

September 23, 2020

Sompo Holdings, Inc.

Strengthening Sustainability Initiatives

SOMPO Holdings CO., LTD. (Group CEO and President: Kengo Sakurada) will strengthen its sustainability promotion, further advance the Group's efforts to address global environmental issues such as climate change and biodiversity, as well as respect for human rights, and contribute to the realization of a sustainable society together with its stakeholders.

1. Strengthening the Sustainability Promotion System

The management philosophy of the SOMPO Group is "Contribute to the security, health, and wellbeing of our customers and society as a whole by providing insurance and related services of the highest quality possible." The SOMPO Group has established the "Group CSR Vision" to actively incorporate environmental issues such as climate change and biodiversity, human rights and diversity and inclusion, and consideration for local communities into its business processes, while actively engaging with stakeholders.

While the international community is working to realize a sustainable society, with the SDGs (Sustainable Development Goals) and the Paris Agreement, SOMPO has strengthened its group structure by establishing the "Sustainability/CSR Council" chaired by the Group COO.

2. Business Operations Utilizing Dialogue with Stakeholders

For many years, our group has worked to resolve social issues through dialogue and cooperation with civil society, local communities, government authorities, and corporate customers. In "ESG/Sustainability Working Group" and "CSR Promotion Working Group" under the Sustainability/CSR Council, the Group engages with several stakeholders and accurately grasps their expectations and requests regarding environmental issues such as climate change and biodiversity, and human rights protection, and utilizes them in the operations of each business, including insurance underwriting and investment and financing.

3. Strengthen initiatives for global environmental issues such as climate change and biodiversity and a resilient society

Global environmental issues such as climate change and the loss of biodiversity are global issues that have a major impact on our livelihood, and we need to promote efforts by various stakeholders to resolve them. We also believe that it is essential to enhance the resilience of social systems and infrastructure in order to realize a society where people can live in safety, security and health.

Our group aims to realize a resilient society by taking measures to resolve issues through dialogue and cooperation with business partners, investees, local communities and civil society, and by utilizing the Group's knowledge and know-how.

(1) Addressing Climate Change

Since the Paris Agreement, efforts to reduce emissions of CO₂ and other greenhouse gases and realize a decarbonized society have accelerated. Since coal-fired power generation emits more greenhouse gases than other power generation methods, there is a growing voiced need to curb new development and shift to energy with less environmental impact, such as renewable energy.

Under these circumstances, the Group will continue to provide insurance products and related services for renewable energy businesses such as solar power and wind power, and actively support innovation by companies working to reduce CO₂ emissions.

In addition, Sompo Japan Insurance (hereinafter "Sompo Japan") will not insure and invest in new construction of coal-fired power plant in Japan, except for projects for which underwriting, investment and financing has already been expressed. In the case of a power generation with power efficiency exceeding the certain level in accordance with the energy strategy of Japanese government, it might consider to insure or invest with a careful thought confirming measures to reduce environmental impact, such as reduction of greenhouse gas emissions and alternative means.

(2) Efforts to conserve biodiversity

We must pass down the 'Aichi Targets' adopted in 2010 to future generations, as this is the last year of the "United Nations Decade on Biodiversity."

Based on a sense of crisis that biodiversity is being lost in various parts of the world and the recognition that loss of biodiversity has a major impact on human activities, our group aims to realize a sustainable society by establishing a society in harmony with nature.

In addition to support for conservation activities in local communities and continuous efforts to develop environmental human resources, Sompo Japan will endeavor to ascertain the status of protection and conservation of biodiversity, including natures protected by Ramsar Convention and the UNESCO World Heritage Convention, and will encourage appropriate responses through dialogue and consultation with business partners and investees. It will also communicate the importance of biodiversity conservation to society and contribute to its mainstreaming through cooperation with international organizations.

4. Strengthening Efforts to Respect Human Rights

The recent spread of COVID-19 may drastically change people's sense of values and social systems, such as fixation of remote societies and reconstructing supply chains, and may have a greater impact on those who are in vulnerable due to social division, disparity and low growth society.

For the human-centered society in which no one is left behind, our group will consider the human rights of customers, business partners, and all other stakeholders who are involved in its global business activities, and strengthen dialogue with stakeholders in order to avoid and prevent the risk of indirect human rights issues.

We expect our business partners to protect human rights based on international codes of conduct, and in the event that we identify a potential negative impact on human rights, we will encourage appropriate responses through dialogue and consultation.

5. Future efforts

Our group aims to create a resilient and sustainable society in which all people can live in safety, security and health by actively engaging with stakeholders through dialogue for the future and actively incorporating consideration for various social issues into business processes.