

Welcome to your CDP Climate Change Questionnaire 2021

C0. Introduction

C0.1

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

Sompo Holdings, Inc. , hereafter, Sompo Holdings, traces its roots back to Japan's first fire insurance company, established in 1888 with the aim of providing protection from the threat of fire in everyday life. Since then, Japanese society has changed due to the decline and aging of its population, climate change, and new conditions emerging as a result of technological innovation. In response, Sompo Holdings has helped tackle issues by passing down and putting into practice a philosophy focused on working for the well-being of people and society. In the coming era, Sompo Holdings continues taking on the challenge of new value creation in order to realize our vision of "A Theme Park for Security, Health & Well-being."

<At a Glance>

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

Main operating consolidated companies a follows;

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

<Overseas operation>

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

<Participation in Sustainability Initiatives>

Sompo Holdings actively participates in sustainability initiatives globally and endeavors to take a leading role internationally and domestically.

Became a member to the CDP since 2005 and joined the CDP Advisory Board of Japan since 2007. Sompo Holdings and its group companies are also signatories to the following initiatives. World Business Council for Sustainable Development (Since 1995), United Nations Global Compact (Since 2006), United Nations Environment Programme Finance Initiative (Since 1995), Founding signatory to United Nations Principles for Responsible Investment (Since 2006) and United Nations Principles for Sustainable Insurance (Since 2012), Women's Empowerment Principles (Since 2012) and a member of the steering committee for Caring for Climate, an initiative established by United Nations Global Compact, United Nations Environment Programme Finance Initiative and United Nations Framework Convention on Climate Change.

Sompo Holdings had been included to the Dow Jones Sustainability Indices (DJSI World) for 20 consecutive years. Selected to DJSI Asia Pacific in 2020. Sompo Holdings is also included in FTSE4Good Index Series, MSCI (Morgan Stanley Capital International) ESG Leaders Indexes/SRI Indexes, STOXX Global ESG Leaders Index, and Morningstar Socially Responsible Investment Index.

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

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

C0.2

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

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	April 1, 2020	March 31, 2021	Yes	1 year

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Belgium
Bermuda
Brazil
Canada
China
China, Hong Kong Special Administrative Region
France

Germany
Indonesia
Italy
Japan
Malaysia
Mexico
Netherlands
Singapore
Spain
Switzerland
Thailand
Turkey
United States of America
Viet Nam

C0.4

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

JPY

C0.5

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

Financial control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

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

C1. Governance

C1.1

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

Yes

C1.1a

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

Position of individual(s)	Please explain
Chief Operating Officer (COO)	<p>Deputy President of the Company is responsible for climate-related issues as Group COO.</p> <p>Group COO oversees risks and opportunities across the following committees.</p> <p>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 COO who is a board member. Group COO 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.</p> <p>ii. Group ERM Committee - As for climate-related risks, the committee appoints Group COO 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 COO is in charge of executing countermeasures and the matter is reported to Board of directors at least twice a year.</p> <p>As an example of decision on Sustainable Management Committee, Group COO made 3 major decisions in FY 2020:</p> <ul style="list-style-type: none"> • Announcement of insurance underwriting and investment and loan restrictions on coal-fired power generation in Sompo Japan Insurance. • Formulation of "decarbonization" target to reduce the Group's greenhouse gas emissions to carbon neutral by 2050. • Setting a medium-term target of reducing GHG emissions by approximately 50% from FY 2019 level by FY 2030.

C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy	Climate-related risks and	Alongside the establishment of the "Sustainable Management Committee," in

	<p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding business plans</p> <p>Setting performance objectives</p> <p>Monitoring implementation and performance of objectives</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<p>opportunities to our own operations</p>	<p>2015, CSR related KPIs were jointly identified in accordance with redefining the Group's 5 CSR Material Issues which include climate change. The KPIs will enable all Group companies to share the same goals and exert unified efforts toward CSR including climate change, allowing the Group to achieve greater sustainability/ESG performance. 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. To monitor and review the Group's progress and status regarding climate change, the Top Management Review Meeting is annually held. At the meeting, the Group COO receives regular updates regarding results on our entire GHG footprints and activities to mitigate and adapt towards climate change from the CSR Department. The CSR Department will receive direct orders from the Group COO regarding the company's wide strategy towards climate change in the course of our core business to scale up the Group's worldwide efforts. Also, the CSR Department annually operates a survey to the entire Group regarding ESG data & issues. Keeping track of the ESG performance of the worldwide group companies allows us to identify issues as an opportunity and risk to all our divisions of the Group to take carefully tailored and prioritized actions on climate change.</p>
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C1.2

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

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
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Chief Operating Officer (COO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our own operations	More frequently than quarterly
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C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Through the following two committees, we report climate-related issues including risks and opportunities to board members equal or more frequently than quarterly. Climate-related risks and opportunities are positioned as an important issue for the entire Group. Group COO deals with the climate-related risks and opportunities at both of the committees because the COO's primary authority is to make decisions on important matters and oversees business execution for the entire group.

The process of monitoring are as follows;

i . Name of the committee; Sompo Holdings Sustainable Management Committee- The committee is chaired by Representative Director, Deputy President and Senior Managing Officer (Group COO) of Sompo Holdings. The committee is fully responsible to directly address ESG (Environment, Social and Governance) issues and, if necessary, reports to the Board of directors at the highest level. The committee meets at least twice a year and reviews the entire Group's sustainability initiatives including issues related to climate change as a whole with the aim to enhance Sompo Holdings' social responsibility through its core businesses. To monitor and review the Group's progress and status regarding climate change, "Top Management Review Meeting" is annually held. At the meeting, the Group COO receives regular updates regarding results on our entire GHG footprints and activities to mitigate and adapt towards climate change from the CSR Department. The CSR Department will receive direct orders from the Group COO regarding the company's wide strategy towards climate change in the course of our core business. All divisions of the Group prioritizes risks and opportunities related to climate change with the aim to enhance and scale the Group's worldwide efforts. Also, the CSR Department annually operates a survey to the entire Group regarding ESG data & issues. Keeping track of the ESG performance of the worldwide group companies allows us to identify issues for the Group and to take carefully tailored and prioritized actions for each group company. Under the above mentioned monitoring and management structure, the CSR Department and relevant departments under Group COO have responsibility on climate related issues.

ii . Name of the committee; Group ERM Committee – The committee is managed by Group CRO, Director, and Managing Executive Officer of Sompo Holdings and established by the Board of Directors.

Based on risk assessment implemented on a Group-wide basis, we have created and operating a stringent risk control system that enables comprehensive identification of and response to risks affecting the Group, including climate change.

Risks that may have significant impact on the Group are defined as "Material/Top Risks". We appoint a risk owner (executive officer level) for each top risk to clearly identify the person responsible for implementing countermeasures and progress management.

The committee reports to the Managerial Administrative Committee(MAC) Chaired with full responsibility by the Group COO and board of directors at least twice a year when the risks are selected, assessed and monitored as interim and summary.

As an example of the climate-related risk monitoring process, to accurately understand and manage events that may have a major impact on Group management, scenario stress tests, reverse stress tests, and sensitivity analyses are conducted on a Group-wide basis. We analyse the degree of impact on capital and risk and establish a system to implement countermeasures as necessary.

C1.3

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

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

C1.3a

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

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Operating Officer (COO)	Monetary reward	Emissions reduction target	Generating business and developing products or services related to sustainability issues including climate change. Alongside the establishment of the Sustainable Management Committee in 2015, CSR related KPIs were jointly identified in accordance with redefining the Group's 5 CSR Material Issues which include climate change. 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 of board members is linked to the degree of achievements KPI's related to climate change.

C-FS1.4

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

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	Yes, as an investment option for some plans offered	

C2. Risks and opportunities

C2.1

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

Yes

C2.1a

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

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

C2.1b

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

<Definition of Material Risk>

Under Strategic Risk Management (ERM), which is our 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. As for climate change we evaluated the likelihood as medium and impact on the business as large and defined the substantive financial and strategic impact to be a Material Risk.

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

<Description of the quantitative two indicators>

Substantive financial or strategic impact related to climate change risk is assessed and identified by the following two indicators, namely, "Likelihood" and "Impact(Influence)".

[Likelihood]

- Probability of occurrence is evaluated by the following 4-point scale:

1. Extremely Large: More than once a year
2. Large: Once or more in 10 year
3. Medium: Once or more in 100 years
4. Small: Less than once in 100 years

[Impact (Influence)]

- Economic losses are evaluated by the following 4-point scale:

1. Extremely Large: Economical loss of over 500 billion yen or more; Revocation of business license; Extremely large damage to reputation.
2. Large: Economical loss of over 200 billion yen or more; Suspension of major business operations; Large damage to reputation (Over 5 years to recover reputation).
3. Medium: Economical loss of over 10 billion yen or more; Suspension of some business operations; Damage to reputation (2-3 years to recover reputation).
4. Small: Economical loss of below 10 billion yen; No influence in business operations; Small damage to reputation.

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

C2.2

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

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

< Risk Management Process >

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

●Identifying

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

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

●Assessing

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

●Responding

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

<Opportunity Management Process>

CSR Management System is a group based CSR framework based on ISO 14001 & ISO 26000 and discussions & reports are conducted at the Sustainable Management Committee, chaired by COO.

●Identifying

In this system, all dept's at Sompo and its subsidiaries prepare an annual CSR Action Plan based on the Group's CSR Material Issues to realize sustainability in the med to long term. One of the material issues is Response to Global Environment which includes the creation of business opportunities, product development & risk consulting services that contribute to adaptation & mitigating climate change.

●Assessing

CSR Dept provides feedback on the initiatives specified in the CSR Action Plan and reports on the status to the COO at the Management Review. The COO approves & provides direction for the development of such products & risk consulting services as med-term (2-3 years) issues, and policies for the development of new projects based on long term (5-10 years) climate change scenarios.

●Responding

CSR-KPI's authorized by the COO are incorporated into CSR Action Plan. Each

department checks the status of initiatives twice a year, and reports the status & results to the CSR Dept. At the Sustainable Management Committee, COO reviews at least twice a year in response to Management Review's instructions. The results are reported at least twice a year to MAC & board of directors in compliance with the necessities.

<Risk Case Study for Physical risks>

Situation

Natural disasters becoming more severe, frequent, we have identified climate change as a material risk under the material risk management framework. For previous years, we have taken countermeasures towards climate change and enhancing our resilience towards physical risks.

Task

P&C insurance as a core business, climate change issues will significantly affect our whole business, Life insurance & Nursing Care, etc, operation and continuously need to evolve countermeasure toward physical risks. As one of the countermeasures, we continuously evaluated physical risks associated with the intensification of natural disasters using climate scenarios. With regard to the risk of wind & flood disasters, we have been conducting stress tests to quantitatively assess the financial impact of stress scenarios that have a significant impact on management, and verify the adequacy of capital and the effectiveness of risk mitigation measures.

Action

To proactively enhance our countermeasures, we participated in the UNEP FI TCFD Insurance Working Group and estimated the impact of typhoons using a quantitative model based on the comprehensive guidance issued by the working group in Jan 2021. The model is based on the IPCC RPC 8.5 scenario that captures the frequency of typhoons & changes in wind speed between 2050 & present, and calculates changes in frequency & damages.

Result

The results of model show that the frequency of typhoons is about -30% to +30%, and the amount of damage per typhoon (gross basis) is about +10% to +50%. In order to respond to the physical risk, we plan to reduce the amount of domestic wind & flood damage risks by 22% in 2023 compared to 2015 by appropriately controlling the amount of these risks through Reinsurance & Underwriting.

<Opportunity Case Study for Transition risks>

Situation

Natural disasters becoming more severe, frequent, business are expected to contribute towards a resilient society and we are utilizing the CSR Management System to create business opportunities such as product development & risk consulting services that contribute to a resilient society.

