to renewable energy in all company-owned buildings.
[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply
☑ Revenues
☑ Direct costs
☑ Indirect costs

(5.3.2.2) Effect type

Select all that apply
☑ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply
☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

(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 (Result) As a result of these measures above, price optimization, Insurance underwriting and Productivity improvement, the effect of earnings structure reached approximately 56.0 billion yen in FY2022 compared to FY2020.

Row 2

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Direct costs

☑ Indirect costs

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

(Situation) To meet the Paris Agreement, companies need to accelerate the action for GHG reduction. As one of the main solutions for GHG reduction, introducing renewable energy has received particular attention around the world. (Task) We Sompo Group must place the introduction of renewable energy in the center of our GHG reduction because Sompo is a financial institution (not a manufacturer) and the main emission resource is electricity. As the cost of introducing renewable energy is higher than the one of non-renewable energy, it is essential to have a concrete financial plan and secure the budget. (Action) We have set a group-wide target of Switching to renewable energy (70% utilization rate by FY2023). Sompo Japan, which operates insurance business as the Sompo group's core business, started to introduce it from FY2021. Sompo Care, which operates nursing care business and has lots of facilities, the budget for the introduction of renewable energy has already been secured, and the introduction of renewable energy is scheduled to begin in FY2024 or later. (Result) Sompo Japan switched electricity from its energy source to 100% renewable energy in Head office building in 2021 and five large-scale buildings in 2022 and 2023. The Group's renewable energy utilization

rate has reached to 9.0% as of the end of FY2023.

Row 3

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Revenues

☑ Assets

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

(Situation) To meet the Paris Agreement, companies need to accelerate the action for GHG reduction. Especially, financial institutions including insurance companies are required to calculate the Scope3 category15 GHG emission and work on reducing them as it accounts for the most part of financial institutions' GHG emissions. (Task) To reduce Scope3 category15 emissions, it is important to engage with investee companies and help them realize green transition. Regarding corporate bonds, we need to promote a switch from high GHG emitting sectors to low GHG emitting sectors. Switching corporate bonds to low GHG emitting sectors may influence the financial planning because it can lead to the decrease in the financial return. (Action) As for the GHG emissions of our investees, we have set an interim target of a 25% reduction by 2025 (compared to 2019, based on total GHG emissions of equity and bonds), and a target of reducing intensity by 50-60% by 2030 (Listed stocks, corporate bonds, loans to listed companies, listed stocks and corporate bonds funds, compared to 2019). To achieve these targets, we are promoting a switch from high GHG emitting sectors to low GHG emitting sectors at the time of maturity redemption of bonds, and engagement with the top 20 high GHG emitting companies among our equity holdings. In some cases, these efforts can be a depressing factor from the perspective of financial returns on investments and loans, so the financial/investing plans and GHG reduction targets/plans were developed with this impact taken into account. (Result) As a result of various actions written above, Scope3 category 15(Investments and loans) GHG reduction rate recorded 20.7% decrease.

[Add row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: ☑ Yes	*Select all that apply* ☑ Carbon

[Fixed row]

(5.10.1) Provide details of your organization's internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:
☑ Internal fee

(5.10.1.2) Objectives for implementing internal price

Select all that apply
☑ Conduct cost-benefit analysis
☑ Drive energy efficiency
☑ Drive low-carbon investment
☑ Incentivize consideration of climate-related issues in decision making
☑ Identify and evaluate financing opportunities

(5.10.1.3) Factors considered when determining the price

Select all that apply
☑ Alignment with the price of allowances under an Emissions Trading Scheme

(5.10.1.4) Calculation methodology and assumptions made in determining the price

Instead of defining the carbon price by using our own calculation methodology, we make a reference to the public and external price of the Tokyo Cap & Trade Scheme and determine our internal carbon price based on the highest level price within the assessed price range.

(5.10.1.5) Scopes covered

Select all that apply

☑ Scope 1

☑ Scope 2

(5.10.1.6) Pricing approach used – spatial variance

Select from:

☑ Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

☑ Static

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

1100

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

1100

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

☑ Capital expenditure

☑ Operations

☑ Procurement

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:
☑ Yes, for all decision-making processes

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

54.5

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:
☑ Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

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 1,100JPY/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 calculation based on electricity consumption. By introducing ICP, the estimated carbon credits of Sompo's 2 buildings participating in the Tokyo Cap & Trade Scheme total cost sum up to approx. 31 million JPY (1,100JPY/tCO2 reduction obligation of 2 buildings). There is a payment risk of max. of 31 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 2 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.
[Add row]

(5.11) Do you engage with your value chain on environmental issues?

Clients

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:
☑ Yes

Investees

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:
☑ Yes

Suppliers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:
☑ Yes

(5.11.2) Environmental issues covered

Select all that apply
☑ Climate change

Smallholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:
☑ No, and we do not plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:
☑ Judged to be unimportant or not relevant

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

We consider that we have very few contacts with smallholders in our value chain.

Investors and shareholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:
☑ Yes

(5.11.2) Environmental issues covered

Select all that apply
☑ Climate change

Other value chain stakeholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:
☑ Yes

(5.11.2) Environmental issues covered

Select all that apply
☑ Climate change
[Fixed row]

(5.11.3) Provide details of your environmental engagement strategy with your clients.

Row 1

(5.11.3.1) Type of clients

Select from:
☑ Clients of Insurers

(5.11.3.2) Environmental issues covered by the engagement strategy

Select all that apply
☑ Climate change

(5.11.3.3) Type and details of engagement

Information collection
☑ Collect climate transition plan information at least annually from clients
☑ Collect GHG emissions data at least annually from clients
☑ Collect targets information at least annually from clients

Innovation and collaboration
☑ Collaborate with clients on innovations to reduce environmental impacts in products and services

(5.11.3.4) % of client-associated scope 3 emissions as reported in question 12.1.1

Select from:
☑ 51-75%

(5.11.3.5) % of portfolio covered in relation to total portfolio value

Select from:
☑ 1-25%

(5.11.3.6) Explain the rationale for the coverage of your engagement

We engage with Insurance customers, and our main targets are the top 20 companies with the highest GHG emissions in investment and loans. These top 20 companies with the highest GHG emissions in investment and loans also have insurance underwriting contracts with us, and are the companies that rank high in Insurance-Associated Emissions. In this question, "% of client-associated scope 3 emissions as reported in question 12.1.1," we use GHG emissions from insurance underwriting that could be calculated for the entire group, as answered in 12.1.1, as the denominator and the Insurance-Associated Emissions of the target 20 companies as the numerator to calculate.

(5.11.3.7) Describe how you communicate your engagement strategy to your clients and/or to the public

Sompo Japan Insurance Inc., which provides P&C insurance, asked its clients and investees to answer their ESG policies and their ESG related activities including climate change, biodiversity and human rights etc through a questionnaire survey annually. Based on the questionnaire survey, we invited companies that responded to the survey to a briefing session and communicated our engagement strategy along with explaining an analysis of insight from the survey. In addition, we have also posted our approach and strategy for stakeholder engagement on our website to make it more widely known.

(5.11.3.8) Attach your engagement strategy

【*Reference*】*The latest web site link of stakeholder engagement.pdf*

(5.11.3.9) Staff in your organization carrying out the engagement

Select all that apply

☑ Specialized in-house engagement teams

☑ Other, please specify **:**Account Executives of each client

(5.11.3.10) Roles of individuals at the portfolio organizations you seek to engage with

Select all that apply

☑ Corporate secretary

☑ Investor relations managers

(5.11.3.11) Effect of engagement, including measures of success

We adopted "Sompo Climate Action: (1) Adaptation, 2) Mitigation, and 3) Social Transformation" from May 2021 and announced long-term goal to achieve net-zero, including investments and insurance underwriting, by FY 2050. Through engagement with global initiatives in 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 2021. Sompo Holdings joined NZAOA in 2022. We have also updated our ESG investment and underwriting policies in June 2024 and strengthened our engagement to support our customers' green transition to achieve net zero GHG emissions. Sompo Japan Insurance Inc., which provides P&C insurance, asked 1,466 companies to answer their ESG policies and their ESG related activities including climate change, biodiversity and human rights etc through a questionnaire survey in 2023 as part of our engagement. In addition, to further understand each clients' policies and promote initiatives, we invited companies that responded to the survey to a briefing session to enhance their efforts, and these initiatives lead to individual dialogue with each client. Through this engagement, we aim to not only promote clients' efforts but also hear their problems, use them as insights and develop products and services that solve those problems. In FY2023, we set a target of "Development of products and services that help adapt to or mitigate climate change (KPI: 3 or more)" as Materiality KPI, and were able to issue 4 press releases as a result. 4 press releases are as follows; "New service to promote the use of aluminum conductor cables to prevent copper wire theft in solar power generation equipment.", "Establishment of "Disaster Risk Finance

Industry-Academia Joint Research Division" with Kyoto University - Realization of a sustainable society adapted to increasingly severe disasters.", "Launch of Insurance Products to Support Stable Management of Municipal New Electric Power Companies -Attempts to Ensure Stable Supply of Renewable Energy for Local Production for Local Consumption and Regional Development", and "Sompo Japan, SOMPO Risk, and Weathernews Inc. Develop Disaster Prevention and Mitigation Platform named SORA Resilience.".

(5.11.3.12) Escalation process for engagement when dialogue is failing

Select from:

☑ Yes, we have an escalation process

(5.11.3.13) Describe your escalation process

Basically, through client engagement, we will promote our clients' efforts to address climate change issues by listening to their problems through dialogue and encouraging them to develop GHG reduction plans. However, if the dialogue is unsuccessful and a GHG reduction plan has not been developed by January 2025, it is stated in our ESG policy that we will not underwrite new or renewal insurance or make investments in or loans to companies whose primary business is coal, or oil and gas extraction projects in the ANWR.

Row 2

(5.11.3.1) Type of clients

Select from:

☑ Clients of Asset Managers

(5.11.3.2) Environmental issues covered by the engagement strategy

Select all that apply

☑ Climate change

(5.11.3.3) Type and details of engagement

Other, please specify

☑ Other, please specify **:**Communicating our environmental views and providing environmental information to customers

(5.11.3.4) % of client-associated scope 3 emissions as reported in question 12.1.1

Select from:
☑ Unknown

(5.11.3.5) % of portfolio covered in relation to total portfolio value

Select from:
☑ Unknown

(5.11.3.6) Explain the rationale for the coverage of your engagement

Our target audience is asset owners with whom we do business as an asset management company, and by providing information we can help them understand our stance and contribute to increasing our customers' knowledge.

(5.11.3.7) Describe how you communicate your engagement strategy to your clients and/or to the public

Sompo Asset Management Responsible Investment Policy states, "we want to make sure our engagement with companies reflects the expectations of our clients and beneficiaries as much as possible, we are committed to using real examples of how our actions are improving returns and enhancing the investee companies, and communicating these points through accessible reports." In addition, we prepare engagement reports that include our environmental initiatives, and use them as a tool to increase client interest in our activities and increase our points of contact with clients.

(5.11.3.8) Attach your engagement strategy

Sompo Asset Management Responsible Investment Policy.pdf

(5.11.3.9) Staff in your organization carrying out the engagement

Select all that apply
☑ Specialized in-house engagement teams
☑ Fund managers
☑ Equity/credit analysts

(5.11.3.10) Roles of individuals at the portfolio organizations you seek to engage with

Select all that apply
☑ Board members
☑ Board chair

☑ CEO
☑ Corporate secretary
☑ Investor relations managers

(5.11.3.11) Effect of engagement, including measures of success

In addition to communicating our thoughts on questions and concerns that clients have about the environment, such as the significance of collaborative engagement activities on the environment and the relationship between ESG factors, including the environment, and corporate value, we also provide clients with environmental knowledge and information by introducing and explaining examples of dialogue on the environment with our investee companies, initiatives related to climate change, and the status of support or opposition to shareholder proposals related to the environment. The purpose of this is to communicate our thoughts and for clients to deepen their knowledge, and we believe that deepening knowledge is the effect of engagement.

(5.11.3.12) Escalation process for engagement when dialogue is failing

Select from:
☑ No, we don't have an escalation process
[Add row]

(5.11.4) Provide details of your environmental engagement strategy with your investees.