Task

All dept's at subsidiaries companies prepare an annual CSR Action Plan under this System based on the Group's CSR Material Issues for realizing sustainability in the med to long term and to identify effective KPI's we need to understand the social trends towards transition risks.

Action

Under the CSR Management System's environmental assessment we identified the IPCC report published in Oct 2019 and revised our CSR-KPIs with the aspect of the importance to transitioning the society to carbon neutral. We reported to the COO at the management review and to the MAC chaired by COO in 2020 about our CSR-KPI's. Instruction from the COO was to enhance in business creation related to climate change transition related products and services .

CSR Department provides feedback on the initiatives specified in the CSR Action Plan and reports on the status of initiatives to COO at the Management Review. The COO approves and provides direction for the development of such products & risk consulting services that contribute to climate change.

Result

CSR-KPI's authorized by the COO have incorporated into CSR Action Plan of related dept's and companies. Each dept checked the status of initiatives and report the results to the CSR Dept.

The Sustainable Management Committee chaired by COO conduct reviewed twice a year in response to Management Review's instructions. The progress and results were reported to MAC(Chaired by COO).

As a result, insurance product for offshore wind power generation was developed and also many risk consulting services such as TCFD recommendation consulting was provided to our customers more than previous years. In addition offshore wind power insurance was highly evaluated by the government and awarded 3 insurance risk & advisory services.

C2.2a

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

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p><Company specific example of risk type></p> <ul style="list-style-type: none"> - For our strategic risk management, "Current Regulation" is the risk that needs to be assessed. For example, Sompo Holdings' 3 major buildings in Tokyo, Headquarters Building in Shinjuku, System Tachikawa Building & Data Processing Building are participating in the Tokyo Cap & Trade Scheme organized by the Tokyo Metropolitan Government. The 3 buildings consist of more than 10,000 working employees as the major operating Hub of the Group companies. The scheme requires a 25% to 27% decrease during FY2020 to FY2024 compared to base year CO2 emissions. - As the regulation becomes more severe due to the progress of climate change, there is a risk of increasing business expenses such as energy saving measures expenses and carbon credit purchase expenses. <p><How it is included in climate-related risk assessment></p> <ul style="list-style-type: none"> - Since the acquisition of the environmental management system

		<p>ISO14001 from 1997, we have been fully complying with environment-related regulations.</p> <p>- Furthermore, engaging with global initiatives such as UNGC, WBCSD, and multi stakeholders, we evaluate collected information as to global mega-trends including regulatory issues throughout the year.</p>
Emerging regulation	Relevant, always included	<p><Company specific example of risk type></p> <p>- For our strategic risk management, "Emerging Regulation" is the risk that needs to be assessed. For example, we are monitoring and assessing regulatory enforcement on climate-related information disclosure such as TCFD and IFRS Foundations initiatives towards regulating sustainability reporting through our CSR Management System and Risk Management System, which may defame our reputation and financially impact our profit or stock price once we fail to comply with the regulation (In the case of deleted from ESG Indices which cause financial and reputation loss as we operate in Europe there is a risk of voluntary disclosure initiatives related to climate change such as TCFD to be regulated.</p> <p>Another example is an enforcement on carbon pricing, once the regulation turns into an obligation basis, it may incur extra cost as a risk at a global level such as suddenly purchasing sufficient renewable energy at each of our operating countries which include Asia, Europe, North America and South America, etc.</p> <p><How it is included in climate-related risk assessment></p> <p>- Since the acquisition of the environmental management system ISO14001 from 1997, we have been fully complying with environment-related regulation.</p> <p>- Furthermore, engaging with global initiatives such as UNGC, WBCSD, and multi stakeholders, we evaluate collected information as to global mega-trends including regulatory issues throughout the year.</p>
Technology	Relevant, always included	<p><Company specific example of risk type></p> <p>- For our strategic risk management, "Technology" is the risk that needs to be assessed. Specifically, we are sure that in the current era the evolution of digital technology, including AI, block-chains, and the Internet of Things (IoT), as well as the spread of mobile devices, is dramatically changing industry structures and creating risks and opportunities globally. For example, we currently utilize digital technologies to analyse new types of typhoons which have different courses so that we can provide climate-related products and services such as weather index insurance with sensing technology. Utilizing technologies, we could improve the accuracy and efficiency of grasping the impact of natural disasters and local conditions. As technology evolves day by day, if we don't grasp and manage the latest technology, it may prevent our business development.</p> <p><How it is included in climate-related risk assessment></p>

		<p>- We set up the Digital Strategy Department under Group CDO (Group Chief Digital Officer) pursuing innovation leveraging the power of digital technologies and aiming to develop climate-related products and services to enhance the resilience of the society. They regularly report the plans and results including the solution for climate change to the Group's Sustainable Management Committee.</p>
Legal	Relevant, always included	<p><Company specific example of risk type> Strengthening environment-related laws and regulations and increasing environmental awareness among citizens will lead to an increase in the number of lawsuits and higher compensation amounts. Examples of lawsuits could include lawsuits to hold companies responsible for environmental pollution caused by their corporate activities, the transition to a low-carbon and decarbonized society, and shareholder derivative lawsuits against management decisions of companies whose corporate value has decreased due to failure to adapt to climate change. We sell liability insurance that covers legal fees and compensation for the defendant company's response to the lawsuit, and there are several insurance lines, including environmental pollution liability insurance, product liability insurance, and D&O liability insurance. The net claims paid for these casualty insurance lines, including liability insurance, was 348 billion yen, accounting for 21.2% of all claims paid in FY 2020. In light of the above, an increase in the number of lawsuits will lead to an increase in both legal fees and indemnity insurance claims, and an increase in the amount of indemnity insurance claims will lead to an increase in indemnity insurance claims.</p> <p><How it is included in climate-related risk assessment> Through Strategic Risk Management, Sompo Holdings monitors information on trends in the nature of lawsuits and evaluates them. Sompo Holdings defines emerging risks as those that are not currently material but which, due to environmental changes, could become material and have a significant impact on the Group in the future. We identify the precursors of risks becoming significant and manage such risks accordingly. Through dialogue with experts in Japan and overseas and with reference to various sources of information, we identify candidate emerging risks. Of these risks, we monitor, research, and study on a Group-wide basis those with potential effects above a certain level.</p> <p>In addition, the Company has participated in the research in the field of compensation in the TCFD Information Disclosure Pilot of the UNEP FI (United Nations Environment Programme Finance Initiative) from the Sustainability Promotion Office of the Corporate Planning Department of the holding company, and obtained the latest international information.</p>

Market	Relevant, always included	<p><Company specific example of risk type></p> <ul style="list-style-type: none"> - For our strategic risk management, "Market Trends" is the risk that needs to be assessed. Due to the increase in frequency of natural disasters, the price of reinsurance would rise and fluctuate. In case we cannot attain reinsurance cover, we may not be able to provide sufficient cover to our customers. <p><How it is included in climate-related risk assessment></p> <ul style="list-style-type: none"> - Since 2017, we have been organizing a cross department team aiming to disclose climate-related financial information in line with TCFD recommendations. Utilizing expertise of respective departments, we gather all climate-related information and are monitoring the degree of impact of climate-related issues. Based upon Group ERM Basic Policy, the team members regularly report the issue to the management team, as necessary, the issue is discussed on the board. - Engaging with global initiatives such as UNGC, WBCSD, and multi stakeholders, we evaluate collected information in regard to global Mega-trends including market trends throughout a year.
Reputation	Relevant, always included	<p><Company specific example of risk type></p> <ul style="list-style-type: none"> - For our strategic risk management, "Reputation" risk incurred by insufficient action by not responding appropriately towards environmental initiatives which require actions beyond regulations or compliance such as follows; - As a financial institution, we are expected not to invest and provide insurance cover to companies or projects which are not in line with the Paris agreement. - As an institutional investor, we are expected to hold ESG engagement with companies. <p>From the respect of environmental issues such as tackling climate change, we have been proactively initiated and adapted to the world trend of social responsibility issues and fully incorporate the PDCA management system in its core business. Signing to an UN led ESG initiative or communicating with environmental NGO's would be the case and If we do not act appropriately we could lower our non-financial/ESG performance, which will lead to reputation risks and will decrease our business opportunities such as financial impact to our revenue and decline of stock price.</p> <p>As a third party evaluation of our reputation, Sompo Holdings has been selected and ranked 76th by "Inter Brand" among the whole Japanese business sector in FY2020 with the evaluation of approx., 500M US\$. Inter Brand is an organization that evaluates and rank companies brand images which include CSR (environmental issues are included) aspects. If we do not achieve our reputation in ESG or climate change issues we will not be able to maintain our reputation as a good corporate citizen imaged brand. (e.g. Inter Brand evaluation for SOMPO Holdings in FY2019 was 474M US\$).</p>

		<p><How it is included in climate-related risk assessment></p> <ul style="list-style-type: none"> - Since 2017, we have been organizing a cross department team aiming to disclose climate-related financial information in line with TCFD recommendations. Utilizing expertise of respective departments, we gather all climate-related information and are monitoring the degree of impact of climate-related issues. Based upon Group ERM Basic Policy, the team members regularly report the issue to the management team, as necessary, the issue is discussed on the board. - Responding to requests from ESG evaluation institutions such as CDP and DJSI, we are collecting information as to global mega-trends, stakeholder's needs and social reputation.
Acute physical	Relevant, always included	<p>Company specific example of risk type</p> <p>For our strategic risk management, Acute Physical Risk needs to be assessed. Insurance paid towards natural disasters, such as storms, floods, hurricanes, typhoons, droughts, have increased recently causing great financial impact to our business.</p> <p>For example in 2016 to countermeasure natural disaster and to swiftly payout 63,000 insurance claims, over 1,000 headquarters employees in Tokyo were dispatched to the affected areas in Japan, influencing the business operation. In this case the risk is that accordance to the natural disasters insurance claims, the insurance payment and the operation cost will rise. Also if we do not respond to this incident swiftly we might lose trust from the society as a reputation risk.</p> <p>Also, there will be a rise in expense cost such as for transport, accommodation, etc, to dispatch 1,000 employees to the affected areas.</p> <p>How it is included in climate related risk assessment</p> <p>Since 2017, we have been organizing a cross dept team aiming to disclose climate related financial information in line with TCFD recommendations. Utilizing expertise of respective dept's, we gather all climate related information and monitoring the degree of impact on climate related issues. Based upon Group ERM Basic Policy, the cross dept team regularly report to the management team, and when necessary the issues are discussed at the board.</p> <p>We appropriately manage natural catastrophe risks by conducting quantitative analysis of data on past natural events and keeping the risks within tolerance levels, which are established in light of capital and profits. Further, in response to the recent increase in the frequency of natural catastrophes, we are acquiring the latest knowledge through analysis of the damage trends of recent typhoons & other natural</p>

		<p>catastrophes as well as through analysis of meteorological & climatic big data. We then incorporate our findings into in house models and upgrade them. At the same time, we use evaluations of natural catastrophe risks when considering appropriate premium levels and in business management decisions on business plans and reinsurance strategies.</p> <p>To accurately understand and manage events that may have a major impact on Group management, scenario stress tests, reverse stress tests & sensitivity analyses are conducted on a Group wide basis. We analyse the degree of impact on capital and risk and establish a system to implement countermeasures as necessary.</p>
Chronic physical	Relevant, always included	<p><Company specific example of risk type></p> <p>- For our strategic risk management, "Chronic Physical Risks" is the risk that needs to be assessed. Once temperature rises, for example in our group's Nursing Care & Healthcare Business, the possibility of food poisoning (we manage a group company which provides food supply to nursing care houses) and the number of patients who get heatstroke will increase, which will affect our workers and business operations.</p> <p><How it is included in climate-related risk assessment></p> <p>- Since 2017, we have been organizing In 2017, we organized a cross department team aiming to disclose climate-related financial information in line with TCFD recommendations. Utilizing expertise of respective departments, we gather all climate-related information and are monitoring the degree of impact of climate-related issues. Based upon Group ERM Basic Policy, the team members regularly report the issue to the management team, as necessary, the issue is discussed on the board.</p>

C-FS2.2b

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

	We assess the portfolio's exposure	Please explain
Investing (Asset manager)	Yes	<p>Sompo Asset Management offers several ESG-focused funds, including "Sompo Japan Green Open (Nickname: Bunanomori)" established in 1999. ESG-focused funds, such as the "Bunanomori" build portfolios after assessing a company's response to environmental risks and opportunities, including its response to climate change. This evaluation analyzes and evaluates the challenge of the enterprise based on the questionnaire. The questionnaire identifies GHG emission reduction targets and results, actions to be taken, responses to</p>

		climate change adaptation, and envisaged environmental risks and opportunities and responses.
Investing (Asset owner)	Yes	Sompo Japan established an evaluation method to assess investment portfolio exposure to climate-related risks and opportunities in FY2020. Sompo Japan made a plan to evaluate methods through engagement with listed companies especially in industries with high GHG emissions.
Insurance underwriting (Insurance company)	Yes	<p>As for Japanese and overseas P&C insurance business, there is potential for insurance pay-outs to increase in the future due to intensification of natural disasters, such as frequent occurrence of wind and flood disasters caused by climate change, resulting in a decrease in insurance underwriting income that makes it difficult for our Group's P&C insurance business to stably provide insurance.</p> <p>Regarding wind, water and fire risks, we have been performing stress tests, then quantitatively evaluating the influence of any occurring stress scenarios that have serious impacts on management, and verifying factors such as the sufficiency of funds and effectiveness of risk mitigation strategies. To quantitatively analyze and understand natural disasters in the medium to long-term, from 2018 we have also operated large-scale typhoon and heavy rain analysis using weather and climate Big Data with ensemble climate prediction database d4PDF to quantitatively grasp average changes in disaster trends and trends in extreme disaster occurrence in climate scenarios of 2°C and 4°C temperature rises.</p>
Other products and services, please specify	Not applicable	

C-FS2.2c

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

	Portfolio coverage	Assessment type	Description
Investing (Asset manager)	Majority of the portfolio	Qualitative and quantitative	The portfolio covers ESG-focused funds offered by SOMPO Asset Management. Of the ESG-focused funds, some of the funds are related to Social aspects, so "Majority of the portfolio" is selected. SOMPO Asset Management offers several ESG-focused funds, including "Sompo Japan Green Open (Nickname: Bunanomori)" established in 1999. ESG-focused funds, such as the "Bunanomori" build

			portfolios after assessing a company's response to environmental risks and opportunities, including its response to climate change. This evaluation analyzes and evaluates the challenge of the enterprise based on the questionnaire conducted by SOMPO Asset Management to the portfolio companies. The questionnaire identifies GHG emission reduction targets and results, actions to be taken, responses to climate change adaptation, and envisaged environmental risks and opportunities and responses.
Investing (Asset owner)	Majority of the portfolio	Qualitative and quantitative	<p>The portfolio covers listed equity investment of Sompo Japan Insurance, which covers the majority of corporate-related assets. Sompo Japan calculated GHG emissions based upon the calculation method that the percentage of Sompo Japan's shares based on the number of issued shares for each issuer and the number of shares held by Sompo Japan. The data is collected referring to a database such as CDP and Bloomberg.</p> <p>From the respect of risks and opportunities of investment activity, Sompo Japan refers to the GHG emissions of investee companies, the data of which is calculated above, and conducts investment engagement with investees.</p>
Insurance underwriting (Insurance company)	Majority of the portfolio	Qualitative and quantitative	<p>The portfolio covers domestic non-life insurance business. Of the non-life insurance policies, the following analysis related to climate change was conducted for typhoons and floods, so "Majority of the portfolio" is selected. Regarding wind, flood and fire risks, we have been performing stress tests, then quantitatively evaluating the influence of any occurring stress scenarios that have serious impacts on management, and verifying factors such as the sufficiency of funds and effectiveness of risk mitigation strategies. To quantitatively analyze and understand natural disasters in the medium to long-term, from 2018 we have also done large-scale typhoon and heavy rain analysis using weather and climate Big Data with ensemble climate prediction database d4PDF, created by Japanese Ministry of Land, Infrastructure and Transport and tourism to quantitatively grasp average changes in disaster trends and trends in extreme disaster occurrence in climate scenarios of 2°C and 4°C temperature rises.</p>

			d4PDF is an ensemble climate prediction database developed by the Ministry of Education, Culture, Sports, Science and Technology's Program for Risk Information on Climate Change. Utilizing a large number of experimental examples (an ensemble) makes possible probabilistic and high precision evaluation of future changes in extreme weather events like typhoons and severe rainstorms. It also allows for highly accurate conclusions to be made about the impact of climate change-related natural disasters on our future society.
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C-FS2.2d

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

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Investing (Asset manager)	Yes	Majority of the portfolio	SOMPO Asset Management offers several ESG-focused funds, including "Sompo Japan Green Open (Nickname: Bunanomori)" established in 1999. ESG-focused funds, such as the "Bunanomori" build portfolios after assessing a company's response to environmental risks and opportunities, including water-related risks and opportunities. This evaluation analyses and evaluates the challenge of the enterprise based on the questionnaire. The questionnaire identifies Water-related targets, results, actions to be taken, and responses.
Investing (Asset owner)	No, we don't assess this		We do not specifically assess water-related risks and opportunities in the company's investment portfolio.
Insurance underwriting (Insurance company)	Yes	Majority of the portfolio	In our P&C insurance business, we develop and operate our own flood and heavy rainfall risk assessment model, and conduct assessments related to underwriting portfolios such as Fire Insurance.
Other products and services, please specify	Not applicable		

C-FS2.2e

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

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Investing (Asset manager)	Yes	Majority of the portfolio	SOMPO Asset Management offers several ESG-focused funds, including "Sompo Japan Green Open (Nickname: Bunanomori)" established in 1999. ESG-focused funds, such as the "Bunanomori" build portfolios after assessing a company's response to environmental risks and opportunities, including its response to climate –related issues such as biodiversity.
Investing (Asset owner)	No, we don't assess this		We do not specifically assess forest-related risks and opportunity in the company's investment portfolio.
Insurance underwriting (Insurance company)	Yes	Minority of the portfolio	We are assessing such insurance contracts which may destroy any World Natural or Cultural Heritage Sites, through the insurance underwriting process.
Other products and services, please specify	Not applicable		

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Investing (Asset manager)	Yes, for some	SOMPO Asset Management offers several ESG-focused funds, including "Sompo Japan Green Open (Nickname: Bunanomori)" established in 1999. ESG-focused funds, such as the "Bunanomori" build portfolios after assessing a company's response to environmental risks and opportunities, including its response to climate change. This evaluation analyses and evaluates the challenge of the enterprise based on the questionnaire. The questionnaire identifies GHG emission reduction targets and results, actions to be taken, responses to

		climate change adaptation, and envisaged environmental risks and opportunities and responses.
Investing (Asset owner)	No, but we plan to do so in the next two years	Although we made a plan to strengthen face-to face dialogue with listed companies especially in industries with high green gas emissions so that we could obtain information which is not disclosed but is under planning or consideration. However, engagement activities are not in progress due to the influence of corona (it is not possible to create an opportunity to talk with companies), and our efforts have temporarily stagnated. We would commence our dialogue while monitoring the corona virus situation.
Insurance underwriting (Insurance company)	Yes, for some	In the process of insurance underwriting, we obtain and assess necessary information in regard to flood-related risks.
Other products and services, please specify	Not applicable	

C2.3

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

Yes

C2.3a

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

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation

Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

Operational risk

Company-specific description

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

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

Time horizon

Medium-term

Likelihood

Very unlikely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

20,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Normally, carbon credits are transacted between 180 JPY to 900JPY. If you sum up all the estimated carbon credits of all the participating 3 buildings of Sompo Holdings the total cost will be approximately 20 million JPY($900\text{JPY/tCO}_2 \times \text{reduction obligation}(\text{tCO}_2)$ of 3 buildings) which is less than 0.001% of the entire groups profit. As for the likelihood of this risk, we have been complying with the Cap and Trade Scheme and relevant emission reduction rules through the ISO14001 management system. Additionally, as a result of energy saving efforts in our three buildings, we have been fully complying with the emission reduction level. Therefore, we consider the likelihood of this risk "very unlikely".

Cost of response to risk

5,100,000

Description of response and explanation of cost calculation

< Description of response>

While monitoring trends in environmental laws, we have fulfilled our obligation to reduce efforts based on the Act on the Rational Use of Energy (Energy Conservation Act) and to reduce greenhouse gas emissions based on the Tokyo Metropolitan Ordinance.

If the obligation is not met, we will have to raise the cost of emissions credits. Such costs need to be avoided and reported while fulfilling obligations.

Since the acquisition of the environmental management system ISO14001 from 1997, the secretariat of the ISO14001 management team will review its energy consumption data. The data along with the initiatives to reduce the CO2 emission is reported to the board of directors at least twice a year. Under this PDCA cycle, we have implemented a system to renew eco-friendly equipment and products. All of the group's main buildings are managed by a subsidiary company "Sompo Japan Corporate Service" and operates equipment management every year. Energy is saved by renewing equipment to eco-friendly products and all employees under the ISO14001 environmental management system are promoting eco-efficient initiatives to contribute in reducing CO2 emission as a whole.

In FY2020, we achieved a reduction of 1428 tons of GHG emission on the basis of the Group's total energy consumption, satisfying the effort requirement of the Energy Conservation Law and meeting the compliance criteria with the Tokyo Metropolitan Ordinance.

<Explanation of cost calculation>

The renewal examination fee for ISO 14001 environmental management system is 3.5 million yen, and the consulting fee for outside consulting companies is 1.6 million yen, which is 5.1 million yen per year.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Increased insurance claims liability

Climate risk type mapped to traditional financial services industry risk classification

Operational risk

Company-specific description

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

Time horizon

Short-term

Likelihood

Unlikely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

99,300,000,000

Potential financial impact figure – maximum (currency)

131,000,000,000

Explanation of financial impact figure

Insurance paid towards natural disasters has increased in recent years causing great impact to insurance business. NatCat SERVICE Munich Re, discloses in their research for weather related loss events in FY2020 worldwide as follows. Number loss events: 980. Overall loss: 210bn USD. Insured loss: 82bn USD.

In FY2020, as the case of Sompo Japan, insured weather related losses from extreme Japanese natural disasters including typhoons reached 131bn JPY. After deduction of reinsurance recovery/coverage, Sompo Japan's net insured losses was 99.3bn JPY. We set these figures minimum and maximum financial impacts.

As for the likelihood of this risk, since we are under the circumstances we can attain reinsurance cover as calculated above, we consider the likelihood of this risk "Unlikely."

Cost of response to risk

20,500,000

Description of response and explanation of cost calculation

The increase in the number of natural disasters is certain to lead to an increase in the amount of insurance claims payment which is a huge risk for Sompo Japan. In order to prepare for such incidents a reform of the profit structure is needed. As a response toward reforming the profit structure, Sompo Japan has strengthened the following three measures, Pricing optimization, Underwriting and Productivity improvement.