Row 1

(5.11.4.1) Environmental issues covered by the engagement strategy

Select all that apply
☑ Climate change

(5.11.4.2) Type and details of engagement

Capacity building
☑ Provide training, support, and best practices on how to measure GHG emissions
☑ Support investees to set their own environmental commitments across their operations

Information collection
☑ Collect climate transition plan information at least annually from investees

☑ Collect environmental risk and opportunity information at least annually from investees
☑ Collect GHG emissions data at least annually from investees
☑ Collect targets information at least annually from investees

(5.11.4.3) % of scope 3 investees associated emissions as reported in 12.1.1/12.1.3

Select from:
☑ 26-50%

(5.11.4.4) % of investing (Asset managers) portfolio covered in relation to total portfolio value

Select from:
☑ 26-50%

(5.11.4.5) % of investing (Asset owners) portfolio covered in relation to total portfolio value

Select from:
☑ 1-25%

(5.11.4.6) Explain the rationale for the coverage of your engagement

Asset Manager Sompo Asset Managemnt conducts engagements in in-house managed equity and corporate bond investments. Especially, companies with no GHG emission reduction targets are selected for as a priority dialogue target. In FY2023, we set a KPI of conducting dialogues with at least 16 companies with no GHG emission reduction targets. Asset Owner We target our engagement with companies in which we hold stocks and corporate bonds, but our main targets are the top 20 companies with the highest GHG emissions from investments and loans, as reported to NZAOA. For the question "% of client-associated scope 3 emissions as reported in question 12.1.1," we use the GHG emissions from investments and loans of the entire group, as answered in 12.1.1, as the denominator, and the GHG emissions of the top 20 companies with the highest emissions as the numerator.

(5.11.4.7) Describe how you communicate your engagement strategy to your investees and/or to the public

Asset Manager In addition to disclosing its responsible investment policy and voting policy and guidelines, the company also discloses its approach to engagement and its track record in its annual "Stewardship Activity Report." Asset Owner In addition to disclosing the Policy for ESG-related Underwriting, Investments and Loans, we discloses the engagement strategy for its investments and loans on our website. Also, in accordance with the spirit of the Japanese Stewardship Code, we conduct an ESG survey ("Survey on ESG/Sustainability Initiatives") targeting our investees every year, which is a part of our engagement processes, and through this ESG survey we communicate our ESG related policy and engagement strategy as well.

(5.11.4.8) Attach your engagement strategy

SOMPO ASSET MANAGEMENT_Responsilble investment policy.pdf

(5.11.4.9) Staff in your organization carrying out the engagement

Select all that apply

☑ Specialized in-house engagement teams
☑ Fund managers
☑ Equity/credit analysts

(5.11.4.10) Roles of individuals at the portfolio organizations you seek to engage with

Select all that apply

☑ Board members
☑ Board chair
☑ CEO
☑ Corporate secretary
☑ Investor relations managers

(5.11.4.11) Effect of engagement, including measures of success

Asset Manager Sompo Asset Management disclosed in the Proxy Voting Guidelines that it shall exercise our voting rights after carefully examine resolutions with the dual goal of protecting shareholder value and improving corporate governance at companies with inadequate responses to sustainability issues, primarily issues relating to society and the environment. We measure the effectiveness of the engagement through indicators such as whether the objectives and milestones of the engagement set for each individual company are being achieved, changes in corporate value in the market, and investment value calculated by us, and report the results to the monitoring meetings held quarterly. In FY2023, we set a KPI of conducting dialogues with at least 16 companies with no GHG emission reduction targets and actual results was 7. Of the companies selected, some were eventually not selected for dialogue due to a decline in the attractiveness of their undervaluation, which is our investment style, and thus the priority for dialogue also declined, resulting in the number not reaching the target. In these dialogues, we discuss themes such as GHG emission reduction plans, TCFD responses, and measures to reduce environmental impact, and ESG information disclosure. As for a major energy company that we engage with as lead investor, the company set out a vision of achieving carbon neutrality for their own emissions by 2040 in May 2020, but in 2022 it reviewed its carbon neutral plan and announced that it would aim to be carbon neutral by 2050, including Scope3 emissions, in addition to their own emissions. Furthermore, in May 2023, they announced a new Carbon Neutrality Plan. In FY2023, we are continuing to engage in dialogue on issues and challenges related to CCS, forest absorption, and Scope 3 targets, which are also mentioned in the Carbon Neutrality Plan. Asset Owner We conduct an ESG survey every year to confirm the policies and status of the companies in which we hold shares regarding the enhancement of their corporate value and sustainable growth. In FY2023, the survey was sent to 1,446 companies and 318 responded. The survey is used to understand the needs of each company and provide opportunities for collaboration, supporting sustainability efforts, including decarbonization. We make use of the information gathered through the ESG survey and refer to it when we

have dialogues with investees. We believe these efforts will lead to more effective engagement.

(5.11.4.12) Escalation process for engagement when dialogue is failing

Select from:
☑ Yes, we have an escalation process

(5.11.4.13) Describe your escalation process

If, even after continuing dialogue, we determine that a company's response to sustainability issues is insufficient and that there is a risk of damaging shareholder value, we may vote against the appointment of director candidates we deem responsible.
[Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:
☑ Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building
☑ Support suppliers to set their own environmental commitments across their operations

(5.11.7.4) Upstream value chain coverage

Select all that apply
☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:
☑ Unknown

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:
☑ 1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Sompo Holdings declares in its Group Sustainability Vision to address environmental issues such as climate change and biodiversity through engagement with stakeholders. In particular, the reduction of environmental impact, including in the value chain, is set out in the Group Environmental Policy and the Group Sustainable Procurement Policy, and we ask not only our own employees but also our suppliers to reduce the environmental impact of their business activities. As specific measures, within the framework of its environmental management system, Sompo Holdings defines industries and business categories with a large environmental impact, identifies the suppliers that fall into these categories, and sends them a "Request for Sustainability Consideration" letter at least once every three years. In the "Request for Sustainability Consideration", we share our sustainability-related policies such as the Group Sustainable Procurement Policy, and clearly state the matters we expect suppliers to comply with, by industry sector. For example, building management companies are required to comply with "saving electricity through efficient operation of air conditioning, lighting, elevators and other equipment" and "saving water through proper maintenance of water supply and drainage equipment", while printers are asked to "use recycled paper and FSC certified paper". From the perspective of GHG reduction, we recognize these will contribute to the reduction of Scope 3 Category 1, and the total Scope3 category1 emissions decreased by 1,453 tCO2e (6.2% decrease) from FY2022 to FY2023, and exceeded the threshold of a 5% reduction, which is one of our yardsticks. In order to promote our GHG reduction including the supply chain, we will continue our efforts to engage with our suppliers. (Note) In terms of the way we calculated the number answered in "% of tier 1 supplier-related scope 3 emissions covered by engagement", the total GHG emissions for categories 1, 2, 3, 4, 5, 6, and 7 of Scope 3 as answered in 7.8 are set as the denominator, and the GHG emissions for category 1 of Scope 3 that we believe the above engagement will contribute to are set as the numerator.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:
☑ Yes
[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:
☑ Other value chain stakeholder, please specify **:**Insurance agencies

(5.11.9.2) Type and details of engagement

Education/Information sharing
☑ Educate and work with stakeholders on understanding and measuring exposure to environmental risks
☑ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
☑ Share information about your products and relevant certification schemes
☑ Share information on environmental initiatives, progress and achievements

Innovation and collaboration
☑ Other innovation and collaboration, please specify **:**We encourage our insurance agencies to introduce “Web Insurance Agreement” to the customers. And the cost savings are used for Save Japan Projects, in which we hold a citizen-participatory environmental outdoor event in collaboration with NPOs.

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:
☑ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

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 because they account for most of our insurance sales channels. 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 agencies 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. In the Save Japan Projects, we hold a citizen-participatory environmental outdoor event in collaboration with NPOs on the concept of “creating a good environment for living things,”. Furthermore, Sompo Japan continues to carry out awareness-raising activities and organizational promotion with other partners in the value chain in order to reduce the environmental impact of the entire value chain and develop community-based environmental conservation activities. Since 2008, the AIR AUTO Club, an organization of car maintenance agencies, has been developing the voluntary chain group AIR e-Shop 21, which actively engages in environmentally friendly business activities. It has been focusing on efforts to reduce CO2 emissions, such as acquiring ISO 14001, the international standard for the environment, at all

stores. In addition, each member has devised its own ways to actively promote the use of recycled parts and reduce power consumption, which are particularly effective in reducing energy consumption in the automobile maintenance.

(5.11.9.6) Effect of engagement and measures of success

With regard to the Save Japan Project, it has been working to provide new opportunities for residents to take a greater interest in the environment in their local communities. To date, Save Japan Project has carried out conservation activities for over 300 endangered species and more than 66,000 people have participated in about 1,088 events as of March 31, 2024. In terms of the activity of AIR e-shop 21, we have steadily reduced CO2emissions every year by promoting the use of recycled parts and reduce power consumption, and achieved a reduction of approximately 105.25 tons in fiscal 2023.
[Add row]

(5.14) Do your external asset managers have to meet environmental requirements as part of your organization's selection process and engagement?

	External asset managers have to meet specific environmental requirements as part of the selection process and engagement	Policy in place for addressing external asset manager non-compliance
	Select from: ☑ Yes	*Select from:* ☑ Yes, we have a policy in place for addressing non-compliance

[Fixed row]

(5.14.1) Provide details of the environmental requirements that external asset managers have to meet as part of your organization's selection process and engagement.

Row 1

(5.14.1.1) Environmental issues covered by the requirement

Select all that apply
☑ Climate change

(5.14.1.2) Coverage

Select from:
☑ Majority of assets managed externally

(5.14.1.3) Environmental requirement that external asset managers have to meet

Select from:
☑ Setting environmental target(s)

(5.14.1.4) Mechanisms used to include environmental requirement in external asset manager selection

Select all that apply
☑ Include environmental requirements in requests for proposals
☑ Review investment manager's environmental policies

(5.14.1.5) Response to external asset manager non-compliance with environmental requirement

Select from:
☑ Exclude

[Add row]

(5.15) Does your organization exercise voting rights as a shareholder on environmental issues?

	Exercise voting rights as a shareholder on environmental issues
	Select from: ☑ Yes

[Fixed row]

(5.15.1) Provide details of your shareholder voting record on environmental issues.

Row 1

(5.15.1.1) Method used to exercise your voting rights as a shareholder

Select from:
☑ Exercise voting rights directly

(5.15.1.3) % of voting rights exercised

100

(5.15.1.4) % of voting which is publicly available

100

(5.15.1.5) Environmental issues covered in shareholder voting

Select all that apply
☑ Climate change

(5.15.1.6) Global environmental commitments that your shareholder voting is aligned with

Select all that apply
☑ Aligned with the Paris Agreement

(5.15.1.7) Issues supported in shareholder resolutions

Select all that apply
☑ Other, please specify **:**No shareholder resolution was in favor.
[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:
☑ Financial control

(6.1.2) Provide the rationale for the choice of consolidation approach

We believe that the connectivity between financials and non-financials is important. Given recent global trends in disclosure frameworks such as ISSB, it is clear that integration of financial and non-financial information will be increasingly required in the near future. Based on these, we are using financial control as consolidation approach.

Forests

(6.1.1) Consolidation approach used

Select from:
☑ Financial control

(6.1.2) Provide the rationale for the choice of consolidation approach

We believe that the connectivity between financials and non-financials is important. Given recent global trends in disclosure frameworks such as ISSB, it is clear that integration of financial and non-financial information will be increasingly required in the near future. Based on these, we are using financial control as consolidation approach.

Water

(6.1.1) Consolidation approach used

Select from:
☑ Financial control

(6.1.2) Provide the rationale for the choice of consolidation approach

We believe that the connectivity between financials and non-financials is important. Given recent global trends in disclosure frameworks such as ISSB, it is clear that integration of financial and non-financial information will be increasingly required in the near future. Based on these, we are using financial control as consolidation approach.

Biodiversity

(6.1.1) Consolidation approach used

Select from:
☑ Financial control

(6.1.2) Provide the rationale for the choice of consolidation approach

We believe that the connectivity between financials and non-financials is important. Given recent global trends in disclosure frameworks such as ISSB, it is clear that integration of financial and non-financial information will be increasingly required in the near future. Based on these, we are using financial control as consolidation approach.
[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:
☑ No

(7.1.1) 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?