1. Pricing optimization

Pricing strategy that emphasizes profitability, such as optimizing group discounts for corporate employees and setting rates based on age

2. Underwriting

- Optimized rates and underwriting conditions for high-loss agencies and corporate policies
- Accident prevention support

3. Productivity improvement

- Advance sales network structure reform
- Digitization (AI/RPA)/zero-based work review

In FY2019, these three measures improved earnings by 9.9 billion yen, but in FY2020, they had an effect of 32 billion yen, generating a year-on-year increase of 22.1 billion yen. In addition, by FY2023, Sompo Japan plans to increase profits by approximately 57 billion yen compared to FY2020.

<Explanation of Cost of Response>

Our cost of operation to develop our physical risk analysis into a more forward-looking one is composed by the following items:

- Fees for TCFD Insurance working group of UNEP FI/ PSI: JPY2,500,000 (100JPY / 1USD)
- Fees for Sompo Risk management Inc. to develop group based scenario analysis for physical risk in accordance with TCFD recommendation: around JPY18,000,000

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Technology

Substitution of existing products and services with lower emissions options

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

Market risk

Company-specific description

<Description including time horizon>

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

<Company-specific description>

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

Time horizon

Long-term

Likelihood

Unlikely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1,800,000,000

Potential financial impact figure – maximum (currency)

3,000,000,000

Explanation of financial impact figure

Based on various survey data, SOMPO independently calculated the growth potential of the parking lot sharing market, and by FY 2030, the market is expected to grow to about 600 to 100 billion yen. 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.

Maximum: 100 billion yen x 30% share = 30 billion yen

Minimum: 60 billion yen x 30% share = 18 billion yen

Cost of response to risk

2,650,000,000

Description of response and explanation of cost calculation

Response:

Our company 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 our company, which has automobile insurance data and nationwide insurance agent sales channels, we minimize the risk of missing business opportunities in these emerging markets by developing and providing related specialized insurance.

Cost calculation

In addition to establishing a joint venture company for inter-individual car-sharing business, establishing a car-sharing business company as an affiliated company and operating the business, costs (year) and personnel expenses (year) are as follows.

Annual business administration cost for person to person car sharing : approximately 997000000 yen

Annual business administration cost for parking sharing: approximately 1653000000 yen

Comment

C2.4

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

Yes

C2.4a

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

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of climate adaptation, resilience and insurance risk solutions

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Sompo Holdings, as one of global leading social responsibility companies, has been proactively tackling sustainability issues, and fully incorporated the PDCA management system for CSR in its core business. 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 8th consecutive year. Therefore, the regulation "Cap and trade schemes" could be one of business opportunities for our entire Group.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

135,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

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

Total: Around 135 million JPY

- 90 million JPY for Environmental related services including "Registered safety management audit institute" but excluding items below.

- 22 million JPY for "Risk consulting business related to renewable energy (solar energy and wind power)"

- 23 million JPY for "Regular Safety management examination for Wind Power Generation Business"

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

Cost to realize opportunity

3,500,000

Strategy to realize opportunity and explanation of cost calculation

Strategy and Management: We have acquired the ISO14001 environmental management system since 1997 and integrated ISO26000 into our management system so that we can approach all social responsibility issues. That is how we are aware of new social trends including climate change and assess the impacts related to our business domain constantly. Through the PDCA management system utilizing the international standard, Sompo Risk Management Inc., as part of Sompo Holdings' social responsibility activities, has been expanding its consultation business in relation to Cap and trade schemes, renewable, solar and wind power based upon historical knowledge and experience of tackling climate change.

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

highest "S" Rank in the 8th consecutive year.

Cost of Management:

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

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of climate adaptation, resilience and insurance risk solutions

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

The P&C insurance industry is the sector vastly affected by the increase of natural disasters such as extreme weather caused by climate change, both in positive and negative sense. To cope with this changing environment and to take as much benefits out of it, Sompo Holdings has been developing and launching a number of products and services related to physical risks of climate change.

The Group is expanding the geographical areas abroad by tackling climate change as an opportunity. For example, Sompo Japan Insurance offers a variety of financial products and services that adapt towards climate change and also considering behavior change of consumers by providing products such as Weather Index Insurance in Thailand, Typhoon Guard Insurance in Philippines. In 2016 we received Japan's Environment Minister's Award for demonstrating the Principles for Financial Action towards a Sustainable Society. For our initiative in Myanmar utilizing the rainfall data estimated from earth observation satellites, we received the Japanese Minister of State for Space Policy Prize, at the Second Space Development and Utilization Grand Prize presentation. In FY2018, Sompo Insurance Thailand launched a new product to provide the first parametric weather insurance program for Longan farmers, developed under the direction of AgriSompo, an integrated platform to provide agriculture insurance and reinsurance solutions across globe, and in cooperation with Bank for Agriculture and Agricultural Cooperative (BAAC), in Thailand.

Also, promoting fire insurance for wind power generation companies with a special clause that covers costs to prevent a recurrence of accidents provides the usual insurance payments in the event of fire, lightning, or wind damage. This fire insurance for wind power generation received the Environment Minister's Prize from the Japanese Government for the 11th ECO-Products Award in FY2014. Other than insurance products, Sompo Risk Management Inc. is providing consultation service to corporate clients with the aim to support their efforts to assess disaster-associated risks and draw up contingency plans.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

19,884,800

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Sompo Holdings has originally developed Weather Index Insurance for rice farmers who struggle against drought in Thailand starting in 2010. Since 2017, Sompo International Holdings has been promoting AgriSompo, a global integrated agricultural insurance platform. In FY2020, Sompo International Holdings acquired Diversified Crop Insurance Services ("Diversified"), a leading U.S. crop insurance organization, and a strategic distribution partnership with InVivo Group, an agricultural cooperative in France. With this acquisition, AgriSompo became one of the largest crop insurance providers in the U.S. and the world.

The agriculture insurance gross premiums written of Sompo International Holdings grew by 24.9%, increasing USD198,848.00, in FY2020 compared to FY2019. (1USD=100JPY)

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

Cost to realize opportunity

25,500,000

Strategy to realize opportunity and explanation of cost calculation

To promote these initiatives, we set the CSR related KPI, "Develop and provide products and services" to contribute to climate change adaptation and mitigation. The KPIs enable all Group companies to share the same goals and exert unified efforts toward CSR including climate change, allowing the Group to achieve greater non-financial performance. To monitor and review the Group's progress and status regarding climate change, the Top Management Review Meeting is annually held. At the meeting, the Group COO receives regular updates regarding results on our activities to mitigate and adapt towards climate change from the CSR Department. The CSR Department will receive direct orders from the Group COO regarding the company's wide strategy towards climate change in the course of our core business.

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

- Fees for TCFD Insurance working group of UNEP FI/ PSI: JPY2,500,000 (100JPY / 1USD)
- Fees for Sompo Risk Management Inc. to develop group based scenario analysis in accordance with TCFD recommendation : around JPY8,000,000
- Fees for global initiatives to address social issues and to generate collective impact liaising with them: JPY15,000,000

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

<Description including time horizon>

In a world where global temperature increases will be held to less than 1.5 ° C in 2050, effective measures against climate change will be taken under a certain level of economic development, and the environment and economy will be in harmony, it is assumed that a recycling-oriented society that makes use of local resources, an energy-

saving society, and the development of material-free sharing services will develop. In the "Long-term strategy as a growth strategy based on the Paris Agreement" issued by the Japanese government in June 2020, the promotion of mobility services to improve services and convenience, the promotion of initiatives for the realization of seamless transportation, and the rapid expansion of the sharing economy including car sharing were indicated.

<Company-specific description>

In such a society, "mobility revolution" such as the development of seamless public transportation in the local community, may have an impact on the business of SOMPO Holdings P&C insurance, of which auto insurance revenue exceed 50%, such as a decrease in the number of automobiles. Specifically, could include a decline in automobile insurance sales due to a decline in the number of vehicles owned, and the loss of opportunities in new markets as the market environment changes (loss of sales). To address these risks, our company established a joint venture for person-to-person car sharing in 2019 and made a parking lot sharing business affiliate, positioning "Mobility as a Service" -related businesses as a growth area. As of 2020, after two years since its establishment 500 thousand customers have registered to this person-to-person car sharing service. Drawing on the strengths of our company, 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. Drawing on the strengths of our company, Sompo started providing automobile insurance from 1960's an era of motorization in Japan and now has grand data and nationwide insurance agent sales channels. We are continuously working to create new business opportunities by developing related specialized services.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

18,000,000,000

Potential financial impact figure – maximum (currency)

30,000,000,000

Explanation of financial impact figure

Based on various survey data, Sompo Holdings independently calculated the growth potential of the parking lot sharing market, and by FY2030, the market is expected to grow to about 60 to 100 billion yen. 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 yen x 30% share = 30 billion yen

Minimum: 60 billion yen x 30% share = 18 billion yen

Cost to realize opportunity

2,650,000,000

Strategy to realize opportunity and explanation of cost calculation

<Strategy to realize opportunity>

Based on the above forecasts, our company has positioned "Mobility as a Service" - related businesses as growth areas, including the establishment in 2019 of a joint venture for interpersonal car-sharing and the conversion of a car-sharing business into an affiliate. Drawing on the strengths of our company, which has automobile insurance data and nationwide insurance agent sales channels, we are working to create business opportunities by developing related specialized insurance.

Through the establishment of a joint venture company related to the car-sharing business and the conversion of the car-sharing business company into an affiliated company, we provide an interpersonal car-sharing service that analyzes the demand for car-sharing in areas and cars utilizing big data, a car-sharing service utilizing the insurance agency network, and specialized insurance associated with these services.

<Cost calculation>

In addition to establishing a joint venture company for inter-individual car-sharing business, establishing a car-sharing business company as an affiliated company and operating the business, costs (year) and personnel expenses (year) are as follows.

Annual business administration cost for person to person car sharing : approximately 997000000 yen

Annual business administration cost for parking sharing : approximately 1653000000 yen

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	

C3.2

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

Yes, qualitative and quantitative

C3.2a

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

Climate-related scenarios and models applied	Details
Other, please specify 2-4°C temperature rise climate prediction databases developed by MEXT's Social Implementation Program on Climate Change Adaptation Technology (d2PDF、d4PDF) and IEA "New Policies Scenario"	(Situation) Regarding wind storm and flood risks, we have been performing (i) stress tests, (ii) quantitative evaluation of the influence of stress scenarios that may have serious impacts on management if they occur, and (iii) verifying factors such as the adequacy of funds and efficacy of risk mitigation strategies. We are also performing quantitative analysis of the medium (3 years, time horizon aligned with our new mid-term management plan) to long-term (30 years, time horizon aligned with our long term GHG reduction plan) effect of natural disasters since 2018, by using weather and climate Big Data with ensemble climate prediction database d4PDF, to quantitatively grasp average changes in disaster trends such as typhoon and heavy rain, and trends in extreme disaster occurrence, under climate scenarios of 2 ° C by 2040 and 4 ° C by 2090 temperature risks. Of the scenario analyses undertaken by our company, the 2 ° C scenario is based on the IEA "Energy Technology Outlook (Energy Technology Perspective, ETP)" scenario, in which the increase in global mean temperature to 2040 is at least 50% likely to be held to 2 ° C. In addition, the 4 ° C scenario is based on the NPS (New Policies Scenario Forecasts 2090 Rise to 4 ° C) and combined with our company's own risk model to make our company's own

	<p>forecasts. Considering that it is common to consider the 2 ° C and 4 ° C scenarios when conducting scenario analysis taking into account the effects of climate change on a trial basis, these scenarios were adopted. The evaluation object of scenario analysis in regard of physical risk is for domestic P&C insurance business and as for transition risk the scope is for all our business (P&C insurance, Life insurance and Nursing care business, etc), including overseas, as we analysis European regulation trends to also occurrence of hurricane in the U.S. etc.</p> <p>(Task)</p> <p>As a result of the scenario analysis described above, it is predicted that the impact of physical risks posed by climate change will lead to a certain increase in water disasters and severe wind disasters. Assuming in approx. 20 to 30 years, there will be an increased risk that the profitability of domestic P&C insurance businesses will be seriously impaired.</p> <p>(Action)</p> <p>The results show that the frequency of typhoons is about -30% to +30%, and as the financial influence, amount of damage per typhoon (gross basis) is about +10% to +50%. In order to respond to the physical risk, we also plan to reduce the amount of domestic wind and flood damage risks by 22% in FY2023 compared to FY2015 by appropriately controlling the amount of these risks through reinsurance strategy and underwriting.</p> <p>In order to strengthen resilience in the medium to long term, we will increase the resilience of businesses to climate change by diversifying revenue sources through expansion of business areas and by diversifying risks geographically through overseas M&As. As an example, Sompo International Holdings, which is Sompo Holdings' subsidiary, is promoting AgriSompo, a global integrated agricultural insurance platform launched in FY2017. 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.</p>
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	<p>(Result)</p> <p>With this acquisition, AgriSompo became one of the largest crop insurance providers in the U.S. and the world.</p> <p>The agriculture insurance gross premiums written of Sompo International Holdings grew by 24.9% in FY2020 compared to FY2019.</p>
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C3.3

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

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>(Situation)</p> <p>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.</p> <p>(Task)</p> <p>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.</p> <p>(Action)</p>

		<p>Against this situation, in 2020, Sompo Japan released the ONE SOMPO WIND Service, which supports businesses by providing a comprehensive range of services, from identifying and assessing risks in offshore wind power generation to arranging insurance. We have launched "Sompo Climate Action" in our mid-term management plan from 2021 to 2023, and we plan to support the transition of society by providing risk consulting services and insurance in the wind power business.</p> <p>(Result)</p> <p>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.</p>
Supply chain and/or value chain	Yes	<p>(Situation)</p> <p>Financial institutions play an important role in transitioning to a decarbonized society as asset owners. In this sense, investee companies are important stakeholders for financial institutions in their supply chain.</p> <p>In October 2020, Science Based Targets guidance for financial institutions was issued to provide methodologies for mid-to-long term GHG reduction targets in their investment activities, raising expectations of society.</p> <p>From the respect of risks and opportunities towards a carbon neutrality society well below 1.5°Cby 2050, companies that place a burden on the environment are at risk of becoming stranded assets, and those that can adapt to the transition of society are expected to bring long-term benefits.</p> <p>In addition to securing past investment returns, Sompo also considers ESG-related risks and conducts investment activities that have a positive impact on society, while at the same time gaining medium to long term returns is an issue that has affected the formulation of our company's investment strategy.</p> <p>The risk is to swiftly understand how to gather and measure GHG information of investee companies. On the other hand it will be an opportunity if the guidance is used appropriately to</p>

		<p>engage efficiently with our supply chain towards a carbon neutrality society.</p> <p>(Result)</p> <p>After dialogue with NGOs and ministries, in October 2020, Sompo Japan, which owns majority of asset in the group, decided not to make investments and loans for the designated sensitive projects/sectors such as the project with negative impact on UNESCO World Heritage Sites, the Coal mining projects with excessive environmental impact, etc. after assessing the impact of respective project. Also, from the same year, we started ESG-focused engagement with investee companies, the topics of which were their progress of TCFD disclosure, GHG reduction targets, supply chain management etc.</p> <p>In 2021, as part of the SOMPO's new mid-term management plan for the 2021 ~2023, we launched "Sompo Climate Action," a policy of strengthening engagement with our customers to set GHG reduction targets in line with the Paris Agreement. Our aim is to achieve a carbon neutral society by 2050 and to contribute in the area of investments and loans as a financial institution.</p>
Investment in R&D	Yes	<p>(Situation)</p> <p>Due to climate change, major natural disasters have become more frequent in the past few years as a new normal risk influencing many lives.</p> <p>(Task)</p> <p>There is a heightened need to develop new measures to address natural disasters, particularly given that disaster-related rules of experience and prediction methods amassed over the years have started to prove ineffective.</p> <p>(Action)</p> <p>In light of these conditions, in order to enhance local disaster preparedness capabilities, Sompo Japan has formed a business alliance with One Concern, a Silicon Valley (U.S.A.)-based startup specializing in disaster preparedness systems. The two companies have begun jointly developing a disaster preparedness and mitigation system using advanced AI technology.</p> <p>(Result)</p>

		<p>Sompo Japan and One Concern have made partnerships with 6 Japanese major cities to develop the system. The system predicts floods from a weather forecast 72 hours before the incident occurs.</p> <p>The aim of this project is to enhance the Japanese local communities resilience in the coming few years with the aim to enhance the resilience in Japan. In addition, Sompo Holdings has invested approx. \$100M in One Concern financially.</p>
Operations	Yes	<p>(Situation)</p> <p>One example of transition risk in the connection with business operation is the increased cost of complying with stricter CO2 emission regulations.</p> <p>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.</p> <p>In addition to the regulations, we have been making efforts to reduce GHG emissions in line with the Paris Agreement.</p> <p>(Task)</p> <p>From FY2018, Sompo Holdings has been tackling a target of reducing emissions by 21% in FY2030 and 51% in FY2050, using FY2017 as the base year. Since 2015, group-based CSR related KPIs were identified in accordance with redefining the Group's 5 CSR Material Issues which include climate change. Since then, Sompo Holdings has been tracking the KPI which is set in the level of target reduction percentage in each year.</p> <p>Since SBT initiative recommends global companies to set the level of 1.5°C, Sompo Holdings were required to strengthen the company's ambitious level on GHG reduction target compared to current below 2°C level by expediting the degree of energy conservation and application of renewable energy to company owned buildings.</p> <p>(Action)</p> <p>In FY2021, we have invested 1,301,539,067 yen in energy-saving construction costs and continued to discuss a level of ambition for GHG reduction initiatives.</p> <p>(Result)</p>

		<p>In FY2020, Sompo Holdings decided to formulate a new GHG reduction/decarbonization target toward carbon-neutral by 2050 in line with the well below 1.5°C pathway.</p> <p>In the new target, as a medium-term, the reduction level is approximately 50% based on FY2019 by pursuing 60% renewable energy toward 2030. Specifically, in FY2021, Sompo Japan will switch electricity from its energy source to renewable one and have a medium-term target to pursue the higher ratio by switching to renewable energy in company-owned buildings.</p>
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C3.4

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

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs	<p>(Situation) In recent years, climate change has led to an increase in the scale and frequency of natural disasters.</p> <p>(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) Pricing optimization for insurance products (Insurance Premium) ,2)Insurance Underwriting(Insurance Rates), 3)Efficient Business operations(Productivity improvement).</p> <p>(Action) As an example of measures toward reforming the profit structure, Sompo Japan has strengthened the following three measures. (1) Pricing 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: <ul style="list-style-type: none"> Optimized rates and underwriting conditions for high-loss agencies and corporate policies Accident prevention support (3)Productivity improvement: <ul style="list-style-type: none"> Advance sales network structure reform Digitalization(AI/RPA)/Non paper promotion / Tele-commuting, zero- </p>

		<p>based work review</p> <p>As an example we have implemented a zero based work review in promoting employees to work at home (Tele commuting) and reduce usage of paper (Non Paper promotion) through digitalization. For FY2020, number of employees using Tele commuting has risen from approximately 10,000 to 30,000. In addition paper usage has decreased approximately 10% since FY2019 which improves the productivity and contributes to the business operational costs reduction.</p> <p>(Result)</p> <p>In FY2019, these three measures improved earnings by 9.9 billion yen, but in FY2020, they had an effect of 32 billion yen, generating a year-on-year increase of 22.1 billion yen. In addition, by FY2023, Sompo Japan plans to increase profits by approximately 57 billion yen compared to FY2020.</p>
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C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C-FS3.6

(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?

Yes, both of the above

C-FS3.6a

(C-FS3.6a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Investing (Asset manager)	Sustainable/Responsible Investment Policy	All of the portfolio	Sompo Asset Management has "Responsible Investment Policy" to fulfil its fiducial duties as an asset management firm, where it states concrete initiatives and fully aware of the necessity of ESG related information including climate change as well as of ESG integration on its activity. This policy covers all of the portfolio that Sompo Asset Management manages.

			In accordance with its philosophy, Sompo Asset Management actively participated in Climate Action 100+ and became a signatory of the Montreal Carbon Pledge.
Investing (Asset owner)	Underwriting policy Sustainable/Responsible Investment Policy	Majority of the portfolio	Sompo Japan identified projects which have potentially negative environmental or social impact such as the projects of coal fired power generation with excessive environmental impact and publicly disclosed the list of projects. The results are reported to the ESG/Sustainability Working Group under the Sustainability CSR Committee, chaired by the Group COO in order to accumulate the knowledge on ESG risks group wide and to assess whether or not current coverage is enough.
Insurance underwriting (Insurance company)	Insurance underwriting policy	Majority of the portfolio	Sompo Japan identified projects which have potentially negative environmental or social impact such as the projects of coal fired power generation with excessive environmental impact and publicly disclosed the list of projects. The results are reported to the ESG/Sustainability Working Group under the Sustainability CSR Committee, chaired by the Group COO in order to accumulate the knowledge on ESG risks group wide and to assess whether or not current coverage is enough.
Other products and services, please specify			

C-FS3.6b

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

Type of exclusion policy	Portfolio	Application	Description
Coal	Insurance underwriting	New business/investment for new projects	In principle, from December 2020, Sompo Japan does not undertake insurance underwriting or investment and financing for the construction of

	Investing (Asset owner)		new coal-fired power plants in Japan, except for projects for which Sompo Japan has already announced that Sompo Japan will undertake insurance underwriting and investment and financing. In case facilities that have a certain level of power generation efficiency based on energy policies, Sompo Japan may carefully consider and take measures after confirming whether or not there are measures to reduce environmental impact such as reduction of greenhouse gas emissions and alternative measures.
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C-FS3.7

(C-FS3.7) Are climate-related issues factored into your external asset manager selection process?

Yes, for some assets managed externally

C-FS3.7a

(C-FS3.7a) How are climate-related issues factored into your external asset manager selection process?

	Process for factoring climate-related issues into external asset management selection	Comment
Row 1	Other, please specify For third-party asset management not covered by our RI policy, we confirm, list and manage if third parties are PRI signees, affiliated with the American Investment committee (AIC), and/or if they have published ESG-related reports.	

C4. Targets and performance

C4.1

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

Absolute target

C4.1a

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

Target reference number

Abs 1

Year target was set

2018

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based) +3 (upstream & downstream)

Base year

2017

Covered emissions in base year (metric tons CO₂e)

285,222

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

60

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

114,088.8

Covered emissions in reporting year (metric tons CO₂e)

241,946

% of target achieved [auto-calculated]

25.2879043926

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

This data includes domestic and overseas group companies. This target has not verified as SBT yet, but met all of the following criteria;

- the % of emissions in scope are 70% or higher,
- targets must cover both scope 1 and 2 emissions,
- has a medium time frame (target year is between 5 and 15 years more than the "Start year" inclusive),

- has a long time frame (target year is after 15 years more than the "Start year"),
- the targets meet at least a 2.1% year-on year emissions reductions between base year and target year.