(7.1.1.1) Has there been a structural change?

Select all that apply
☑ Yes, an acquisition

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

ND Software co., Ltd. (Acquisition)

(7.1.1.3) Details of structural change(s), including completion dates

Sompo Holdings, Inc. has acquired ND Software co Ltd in February 2023 which develops welfare and nursing care-related software. This acquisition was completed aiming to create synergy with Sompo Care, Inc. which operates nursing care home. Regarding emission data, we started to include it from the FY2023 calculation. [Fixed row]

(7.1.2) 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?
	Select all that apply ☑ No

[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:
☑ Yes

(7.1.3.2) Scope(s) recalculated

Select all that apply
☑ Scope 1
☑ Scope 2, location-based
☑ Scope 2, market-based
☑ Scope 3

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

Base year and past 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 and past 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. Due to improved calculation accuracy, base year data was newly obtained and organized, and its impact exceeded 0.5% of the base year emissions, so the base year emissions were recalculated.

(7.1.3.4) Past years' recalculation

Select from:
☑ Yes
[Fixed row]

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

Select all that apply
☑ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
☑ The Greenhouse Gas Protocol: Scope 2 Guidance
☑ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

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

	Scope 2, location-based	Scope 2, market-based	Comment
	Select from: ☑ We are reporting a Scope 2, location-based figure	*Select from:* ☑ We are reporting a Scope 2, market-based figure	-

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:
☑ No

(7.4.1) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Row 1

(7.4.1.2) Scope(s) or Scope 3 category(ies)

Select all that apply

☑ Scope 3: Purchased goods and services

[Add row]

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

03/30/2018

(7.5.2) Base year emissions (metric tons CO2e)

43784

(7.5.3) Methodological details

Activity volume data: The amount of fossil fuels (heavy oil A, kerosene, city gas, gasoline, etc.) used in our business activities was collected from the actual amount purchased or used as indicated on the invoice. The amount of fluorocarbons leaked was calculated from the difference between the amount of fluorocarbons collected from filling and recovery companies and the amount of fluorocarbons filled, in accordance with the method stipulated in the Law Concerning the Suppression of Fluorocarbons Emissions. In cases where the activity volume could not be ascertained, estimates were made using sales ratios based on data from sites for which details were available. Emission factor and global warming potential: Emission factors and global warming potentials from the "Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)" were used. Emission factors from the GHG Protocol Calculation Tool were used to calculate gasoline consumption in some overseas countries. Methodology: CO2 emissions were calculated by multiplying the activity amount by the emission factor.

Scope 2 (location-based)

(7.5.1) Base year end

03/30/2018

(7.5.2) Base year emissions (metric tons CO2e)

207288

(7.5.3) Methodological details

Activity data: Purchased electricity and heat (steam, hot water, cold water, etc.) usage was collected from the amount of purchases listed on the invoice. In cases where activity amounts could not be ascertained, estimates were made using sales ratios based on data from sites for which details were available. Emission factors for domestic sites: The source of the emission factors below are all from the “Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)". In the calculation of electricity, “alternative values” were used when the supplier was unknown. "Alternative values” were also used for sites where the amount of activity could not be ascertained and estimates were made. Emission factors for overseas sites: For electricity, emission factors provided by the International Energy Agency, GHG Protocol Calculation Tool, and AIB were used. For the calculation of heat, emission factors provided by the “Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)” were tentatively used, the same as those for domestic sites. Methodology: CO2 emissions were calculated by multiplying the activity amount by the emission factor.

Scope 2 (market-based)

(7.5.1) Base year end

03/31/2018

(7.5.2) Base year emissions (metric tons CO2e)

196233

(7.5.3) Methodological details

Activity data: Purchased electricity and heat (steam, hot water, cold water, etc.) usage was collected from the amount of purchases listed on the invoice. In cases where activity amounts could not be ascertained, estimates were made using sales ratios based on data from sites for which details were available. Emission factors for domestic sites: The source of the emission factors below are all from the “Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)". For electricity calculations,

when the electricity supplier is known, the emission factor for “remaining emission factor, which is the factor used when the menu-specific factor for electricity supplied is not publicly available” was used. "Alternative values” were also used for sites where the amount of activity could not be ascertained and estimates were made. Emission factors for overseas sites: For electricity, emission factors provided by the International Energy Agency, GHG Protocol Calculation Tool, and AIB were used. For the calculation of heat, emission factors provided by the “Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)” were tentatively used, the same as those for domestic sites. Methodology: CO2 emissions were calculated by multiplying the activity amount by the emission factor.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

03/31/2018

(7.5.2) Base year emissions (metric tons CO2e)

29333

(7.5.3) Methodological details

Boundary: Of the products and services purchased, "use of paper, printing, water, sewage, and PC servers" with the greatest impact on the business were targeted. Activity data: The volume of purchased goods and services activity in the reporting year was used quantity or financial data. In cases where activity data were not available, estimates were made from sales ratios based on data from sites for which details were available. Emissions factor: We mainly applied data from "LCI Database IDEAv2 (for calculating supply chain greenhouse gas emissions) (version updated on March 16, 2020)" and "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.0)" (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.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

03/31/2018

(7.5.2) Base year emissions (metric tons CO2e)

129113

(7.5.3) Methodological details

Boundary: All upstream (cradle-to-gate) emissions of purchased capital goods. Activity data: The volume of capital goods in the reporting year was used the financial data. Emissions factor: We applied data from "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.0)" 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.

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

(7.5.1) Base year end

03/31/2018

(7.5.2) Base year emissions (metric tons CO2e)

41760

(7.5.3) Methodological details

Boundary: For upstream emissions of purchased fuels: All upstream (cradle-to-gate) emissions of purchased fuels (from raw material extraction up to the point of, but excluding combustion) For upstream emissions of purchased electricity: All upstream (cradle-to-gate) emissions of purchased fuels (from raw material extraction up to the point of, but excluding, combustion by a power generator) For T&D losses: The Japanese emission factors used in the Scope 2 calculation are those provided by the Ministry of the Environment, which include T&D losses. Therefore, in order to ensure uniformity of boundaries across the SOMPO Group, T&D losses are similarly calculated for overseas countries under Scope 2 and are not included in Scope 3 Category 3. Activity data:The annual energy consumption in the reporting year was based on data from the internal system and invoice entries. In cases where activity data were not available, estimates were made from sales ratios based on data from sites for which details were available. Emissions factor: We applied data from "LCI Database IDEAv2 (for calculating supply chain greenhouse gas emissions) (version updated on March 16, 2020)" and "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.0)" (Ministry of the Environment and Ministry of Economy, Trade and Industry)" were used. Methodology: We calculated CO2 emissions by multiplying Fuel, Electricity and Steam consumption and the emissions factor.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

03/30/2018

(7.5.2) Base year emissions (metric tons CO2e)

29852

(7.5.3) Methodological details

Boundary: ・The scope 1 and scope 2 emissions of transportation and distribution providers that occur during use of vehicles and facilities (e.g., from energy use) ・Calculated by Tank to Wheel. Activity data: The volume of Upstream transportation and distribution in the reporting year was used financial data. In cases where activity data were not available, estimates were made from sales ratios based on data from sites for which details were available. Emissions factor: We applied data from "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.0)" 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.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

03/31/2018

(7.5.2) Base year emissions (metric tons CO2e)

17676

(7.5.3) Methodological details

Boundary: The scope 1 and scope 2 emissions of waste management suppliers that occur during disposal or treatment • Optional: Emissions from transportation of waste Activity data: The amount of waste in the reporting year was collected in actual emissions by type and disposal method. In cases where actual emissions could not be ascertained, estimates were made based on the ratio of the number of employees or the ratio of sales based on data from domestic establishments for which details were available. Emission factor: We applied data from "LCI Database IDEAv2 (for calculating supply chain greenhouse gas emissions) (version updated on March 16, 2020)" and "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.0)" (Ministry of the Environment and Ministry of Economy, Trade and Industry)" were used. Methodology: We calculated CO2 emissions by multiplying the amount of waste by type and the emissions factors by treatment method.

Scope 3 category 6: Business travel

(7.5.1) Base year end

03/31/2018

(7.5.2) Base year emissions (metric tons CO2e)

29477

(7.5.3) Methodological details

Boundary: ・The scope 1 and scope 2 emissions of transportation carriers that occur during use of vehicles (e.g., from energy use) ・Calculated by Tank to Wheel. Activity data: Data on business trip distances in the reporting year was collected from the company's internal system.Travel volume (train, express, bus, cab, rental car, plane, and boat) in the reporting year was collected from financial data. In cases where activity data were not available, estimates were made from employee ratios based on data from sites for which details were available. Emissions factor: We applied data from "LCI Database IDEAv2 (for calculating supply chain greenhouse gas emissions) (version updated on March 16, 2020)" and "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.0)" (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.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

03/31/2018

(7.5.2) Base year emissions (metric tons CO2e)

24656

(7.5.3) Methodological details

Boundary: The scope 1 and scope 2 emissions of employees and transportation providers that occur during use of vehicles (e.g., from energy use) ・Calculated by Tank to Wheel. Activity data: Depending on the amount of activity that could be obtained, one of the following three types of data was used for the calculation. 1. from financial data, employee commuting costs (train, bus, private car, and boat) were calculated for the reporting year. 2. Average commuting distance, commuting method, number of working days per year, and number of employees for a typical employee were used. 3. In cases where both No. 1 and No. 2 could not be collected, estimates were made from employee ratios based on data from sites for which details were available. Emission Factors: We applied data from "Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)" and "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.0)" (Ministry of the Environment and Ministry of Economy, Trade and Industry)" were used. Methodology: We calculated CO2 emissions by multiplying the amount of activity by the relevant emission factor.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

03/31/2018

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Upstream leased assets are copy machine in our offices and commercial vehicles. For this reason, the emissions associated with the operation of the leased assets used by the company are calculated as Scope 1 and 2. (Compliant with the calculation report publication system of the Ministry of the Environment of Japan and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 emission calculation standard))

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

03/31/2018

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

This category does not apply because the Company bears all shipping costs for sending documents to customers, etc., which falls under the category of "Upstream transportation and distribution".

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

03/31/2018

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

The SOMPO Group is engaged in a variety of businesses, centered on the P&C insurance business, including life insurance, nursing care insurance, and financial and other services, all of which are businesses that provide intangible services. Therefore, this category does not apply to us, as we do not manufacture parts, products, etc. that involve intermediate processing that would be incorporated into the final products of other companies.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

03/31/2018

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

The SOMPO Group is engaged in a variety of businesses, centered on the P&C insurance business, including life insurance, nursing care insurance, and financial and other services, all of which are businesses that provide intangible services. Therefore, this category does not apply to us, as we do not manufacture or sell products that directly or indirectly use energy when used themselves.

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

(7.5.1) Base year end

03/31/2018

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

The SOMPO Group is engaged in a variety of businesses, centered on the P&C insurance business, including life insurance, nursing care insurance, and financial and other services, all of which are businesses that provide intangible services. Therefore, we do not sell products that are disposed of downstream in the supply

chain, and this category does not apply to us.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

03/31/2018

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Energy related to leased properties (energy used by tenants) falls under this category, but we have no applicable activity volume because we combine it into Scope 1 and 2.