Target reference number

Abs 2

Year target was set

2018

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based) +3 (upstream & downstream)

Base year

2017

Covered emissions in base year (metric tons CO₂e)

285,222

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2050

Targeted reduction from base year (%)

100

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

0

Covered emissions in reporting year (metric tons CO₂e)

241,946

% of target achieved [auto-calculated]

15.1727426356

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

This data include domestic and overseas group companies. This target has not verified as SBT yet, but met all of the following criteria;

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

C4.2

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

No other climate-related targets

C4.3

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

Yes

C4.3a

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	11	0
To be implemented*	15	209
Implementation commenced*	0	0
Implemented*	37	1,810
Not to be implemented	3	0

C4.3b

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

Initiative category & Initiative type

Energy efficiency in buildings
Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

132

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

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

21,541,609

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

496,700,000

Payback period

16-20 years

Estimated lifetime of the initiative

16-20 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

562

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

58,577,275

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

804,839,067

Payback period

16-20 years

Estimated lifetime of the initiative

16-20 years

Comment

Initiative category & Initiative type

Company policy or behavioral change
Resource efficiency

Estimated annual CO2e savings (metric tonnes CO2e)

1,116

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

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

432,364,872

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

0

Payback period

No payback

Estimated lifetime of the initiative

3-5 years

Comment

C4.3c

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

Method	Comment
Dedicated budget for energy efficiency	Dedicated budget for energy efficiency "Top Management Review Meeting" is held annually to monitor and review the group's progress and status regarding climate change for Sompo Holdings. At the meeting, the Group COO received regular updates regarding on our GHG footprints and the results of the activities to adapt and mitigate climate change from CSR Working Group(Secretariat; CSR Dept) also receives direct orders from Group COO regarding the company wide strategy to diminish our carbon footprint in the course of our business activities.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

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

In FY 2020, Web Agreement saved approximately 522t of paper, which is calculated as an estimated 767t of CO2 reduction.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

Company definition

% revenue from low carbon product(s) in the reporting year

47.75

% of total portfolio value

100

Asset classes/ product types

Insurance underwriting

Property & Casualty

Comment

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

April 1, 2017

Base year end

March 31, 2018

Base year emissions (metric tons CO₂e)

30,097

Comment

Scope 2 (location-based)

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Scope 2 (market-based)

Base year start

April 1, 2017

Base year end

March 31, 2018

Base year emissions (metric tons CO₂e)

152,337

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

ISO 14064-1

C6. Emissions data

C6.1

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

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

23,608

Start date

April 1, 2020

End date

March 31, 2021

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO₂e)

27,297

Start date

April 1, 2019

End date

March 31, 2020

Comment

C6.2

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

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

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

Reporting year

Scope 2, location-based

143,083

Scope 2, market-based (if applicable)

141,354

Start date

April 1, 2020

End date

March 31, 2021

Comment

Past year 1

Scope 2, location-based

151,491

Scope 2, market-based (if applicable)

142,077

Start date

April 1, 2019

End date

March 31, 2020

Comment

C6.4

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

No

C6.5

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

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

12,659

Emissions calculation methodology

Activity data; The volume of purchased goods and services in the reporting year was calculated from the financial data. Activities that correspond to this category are as follows; Use of paper, Printing, Water supply, Sewerage, Use of PC server. Emissions factor; We mainly applied data from the "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.0)" created by Japan Ministry of the Environment and Ministry of Economy, Trade and Industry. Methodology; We calculated CO₂ emissions by multiplying the volume of purchased goods and services and the emissions factor.

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

0

Please explain

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

41,356

Emissions calculation methodology

Activity data; The volume of capital goods (New construction of buildings) in the reporting year was calculated from the financial data. Emissions factor; We mainly applied data from the "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.0)" 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.

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

0

Please explain

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

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

28,631

Emissions calculation methodology

Activity data; The annual energy consumption in the reporting year was compiled on the basis of data from internal systems. Emissions factor; We mainly applied data from the "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver.3.0)" created by Japan Ministry of the Environment and Ministry of Economy, Trade and Industry. Methodology; We calculated CO₂ emissions by multiplying Fuel, Electricity and Steam consumption and the emissions factor.

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

0

Please explain

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

15,096

Emissions calculation methodology

Activity data; The volume of Upstream transportation and distribution in the reporting year was calculated from the financial data. Emissions factor; We mainly applied data from "Default emission factor based on Act on Promotion of Global Warming" and "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (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.

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

0

Please explain

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

6,895

Emissions calculation methodology

Activity data; The amount of waste by type in the reporting year was estimated from figures of some domestic business sites as sample. Emission factor; We mainly applied data from "the basic database of Carbon Footprint Communication Program conducted by Japanese government and JEMAI (Japan Environmental Management Association for Industry)" and "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver. 3.0) created by Japan Ministry of the Environment and Ministry of Economy, Trade and Industry". Methodology; We calculated CO2 emissions by multiplying the amount of waste by type and the emissions factor.

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

0

Please explain

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

6,397

Emissions calculation methodology

Activity data; The volume of business travel (train, super express, bus, taxi, car rental, airplane, ship, staying at the hotel) in the reporting year was calculated from the financial data. Emissions factor; We mainly applied data from "Guidelines for calculating greenhouse gas emissions from the activity for the carbon offsetting, created by Japan Ministry of the Environment" and "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 business travel and the emissions factor.

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

0

Please explain

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

7,306

Emissions calculation methodology

Activity data; The distance of Employee commuting (train, bus, own car and ship) in the reporting year was calculated from the data of commuting route of employees and from the data of travel allowance. Emissions factor; We mainly applied data from "Guidelines for calculating greenhouse gas emissions from the activity for the carbon offsetting, created by Japan Ministry of the Environment" and "Emissions intensity database for calculating corporate supply chain greenhouse gas emissions (Ver3.0) ,created by Japan Ministry of the Environment and Ministry of Economy, Trade and Industry". Methodology; We calculated CO2 emissions by multiplying the distance of Employee commuting and the emissions factor.

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

0

Please explain

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Activity data;
Upstream leased assets are copy machine 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

Evaluation status

Not relevant, calculated

Metric tonnes CO₂e

0

Emissions calculation methodology

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

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

0

Please explain

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Activity data; The volume of activities in this category in the reporting year was calculated from the financial data. But there is nothing applicable in this category because we do not sell manufactured products. Therefore, the volume of activities in this category was calculated as zero.

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Activity data; The volume of activities in this category in the reporting year was calculated from the financial data. But there is nothing applicable in this category because we do not sell manufactured products. Therefore, the volume of activities in this category was calculated as zero.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Activity data; The volume of activities in this category in the reporting year was calculated from the financial data. But there is nothing applicable in this category

because we do not sell manufactured products. Therefore, the volume of activities in this category was calculated as zero.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Activity data; The volume of activities in this category in the reporting year was calculated from the financial data. But there is nothing applicable in this category because we do not sell lease assets. Therefore, the volume of activities in this category was calculated as zero.

Franchises

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

401,007

Emissions calculation methodology

Notes; Insurance sales agency does not fall under the franchise in a strict sense. However, from the point of view to capture our own responsibility more widely, we calculated the GHG emissions from the insurance sales agency on a trial basis. Because this calculation result is experimental, this category's emissions are not aggregated as our emissions of the reporting year. Activity data; The volume of activities in this category in the reporting year was calculated from the financial data. Emissions factor; We applied data from the "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 activities and the emissions factor.

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

0

Please explain

Other (upstream)

Evaluation status

Please explain

Other (downstream)

Evaluation status

Please explain

C6.10

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

Intensity figure

0.0000000429

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

164,961

Metric denominator

unit total revenue

Metric denominator: Unit total

3,846,323,000,000

Scope 2 figure used

Market-based

% change from previous year

4.8

Direction of change

Decreased

Reason for change

Scope 1 + 2 decreased due to mitigation activities and the impact of the pandemic of COVID-19, and profits did not change much. Due to mitigation activities (such as switching to LED lighting) and pandemics, the amount of Scope 1 + 2 decreased by 2.6%.

On the other hand, earnings in 2020 increased by 2.3%.

Previous year strength: 0.0000000450 t-CO₂e / JPY

The impact of the COVID-19 pandemic on corporate activities is as follows.

- Gasoline usage decreased significantly due to a decrease in sales activities in person.
- Electricity consumption has been reduced due to the recommendation of working from home.

Intensity figure

2.63

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

164,961

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

62,770

Scope 2 figure used

Market-based

% change from previous year

3.5

Direction of change

Decreased

Reason for change

Scope 1 + 2 decreased due to mitigation activities and the impact of the COVID-19 pandemic, and the number of employees increased by about 1%. Due to mitigation activities and pandemics, the amount of Scope 1 + 2 decreased by 4,412 t-CO₂e. Of this, 728 t-CO₂e decreased due to reduction activities such as switching to LED lighting. Strength of the previous year: 2.72 t-CO₂e / FTE

The impact of the COVID-19 pandemic on corporate activities is as follows.

- Gasoline usage decreased significantly due to a decrease in sales activities in person.
- Electricity consumption has been reduced due to the recommendation of working from home.

C7. Emissions breakdowns

C7.9

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

Decreased

C7.9a

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

	Change in emissions (metric tons CO ₂ e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	232	Decreased	0.14	Sompo Holdings has succeeded in reducing 232t-CO ₂ e of Scope2 emissions in 2020 by increasing the use of renewable energy. [Calculation] -0.14% = (FY2020 Renewable Energy: 232t-CO ₂ e) / (FY2019: 169,373 t-CO ₂ e) * 100
Other emissions reduction activities	725	Decreased	0.43	Sompo Holdings has succeeded in reducing 725t-CO ₂ e of Scope1 and Scope2 emissions in 2020 compared to 2019. [Calculation] -0.43% = (Reduction activities in 2020: 725 t-CO ₂ e) / (2019: 169,373 t-CO ₂ e) * 100 The main factor in emission reduction activities is the reduction of electricity consumption. Power reduction is one of the group KPIs in the context of climate change.
Divestment				
Acquisitions				
Mergers				
Change in output	3,455	Decreased	2.18	Sompo Holdings has reduced Scope1 and Scope2 emissions of 3,455t-CO ₂ e in 2020 compared to 2019. [Calculation] -2.04% = [(FY2019: 169,373 t-CO ₂ e)-(FY2020: 164,961 t-CO ₂ e) - (FY2020 reduction activities: 725t-CO ₂ e)- (FY2020 Renewable Energy: 232t-CO ₂ e)] / (FY2019: 169,373 t-CO ₂ e) * 100 A major factor in this change is the pandemic of COVID-19.

				Gasoline usage has decreased significantly due to a decrease in sales activities in person. In addition, the recommendation to work from home has reduced electricity usage.
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

C7.9b

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

Market-based

C8. Energy

C8.1

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

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

C8.2

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

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

Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

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

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	111,442	111,442
Consumption of purchased or acquired electricity		2,361	291,876	294,237
Consumption of purchased or acquired heat		0	1,848	1,848
Consumption of purchased or acquired steam		0	8,660	8,660
Consumption of purchased or acquired cooling		0	14,889	14,889
Consumption of self-generated non-fuel renewable energy		67		67
Total energy consumption		2,428	428,715	431,143

C9. Additional metrics

C9.1

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

C10. Verification

C10.1

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

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

C10.1a

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

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 CDP-verification-letter-2020_SompoHD_Fixed20210712.pdf

Page/ section reference

Page2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

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

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 CDP-verification-letter-2020_SompoHD_Fixed20210712.pdf

Page/ section reference

Page2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

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

Scope 3 category

Scope 3: Purchased goods and services

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 CDP-verification-letter-2020_SompoHD_Fixed20210712.pdf

Page/section reference

Page2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

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

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 CDP-verification-letter-2020_SompoHD_Fixed20210712.pdf

Page/section reference

Page2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Upstream transportation and distribution

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 CDP-verification-letter-2020_SompoHD_Fixed20210712.pdf

Page/section reference

Page2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Waste generated in operations

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 CDP-verification-letter-2020_SompoHD_Fixed20210712.pdf

Page/section reference

Page2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 CDP-verification-letter-2020_SompoHD_Fixed20210712.pdf

Page/section reference

Page2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Employee commuting

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 CDP-verification-letter-2020_SompoHD_Fixed20210712.pdf

Page/section reference

Page2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

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

Yes

C10.2a

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

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

C11. Carbon pricing

C11.2

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

No

C11.3

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

Yes

C11.3a

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

Objective for implementing an internal carbon price

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

GHG Scope

Scope 1
Scope 2

Application

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

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

900

Variance of price(s) used

The above prices is a uniformed price, based on the unit purchase price (900 yen, per ton of CO2 emissions) referring to the Tokyo Cap & Trade Scheme.

Type of internal carbon price

Internal fee
Implicit price

Impact & implication

Internal Carbon Pricing (ICP) will be examined and judged based on a comparative balance after confirming the external price of the Tokyo Cap & Trade Scheme.

Investment in energy saving equipment such as high efficiency appliances and LED lighting introduction as well as CO2 reduction effects based on a comparison of installation prices.

Since the purpose of investment in energy saving facilities is not merely to reduce CO2, but also include various effects such as periodic facility renewal, the appropriateness of prices is confirmed for each item.

We use ICP for investment decision making in regard of LED or CO2 efficient facility. Sompo Japan owns at least 150 buildings and using ICP we prioritize which building we should invest first by assessing the each buildings GHG emissions.

Specifically, we convert estimated GHG emission to a monetary figure by 900JPY/tCO2, as uniformed price. By monetizing GHG emissions, priorities are determined based upon the economic rationale compared with the investment amount. In case of a decision to introduce an eco efficient facility system to Building A on an investment basis, the decision to priorities Building B was made by taking into consideration the effect of CO2 reduction.

In the past, investment decisions were based solely on cost effectiveness calculated based on electricity consumption. By introducing ICP, the estimated carbon credits of Sompo's 3 buildings participating in the Tokyo Cap & Trade Scheme total cost sum up to approx. 20 million JPY (900JPY/tCO2 reduction obligation of 3 buildings). There is a payment risk of max. of 20 million yen but have been complying with the scheme and relevant emission reduction rules through the CSR Management System.

ICP is now included in investment decisions and evaluated from various perspectives. As a result of energy saving efforts in our 3 buildings, we have fully complied with the emission reduction level. In addition, understanding the monetary value of GHG emission and the impact to society, awareness towards renewable energy has grown internally as an important sustainability issue. As a majority of our domestic business operation is conducted at offices with more than 30,000 employees working, the energy consumption at an office level emits approx. 50% of our GHG emission. We are now in a process in expanding the implementation of such eco friendly energy.

C12. Engagement

C12.1

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

Yes, our customers

Yes, other partners in the value chain

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

71.2

% of customer - related Scope 3 emissions as reported in C6.5

10

Portfolio coverage (total or outstanding)

Majority of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement

Group of customers: Retail customers of Sompo Japan Insurance - Rationale explanation: Sompo Japan Insurance is a domestic P&C insurance company as the core business of Sompo Holdings, the company accounts for over 60% of the Group's adjusted profit. Due to the scale of business, Sompo Japan insurance occupies around 50% of CO2 emissions within the whole group. For Sompo Japan Insurance FY2020's customers contracts of Automobile Insurance and Fire Insurance sums up to approximately 11 million. (For Sompo Japan Insurance Automobile Insurance has about 50% of the annual sales and as for Fire Insurance the domestic share is approximately 30%, therefore the impact of engagement through our core business is most important as there has to be a lot of engagement operated throughout the value chain. This engagement target has been chosen because it has the most number in customers and has the most impact in paper usage in regard of producing paper based insurance clause throughout our business operation).

Approximately 55% of customers is calculated by the total number of Sompo Japan's customers as denominator, the number of customers who can potentially choose web based service as numerator.

Insurance Products which can be selected in the WEB-based insurance clause covers more than half of the P&C insurance products, so we consider we cover the majority of the value chain for engagement.

When promoting the WEB-based insurance clause to customers, we explain to our

customers that choosing the WEB-based insurance clause leads to reducing usage of paper and reduces our GHG emission through our value chain. This will support our biodiversity conservation project jointly organized with environmental NGOs where all stakeholders including our customers can join. Using the fund by reducing paper costs, we operate this project aiming to provide education for sustainable development for our future. (Insurance paper based clause has a large impact in our GHG emission)

Impact of engagement, including measures of success

Impact of engagement to measure success: In FY2020, we managed to achieve a high rate of 71.2% (we aim a KPI for an over 70% standard for FY2020,) of customers to choose WEB-based insurance clauses instead of paper-based ones, which is equal to reducing 522.24 tons of paper usage. (Considering insurance clause had a culture of been provided paper based, we evaluate that 70% is a high standard target and also contributing to the transition towards digitalization.)

Each year we disclose the result in our annual reporting and encourage our agents to continuously communicate and engage with our customers to join this initiative towards a sustainable society. This initiative started since 2012 and has been awarded several accolades from governmental officials, etc, which also help to engage more and create stronger partnership with our stakeholders.

Measures of success: Sompo Holdings sets CSR-KPIs based on material issues including engagement with stakeholders. In FY2020, one of Group CSR KPI is to reduce paper use by 1.6% from FY2019. In this KPI for FY2020, we achieved a 10.4% reduction greatly thanks to this engagement.

C12.1d

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

Sompo Holdings sets CSR-KPIs based on material issues including engagement with stakeholders. Sompo Holdings continues to check the status of each CSR-KPIs. Monitoring CSR-KPIs allows the group to achieve ever-greater non-financial performance, while also allowing us to evaluate progress, disclose results and, in turn, promote dialogue and build trust with our stakeholders.

In order to solve social issues such as climate change on a global scale, Sompo Holdings feels the need to collaborate with our stakeholders, especially with our agencies who are important partners in the sales channel.

Sompo Holdings encourages its approx. 40,000 agencies through sales promotion in Japan to promote Web Agreement, a service in which customers who have entered into insurance contracts over the internet can view their insurance agreement on their computer. As for promotion, we renewed the agent insurance contract system to easily select the web based insurance clause rather than the paper based insurance clause. Each year we monitor and disclose the result in our annual reporting. We also provide tools such as brochures to encourage our agents to continuously communicate and engage with our customers to join this initiative towards a sustainable society. This initiative started since 2012 and has been awarded several accolades from governmental officials, etc, which also help to engage more and create stronger partnership with our stakeholders.

Customers can reduce paper usage by choosing Web Agreement. A portion of the cost reduced is used as capital for the Save Japan Project, an initiative that protects the domestic natural environment and works towards creating a sustainable society while bearing in mind about developing the next generation.

In FY2020, Web Agreement saved approximately 5224.24 tons of paper, which is calculated as an estimated 767.69 tons of CO2 reduction. Moreover, one of Group CSR KPI is to reduce paper use by 1.6% from FY2019. In this KPI, we archived 10.4% reduction greatly thanks to this engagement.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Other

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

To solve social issues including climate change at a global level, the collaboration of multiple organizations is indispensable and Sompo Holdings has actively participated in and endeavoured to take a leading role in a wide variety of international and domestic CSR initiatives. Participation in CSR initiatives Sompo Holdings actively participates and endeavours to take a leading role in international and domestic initiatives and 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 and actively engage with their initiatives worldwide.

- World Business committee for Sustainable Development (Since 1995)
- United Nations Global Compact (Since 2006)
- United Nations Environment Programme Finance Initiative (Since 1995)
- United Nations Principles for Responsible Investment (Since 2006)
- United Nations Principles for Sustainable Insurance (Since 2012)
- Women's Empowerment Principles (Since 2012)
- Member of the steering committee for Caring for Climate, an initiative established by United Nations Global Compact, United Nations Environment Programme Finance Initiative and United Nations Framework Convention on Climate Change.
- Responding to Unfriend Coal, international coalition of environment NGO, survey and having periodic engagement (Since 2017)
- Support TCFD recommendation (Since 2018)
- Committed to set SBT (2018)
- Support Japan Climate Initiative and joined as founding member (Since 2018)
- Support PSI-WWF-UNESCO Protecting World Heritage Sites and became a signatory as founding member (Since 2018)
- Join TCFD Consortium, the Ministry of Economy, Trade and Industry (METI) for organizations in Japan supporting TCFD (Since 2019)

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

As an entire group, based upon Group CSR Vision, Sompo Holdings strives to build CSR promotion systems under the defined "Group's 5 CSR Material Issues," which involve "Promoting the Manageability of Global Environmental Issues" commonly to all group companies worldwide by drawing upon their respective strengths and experience to strategically approach climate change with no contradiction.

As an overall scheme of Sompo holdings, we have expanded the ISO 14001 certification we obtained in 1997 to the entire Group and built a management system that covers all social responsibility initiatives. Each Group company now has its own CSR management organization led by the CEO or other executive officer and run by a team of managers and leaders. Furthermore a CSR-Eco Facilitator is appointed at every worksite in an effort to encourage self-motivated bottom-up action. Currently, approximately 2,800 (as of June 2020) CSR-Eco Facilitators and other staff across the Group are spearheading initiatives relevant to their respective workplaces. Each workplace follows a PDCA cycle to make improvements and accelerate action, a process that involves drafting an annual CSR action plan at the start of the fiscal year and conducting half-year and full-year reviews. We also conduct dialogue-based internal auditing to advance initiatives at each workplace. The operating and management status of initiatives are regularly reported to the Management Committee for review. From the respect of enhancing all employees' understanding, we offering seminars for Group employees with our own training materials covering ISO 26000, the SDGs, and ESG topics; grade-specific seminars for executives, new managers, and newly-hired employees; and annual dialogues with external experts for product development, management, and other departments.

Furthermore, as to the operation scheme of overseas group companies, Sompo Holdings requires overseas group companies to report when the group companies launch specific sustainability-related policy such as coal policy or vision so that the group can confirm whether our approach and initiatives are consistent with our overall climate change strategy.

Addressing our initiatives and global issues, Sompo Holdings regards communication with various stakeholders as an essential activity for identifying social issues, building trust and cooperative relationships with stakeholders, and making greater achievements. We make sure to maintain effective stakeholder engagement at all times when conducting initiatives. To solve social issues including climate change at a global level, the collaboration of multiple organizations is indispensable and Sompo Holdings has actively participated and endeavours to take a leading role in a wide variety of international and domestic initiatives. Sompo Japan Insurance is a member of the WBCSD (World Business committee for Sustainable Development) and actively participated in the development of WBCSD's Action2020 as a core member. Action2020 has 9 priority areas to actively engage in policy making. One of the priority areas is Climate & Energy and its aim is to limit global temperature rise to under two degree Celsius from pre-industrial levels in line with IPCC scenarios. WBCSD is working

together with various organizations and governments to advocate the business voice to policy makers.

C12.4

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

Publication

In mainstream reports

Status

Complete

Attach the document

 SOMPOHD_SecuritiesReport2020_JP.pdf

Page/Section reference

Governance - p.32

Strategy - p32

Risks & Opportunities3- 32-33p

Content elements

Governance

Strategy

Risks & opportunities

Comment

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

 SOMPOHD_IntegratedReport2020_climatechange_pp28-31.pdf

Page/Section reference

Governance - p.28

Strategy - p28-30

Risks & Opportunities - p28-30

Emissions figures - p31

Emission targets - p31

Content elements

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Comment

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework	Principles for Responsible Investment (PRI) Task Force on Climate-related Financial Disclosures (TCFD)	
Industry initiative	Principles for Responsible Investment (PRI) UNEP FI Principles for Sustainable Insurance Climate Action 100+ Science-Based Targets Initiative for Financial Institutions (SBTi-FI)	
Commitment	Montreal Pledge	

C14. Portfolio Impact

C-FS14.1

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Investing (Asset manager)	Yes	Alternative carbon footprinting and/or exposure metrics (as defined by TCFD)	
Investing (Asset owner)	Yes	Category 15 "Investment" total absolute emissions	
Insurance underwriting (Insurance company)	No, but we plan to do so in the next two years		

Other products and services, please specify	Not applicable		
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C-FS14.1a

(C-FS14.1a) What are your organization's Scope 3 portfolio emissions? (Category 15 "Investments" total emissions)

Category 15 (Investments)

Evaluation status

Relevant, calculated

Scope 3 portfolio emissions (metric tons CO₂e)

2,709,984

Portfolio coverage

More than 90% but less than or equal to 100%

Percentage calculated using data obtained from client/investees

27

Emissions calculation methodology

The calculation method is to calculate the percentage of Sompo Japan's shares based on the number of issued shares for each issuer and the number of shares held by Sompo Japan, and collect GHG emission data of each issuer from a database such as CDP and Bloomberg. If GHG emission data is not covered by CDP and Bloomberg, we estimate it by sectoral emission data from public sources.