Scope 3 category 14: Franchises

(7.5.1) Base year end

03/31/2018

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Insurance agencies do not qualify as franchises in the strict sense of the term. Therefore, there is no volume of activity that falls under this category.
[Fixed row]

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

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

39311

(7.6.3) Methodological details

Activity volume data: The amount of fossil fuels (heavy oil A, kerosene, city gas, gasoline, etc.) used in our business activities was collected from the actual amount purchased or used as indicated on the invoice. The amount of fluorocarbons leaked was calculated from the difference between the amount of fluorocarbons collected from filling and recovery companies and the amount of fluorocarbons filled, in accordance with the method stipulated in the Law Concerning the Suppression of Fluorocarbons Emissions. In cases where the activity volume could not be ascertained, estimates were made using sales ratios based on data from sites for which details were available. Emission factor and global warming potential: Emission factors and global warming potentials from the "Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)" were used. For gasoline and diesel in some overseas countries, emission factors from the GHG Protocol Calculation Tool were used. Methodology: CO2 emissions were calculated by multiplying the activity amount by the emission factor.
[Fixed row]

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

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

141742

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

128054

(7.7.4) Methodological details

Activity data: Purchased electricity and heat (steam, hot water, cold water, etc.) usage was collected from the amount of purchases listed on the invoice. In cases where activity amounts could not be ascertained, estimates were made using sales ratios based on data from sites for which details were available. Emission factors for domestic sites: The source of the emission factors below are all from the "Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)". For the location-based electricity calculation, the emission factor for "General Transmission and Distribution Companies," which is the average emission factor for the electricity grid, was used. In the calculation of market-based electricity, the emission factor of "Remaining emission factor," which is the factor used when the menu-specific factor for

electricity supplied is not published, was used in the case of a contract to purchase electricity without specifying the generation method. On the other hand, for electricity purchased from renewable energy sources such as hydropower, an emission factor of 0 tCO2/kWh was used, which corresponds to the contents of the electricity purchase contract. In the calculation of heat for location-based and market-based standards, the emission factor used was an "alternative value," which is used when the supplier is unknown. For locations where the amount of activity could not be ascertained and estimates were made, the emission factor of the alternative value was used. Emission factors for overseas locations: IEA Emissions Factors were used for location-based electricity calculations. For market-based electricity calculations, emission factors provided by electricity suppliers were used. In cases where no emission factors were provided by the suppliers, or where the activity was not available for estimation, the location-based emission factors were used. Since overseas emission factors could not be obtained for the location-based and market-based heat calculations, "alternative values," which are used when suppliers are unknown in Japan, were tentatively used. Methodology: CO2 emissions were calculated by multiplying the activity amount by the emission factor.
[Fixed row]

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

Purchased goods and services

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

22168

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Average data method
☑ Spend-based method

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

0

(7.8.5) Please explain

Boundary:Of the products and services purchased, "use of paper, printing, water, sewage, and PC servers" with the greatest impact on the business were targeted. Activity data: The volume of purchased goods and services activity in the reporting year was used quantity or financial data. In cases where activity data were not available, estimates were made from sales ratios based on data from sites for which details were available. Emissions factor: We mainly applied data from "LCI Database IDEAv2 (for calculating supply chain greenhouse gas emissions) (version updated on March 16, 2020)" and "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.4)" (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

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

161840

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Spend-based method

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

0

(7.8.5) Please explain

Boundary: All upstream (cradle-to-gate) emissions of purchased capital goods Activity data: The volume of capital goods in the reporting year was used the financial data. Emissions factor: We applied data from "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.4)" 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)

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

34826

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

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

0

(7.8.5) Please explain

Boundary: For upstream emissions of purchased fuels: All upstream (cradle-to-gate) emissions of purchased fuels (from raw material extraction up to the point of, but excluding combustion). For upstream emissions of purchased electricity: All upstream (cradle-to-gate) emissions of purchased fuels (from raw material extraction up to the point of, but excluding, combustion by a power generator). For T&D losses: The Japanese emission factors used in the Scope 2 calculation are those provided by the Ministry of the Environment, which include T&D losses. Therefore, in order to ensure uniformity of boundaries across the SOMPO Group, T&D losses are similarly calculated for overseas countries under Scope 2 and are not included in Scope 3 Category 3. Activity data:The annual energy consumption in the reporting year was based on data from the internal system and invoice entries. In cases where activity data were not available, estimates were made from sales ratios based on data from sites for which details were available. Emissions factor: We applied data from "LCI Database IDEAv2 (for calculating supply chain greenhouse gas emissions) (version updated on March 16, 2020)" and "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.4)" (Ministry of the Environment and Ministry of Economy, Trade and Industry)" were used. Methodology: We calculated CO2 emissions by multiplying Fuel, Electricity and Steam consumption and the emissions factor.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

21641

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Spend-based method

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

0

(7.8.5) Please explain

Boundary: ・The scope 1 and scope 2 emissions of transportation and distribution providers that occur during use of vehicles and facilities (e.g., from energy use) ・Calculated by Tank to Wheel. Activity data: The volume of Upstream transportation and distribution in the reporting year was used financial data. In cases where activity data were not available, estimates were made from sales ratios based on data from sites for which details were available. Emissions factor: We applied data from "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.4)" 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

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

19208

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Waste-type-specific method

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

0

(7.8.5) Please explain

Boundary: The scope 1 and scope 2 emissions of waste management suppliers that occur during disposal or treatment • Optional: Emissions from transportation of waste Activity data: The amount of waste in the reporting year was collected in actual emissions by type and disposal method. In cases where actual emissions could not be ascertained, estimates were made based on the ratio of the number of employees or the ratio of sales based on data from domestic establishments for which details were available. Emission factor: We applied data from "LCI Database IDEAv2 (for calculating supply chain greenhouse gas emissions) (version updated on March 16, 2020)" and "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.4)" (Ministry of the Environment and Ministry of Economy, Trade and Industry)" were used. Methodology: We calculated CO2 emissions by multiplying the amount of waste by type and the emissions factors by treatment method.

Business travel

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

22880

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Spend-based method
☑ Distance-based method

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

0

(7.8.5) Please explain

Boundary: ・The scope 1 and scope 2 emissions of transportation carriers that occur during use of vehicles (e.g., from energy use) ・Calculated by Tank to Wheel. Activity data: Data on business trip distances in the reporting year was collected from the company's internal system.Travel volume (train, express, bus, cab, rental car, plane, and boat) in the reporting year was collected from financial data. In cases where activity data were not available, estimates were made from employee ratios based on data from sites for which details were available. Emissions factor: We applied data from "LCI Database IDEAv2 (for calculating supply chain greenhouse gas emissions) (version updated on March 16, 2020)" and "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.4)" (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

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

18788

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Average data method
☑ Spend-based method

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

0

(7.8.5) Please explain

Boundary: The scope 1 and scope 2 emissions of employees and transportation providers that occur during use of vehicles (e.g., from energy use) ・Calculated by Tank to Wheel. Activity data: Depending on the amount of activity that could be obtained, one of the following three types of data was used for the calculation. 1. from financial data, employee commuting costs (train, bus, private car, and boat) were calculated for the reporting year. 2. Average commuting distance, commuting method, number of working days per year, and number of employees for a typical employee were used. 3. In cases where both No. 1 and No. 2 could not be

collected, estimates were made from employee ratios based on data from sites for which details were available. Emission Factors: We applied data from "Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)" and "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.4)" (Ministry of the Environment and Ministry of Economy, Trade and Industry)" were used. Methodology: We calculated CO2 emissions by multiplying the amount of activity by the relevant emission factor.

Upstream leased assets

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

Upstream leased assets are copy machine in our offices and commercial vehicles. For this reason, the emissions associated with the operation of the leased assets used by the company are calculated as Scope 1 and 2. (Compliant with the calculation report publication system of the Ministry of the Environment of Japan and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 emission calculation standard))

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

This category does not apply because the Company bears all shipping costs for sending documents to customers, etc., which falls under the category of "Upstream transportation and distribution".

Processing of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

The SOMPO Group is engaged in a variety of businesses, centered on the P&C insurance business, including life insurance, nursing care insurance, and financial and other services, all of which are businesses that provide intangible services. Therefore, this category does not apply to us, as we do not manufacture parts, products, etc. that involve intermediate processing that would be incorporated into the final products of other companies.

Use of sold products

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

The SOMPO Group is engaged in a variety of businesses, centered on the P&C insurance business, including life insurance, nursing care insurance, and financial and other services, all of which are businesses that provide intangible services. Therefore, this category does not apply to us, as we do not manufacture or sell products that directly or indirectly use energy when used themselves.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

The SOMPO Group is engaged in a variety of businesses, centered on the P&C insurance business, including life insurance, nursing care insurance, and financial and other services, all of which are businesses that provide intangible services. Therefore, we do not sell products that are disposed of downstream in the supply chain, and this category does not apply to us.

Downstream leased assets

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

Energy related to leased properties (energy used by tenants) falls under this category, but we have no applicable activity volume because we combine it into Scope 1 and 2.

Franchises

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

Insurance agencies do not qualify as franchises in the strict sense of the term. Therefore, there is no volume of activity that falls under this category.
[Fixed row]

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

	Verification/assurance status
Scope 1	*Select from:* ☑ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	*Select from:* ☑ Third-party verification or assurance process in place

	Verification/assurance status
Scope 3	*Select from:* ☑ Third-party verification or assurance process in place

[Fixed row]

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

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:
☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.1.4) Attach the statement

Third party assurance_Environmental data.pdf

(7.9.1.5) Page/section reference

(7.9.1.6) Relevant standard

Select from:
☑ ISO14064-3

(7.9.1.7) Proportion of reported emissions verified (%)

100
[Add row]

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

Row 1

(7.9.2.1) Scope 2 approach

Select from:
☑ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.2.5) Attach the statement

Third party assurance_Environmental data.pdf

(7.9.2.6) Page/ section reference

Page.4

(7.9.2.7) Relevant standard

Select from:
☑ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100
[Add row]

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

Row 1

(7.9.3.1) Scope 3 category

Select all that apply
☑ Scope 3: Purchased goods and services

(7.9.3.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.3.5) Attach the statement

Third party assurance_Environmental data.pdf

(7.9.3.6) Page/section reference

Page.4

(7.9.3.7) Relevant standard

Select from:
☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.3.1) Scope 3 category

Select all that apply
☑ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

(7.9.3.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.3.5) Attach the statement

Third party assurance_Environmental data.pdf

(7.9.3.6) Page/section reference

Page.4

(7.9.3.7) Relevant standard

Select from:
☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 3

(7.9.3.1) Scope 3 category

Select all that apply
☑ Scope 3: Upstream transportation and distribution

(7.9.3.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.3.5) Attach the statement

Third party assurance_Environmental data.pdf

(7.9.3.6) Page/section reference

Page.4

(7.9.3.7) Relevant standard

Select from:
☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 4

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Waste generated in operations

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

Third party assurance_Environmental data.pdf

(7.9.3.6) Page/section reference

Page.4

(7.9.3.7) Relevant standard

Select from:

☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 5

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Business travel

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

Third party assurance_Environmental data.pdf

(7.9.3.6) Page/section reference

Page.4

(7.9.3.7) Relevant standard

Select from:

☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 6

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Employee commuting

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

Third party assurance_Environmental data.pdf

(7.9.3.6) Page/section reference

Page.4

(7.9.3.7) Relevant standard

Select from:

☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

Row 7

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Investments

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

Third party assurance_Environmental data.pdf

(7.9.3.6) Page/section reference

Page.4

(7.9.3.7) Relevant standard

Select from:

☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100
[Add row]

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

Select from:
☑ Decreased

(7.10.1) 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 renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

8104

(7.10.1.2) Direction of change in emissions

Select from:
☑ Decreased

(7.10.1.3) Emissions value (percentage)

4.8

(7.10.1.4) Please explain calculation

Sompo Japan Insurance has successfully reduced its Scope2 emissions by 8,104t-CO2e in FY2023 by expanding the use of renewable energy. [Calculation method]
*4.8% (CO2 emission reduction by use of renewable energy in FY2023: 8,104t-CO2e) / (Scope 12 emissions in FY2022: 169,732tCO2e) * 100*

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

8428

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

5

(7.10.1.4) Please explain calculation

*Sompo Japan Insurance successfully reduced Scope 1 and Scope 2 emissions in FY2023 by 8,428t-CO2e compared to FY2022. [Calculation method] 5.0% (Reduction activities in FY2023: 8,428t-CO2e) / (Scope 1 2 emissions in FY2022: 169,732tCO2e) * 100 Emissions reduction activities are mainly due to the reduction of electricity consumption through energy-saving activities such as the use of LED lighting and high-efficiency air conditioning. Electricity reduction is one of the Group's KPIs in relation to climate change.*

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

338

(7.10.1.2) Direction of change in emissions

Select from:

☑ Increased

(7.10.1.3) Emissions value (percentage)

0.2

(7.10.1.4) Please explain calculation

*In FY2023, the SOMPO Group acquired ND Software co Ltd. ND Software's Scope 1 and 2 emissions in FY2023 were 338 tCO2, which represents an increase of 0.2% of the Group's total Scope 1 and 2 emissions in FY2022. [Calculation method] 0.2% (FY2023 increase: 338t-CO2e) / (FY2022 Scope 12 emissions: 169,732tCO2e) * 100*

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

4109

(7.10.1.2) Direction of change in emissions

Select from:
☑ Increased

(7.10.1.3) Emissions value (percentage)

2.4

(7.10.1.4) Please explain calculation

*The Sompo Group's Scope 1 and Scope 2 emissions in fiscal 2023 increased by 4,109t-CO2e compared to fiscal 2022. [Calculation method] 2.4% (FY2023 increase: 4,109t-CO2e) / (FY2022 Scope 12 emissions: 169,732tCO2e) * 100 The resumption of face-to-face sales activities, which had been restricted due to the COVID-19 pandemic, led to an increase in employees coming to work and going out, resulting in an increase in energy use, primarily gasoline use.*
[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:
☑ Market-based

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:
☑ Yes

(7.23.1) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Row 1

(7.23.1.1) Subsidiary name

Sompo Japan Insurance Inc.

(7.23.1.2) Primary activity

Select from:
☑ Insurance

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

9913

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

43058

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

34434

(7.23.1.15) Comment

The actual figures for Sompo Light Vortex, Inc. and Mysurance Inc. are integrated in the figures for Sompo Japan Insurance Inc. answered in this item, as these two companies' head offices are located in the building owned by Sompo Japan Insurance Inc.

Row 3

(7.23.1.1) Subsidiary name

Sompo International Holding, Inc.

(7.23.1.2) Primary activity

Select from:

☑ Insurance

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

15592

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

16749

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

16215

(7.23.1.15) Comment

Since overseas subsidiaries are integrated into SIH, only SIH is answered.

Row 4

(7.23.1.1) Subsidiary name

Sompo Japan Partners Inc.

(7.23.1.2) Primary activity

Select from:

☑ Insurance

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

389

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

28

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

28

(7.23.1.15) Comment

—

Row 5

(7.23.1.1) Subsidiary name

Sompo Health Support Inc.

(7.23.1.2) Primary activity

Select from:

☑ Health care services

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0.0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

103

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

101

(7.23.1.15) Comment

—

Row 6

(7.23.1.1) Subsidiary name

Sompo Japan DC Securities Inc.

(7.23.1.2) Primary activity

Select from:
☑ Other financial

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0.0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

122

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

115

(7.23.1.15) Comment

—

Row 7

(7.23.1.1) Subsidiary name

SAISON AUTOMOBILE&FIRE INSURANCE CO.,LTD

(7.23.1.2) Primary activity

Select from:
☑ Insurance

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0.0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

362

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

344

(7.23.1.15) Comment

—

Row 8

(7.23.1.1) Subsidiary name

Sompo Himawari Life Insurance Inc.

(7.23.1.2) Primary activity

Select from:
☑ Insurance

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

705

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

1806

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

2303

(7.23.1.15) Comment

—

Row 9

(7.23.1.1) Subsidiary name

Sompo Care Inc.

(7.23.1.2) Primary activity

Select from:

☑ Health care services

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

12636

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

79020

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

74106

(7.23.1.15) Comment

Since its subsidiaries are integrated into Sompo Care Inc., only Sompo Care Inc. is answered.

Row 10

(7.23.1.1) Subsidiary name

Sompo Risk Management Inc.

(7.23.1.2) Primary activity

Select from:
☑ Insurance

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0.0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

42

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

38

(7.23.1.15) Comment

—

Row 11

(7.23.1.1) Subsidiary name

Sompo Warranty Inc.

(7.23.1.2) Primary activity

Select from:

☑ Other financial

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0.0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

67

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

60

(7.23.1.15) Comment

—

Row 12

(7.23.1.1) Subsidiary name

Sompo Asset Management Co.,Ltd.

(7.23.1.2) Primary activity

Select from:

☑ Asset managers

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0.0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

55

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

49

(7.23.1.15) Comment

—

Row 13

(7.23.1.1) Subsidiary name

ND Software Co., Ltd.

(7.23.1.2) Primary activity

Select from:
☑ Software

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

76

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

328

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

262

(7.23.1.15) Comment

Since its subsidiaries are integrated into ND Software Co., Ltd., only ND Software Co., Ltd. is answered.
[Add row]

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

Select from:
☑ More than 0% but less than or equal to 5%

(7.30) 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)	*Select from:* ☑ Yes
Consumption of purchased or acquired electricity	*Select from:* ☑ Yes
Consumption of purchased or acquired heat	*Select from:* ☑ Yes
Consumption of purchased or acquired steam	*Select from:* ☑ Yes
Consumption of purchased or acquired cooling	*Select from:* ☑ Yes
Generation of electricity, heat, steam, or cooling	*Select from:* ☑ Yes

[Fixed row]

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:
☑ HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

166835

(7.30.1.4) Total (renewable and non-renewable) MWh

166835

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

28170

(7.30.1.3) MWh from non-renewable sources

286951

(7.30.1.4) Total (renewable and non-renewable) MWh

315122

Consumption of purchased or acquired heat

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

1629

(7.30.1.4) Total (renewable and non-renewable) MWh

1629

Consumption of purchased or acquired steam

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

8315

(7.30.1.4) Total (renewable and non-renewable) MWh

8315

Consumption of purchased or acquired cooling

(7.30.1.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

16320

(7.30.1.4) Total (renewable and non-renewable) MWh

16320

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

62

(7.30.1.4) Total (renewable and non-renewable) MWh

62

Total energy consumption

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

28233

(7.30.1.3) MWh from non-renewable sources

480050

(7.30.1.4) Total (renewable and non-renewable) MWh

508283
[Fixed row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Bermuda

(7.30.16.1) Consumption of purchased electricity (MWh)

1.67

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0.65

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

2.32

Brazil

(7.30.16.1) Consumption of purchased electricity (MWh)

1598.7

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

117.45

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

1716.15

China

(7.30.16.1) Consumption of purchased electricity (MWh)

574.4

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

574.40

Germany

(7.30.16.1) Consumption of purchased electricity (MWh)

19.59

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

19.59

Indonesia

(7.30.16.1) Consumption of purchased electricity (MWh)

178.6

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

178.60

Italy

(7.30.16.1) Consumption of purchased electricity (MWh)

59.1

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

1.6

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

60.70

Japan

(7.30.16.1) Consumption of purchased electricity (MWh)

280935.3

(7.30.16.2) Consumption of self-generated electricity (MWh)

80.3

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

26522.7

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

307538.30

Luxembourg

(7.30.16.1) Consumption of purchased electricity (MWh)

21.6

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

21.60

Malaysia

(7.30.16.1) Consumption of purchased electricity (MWh)

929.2

(7.30.16.2) Consumption of self-generated electricity (MWh)

9.7

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

938.90

Singapore

(7.30.16.1) Consumption of purchased electricity (MWh)

132.5

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

132.50

Spain

(7.30.16.1) Consumption of purchased electricity (MWh)

16.9

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

16.90

Switzerland

(7.30.16.1) Consumption of purchased electricity (MWh)

74.9

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

74.90

Taiwan, China

(7.30.16.1) Consumption of purchased electricity (MWh)

14

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

5.4

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

19.40

Thailand

(7.30.16.1) Consumption of purchased electricity (MWh)

178.7

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

69.3

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

248.00

Turkey

(7.30.16.1) Consumption of purchased electricity (MWh)

1238.2

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

1238.20

United Kingdom of Great Britain and Northern Ireland

(7.30.16.1) Consumption of purchased electricity (MWh)

2417.9

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

711.9

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

3129.80

United States of America

(7.30.16.1) Consumption of purchased electricity (MWh)

26730.7

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

7913.1

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

34643.80
[Fixed row]

(7.45) 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.

Row 1

(7.45.1) Intensity figure

3.39e-8

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

167365

(7.45.3) Metric denominator

Select from:

☑ unit total revenue

(7.45.4) Metric denominator: Unit total

4933646000000

(7.45.5) Scope 2 figure used

Select from:

☑ Market-based

(7.45.6) % change from previous year

7.9

(7.45.7) Direction of change

Select from:

☑ Decreased

(7.45.8) Reasons for change

Select all that apply

☑ Change in renewable energy consumption

☑ Other emissions reduction activities

☑ Change in revenue

(7.45.9) Please explain

Scope 12 decreased by about 1.4% due to mitigation activities such as purchasing renewable energy and switching to LED lighting. On the other hand, profit in 2023 increased by about 7.1%. Due to the recalculation of Scope 1 and 2 for FY2022, last year's intensity was also revised. (Scope 12:167,365tCO2e)/(Metric denominator:4,933,646,000,000JPY) 0.000000034 t-CO2e / JPY

Row 2

(7.45.1) Intensity figure

2.68

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

167365

(7.45.3) Metric denominator

Select from:
☑ full time equivalent (FTE) employee

(7.45.4) Metric denominator: Unit total

62565

(7.45.5) Scope 2 figure used

Select from:
☑ Market-based

(7.45.6) % change from previous year

2.8

(7.45.7) Direction of change

Select from:
☑ Decreased

(7.45.8) Reasons for change

Select all that apply
☑ Change in renewable energy consumption
☑ Other emissions reduction activities

(7.45.9) Please explain

Scope 12 decreased by 1.4% due to mitigation activities such as purchasing renewable energy and switching to LED lighting; the number of FTE employees in FY2023 increased by 1.4% from the previous year. Due to the recalculation of Scope 1 and 2 for FY2022, last year's intensity was also revised. (Scope 12:167,365tCO2e)/(Metric denominator:62,565FTE)2.7 t-CO2e /FTE
[Add row]

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

Select all that apply
☑ Absolute target
☑ Portfolio target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:
☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:
☑ 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

(7.53.1.4) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.1.5) Date target was set

07/14/2021

(7.53.1.6) Target coverage

Select from:
☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply
☑ Methane (CH4)
☑ Nitrous oxide (N2O)
☑ Carbon dioxide (CO2)
☑ Perfluorocarbons (PFCs)
☑ Hydrofluorocarbons (HFCs)
☑ Sulphur hexafluoride (SF6)
☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply
☑ Scope 1
☑ Scope 2
☑ Scope 3

(7.53.1.9) Scope 2 accounting method

Select from:
☑ Market-based

(7.53.1.10) Scope 3 categories

Select all that apply
☑ Scope 3, Category 6 – Business travel
☑ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)
☑ Scope 3, Category 7 – Employee commuting
☑ Scope 3, Category 1 – Purchased goods and services
☑ Scope 3, Category 5 – Waste generated in operations
☑ Scope 3, Category 4 – Upstream transportation and distribution

(7.53.1.11) End date of base year

03/30/2018

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

43784

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

196233

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

29333

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

41760

(7.53.1.17) Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric

tons CO2e)

29852

(7.53.1.18) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

17676

(7.53.1.19) Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

29477

(7.53.1.20) Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

24656

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

172754.000

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

412771.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

(7.53.1.37) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

(7.53.1.38) Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

(7.53.1.39) Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

(7.53.1.40) Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

(7.53.1.41) Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

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

57

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

76

(7.53.1.54) End date of target

03/30/2031

(7.53.1.55) Targeted reduction from base year (%)

60

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

165108.400

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

39311

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

128054

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

22168

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

34826

(7.53.1.62) Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

21641

(7.53.1.63) Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

19208

(7.53.1.64) Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

22880

(7.53.1.65) Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

18788

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

139511.000

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

306876.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

42.76

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This data includes domestic and overseas group companies. Downstream is not applicable except for Cat. 15. The target of Cat. 15 is described in 7.53.4. Cat.2 is excluded from the target.

(7.53.1.83) Target objective

The ultimate target is Net-zero by 2050 as described in 7.54 and 7.54.3. In order to better ensure that the path to the Net-zero target by 2050 is clear and to measure progress toward that goal, we set this interim target to 2030. This target meets at least a 4.2% year-on year emissions reductions between base year and target year, which is a science-based target consistent with the Paris Agreement's 1.5 target.

(7.53.1.84) 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, introduce renewable energy in the use of electricity, use EVs for company vehicles, reduce GHG emissions through business trips, and reduce paper consumption etc. Regarding the use of electricity, we also have group-wide target of "70% introduction of renewable energy by 2030". In fiscal 2023, we upgraded our buildings to LED lighting and high-efficiency air conditioning, and continuously introduced renewable energy. Through these efforts, we reached 25.7% GHG reduction compared to the base year 2017.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:
☑ No
[Add row]

(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

	Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)	Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
Row 1	*0.0000000000*	*0.0000000000*
Row 2	*0.0000000000*	*0.0000000000*

[Add row]

(7.53.4) Provide details of the climate-related targets for your portfolio.

Row 1

(7.53.4.1) Target reference number

Select from:
☑ Por1

(7.53.4.2) Target type

Select from:
☑ Portfolio emissions intensity

(7.53.4.4) Methodology used when setting the target

Select from:
☑ NZAOA Target Setting Protocol

(7.53.4.5) Date target was set

09/26/2024

(7.53.4.6) Target is set and progress against it is tracked at

Select from:
☑ Asset class level

(7.53.4.9) Portfolio

Select from:
☑ Investing (Asset owner)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Loans
☑ Bonds
☑ Equity investments
☑ Fixed income

(7.53.4.11) Sectors covered by the target

Select all that apply

☑ Retail
☑ Apparel
☑ Services
☑ Materials
☑ Hospitality
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ Transportation services

(7.53.4.14) % of portfolio emissions covered by the target

100

(7.53.4.15) % of asset class emissions covered by the target

100

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☑ tCO2e

(7.53.4.17) Target denominator

Select from:

☑ Million invested (unit currency as reported in 1.2)

(7.53.4.18) % of portfolio covered in relation to total portfolio value

100

(7.53.4.19) Total value of assets covered by the target

2233200000

(7.53.4.20) % of asset class covered by the target, based on the total value of this asset class

100

(7.53.4.21) Frequency of target reviews

Select from:

☑ Every five years

(7.53.4.22) End date of base year

03/30/2020

(7.53.4.23) Figure in base year

95

(7.53.4.24) We have an interim target

Select from:

☑ No

(7.53.4.27) End date of target

03/30/2030

(7.53.4.28) Figure in target year

47

(7.53.4.29) Figure in reporting year

74

(7.53.4.30) % of target achieved relative to base year

43.75

(7.53.4.31) Target status in reporting year

Select from:
☑ Underway

(7.53.4.34) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, and we have committed to seek validation by, or it is currently being reviewed by, the Science Based Targets initiative

(7.53.4.35) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

The assets covered are listed stocks, corporate bonds, loans to listed companies, and listed stock and bond funds.

(7.53.4.38) Target objective

Our company has adopted "SOMPO Climate Action" and is working to achieve the Paris Agreement. The reduction levels required to achieve the Paris Agreement are a 43% reduction by 2030 and a 60% reduction by 2035. In order to demonstrate leadership beyond 2030, we have set a 50%-60% reduction target for 2030. (Note) The amounts listed in "Total value of assets covered by the target" are in thousands of yen.

Row 2

(7.53.4.1) Target reference number

Select from:

☑ Por2

(7.53.4.2) Target type

Select from:

☑ Portfolio emissions intensity

(7.53.4.4) Methodology used when setting the target

Select from:

☑ PAII's Net Zero Investment Framework

(7.53.4.5) Date target was set

11/29/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

☑ Asset class level

(7.53.4.9) Portfolio

Select from:

☑ Investing (Asset manager)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Equity investments

☑ Fixed income

(7.53.4.11) Sectors covered by the target

Select all that apply

- ☑ Retail
- ☑ Apparel
- ☑ Services
- ☑ Materials
- ☑ Hospitality
- ☑ Food, beverage & agriculture
- ☑ Biotech, health care & pharma
- ☑ Fossil Fuels
- ☑ Manufacturing
- ☑ Infrastructure
- ☑ Power generation
- ☑ Transportation services

(7.53.4.14) % of portfolio emissions covered by the target

100

(7.53.4.15) % of asset class emissions covered by the target

100

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

- ☑ tCO2e

(7.53.4.17) Target denominator

Select from:

- ☑ Million invested (unit currency as reported in 1.2)

(7.53.4.18) % of portfolio covered in relation to total portfolio value

100

(7.53.4.19) Total value of assets covered by the target

1400000000

(7.53.4.20) % of asset class covered by the target, based on the total value of this asset class

100

(7.53.4.21) Frequency of target reviews

Select from:

☑ Every five years

(7.53.4.22) End date of base year

03/30/2020

(7.53.4.23) Figure in base year

155.6

(7.53.4.24) We have an interim target

Select from:

☑ No

(7.53.4.27) End date of target

03/30/2031

(7.53.4.28) Figure in target year

77.8

(7.53.4.29) Figure in reporting year

113.5

(7.53.4.30) % of target achieved relative to base year

54.113110539845756

(7.53.4.31) Target status in reporting year

Select from:
☑ Underway

(7.53.4.34) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

Covers stocks and corporate bonds

(7.53.4.38) Target objective

We have already begun to encourage companies to establish mid-term targets for GHG emission reductions as a systematic engagement activity in our dialogue with portfolio companies. In addition to these activities, by setting interim target of "Reduce GHG emissions(carbon intensity) by 50% by 2030 compared to 2019", we will monitor GHG emissions and further support companies in their efforts to establish net-zero emission targets, with the aim of achieving these targets. (Note) The amounts listed in "Total value of assets covered by the target" are in thousands of yen.
[Add row]

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

Select all that apply
☑ Net-zero targets

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

☑ NZ1

(7.54.3.2) Date target was set

05/26/2022

(7.54.3.3) Target Coverage

Select from:

☑ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☑ Abs1

☑ Por1

(7.54.3.5) End date of target for achieving net zero

03/30/2051

(7.54.3.6) Is this a science-based target?

Select from:

☑ 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

(7.54.3.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2
☑ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)
☑ Nitrous oxide (N2O)
☑ Carbon dioxide (CO2)
☑ Perfluorocarbons (PFCs)
☑ Hydrofluorocarbons (HFCs)
☑ Sulphur hexafluoride (SF6)
☑ Nitrogen trifluoride (NF3)

(7.54.3.10) Explain target coverage and identify any exclusions

In addition to Scope 1, 2, and 3, we are also aiming for net zero by 2050 for our investment and loan portfolio. And, this target is based on science and is consistent with the 1.5 target set out in the Paris Agreement (a reduction of 4.2% or more each year).

(7.54.3.11) Target objective

By aiming for net zero not only for our own company but also for our portfolio, we will contribute to the global goal of achieving net zero by 2050.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☑ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☑ No, but we plan to within the next two years

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☑ Yes, we plan to purchase and cancel carbon credits for beyond value chain mitigation

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

Our intermediate goal is to reduce emissions by 60% by 2030.

(7.54.3.17) Target status in reporting year

Select from:
☑ Underway

(7.54.3.19) Process for reviewing target

This target is based on science and is consistent with the 1.5 target set by the Paris Agreement (a reduction of 4.2% or more each year). The portfolio target is based on the NZAOA guidelines.

Row 2

(7.54.3.1) Target reference number

Select from:
☑ NZ2

(7.54.3.2) Date target was set

01/27/2022

(7.54.3.3) Target Coverage

Select from:
☑ Investing (Asset manager)

(7.54.3.4) Targets linked to this net zero target

Select all that apply
☑ Por2

(7.54.3.5) End date of target for achieving net zero

03/30/2051

(7.54.3.6) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.54.3.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

(7.54.3.10) Explain target coverage and identify any exclusions

Covers stocks and corporate bonds

(7.54.3.11) Target objective

Achieving net-zero GHG emissions by 2050 is consistent with our responsible investment guidelines, which state that we will "strive to engage in responsible investment that contributes to the sustainable development of our investees, society, and the economy as a whole" by "providing high-quality active management." By setting target of Net-zero by 2050, we clarify our stance and will continue to monitor GHG emissions and further support companies in their efforts to set net-zero emission targets.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☑ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:
☑ No, and we do not plan to within the next two years

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply
☑ No, we do not plan to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

Our interim target is to reduce GHG emissions(carbon intensity) by 50% by 2030 compared to 2019.

(7.54.3.17) Target status in reporting year

Select from:
☑ Underway

(7.54.3.19) Process for reviewing target

As an asset manager, Sompo Asset Management has participated in the Net Zero Asset Managers Initiative (NZAM), which aims to achieve net-zero greenhouse gas (GHG) emissions from its investment portfolio by 2050. Our target of "Net-zero by 2050" is consistent with the commitments required of NZAM member institutions.
[Add row]

(7.55) 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.

Select from:
☑ Yes

(7.55.1) 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	*12*	*`Numeric input*
To be implemented	*10*	*148863*
Implementation commenced	*0*	*0*
Implemented	*34*	*16533*
Not to be implemented	*1*	*`Numeric input*

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

8428

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

Select all that apply

☑ Scope 2 (location-based)

☑ Scope 2 (market-based)

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

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

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

642401782

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

634081000

(7.55.2.7) Payback period

Select from:
☑ 16-20 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 16-20 years

(7.55.2.9) Comment

—

Row 2

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy generation
☑ Hydropower (capacity unknown)

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

8104

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

Select all that apply

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

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

0

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

93510563

(7.55.2.7) Payback period

Select from:

☑ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ <1 year

(7.55.2.9) Comment

—

[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:
☑ Dedicated budget for other emissions reduction activities

(7.55.3.2) Comment

Dedicated budget for energy efficiency Top Management Review Meeting is held annually to monitor and review the groups 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
[Add row]

(7.73) Are you providing product level data for your organization's goods or services?

Select from:
☑ No, I am not providing data

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:
☑ No

C12. Environmental performance - Financial Services

(12.1) Does your organization measure the impact of your portfolio on the environment?

Investing (Asset manager)

(12.1.1) We measure the impact of our portfolio on the climate

Select from:
☑ Yes

(12.1.2) Disclosure metric

Select all that apply
☑ Other carbon footprinting and/or exposure metrics (as defined by TCFD)

(12.1.5) We measure the impact of our portfolio on forests

Select from:
☑ No, but we plan to do so in the next two years

(12.1.6) Primary reason for not measuring portfolio impact on forests

Select from:
☑ Lack of tools or methodologies available

(12.1.7) Explain why your organization does not measure its portfolio impact on forests

As a financial institution, we are aware that the companies we invest in may have an impact on forests and water. However, the range of companies we invest in ranges from large corporations to small and medium-sized enterprises, and we lack the tools and evaluation methods to grasp the impact on each company, making it difficult to measure the impact.

(12.1.8) We measure the impact of our portfolio on water

Select from:
☑ No, but we plan to do so in the next two years

(12.1.9) Primary reason for not measuring portfolio impact on water

Select from:
☑ Lack of tools or methodologies available

(12.1.10) Explain why your organization does not measure its portfolio impact on water

As a financial institution, we are aware that the companies we invest in may have an impact on forests and water. However, the range of companies we insure and invest in ranges from large corporations to small and medium-sized enterprises, and we lack the tools and evaluation methods to grasp the impact on each company, making it difficult to measure the impact.

(12.1.11) We measure the impact of our portfolio on biodiversity

Select from:
☑ No, but we plan to do so in the next two years

(12.1.12) Primary reason for not measuring portfolio impact on biodiversity

Select from:
☑ Lack of tools or methodologies available

(12.1.13) Explain why your organization does not measure its portfolio impact on biodiversity

As a financial institution, we are aware that the companies we invest in may have an impact on forests and water. However, the range of companies we invest in ranges from large corporations to small and medium-sized enterprises, and we lack the tools and evaluation methods to grasp the impact on each company, making it difficult to measure the impact.

Investing (Asset owner)

(12.1.1) We measure the impact of our portfolio on the climate

Select from:
☑ Yes

(12.1.2) Disclosure metric

Select all that apply

☑ Financed emissions

☑ Other carbon footprinting and/or exposure metrics (as defined by TCFD)

(12.1.5) We measure the impact of our portfolio on forests

Select from:

☑ No, but we plan to do so in the next two years

(12.1.6) Primary reason for not measuring portfolio impact on forests

Select from:

☑ Lack of tools or methodologies available

(12.1.7) Explain why your organization does not measure its portfolio impact on forests

As a financial institution, we are aware that the companies we invest in may have an impact on forests and water. However, the range of companies we invest in ranges from large corporations to small and medium-sized enterprises, and we lack the tools and evaluation methods to grasp the impact on each company, making it difficult to measure the impact.

(12.1.8) We measure the impact of our portfolio on water

Select from:

☑ No, but we plan to do so in the next two years

(12.1.9) Primary reason for not measuring portfolio impact on water

Select from:

☑ Lack of tools or methodologies available

(12.1.10) Explain why your organization does not measure its portfolio impact on water

As a financial institution, we are aware that the companies we invest in may have an impact on forests and water. However, the range of companies we invest in ranges from large corporations to small and medium-sized enterprises, and we lack the tools and evaluation methods to grasp the impact on each company, making it

difficult to measure the impact.

(12.1.11) We measure the impact of our portfolio on biodiversity

Select from:

☑ No, but we plan to do so in the next two years

(12.1.12) Primary reason for not measuring portfolio impact on biodiversity

Select from:

☑ Lack of tools or methodologies available

(12.1.13) Explain why your organization does not measure its portfolio impact on biodiversity

As a financial institution, we are aware that the companies we invest in may have an impact on forests and water. However, the range of companies we insure and invest in ranges from large corporations to small and medium-sized enterprises, and we lack the tools and evaluation methods to grasp the impact on each company, making it difficult to measure the impact.

Insurance underwriting (Insurance company)

(12.1.1) We measure the impact of our portfolio on the climate

Select from:

☑ Yes

(12.1.2) Disclosure metric

Select all that apply

☑ Financed emissions

(12.1.5) We measure the impact of our portfolio on forests

Select from:

☑ No, but we plan to do so in the next two years

(12.1.6) Primary reason for not measuring portfolio impact on forests

Select from:
☑ Lack of tools or methodologies available

(12.1.7) Explain why your organization does not measure its portfolio impact on forests

As a financial institution, we are aware that the companies we insure may have an impact on forests and water. However, the range of companies we insure and invest in ranges from large corporations to small and medium-sized enterprises, and we lack the tools and evaluation methods to grasp the impact on each company, making it difficult to measure the impact.

(12.1.8) We measure the impact of our portfolio on water

Select from:
☑ No, but we plan to do so in the next two years

(12.1.9) Primary reason for not measuring portfolio impact on water

Select from:
☑ Lack of tools or methodologies available

(12.1.10) Explain why your organization does not measure its portfolio impact on water

As a financial institution, we are aware that the companies we insure may have an impact on forests and water. However, the range of companies we insure ranges from large corporations to small and medium-sized enterprises, and we lack the tools and evaluation methods to grasp the impact on each company, making it difficult to measure the impact.

(12.1.11) We measure the impact of our portfolio on biodiversity

Select from:
☑ No, but we plan to do so in the next two years

(12.1.12) Primary reason for not measuring portfolio impact on biodiversity

Select from:
☑ Lack of tools or methodologies available

(12.1.13) Explain why your organization does not measure its portfolio impact on biodiversity

As a financial institution, we are aware that the companies we insure may have an impact on forests and water. However, the range of companies we insure ranges from large corporations to small and medium-sized enterprises, and we lack the tools and evaluation methods to grasp the impact on each company, making it difficult to measure the impact.
[Fixed row]

(12.1.1) Provide details of your organization's financed emissions in the reporting year and in the base year.

Investing (Asset owner)

(12.1.1.1) Asset classes covered in the calculation

Select all that apply
☑ Bonds
☑ Equity investments
☑ Fixed income

(12.1.1.2) Financed emissions (metric unit tons CO2e) in the reporting year

1643161

(12.1.1.3) % of portfolio covered in relation to total portfolio value

20.21

(12.1.1.4) Total value of assets included in the financed emissions calculation

0.00

(12.1.1.5) % of financed emissions calculated using data obtained from clients/investees (optional)

88

(12.1.1.6) Emissions calculation methodology

Select from:

☑ The Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)

(12.1.1.7) Weighted data quality score (for PCAF-aligned data quality scores only)

2

(12.1.1.8) Financed emissions (metric unit tons CO2e) in the base year

2072536

(12.1.1.9) Base year end

03/30/2020

(12.1.1.10) % of undrawn loan commitments included in the financed emissions calculation

0

(12.1.1.11) Please explain the details of and assumptions used in your calculation

Emissions are calculated based on the Global GHG Calculation and Reporting Standard for the Financial Industry. Included listed equities and corporate bonds for which the PCAF WG has established a methodology for calculating GHG emissions. "% of portfolio covered in relation to total portfolio value" is the ratio of the amount of assets under management of stocks and bonds, which are the assets subject to the GHG emissions calculation, to the total assets under management of the Group. The data source used for the emissions calculation is data from MSCI; The data for Scope 1 and 2 includes both disclosed and estimated values. Financed emissions are figures for fiscal year 2022 because the MSCI data used uses CDP data, so it is reflected in the MSCI database after the CDP survey is compiled and published. For this reason, there is a one-year delay in reflecting in the MSCI database. In other words, the latest MSCI GHG emissions data is from 2022, so the financed emissions is from 2022. Regarding the "% of emissions calculated using data obtained from clients/investees", data provided by a data provider (MSCI) is used, which is applied to the portfolio and calculations are made after checking whether actual values and estimated values are being used for each company. As for the Quality Score, the disclosed value is scored as 2, and the estimated value is scored as 3 or 4, but since it is not possible to clearly distinguish the score for the estimated value, the lowest score of 4 is used to calculate the weighted average Quality Score.

Insurance underwriting (Insurance company)

(12.1.1.1) Asset classes covered in the calculation

Select all that apply

☑ Other, please specify **:**Commercial sector

(12.1.1.2) Financed emissions (metric unit tons CO2e) in the reporting year

390391

(12.1.1.3) % of portfolio covered in relation to total portfolio value

10.78

(12.1.1.4) Total value of assets included in the financed emissions calculation

0.00

(12.1.1.5) % of financed emissions calculated using data obtained from clients/investees (optional)

93

(12.1.1.6) Emissions calculation methodology

Select from:

☑ The Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)

(12.1.1.7) Weighted data quality score (for PCAF-aligned data quality scores only)

2

(12.1.1.8) Financed emissions (metric unit tons CO2e) in the base year

390391

(12.1.1.9) Base year end

03/30/2023

(12.1.1.10) % of undrawn loan commitments included in the financed emissions calculation

0

(12.1.1.11) Please explain the details of and assumptions used in your calculation

Emissions are calculated based on the Global GHG Calculation and Reporting Standard for the Financial Industry. We calculate GHG emissions from insurance underwriting for companies in which Sompo Japan holds shares. The calculation type is commercial insurance. Insurance associated emissions are figures for fiscal year 2022 because the MSCI data used uses CDP data, so it is reflected in the MSCI database after the CDP survey is compiled and published. For this reason, there is a one-year delay in reflecting in the MSCI database. In other words, the latest MSCI GHG emissions data is from 2022, so the insurance associated emissions is from 2022 "% of portfolio covered in relation to total portfolio value" is calculated as the ratio of the net written premiums calculated this time to the net written premiums of the entire group. The data source used for the emissions calculation is data from MSCI; The data for Scope 1 and 2 includes both disclosed and estimated values. Regarding the "% of emissions calculated using data obtained from clients/investees", data provided by a data provider (MSCI) is used, which is applied to the portfolio and calculations are made after checking whether actual values and estimated values are being used for each company. As for the Quality Score, the disclosed value is scored as 2, and the estimated value is scored as 3 or 4, but since it is not possible to clearly distinguish the score for the estimated value, the lowest score of 4 is used to calculate the weighted average Quality Score.
[Fixed row]

(12.1.3) Provide details of the other metrics used to track the impact of your portfolio on the environment.

Climate change

(12.1.3.1) Portfolio

Select from:
☑ Investing (Asset owner)

(12.1.3.2) Portfolio metric

Select from:
☑ Weighted average carbon intensity (tCO2e/Million revenue)

(12.1.3.3) Metric value in the reporting year

115.25

(12.1.3.4) % of portfolio covered in relation to total portfolio value

9.7

(12.1.3.5) Total value of assets included in the calculation

115704497

(12.1.3.6) % of emissions calculated using data obtained from clients/investees

88

(12.1.3.7) Please explain the details and key assumptions used in your assessment

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. The value "115.25" for the reporting year is the WACI in equities. We also calculate the WACI of corporate bonds. The WACI of corporate bonds for the reporting year is 128.13. WACI are figures for fiscal year 2022 because the MSCI data used uses CDP data, so it is reflected in the MSCI database after the CDP survey is compiled and published. For this reason, there is a one-year delay in reflecting in the MSCI database. In other words, the latest MSCI GHG emissions data is from 2022, so the WACI is from 2022. The "Total value of assets included in the calculation" figure was too large to be entered in the system, so it was entered in thousands of yen. Regarding the "% of emissions calculated using data obtained from clients/investees", data provided by a data provider (MSCI) is used, which is applied to the portfolio and calculations are made after checking whether actual values and estimated values are being used for each company.

Climate change

(12.1.3.1) Portfolio

Select from:

☑ Investing (Asset manager)

(12.1.3.2) Portfolio metric

Select from:

☑ Weighted average carbon intensity (tCO2e/Million revenue)

(12.1.3.3) Metric value in the reporting year

93.8

(12.1.3.4) % of portfolio covered in relation to total portfolio value

33

(12.1.3.5) Total value of assets included in the calculation

1400000000

(12.1.3.6) % of emissions calculated using data obtained from clients/investees

100

(12.1.3.7) Please explain the details and key assumptions used in your assessment

Sompo Asset Management adopted the WACI because it is a weighted average of a company's greenhouse gas emissions per unit of sales, based on the percentage of the investor's portfolio, and can identify companies with high greenhouse gas emissions per unit of production. In addition, the TCFD is a reliable indicator used by many investors, so we recommend that investors use the WACI. The value of "93.8" for the reporting year is the WACI for domestic stocks. We have also calculated the WACI for overseas stocks and corporate bonds, and the WACI for overseas stocks is 93.2. The WACI for corporate bonds for the reporting year is 116.3. WACI are figures for fiscal year 2022 because the MSCI data used uses CDP data, so it is reflected in the MSCI database after the CDP survey is compiled and published. For this reason, there is a one-year delay in reflecting in the MSCI database. In other words, the latest MSCI GHG emissions data is from 2022, so the WACI is from 2022. The value for "Total value of assets included in the calculation" was too large to enter into the system, so it was entered in thousands of yen. Regarding ”the % of emissions calculated using data obtained from clients/investees”, we are using data provided by a data provider (MSC), but since we have not yet calculated the ratio of actual values to estimated values when applied to our portfolio, we will enter 100 in this answer.
[Add row]

(12.2) Are you able to provide a breakdown of your organization's financed emissions and other portfolio carbon footprinting metrics?

Investing (Asset manager)

(12.2.1) Portfolio breakdown

Select all that apply
☑ Yes, by asset class

Investing (Asset owner)

(12.2.1) Portfolio breakdown

Select all that apply
☑ Yes, by asset class

Insurance underwriting (Insurance company)

(12.2.1) Portfolio breakdown

Select all that apply
☑ None of the above, but we plan to do this in the next two years

(12.2.2) Please explain why you do not provide a breakdown of your portfolio impact on the climate

Currently, we calculate and disclose GHG emissions in the commercial sector in insurance underwriting. Since our goal is to support carbon neutrality across the entire company, we do not believe it is important to disclose emissions separately for each product. In addition, for other categories, there are many for which a clear calculation method has not been established, and we do not calculate emissions at all.
[Fixed row]

(12.2.1) Break down your organization's financed emissions and other portfolio carbon footprinting metrics by asset class, by industry, and/or by scope.

Row 1

(12.2.1.1) Portfolio

Select from:
☑ Investing (Asset owner)

(12.2.1.2) Portfolio metric

Select from:

☑ Portfolio carbon footprint (tCO2e/Million invested)

(12.2.1.4) Asset class

Select from:
☑ Equity investments

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

9.7

(12.2.1.7) Value of assets covered in the calculation

115704497

(12.2.1.8) Financed emissions or alternative metric

0

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:
☑ Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

We calculate GHG emissions per unit of invested capital by asset. The GHG emissions per unit of equity is 75.36t-CO2e / 100 million yen. We also calculate GHG emissions per unit of corporate bonds, and the actual GHG emissions per unit of corporate bonds is 66.38t-CO2e / 100 million yen. The "Value of assets covered in the calculation" figure was too large to be entered in the system, so it was entered in thousands of yen.

Row 2

(12.2.1.1) Portfolio

Select from:

☑ Investing (Asset manager)

(12.2.1.2) Portfolio metric

Select from:
☑ Portfolio carbon footprint (tCO2e/Million invested)

(12.2.1.4) Asset class

Select from:
☑ Equity investments

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

33

(12.2.1.7) Value of assets covered in the calculation

1400000000

(12.2.1.8) Financed emissions or alternative metric

0

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:
☑ Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

We calculate GHG emissions per unit of invested capital by asset. The GHG emissions per unit of domestic equity is 112.9(t-CO2e / 100 million yen). The GHG emissions per unit of overseas equity is 99.8(t-CO2e / 100 million yen). We also calculate GHG emissions per unit of corporate bonds, and the actual GHG emissions per unit of corporate bonds is 224(t-CO2e / 100 million yen). (Note) The figures for "Value of assets covered in the calculation" are in thousand yen.
[Add row]

(12.3) State the values of your financing and insurance of fossil fuel assets in the reporting year.

Investing in all fossil fuel assets (Asset manager)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

27600000000

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

1.7

(12.3.6) Details of calculation

The target assets are calculated based on listed equities and bonds, and the overall definition refers to the "Energy Sector" and "Public Utilities Sector (excluding renewable energy-related)" in the GICS classification. The figures may change depending on the exchange rate, but are calculated at 150 yen to the dollar.

Investing in thermal coal (Asset manager)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

0

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

The target assets are calculated based on listed equities and bonds, and the overall definition refers to the "Energy Sector" and "Public Utilities Sector (excluding renewable energy-related)" in the GICS classification.

Investing in met coal (Asset manager)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

0

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

The target assets are calculated based on listed equities and bonds, and the overall definition refers to the "Energy Sector" and "Public Utilities Sector (excluding renewable energy-related)" in the GICS classification.

Investing in oil (Asset manager)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

2580000000

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.3

(12.3.6) Details of calculation

The target assets are calculated based on listed stocks and bonds, and the overall definition refers to the "Energy Sector" and "Public Utilities Sector (excluding renewable energy-related)" in the GICS classification. However, oil and gas are not tallied separately, so the figures are simply halved from the total oil and gas figures. The figures may change depending on the exchange rate, but are calculated at 150 yen to the dollar.

Investing in gas (Asset manager)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

2580000000

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.3

(12.3.6) Details of calculation

The target assets are calculated based on listed stocks and bonds, and the overall definition refers to the "Energy Sector" and "Public Utilities Sector (excluding renewable energy-related)" in the GICS classification. However, oil and gas are not tallied separately, so the figures are simply halved from the total oil and gas figures. The figures may change depending on the exchange rate, but are calculated at 150 yen to the dollar.

Investing all fossil fuel assets (Asset owner)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

107861400000

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.9

(12.3.6) Details of calculation

The target assets are calculated based on listed equities and bonds. Sector classification is based on GICS codes. The figures may change depending on the exchange rate, but are calculated at 150 yen to the dollar.

Investing in thermal coal (Asset owner)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

361650000

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

The target assets are calculated based on listed equities and bonds. Sector classification is based on GICS codes. The figures may change depending on the exchange rate, but are calculated at 150 yen to the dollar.

Investing in met coal (Asset owner)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

62550000

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

The target assets are calculated based on listed equities and bonds. Sector classification is based on GICS codes. The figures may change depending on the exchange rate, but are calculated at 150 yen to the dollar.

Investing in oil (Asset owner)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

86128200000

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.2

(12.3.6) Details of calculation

The target assets are calculated based on listed equities and bonds. Sector classification is based on GICS codes. The figures may change depending on the exchange rate, but are calculated at 150 yen to the dollar.

Investing in gas (Asset owner)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

21309000000

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.7

(12.3.6) Details of calculation

The target assets are calculated based on listed equities and bonds. Sector classification is based on GICS codes. The figures may change depending on the exchange rate, but are calculated at 150 yen to the dollar.

Insuring all fossil fuel assets

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

(12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:
☑ No standardized procedure

(12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

One factor is the lack of a standardized methodology: In the case of insurance products, a single company may have multiple contracts, and within each contract, coverage may cover both fossil fuel and non-fossil fuel activities, so it is making it very difficult to extract premiums for fossil fuel only.

Insuring thermal coal

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

(12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:
☑ No standardized procedure

(12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

One factor is the lack of a standardized methodology: In the case of insurance products, a single company may have multiple contracts, and within each contract, coverage may cover both fossil fuel and non-fossil fuel activities, so it is making it very difficult to extract premiums for fossil fuel only.

Insuring met coal

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

(12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:
☑ No standardized procedure

(12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

One factor is the lack of a standardized methodology: In the case of insurance products, a single company may have multiple contracts, and within each contract, coverage may cover both fossil fuel and non-fossil fuel activities, so it is making it very difficult to extract premiums for fossil fuel only.

Insuring oil

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

(12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:
☑ No standardized procedure

(12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

One factor is the lack of a standardized methodology: In the case of insurance products, a single company may have multiple contracts, and within each contract, coverage may cover both fossil fuel and non-fossil fuel activities, so it is making it very difficult to extract premiums for fossil fuel only.

Insuring gas

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

(12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:
☑ No standardized procedure

(12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

One factor is the lack of a standardized methodology: In the case of insurance products, a single company may have multiple contracts, and within each contract, coverage may cover both fossil fuel and non-fossil fuel activities, so it is making it very difficult to extract premiums for fossil fuel only.
[Fixed row]

(12.4) Does your organization provide finance and/or insurance to companies in the commodity value chain? If so, for each commodity and portfolio, state the values of your financing and/or insurance in the reporting year.

Investing (asset manager) to companies operating in the timber products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset manager) to companies operating in the palm oil value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset manager) to companies operating in the cattle products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset manager) to companies operating in the soy value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset manager) to companies operating in the rubber value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset manager) to companies operating in the cocoa value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset manager) to companies operating in the coffee value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset owner) to companies operating in the timber products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset owner) to companies operating in the palm oil value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset owner) to companies operating in the cattle products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset owner) to companies operating in the soy value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset owner) to companies operating in the rubber value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset owner) to companies operating in the cocoa value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Investing (asset owner) to companies operating in the coffee value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Insuring companies operating in the timber products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Insuring companies operating in the palm oil value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Insuring companies operating in the cattle products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Insuring companies operating in the soy value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Insuring companies operating in the rubber value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Insuring companies operating in the cocoa value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown

Insuring companies operating in the coffee value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Unknown
[Fixed row]

(12.5) In the reporting year, did your organization finance and/or insure activities or sectors that are aligned with, or eligible under, a sustainable finance taxonomy? If so, are you able to report the values of that financing and/or underwriting?

	Reporting values of the financing and/or insurance of activities or sectors that are eligible under or aligned with a sustainable finance taxonomy	Primary reason for not providing values of the financing and/or insurance	Explain why you are not providing values of the financing and/or insurance
Investing (Asset manager)	*Select from:* ☑ No, but we plan to report in the next two years	*Select from:* ☑ No standardized procedure	*This is because in the absence of clear standards, it is difficult to apply to assets.*
Investing (Asset owner)	*Select from:* ☑ No, but we plan to report in the next two years	*Select from:* ☑ No standardized procedure	*This is because in the absence of clear standards, it is difficult to apply to assets.*
Insurance underwriting (Insurance company)	*Select from:* ☑ No, but we plan to report in the next two years	*Select from:* ☑ No standardized procedure	*This is because in the absence of clear standards, it is difficult to apply to insurance products.*

[Fixed row]

(12.6) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues?

	Existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues
	Select from: ☑ Yes

[Fixed row]

(12.6.1) Provide details of your existing products and services that enable clients to mitigate and/or adapt to the effects of environmental issues, including any taxonomy or methodology used to classify the products and services.

Row 1

(12.6.1.1) Environmental issue

Select all that apply
☑ Climate change

(12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

Select all that apply
☑ Mitigation

(12.6.1.3) Portfolio

Select from:
☑ Investing (Asset manager)

(12.6.1.4) Asset class

Select from:
☑ Equity investments

(12.6.1.5) Type of product classification

Select all that apply
☑ Products that promote environmental and/or social characteristics

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply
☑ Externally classified using other taxonomy or methodology, please specify :Comprehensive Guidelines for Supervision of Financial Instruments Business Operators by Financial Service Agency in Japan
☑ Internally classified

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply
☑ Carbon removal
☑ Energy efficiency measures
☑ Green buildings and equipment
☑ Low-emission transport
☑ Renewable energy

(12.6.1.8) Description of product/service

SOMPO Asset Management offers investment products to its clients in the form of ESG funds that incorporate ESG methods as an important factor in selecting investment targets. "Sompo Japan Green Open", launched in September 1999, is an investment trust that invests in stocks of companies that actively address environmental issues. By investing in this fund, investors can expect to indirectly contribute to environmental conservation activities. The selection of stocks for investment in the fund is based on the results of surveys and analysis conducted by SOMPO Risk Management, including the “Environmental Management Survey.

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

8.2

(12.6.1.10) % of asset value aligned with a taxonomy or methodology

8.2

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:
☑ No

Row 2

(12.6.1.1) Environmental issue

Select all that apply
☑ Climate change

(12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

Select all that apply
☑ Mitigation

(12.6.1.3) Portfolio

Select from:
☑ Insurance underwriting (Insurance company)

(12.6.1.4) Asset class

Select from:
☑ Other, please specify **:**insurance product

(12.6.1.5) Type of product classification

Select all that apply
☑ Products that promote environmental and/or social characteristics

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

☑ Externally classified using other taxonomy or methodology, please specify :ISO14024. ”Eco Mark” is certified by the Japan Environment Association, and our automobile insurance "THE KURUMANO HOKEN " and "SGP" have been certified with the Eco Mark as products that have a low environmental impact throughout their life cycle.

☑ Internally classified

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

☑ Paperless/ digital service

(12.6.1.8) Description of product/service

Web Agreement; Web Agreement is a service in which customers who have made into insurance contracts can view their insurance agreement on their computer over the internet. 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.

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

29.3

(12.6.1.10) % of asset value aligned with a taxonomy or methodology

29.3

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

☑ No

[Add row]

(12.7) Has your organization set targets for deforestation and conversion-free and/or water-secure lending, investing and/or insuring?

Forests

(12.7.1) Target set

Select from:
☑ No, we have not set such targets, but we plan to within the next two years

(12.7.2) Explain why your organization has not set targets for deforestation- and conversion-free and/or water-secure lending, investing and/or insuring

Although indicators and targets related to forests and water are included in the final recommendations of the TNFD, it is currently not clear which indicators and targets are important for our business.

Water

(12.7.1) Target set

Select from:
☑ No, we have not set such targets, but we plan to within the next two years

(12.7.2) Explain why your organization has not set targets for deforestation- and conversion-free and/or water-secure lending, investing and/or insuring

Although indicators and targets related to forests and water are included in the final recommendations of the TNFD, it is currently not clear which indicators and targets are important for our business.
[Fixed row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☑ Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☑ Electricity/Steam/Heat/Cooling consumption

☑ Renewable Electricity/Steam/Heat/Cooling consumption

(13.1.1.3) Verification/assurance standard

Climate change-related standards
☑ ISO 14064-3

(13.1.1.4) Further details of the third-party verification/assurance process

Our company undergoes third-party verification every year, and the scope of application for fiscal 2023 is the data within the scope of consolidated financial statements, and there is no scope excluded from the verification process. It is a limited assurance. The data for Japan is from April 1, 2023 to March 31, 2024, and the data for overseas is from January 1, 2023 to December 31, 2023. The purpose of the verification is to improve the reliability of our energy usage related to Scope 1 and 2.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Third party assurance_Environmental data.pdf
[Add row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Chief Sustainability OfficerChief Sustainability Officer

(13.3.2) Corresponding job category

Select from:
☑ Chief Sustainability Officer (CSO)
[Fixed row]

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:
☑ Yes, CDP may share our Disclosure Submission Lead contact details with the Pacific Institute