Please explain

Through the process of deepening our study on SBT for Financial Institution, from FY2019, we calculated GHG emission on our listed equity portfolio. For the trial, we calculated all shares of Sompo Japan as the target range and used the data of FY2018 which was available at the time of trial. So we chose "More than 90% but less than or equal to 100%" as portfolio coverage.

C-FS14.1b

(C-FS14.1b) What is your organization's Scope 3 portfolio impact? (Category 15 "Investments" alternative carbon footprinting and/or exposure metrics)

Metric type

Weighted average carbon intensity

Metric unit

Other, please specify

tCO2/1millionJPY

Scope 3 portfolio metric

1.48

Portfolio coverage

More than 50% but less than or equal to 60%

Percentage calculated using data obtained from clients/investees

100

Calculation methodology

Scope of portfolio is “SNAM Sustainable Investment Mother Fund”, which operates ESG-integrated evaluation and aims for long-term investment by Buy and Hold oriented. GHG emissions data of each investee companies is collected from questionnaire, called “Bunanomori Environmental Questionnaire”, conducted by Sompo Risk Management as well as from disclosed information.

Please explain

Among the portfolio of the company, “SNAM Sustainable Investment Mother Fund”, which operates ESG-integrated evaluation and aims for long-term investment by Buy and Hold oriented, is the most appropriate due to its volume for grasping GHG emissions in Scope 3 category 15.

Sompo Asset Management annually calculates the figure/GHG emissions as part of the Montreal Carbon Pledge initiative.

Portfolio coverage is the rate calculated based on the total net assets of the funds focused on ESG managed by the company. From FY2020, Sompo Asset Management started to calculate weighted average carbon intensity multiplying the emissions per sales by the ownership ratio for each company of the funds. Sompo Asset Management utilizes the result of calculation as one of important benchmarks to fulfill the duty of explanation to its stakeholders.

Sompo Asset Management continues to have dialogues with investee companies that do not disclose their emissions.

C-FS14.1c

(C-FS14.1c) Why do you not conduct analysis to understand how your portfolio impacts the climate? (Scope 3 Category 15 “Investments” emissions or alternative carbon footprinting and/or exposure metrics)

Climate related underwriting portfolio analysis has not been undertaken because currently we are investigating which methods are effective for our P&C business to fulfill our duty to our stakeholders, but we are planning to do so within a few years. Sompo Japan Insurance assess its portfolio of insurance underwriting on coal related business, which is monetary basis assessment, based upon “Global Coal Exit List issued by an international NGO, a list of global coal companies for investors and financial institutions to effectively understand their portfolio. Also, we are fully aware of the developing portfolio alignment methods such as Weighted Average Carbon Intensity (WACI) through the discussion with UNEP FI and the participation on the Expert Advisory Group of SBT for Financial Institution.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?

	Scope 3 breakdown	Comment
Row 1	Yes, by industry	

C-FS14.2b

(C-FS14.2b) Break down your organization's Scope 3 portfolio impact by industry.

Industry	Metric type	Metric unit	Scope 3 portfolio emissions or alternative metric	Please explain
Other, please specify Steel	Total carbon absolute emissions (CO2e)	Metric tons CO2e	1,079,999	<p>Sompo Japan calculated GHG emissions of its portfolio, the scope of which is listed equity investment of Sompo Japan Insurance.</p> <p>The calculation method is to calculate the percentage of Sompo Japan's shares based on the number of issued shares for each issuer and the number of shares held by Sompo Japan, collect GHG emission data of each issuer from a database such as CDP and Bloomberg</p> <p>We calculate the figure of GHG emission based upon the sector categories defined by Japan Exchange Group, in which it is categorized as Steel.</p>
Utilities	Total carbon absolute emissions (CO2e)	Metric tons CO2e	328,322	<p>Sompo Japan calculated GHG emissions of its portfolio, the scope of which is listed equity investment of Sompo Japan Insurance.</p> <p>The calculation method is to calculate the percentage of Sompo Japan's shares based on the number of issued shares for each issuer and the number of shares held by Sompo Japan, collect GHG emission data of each issuer from a database such as CDP and Bloomberg</p> <p>We calculate the figure of GHG emission based upon the sector categories defined</p>

				by Japan Exchange Group, in which it is categorized as Utilities.
Other, please specify Chemical	Total carbon absolute emissions (CO2e)	Metric tons CO2e	190,516	<p>Sompo Japan calculated GHG emissions of its portfolio, the scope of which is listed equity investment of Sompo Japan Insurance.</p> <p>The calculation method is to calculate the percentage of Sompo Japan's shares based on the number of issued shares for each issuer and the number of shares held by Sompo Japan, collect GHG emission data of each issuer from a database such as CDP and Bloomberg</p> <p>We calculate the figure of GHG emission based upon the sector categories defined by Japan Exchange Group, in which it is categorized as Chemical.</p>
Transportation	Total carbon absolute emissions (CO2e)	Metric tons CO2e	264,090	<p>Sompo Japan calculated GHG emissions of its portfolio, the scope of which is listed equity investment of Sompo Japan Insurance.</p> <p>The calculation method is to calculate the percentage of Sompo Japan's shares based on the number of issued shares for each issuer and the number of shares held by Sompo Japan, collect GHG emission data of each issuer from a database such as CDP and Bloomberg</p> <p>We calculate the figure of GHG emission based upon the sector categories defined by Japan Exchange Group, in which it is categorized as Transportation.</p>
Other, please specify the others	Total carbon absolute emissions (CO2e)	Metric tons CO2e	847,055	<p>Sompo Japan calculated GHG emissions of its portfolio, the scope of which is listed equity investment of Sompo Japan Insurance.</p> <p>The calculation method is to calculate the percentage of Sompo Japan's shares based on the number of issued shares for each issuer and the number of shares held by Sompo Japan, collect GHG emission data of each issuer from a database such as CDP and Bloomberg</p> <p>We calculate the figure of GHG emission based upon the sector categories defined</p>

				by Japan Exchange Group, in which it is categorized as other categories not mentioned above.
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C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Investing (Asset manager)	Yes	SOMPO Asset Management participated in Climate Action 100+ at the same time of its establishment. Through initiative in Climate Action 100+, SOMPO Asset Management collective engagement with investee companies toward a well below 2-degree world.
Investing (Asset owner)	Yes	We are fully aware that it is inevitable for the world to make the transition to a well below 2-degree world from the world that depends on coal. As for our initiative, we assessed the total amount of investment the asset class of which are listed equity, corporate bond, and related project finance based upon "Global Coal Exit List" issued by an international NGO, a list of global coal companies for investors and financial institutions to effectively understand their portfolio.
Insurance underwriting (Insurance company)	Yes	We are fully aware that it is inevitable for the world to make transition to a well below 2-degree world from the world that depends on coal. As for our Initiative, we assessed the total amount of P&C insurance portfolio based upon the list "Global Coal Exit List" issued by international NGO.
Other products and services, please specify	Not applicable	We are fully aware that it is inevitable for the world to make the transition to a well below 2-degree world from the world that depends on coal. As for our Initiative, we assessed the total amount of P&C insurance portfolio based upon "Global Coal Exit List" issued by an international NGO, a list of global coal companies for investors and financial institutions to effectively understand their portfolio.

C-FS14.3a

(C-FS14.3a) Do you assess if your clients/investees' business strategies are aligned to a well below 2-degree world?

	We assess alignment	Please explain
Investing (Asset manager)	Yes, for some	<p>Sompo Asset Management participated in Climate Action 100+ at the same time of its establishment. Through initiative in Climate Action 100+, Sompo Asset Management tackles collective engagement with investee companies toward a well below 2-degree world. Within the activity in Climate Action 100+, progress report is issued annually to confirm the progress on investee companies. Also, Sompo Asset Management offers several "Sompo Japan Green Open (Nickname: Bunanomori)" established in 1999. "Bunanomori" builds portfolios after assessing a company's response to environmental risks and opportunities, including its response to climate change. The questionnaire identifies GHG emission reduction targets and results, actions to be taken, responses to climate change adaptation.</p>
Investing (Asset owner)	Yes, for some	<p>We are fully aware that it is inevitable for the world to make the transition to a well below 2-degree world from the world that depends on coal. As for our Initiative, we assessed the total amount of investment the asset class of which are listed equity, corporate bond, and related project finance based upon "Global Coal Exit List" issued by an international NGO, a list of global coal companies for investors and financial institutions to effectively understand their portfolio. This list can be used to identify companies that can negatively impact the transition towards a well below 2-degree world and we have matched the list to our own portfolio (Customers of Insurance and Investment, etc) to prioritise with which companies we should approach and engage towards a well below 2 degree world.</p> <p>In addition, utilisation of temperature rating score data provided by CDP is under consideration to also identify and prioritise our approach and engagement.</p>
Insurance underwriting (Insurance company)	Yes, for some	<p>We are fully aware that it is inevitable for the world to make the transition to a well below 2-degree world from the world that depends on coal. As for our Initiative, we assessed the total amount of P&C insurance portfolio based upon "Global Coal Exit List" issued by an international NGO, a list of global coal companies for investors and financial institutions to effectively understand their portfolio.</p> <p>This list can be used to identify companies that can negatively impact the transition towards a well below 2-degree world and we have matched the list to our own portfolio (Customers of Insurance and Investment, etc) to prioritise with which companies we should approach and engage towards a well below 2 degree world.</p> <p>In addition, utilisation of temperature rating score data provided by CDP is under consideration to also identify and prioritise our</p>

		approach and engagement.
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C-FS14.3b

(C-FS14.3b) Do you encourage your clients/investees to set a science-based target?

	We encourage clients/investees to set a science-based target	Please explain
Investing (Asset manager)	Yes, for some	SOMPO Asset Management participated in Climate Action 100+ at the same time of its establishment. Through participating in Climate Action 100+, SOMPO Asset Management initiates collective engagement with investee companies toward setting GHG reduction targets in line with SBT criteria towards well below 2-degree and 1.5-degree world.
Investing (Asset owner)	Yes, for some	Aiming to contribute to the achievement of the Paris Agreement, we had a meeting with an investee company who is currently under consideration whether or not the company should make a commitment to set SBT. In the meeting, we shared SBT-related information such as criteria and Scope3 targets on supply chain as a member of the Expert Advisory Group for SBT Financial Institutions.
Insurance underwriting (Insurance company)	Yes, for some	Aiming to contribute to the achievement of the Paris Agreement, we had a meeting with our client/policy holder who is currently under consideration whether or not the company should make a commitment to set SBT. In the meeting, we shared SBT-related information such as criteria and Scope3 targets on supply chain as a member of the Expert Advisory Group for SBT Financial Institutions.

C15. Signoff

C-FI

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

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Group CFO, Group Co-CSO Representative Senior Executive Vice President and Executive Officer	Chief Financial Officer (CFO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms