

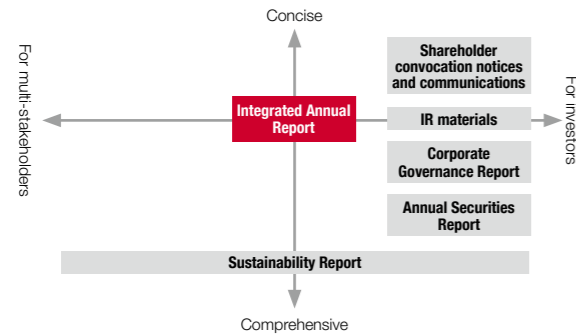
SOMPO Holdings Sustainability Report 2022



Overview of Sustainability Communication

Overview of Sustainability Communication

We use the following tools to disseminate information to ensure our stakeholders understand our sustainability initiatives.



Features of the Sustainability Report 2022

The "Sustainability Report 2022" is characterized by the following three main points:

1. Initiatives of SDGs in business management toward the realization of SOMPO's Purpose

In her Management Message, Group CSuO Ryoko Shimokawa covers the topics of SDGs management based on My Purpose for the realization of SOMPO's Purpose, solutions to social issues driven by each employee's My Purpose, and climate change initiatives for a sustainable society.

2. Efforts that take advantage of the characteristics of our company and the latest trends in society

Expectations for companies are rising for its concrete actions in response to climate change. In our mid-term management plan, we introduce "adapt to climate change," "mitigate climate change," and "contribute to societal transformation" as SOMPO Climate Action and concrete initiatives are disclosed in the report. In addition, we continue to quantitatively disclose climate change risks and opportunities and specific countermeasures in line with the TCFD framework. Furthermore, in addition to initiatives related to respect for humanity and health and productivity management, the report also includes information on quality improvement initiatives, the SOMPO Group's social contributions, and contributions to the community and society through culture and the arts.

3. Initiatives to improve information disclosure credibility

We refer to various international guidelines when disclosing information and this Report in particular has been prepared in conformity with the Core option of the GRI Sustainability Reporting Standards.

In addition, since 2001, when the approach of third party comments on sustainability reports was not common, we have received third party comments from Mr. Hideto Kawakita, CEO of International Institute for Human, Organization and the Earth and the publisher of Socio Management Review, which has led to continuous improvement of our efforts. Starting in fiscal year 2012 we have obtained assurance by a third-party organization regarding greenhouse gas (GHG) emissions, and are expanding this effort to Group companies each year. Since 2016 we have also obtained assurance regarding the total number of days lost due to absence. We are working on highly transparent information disclosure.

We also include our achievements and future strategies as shown below.

- ESG Data Index and the list of products and services for a sustainable society. In addition, the major ESG data page shows the performance of Sompo Holdings and its main consolidated subsidiaries compiled on a multi-year basis for easy comparison to report data in detail.
- A Key Initiatives section organized by stakeholder group, which introduces details of our work to address social issues.

Covered Organizations

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

Reporting Period

This Report relates mainly to initiatives from April 1, 2021, to March 31, 2022, but also contains some latest initiatives and policies to provide updated information.

Publication

Annually

Publication Period

Last issue: September 2021
Current issue: February 2023

Referenced Guidelines

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

*The details published on the Sompo Holdings sustainability website and in the Sustainability Report 2021 have been prepared in conformity with the Core option of the GRI Sustainability Reporting Standards. Please refer to the following GRI Content Index.

Planning and Editing

Sompo Holdings, Inc. Sustainable Management Office
26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo
160-8338, Japan
TEL: +81-3-3349-3000

Disclaimer

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

Policy

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

Group Sustainability Vision

We, the Sompo Group will positively engage our stakeholders in forward looking dialogue, respect international standards and codes of conduct, address environmental issues of climate change, biodiversity, and social issues of human rights and "diversity and inclusion" in the course of our business operations in a transparent, fair and open manner. By constantly maintaining a long-term outlook, and by providing services and products that contribute to security, health, and wellbeing, we will strive as a solutions provider to promote the realization of a resilient and sustainable society.

Group Environmental Policy

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

< Action Guidelines >

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

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

2. Promoting resource conservation through the entire value chain

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

3. Raising awareness of environmental issues and corporate citizenship

We will broadly promote environmental education and awareness of environmental conservation by providing environmental information with the unique aspect of a global group engaged in

a wide range of business centering on insurance. Furthermore, we will proactively encourage our employees' individual voluntary efforts as a global citizen to conserve the environment through involving in the local community. To enable continuous improvements, we will periodically review the above-mentioned activities to reflect our environmental objectives and targets.

Group Policy for Human Rights

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

1. Respecting human rights of stakeholders

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

2. Respecting human rights of employees

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

3. Promotion of human rights in global markets

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

4. Expectations for suppliers and business partners

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

5. Human rights due diligence

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

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

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

Group Sustainable Procurement Policy

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

1. Fair and equal transactions

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

2. Compliance with laws and regulations

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

3. Consideration of global issues

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

Policy for ESG-related Underwriting, Investment and Loan

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

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

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

Advancing the Energy Transition

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

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

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

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

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

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

Advancing Social Equity

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

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

In addition, when underwriting insurance and making investments and loans, and when entering into new partnerships with each of our business partners (brokers, reinsurers, investment managers, lessees, vendors, etc.), we take into consideration our Group's Sustainability related vision and policies.

Aspiring for Excellence in Governance

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

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

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

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

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

Corporate Citizenship Policy (Sampo Japan Insurance)

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

1. Corporate citizenship activities

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

2. Support for individual employees' social contribution efforts

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

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Management Message



SOMPO's Purpose and the management framework for implementing it

In May 2021, we officially proclaimed SOMPO's Purpose: With “A Theme Park for Security, Health and Wellbeing,” create a society in which every person can live a healthy, prosperous and happy life in one's own way. This Purpose represents a return to our Management Philosophy. It is a long-term vision for the next 20 to 50 years, in which the Group management clarifies what kind of social issues it faces, what it aims to achieve, and what kind of value it will provide to society. In other words, it declares our aspiration. We share a vision, which is to move forward toward the realization of our Purpose, and to gain the sympathy of our stakeholders for the way we continue to generate economic and social value over the medium to long term while solving social issues.

In our Mid-Term Management Plan, which started in FY2021 and aims to “Realize a Theme Park for Security, Health and Wellbeing,” we implemented three basic strategies: scale and diversification, new customer value creation, and new work style, and positioned “SDGs management” as a group management foundation for this purpose. SDGs management is a management framework for creating economic and social value through our core business. Within this framework, we set KPIs for each of the seven material issues identified as “Priority Issues for Achieving SOMPO's Purpose,” which are derived from social issues that align with stakeholder expectations and international norms related to sustainability, and then each business and company builds and implements a PDCA cycle based on action plans linked to its business plan.

In this way, we have positioned SDGs management as a framework for driving our efforts to achieve SOMPO's Purpose.

“My Purpose” as the starting point for the realization of SOMPO's Purpose

Under this framework, each and every employee of the Sompo Group becomes the driving force behind the realization of SOMPO's Purpose. At the Sompo Group, each and every employee is driven by “My Purpose,” which is the purpose of one's own life. By aligning the Purpose of the Company with that of the individual, we are able to create innovation through repeated challenges based on intrinsic motivation. Aiming to make this kind of corporate culture the driving force behind our “purpose management,” we are working to promote “purpose dissemination.”

Since 2021, we have continued to focus on fostering awareness, understanding, and empathy for the importance of SOMPO's Purpose and My Purpose by linking top management's communications, such as town hall meetings by the Group CEO and individual Business CEOs, with on-site efforts, such as My Purpose training and cross-Group workshops. The results of the surveys of these measures and employee

engagement surveys indicate that this purpose dissemination is making steady progress, and we are seeing a positive response. We will continue our efforts to improve the driving force for the realization of SOMPO's Purpose until it reaches the level of a culture change.

Solving social issues through collaboration with stakeholders, with people as the driving force

For Sompo Group employees, My Purpose is not just about their own personal interests, but also includes their desire to please customers and business partners and contribute to the resolution of social issues. This is not only because the Sompo Group operates businesses such as insurance and nursing care that can be said to be public institutions in society, but also because social accountability is inherent in the nature of the Group. The Sompo Group has a history of working on CSR and sustainability for nearly 30 years, including tackling global environmental issues since the early 1990s. Throughout these efforts, we have emphasized human resource development, which we have continued to promote in order to incorporate CSR and sustainability into the core of our management. Such social accountability is in the nature of our employees, so they will continue to take on the challenge of solving various social issues, driven by My Purpose.

Another aspect of Sompo Group's DNA is collaboration with our stakeholders. We have been working in collaboration with stakeholders for 30 years, starting with the “Environmental Open Lecture for Citizens” program started in 1993 in cooperation with an environmental NPO. More recently, we signed an agreement with the National Institute of Advanced Industrial Science and Technology (AIST) to solve social issues. Because today's social issues are complex and difficult to solve, it is essential to address them with a multi-stakeholder approach. We will continue to actively engage in solving social issues in collaboration with our stakeholders.

Toward the realization of a sustainable society

In order to realize a sustainable society, climate change is an issue at hand that must be solved by multi-stakeholder efforts. Building on the strengths we have cultivated through the accumulation of past efforts, we are working to adapt to climate change, mitigate climate change, and contribute to social transformation under the banner of Sompo Climate Action, which is part of our Mid-Term Management Plan ending in 2023. As concrete examples, in addition to interim greenhouse gas targets under Scopes 1, 2, and 3 (categories 1-14), in 2022 we announced an interim target for Scope 3/Category 15 (25% reduction by 2025 (compared to 2019)), and we have announced our “Policy for ESG-related Underwriting, Investment and Loan” and are working on specific initiatives in this area.

My greatest hope is that these actions of the Sompo Group will arouse the sympathy of like-minded stakeholders and contribute to the realization of a sustainable society.

In this report, we introduce the major initiatives of the Sompo Group toward the realization of a sustainable society. I hope that all of our stakeholders will read this report and give us their honest feedback.

February 2023

Ryoko Shimokawa
Group CSuO, Senior Vice President and Executive Officer

SOMPO's Purpose

SOMPO has returned to its Management Philosophy and defined "SOMPO's Purpose" as what the Group aims to achieve and what value it will provide over the long span of the next 20 and 50 years.

Together with our stakeholders, we will continue to provide value to society through our concept of a "Theme Park for Security, Health & Wellbeing," aiming to create a society in which every person can live a healthy, prosperous, and happy life in one's own way.



Group Management Philosophy
We will at all times carefully consider the interests of our customers when making decisions that shape our business. We will strive to contribute to the security, health, and wellbeing of our customers and society as a whole by providing insurance and related services of the highest quality possible.

SOMPO's Strengths

- (1) Trust and responsibility with 130 years of history
- (2) Diversity of business, talent and networks
- (3) Strong problem-solving abilities

SOMPO's Purpose
With "A Theme Park for Security, Health and Wellbeing," create a society in which every person can live a healthy, prosperous and happy life in one's own way.

Social value delivered by SOMPO

- Protect people from future risks facing the society
- Create a future society for healthy and happy lives
- Foster the ability to change the future society with diverse talents and connections

Social challenges facing SOMPO

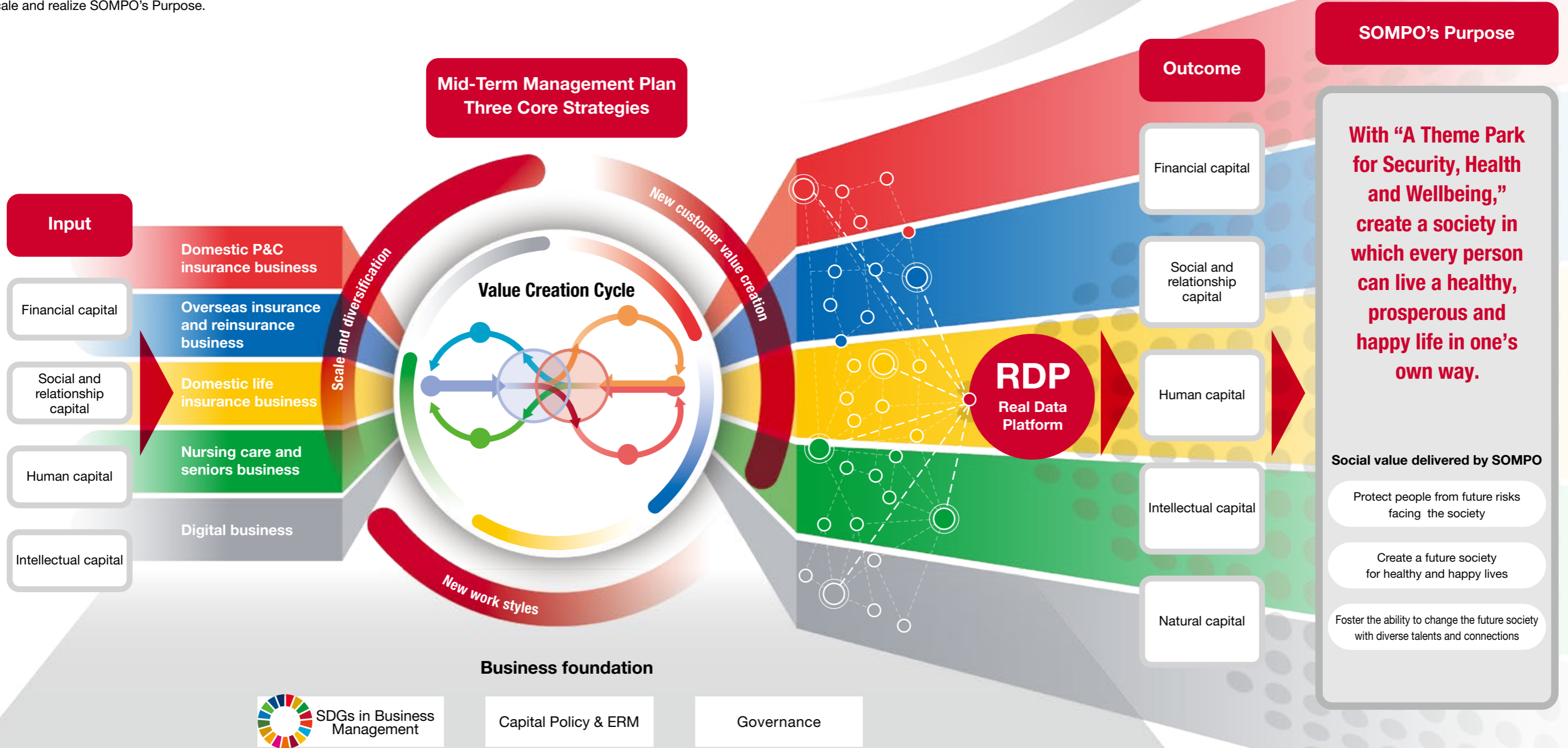
- New normal
- Low birthrate and population aging

Overview of the SOMPO's Value Creation

MEGATREND

Through the Group's capacity to bring together diverse businesses and the connections of each business, the Sampo Group works to create diverse value by leveraging each business' presence and competitive advantage in creating new value by using its own strengths to solve problems.

In accordance with the three core strategies of the Mid-term Management Plan, the five businesses that support SOMPO will drive the Group's common "Value Creation Cycle" by leveraging their respective strengths. In addition, by building a "Real Data Platform" (RDP), a framework for creating new solutions that contribute to security, health, and wellbeing by utilizing real data accumulated through this process, we will be able to provide value on an even larger scale and realize SOMPO's Purpose.



Value Creation Cycle

The Sampo Group is working as one to drive the “Value Creation Cycle” by combining capital and developing diverse businesses to realize SOMPO’s Purpose. The Value Creation Cycle consists of three pathways: the “Route of Driving Force,” in which employees motivated by My Purpose work in their own way in an environment full of I&D* (inclusion and diversity) and foster a culture of repeatedly tackling challenges; the “Route of Existing Business,” in which trust and empathy are generated through the provision of cooperation-oriented high-quality services; and the “Route of New Value Creation,” in which new solutions are offered by fully utilizing data generated from existing businesses as well as leveraging the Real Data Platform (RDP) that creates DX and SOMPO’s proprietary business model. The Sampo Group’s unique style of value creation is to continuously create value via the cycle of these three routes through our business activities. By strengthening and expanding the Value Creation Cycle, we aim to enhance corporate value and realize SOMPO’s Purpose.

My Purpose → **I&D** → **Innovation**

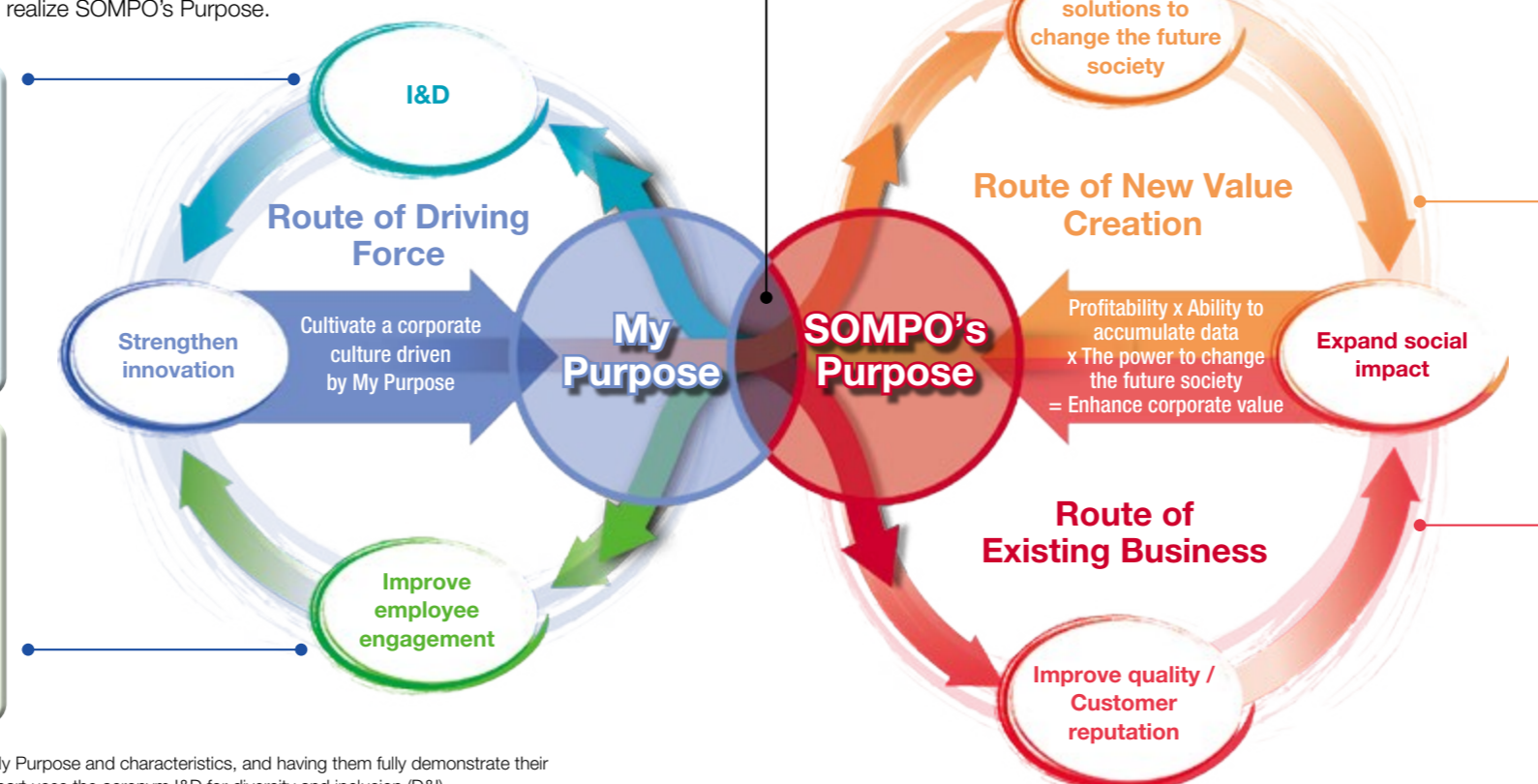
Creating innovation through the concentration and collision of diverse values

We are working to foster a culture in which employees from various backgrounds respect each other’s “My Purpose” and recognize each other’s diverse values. This culture and human resource strategy based on “My Purpose” will create a virtuous cycle that attracts diverse human resources from outside the company and further strengthens I&D. It will also create new innovations through the concentration and collision of diverse values.

My Purpose → **Engagement** → **Innovation**

Increasing engagement and improving capabilities for innovation

In an environment where each and every employee with their own “My Purpose” can feel a sense of happiness, fulfillment, and being true to themselves, employees being self-motivated to take on challenges will lead to higher engagement. Through dialogue between supervisors and subordinates, we will spur employees to take on challenges based on their own motivation without fear of failure, increase engagement, and systematically improve the ability to generate innovation.



My Purpose and SOMPO’s Purpose
Overlap of My Purpose and SOMPO’s Purpose
 We are working to spread the Purpose concept and voluntary efforts to achieve it among all Group employees by overlapping “My Purpose,” which signifies each employee’s life goals and meaning of their work, and “SOMPO’s Purpose.” As a result, we aim to realize SOMPO’s Purpose by linking our employees’ sense of fulfillment and happiness to the creation of innovation through their daily work as they take on challenges in their own way.

“Route of New Value Creation”
Providing solutions for future society
 SOMPO will attract cooperation partners by utilizing its abundant real data obtained from various business activities of its existing businesses, and will provide solutions for the problems encountered by future society through DX and Sampo’s unique business model RDP, thereby creating impact.

“Route of Existing Business”
Providing cooperation-oriented high-quality services
 Employees driven by “My Purpose” are working to develop and provide high-quality products and services in existing business domains, such as insurance and nursing care, by enthusiastically engaging in cooperation with partners and shifting to high value-added operations through business innovation. Through business activities in these existing business domains, we aim to foster trust and empathy from our customers and achieve steady growth and further development of our businesses.

*Inclusion is important for respecting and acknowledging each employee’s diverse My Purpose and characteristics, and having them fully demonstrate their unique abilities, which will lead to innovation. In order to express this meaning, this part uses the acronym I&D for diversity and inclusion (D&I).

Message from the Value Communication Team (VCT)



The Value Communication Team (“VCT”), consisting of the Group CVCO, Group CSuO, and Group CPRO, was established in August 2021 with the mission of enhancing corporate value through effective communication with multi-stakeholders including the financial market. To date, we have led the Group’s key initiatives, including analysis of corporate value, brand strategy, PR, dissemination of Purpose to Group employees and SDGs management (ESG initiatives) etc. Amidst a drastically changing business environment surrounding the Group, the three members with diverse backgrounds work closely together and collaborate with business owners, and CxOs including CFO to lead and support Group-wide efforts to enhance corporate value. We also send a message for these efforts to various stakeholders to enhance SOMPO’s corporate value.

Chairman of Overseas M&A, Group CVCO
Nigel Frudd



Group CSuO
Ryoko Shimokawa

To realize SOMPO’s Purpose, our mission is to transform the culture of SOMPO—starting with employees having their own My Purpose—promote SDGs management that creates social and economic value through our core businesses, and build a brand strategy that communicates these initiatives as a connected story. We will contribute to the enhancement of corporate value by demonstrating SOMPO’s unique sustainable growth both internally and externally.



Group CPRO
Hirofumi Shinjin

As the person in charge of the public relations domain, my mission is to communicate efforts to realize SOMPO’s Purpose to internal and external stakeholders through press coverage, advertising, and publicity, both domestically and internationally, as well as to raise the value of the Group’s brands, increase the number of customers and profit, and enhance corporation value. By communicating the concept of “A Theme Park for Security, Health & Wellbeing,” we aim to foster a sense of unity among the 74,000 officers and employees of the Group.

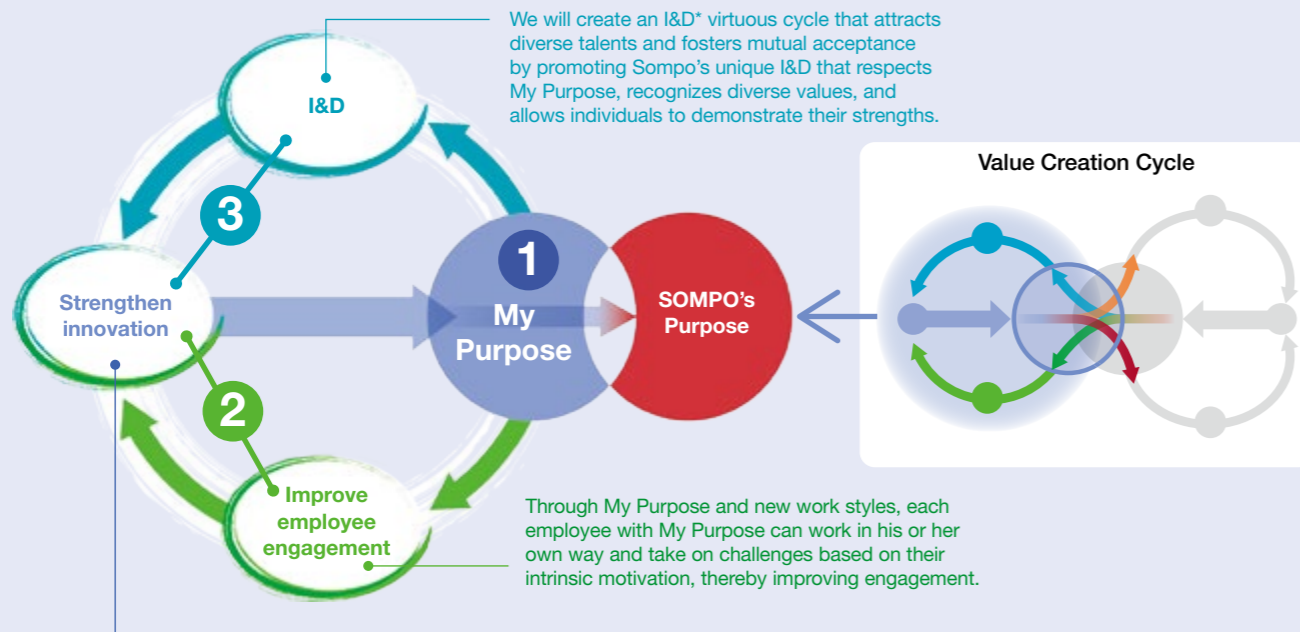
Value Creation Cycle: Route of Driving Force

Fostering a culture driven by My Purpose

SOMPO's Purpose is to create a society in which every person can live a healthy, prosperous and happy life true to themselves by continuing to provide value to society through its concept of a "Theme Park for Security, Health and Wellbeing."

The essence of Purpose Management is to achieve both economic and social value by solving social issues and to pursue sustainable growth that contributes to people's happiness. The driving force for this is each and every employee of the Group.

Each employee of the Somo Group is driven by My Purpose, which is his or her own life purpose. By overlapping SOMPO's Purpose and the individual purposes of employees, innovation will be created through employees repeatedly tackling challenges based on their own internal motivation. This corporate culture will be the driving force of Purpose Management. This part introduces our efforts to foster such a culture, as well as My Purpose, which is the starting point for such a culture.



Strengthening the ability to create innovative new products and services (organizational capability) by fostering a culture in which highly engaged employees repeatedly take on challenges in an environment full of I&D

*Inclusion is important for respecting and acknowledging each employee's diverse "My Purpose" and characteristics, and having them fully demonstrate their unique abilities, which will lead to innovation. In order to express this meaning, this part uses the acronym I&D for diversity and inclusion (D&I).

Number of officers and employees	Number of officers and employees by business (as of March 31, 2022)				
	Domestic P&C insurance	Overseas insurance	Domestic life insurance	Nursing care and seniors	Digital and other businesses
73,676 Male: 27,070 Female: 46,606 (as of March 31, 2022)	35,068	10,472	2,716	23,606	1,814

My Purpose training participation rate*1 66.0 % (100% of target for FY2023)	Employee engagement Gallup Q12 average score*2 (Domestic) 3.46 pt (Overseas) 4.02 pt	Target values for the health and productivity management indicator, Work Limitations Questionnaire (WLQ)*3 93.8 %	Number of group companies recognized under the Certified Health & Productivity Management Outstanding Organizations Recognition Program*4 22 companies Large companies: 14 companies Small and medium-sized companies: 8 companies
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Ratio of female directors and executive officers 9.0 % (as of April 1, 2022)	Ratio of foreign national directors and executive officers*5 14.7 % (as of July 1, 2022)	Ratio of female candidates in Succession Plans*6 32.4 %	Ratio of female employees in managerial positions 26.8 % (as of April 1, 2022)	Ratio of employees with disabilities 2.41 % (as of April 1, 2022)
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*1 Participation rate in domestic P&C insurance, domestic life insurance, and nursing care and senior business

*2 Targets at the end of FY2023 set at 3.70 pt in Japan / 4.10 pt overseas

*3 Applies to Somo Japan and Somo Himawari Life

*4 Of which, 11 companies were included in the White 500 (large corporation category)

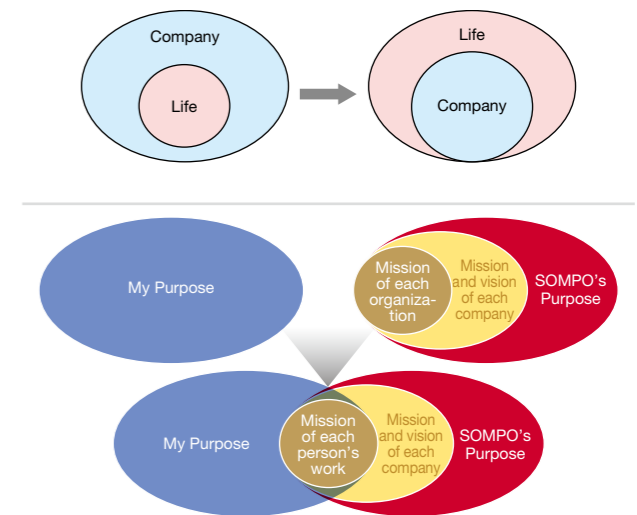
*5 Ratio of our directors and executive officers (5/34 people)

*6 Applies to key posts including Group CEO, Group CxO, and business owners (88 in total)

SOMPO's approach to Purpose Management

The driving force behind the realization of SOMPO's Purpose is each and every employee of the Group. In an era of a paradigm shift in the way we work and live, in which our values are shifting from the idea of "My life in the company" to "A company that helps you realize your life's purpose," Somo Group believes it is most important for all employees to face their lives with their own purpose ("My Purpose").

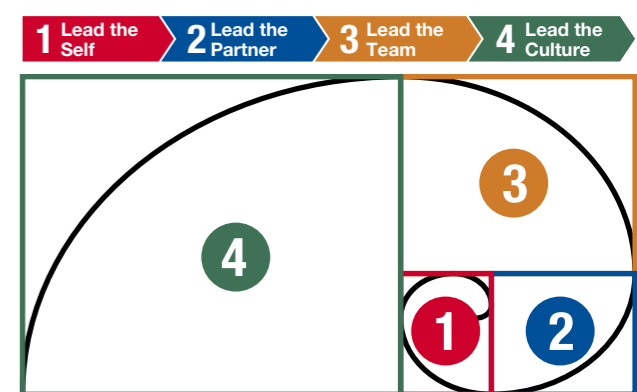
The starting point is My Purpose, which is a strong desire that wells up within each employee. By overlaying this desire with the company's and organization's Purpose, we aim to realize SOMPO's Purpose. This is SOMPO's approach to Purpose Management.



Culture that SOMPO is aiming for

In the SOMPO Group, each employee engages with their own My Purpose and overlaps it with SOMPO's Purpose. Innovations are created throughout the Group due to employees tackling challenges based on their intrinsic motivation. In addition, we aim to create a culture in which diverse employees respect each others' My Purpose and can fully demonstrate their individual strengths.

We are implementing a variety of measures to promote the following four steps in order to advance the transformation to the culture we are aiming for.



- 1 Lead the Self...** Each employee changes after creating his or her My Purpose
- 2 Lead the Partner...** Tackle challenges and create innovation through dialogue with partners based on My Purpose

- 3 Lead the Team...** Implement "tackling challenges and creating innovation through dialogue based on My Purpose" at the organizational level
- 4 Lead the Culture...** Create a mechanism to continue to implement the practices in the organization in a sustainable way, and achieve transformation of the culture

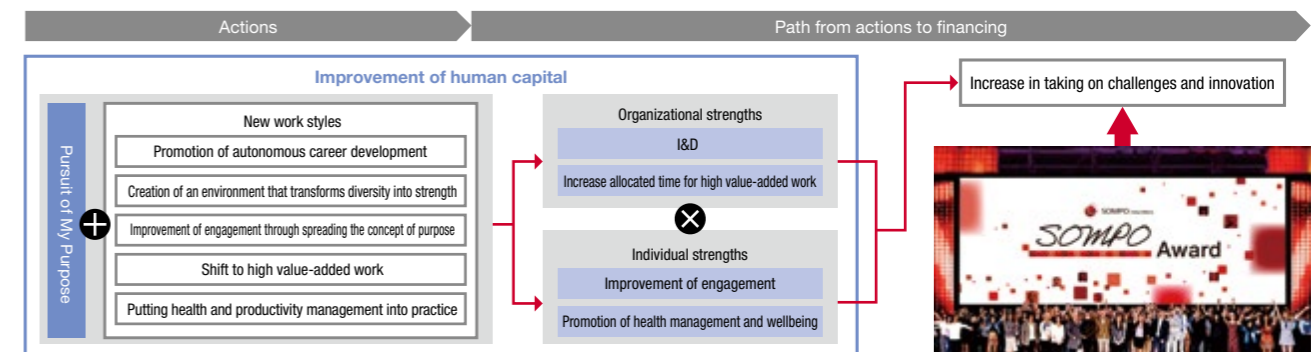
Efforts to visualize the impact paths of human capital

The Somo Group is also focusing on visualizing the paths through which cultural and new work styles initiated by My Purpose will lead to increased financial and corporate value through an increase in human capital.

Specifically, we use the term "impact paths" to refer to the series of paths that My Purpose and new work styles will yield to "create short-term and mid-term financial value by enhancing the power of individuals and organizations, improving the quality and quantity of work, and increasing tackling challenges and innovation." We are working on the details of the path,

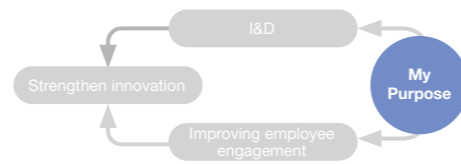
verifying the correlation between elements by utilizing internal and external data, and organizing the KPIs that will be required in the future.

In addition, as a mechanism to accelerate tackling challenges and creating innovation, we are considering the introduction of an award system (SOMPO Award) to recognize value-creating efforts initiated due to My Purpose. We are also considering the introduction of an award system (SOMPO Awards) to recognize value-creating initiatives by employees that originate from My Purpose.



1 My Purpose as the starting point

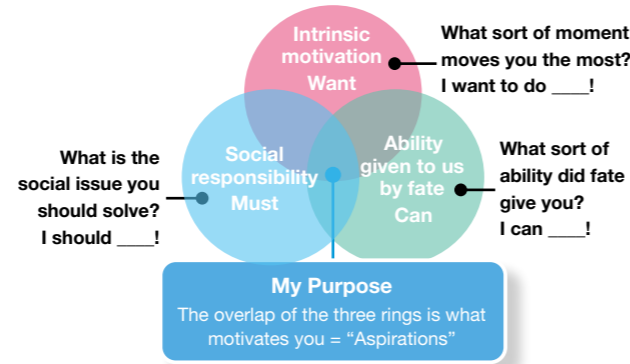
4.4 Increasing job satisfaction through technical and professional skills 8.2 Improving economic productivity through innovation 10.2 Strengthening of people's capabilities and promotion of inclusion



What is My Purpose?

"My Purpose" refers to the "purpose of life" or "meaning of work," such as what kind of person you are, what happiness means to you, and what you want to accomplish in your life.

When considering My Purpose within the Sampo Group, we first look back at our own lives and careers from the three perspectives of "Want" (intrinsic motivation), "Must" (social responsibility), and "Can" (ability given to us by fate), and refer to the overlapping parts of these perspectives as "aspirations," which is what motivates us.



Various measures to support the formulation and respect of My Purpose



Town Hall Meetings by the Group CEO

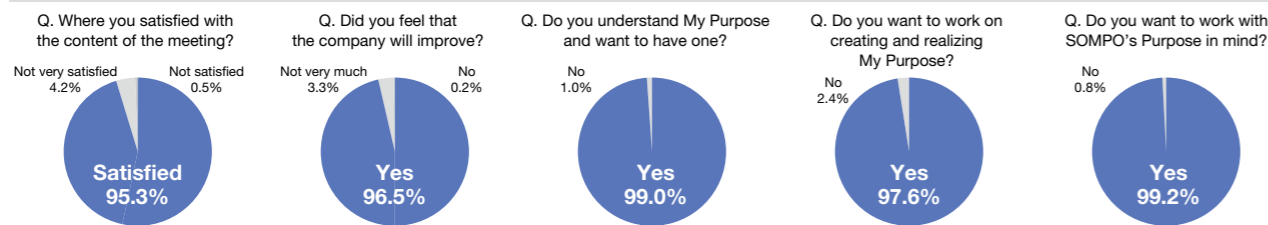
Under the theme of "Considering the Purpose/Mission of the Company and Individuals," Group CEO Kengo Sakurada held Town Hall Meetings (seven times from September to November 2021) for employees of all Group companies in Japan, in which he spoke directly to approximately 10,000 employees. At the Town Hall Meetings, Group CEO Sakurada personally spoke about matters, including that "the essence (of My Purpose) is using the company to achieve one's purpose," and, "The most important thing is one's purpose in life. I would like you to firstly remember what your own purpose is." He clarified that the Sampo Group will make group-wide efforts to realize SOMPO's Purpose by focusing on employees' My Purpose at the center of its endeavors. In the post-participation questionnaire, 99% of the employees answered that they would like to have a My Purpose, indicating that this resonated with them.



The Group's top executive personally speaks to and engages in dialogue with Group employees

Questionnaire for Town Hall Meeting participants

[Questionnaire results (total of 7 meetings)]



Implementation of cross-Group training and movement from the field starting point

Various measures were implemented in order to keep the fire lit in the hearts of employees following participation in the Town Hall Meetings, including training and workshops to support the formulation of My Purpose across the Group, and meetings to share My Purpose. Approximately 4,000 employees participated in the 20 sessions (as of the end of July 2022). Employees who participated in these measures could be considered the starting point, from which the establishment of the "Purpose Promotion Committee," the holding of "Meetings to Share My Purpose," and other voluntary initiatives in various companies and departments have expanded. The movement to formulate and respect My Purpose is spreading throughout the Group.



About 4,000 people have participated in a total of 20 sessions

Wanting to make all people smile

Kazuko Endo, Manager, Awaji Ekimae, Sampo Care

My Purpose is that I want to provide a space where all people can live while smiling and a place where they can make amazing lifelong memories. It was my grandmother, who lived together with me, who taught me the importance of smiling and offering kindness to those around me.

My beloved grandmother suffered from rheumatism. After she became unable to walk, I brought food to her room every mealtime, and we would talk for about an hour. The time I spent with my grandmother, who always seemed to enjoy talking with me, led me to my goal of becoming a caregiver. When residents and their families tell me with a smile that they are glad they picked this location, and that they are glad I am the one providing care, I feel truly happy to be doing this job.

I will continue to enjoy working with my colleagues with a smile so that we can fulfil the role of partners in the lives of our residents.



My Purpose

Providing a space where all people can live while smiling and a place where they can make amazing lifelong memories

I hope that no one will ever have to experience the regret I experienced that day...

Akemi Chatani, Manager, Sampo Japan Partners Kyoto Branch



My Purpose is to increase the number of people who can live with a smile and have peace of mind through insurance so that they do not become waylaid by accidents in life.

After joining our company, I knew I needed to review my parents' life insurance, but I kept putting it off. When my father was diagnosed with cancer, I hurried to check their life insurance and found that it did not provide sufficient coverage, which closed off their treatment options. I felt bad for my parents and angry at myself. I do not want anyone else to experience the deep regret I felt at that time.

My job now is to deliver peace of mind to customers through answering phones and other such tasks, and to organize the organization members.

By understanding My Purpose now, my behavior and awareness have changed. I am now able to go the extra mile with a sense of purpose, even in matters that made me hesitant in the past, and I feel a sense of fulfillment and of accomplishment.

My Purpose

I will never forget to behave with sincerity. I will increase the number of people who can live with a smile by providing ways to prepare ahead of time through insurance so that those in front of me can live a rich life without worries and not be waylaid by accidents in life.

Changes brought about by My Purpose

Eiji Yoshinaga, Branch Manager, Corporate Division 1, Corporate Department, Sampo Himawari Life Insurance



I feel that what was most important was that I was able to clearly verbalize my inner self in the process of creating My Purpose.

I believe that clear verbalization will lead to a clearer understanding of those around us, and furthermore, to the creation of an environment in which differences in thinking can be recognized and respected. In fact, I believe that team members now have a clearer understanding of their own purposes and the purpose of the company/organization than ever before. From a management standpoint, it is easier to support each individual in finding an understanding that allows them to realize their own purpose. As a result, I feel that we are making positive efforts to promote D&I and improve engagement.

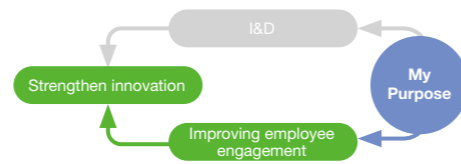
Also, although it may be a side effect, I presume that everyone understands and resonates with my personal "My Purpose," and that we have become able to work together to achieve it as a sales organization (laugh). I am grateful to each and every member.

My Purpose

I would like to properly execute our mission in an unprecedented positive and constructive manner, retain the ability to do so, and utilize the function of insurance to help the world so that reason and justice can prevail.

2 From improving engagement to creating innovation

4.4 Increasing job satisfaction through technical and professional skills 8.2 Improving economic productivity through innovation 9.b Added-value creation through innovation



Engagement is enhanced when all employees with a My Purpose take on challenges based on their intrinsic motivation in an environment where they can feel a sense of individuality, happiness, and fulfillment. To this end, we will emphasize dialogue centered on My Purpose to encourage employees to take on challenges based on each individual's intrinsic motivation, enhance engagement, and systematically improve the ability to generate innovation.

Various measures to achieve purpose-driven organizational management

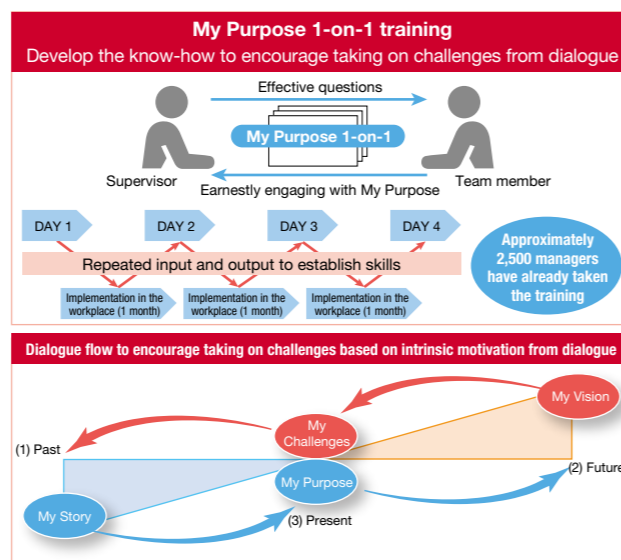
My Purpose 1-on-1 training

In order to encourage employees to take on challenges based on their intrinsic motivation through dialogue centered on My Purpose, we have conducted Group-wide My Purpose 1-on-1 training for managers and above 267 times (as of August 16, 2022) for approximately 2,500 personnel.

The KPI is to have 100% of all targeted personnel take the training by the end of FY2023. 86% of targeted personnel are expected to complete the training by the end of this fiscal year.

The My Purpose 1-on-1 is a "personal-level" 1-on-1 meeting between a supervisor and his or her subordinate that focuses on My Purpose, looking back on past experiences and encouraging taking on challenges towards one's future ideal state ("My Vision") for the realization of My Purpose.

By implementing and habitually conducting dialogue based on this dialogue flow in each department, we will foster a culture that generates taking on new challenges and innovation, which will lead to the realization of SOMPO's Purpose.



Town Hall Meeting for Domestic Leaders

In FY2022, we held a Town Hall Meeting with Group CEO Sakurada for the 3,600 leaders in Japan who are the key to implementing a new era of management that makes the most of each and every employee who works in a purpose-driven manner. There were discussions on what a leader should be and how organizations should be managed in order to make our efforts to spur taking on challenges and innovation through dialogue based on My Purpose sustainable.

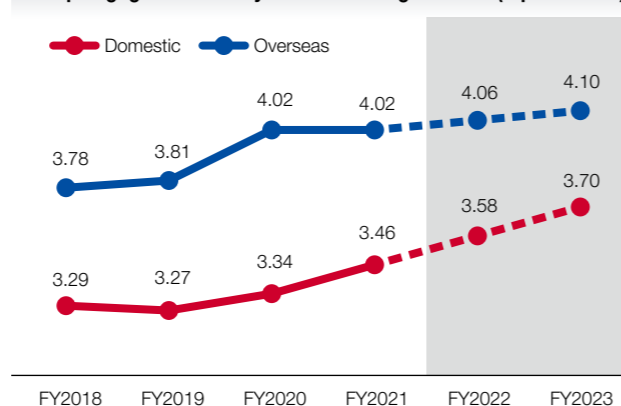
Group CEO Sakurada conveyed passionate messages

to the participants, such as, "Sometimes it is the leader's role to connect the mission with each person's My Purpose," and "Purpose management is tough, and is an opportunity for leaders to demonstrate their abilities." Many of the leaders present received inspiration for solving their daily hesitations and concerns. In the post-attendance questionnaire, 99% of participants answered that they understood and recognized the importance of purpose and the role of leaders in leading purpose-driven organizations.

Engagement Survey

Based on the belief that improving the fulfillment and happiness of every employee is the driving force for achieving high productivity, we have set employee engagement as a common KPI for the Group since FY2021. We have adopted Gallup's Q12 survey for our Engagement Survey, and conduct it twice per year for domestic and overseas group companies. In the most recent Engagement Survey, approximately 75% of the Group companies showed an increase in their scores. We are gradually seeing the effects of our measures to spread the concept of purpose. Going forward, we will continue and expand various measures to further improve employee engagement in the future.

Gallup Engagement Survey results and target scores (5-point scale)



My Purpose draws out the capabilities of organizations

Ryuichi Futakuchi, Manager, Nagoya Automobile Sales Department 3, Sampo Japan Insurance

I first realized what My Purpose is when I was engaged in my daily management duties, and found myself thinking, "I want to create an environment where I can fully understand my team members and each of them can demonstrate 120% of his or her capabilities."

Firstly, I disclosed my personal My Purpose to all team members in my workplace to help them understand me.

In addition, by holding meetings to share My Purpose in my department, mutual understanding has deepened between team members, and I feel that team cohesion has increased when I see things like people moving to voluntarily help each other.

We usually link My Purpose with work goals and engage in dialogue to draw out what each team member wants to do.

Under these circumstances, positive changes are being made, such as results being generated through taking on new challenges and team members applying for the job challenge program in order to seize career opportunities for themselves.

The quality of communication has also changed, and this has had an impact on the engagement survey.

I feel that the key to a strong organization is for each of us to continue this cycle of dialogue based on My Purpose to encourage employees to take on new challenges and attain achievements.



My Purpose

We must actively engage with people, increase opportunities to exchange smiles with colleagues, and create an environment where colleagues believe in each other and work enthusiastically together. We must also draw out maximal team capabilities and realize a society where no one is isolated or lonely.

My Purpose changed my values

Tomoko Yanagihara, Business General Manager and Senior Leader, Tokyo Chuo Division 4, Sampo Care



I attained my current position after having worked in the finance and real estate industries, but I didn't previously have much familiarity with the concept of respecting the aspirations of individuals and engaging with work in this way. However, when I became a manager, I found that the employees I was overseeing would not follow my instructions in the way I wanted them to at all, and I got the distinct feeling that the old style of management would no longer work. After that, I learned the importance of dialogue and implemented it. But that alone was not enough.

It was during this time that I encountered the concept of "conducting dialogue with team members with My Purpose as the starting point."

At last year's Town Hall Meeting, I was struck by Mr. Sakurada's statements, "It is important to firstly think of My Purpose," and "I want you to use the company as a place to realize your own purpose."

Through subsequent training and other activities, I have realized that this is truly an idea that fits the times.

My Purpose

I want to create a workplace where employees feel satisfied with their jobs, and increase the number of things that our clients have been able to do because of Sampo

I believe that everyone will be able to be happy at work if we can create an organization in which we seek the overlap between My Purpose and SOMPO's Purpose together, and assist each other in taking on challenges. I will continue to directly engage with each of my team members, and implement dialogue based on My Purpose.

Initiatives in which My Purpose has led to innovation and results

Katsuaki Namba, Manager, Kariya Sales Section, Nagoya Automobile Development Department, Sampo Japan Insurance

In the department I belong to, we are aiming for a "purpose-driven work style." All employees have formulated their own My Purpose, which they share with one another in the workplace and move to implement themselves.

Furthermore, since this fiscal year, we have been holding "meetings to share My Purpose initiatives and actual examples" with the companies and agencies we are in charge of. Through these efforts, we are contributing to the human resource development and organizational development of our corporate clients. We are also building new relationships based on purpose with corporate group companies that we have not had much of a chance to connect with in our 130-year history. We are definitely feeling a positive response.

For example, I recently held a purpose-sharing meeting with companies that had never done insurance business with us before. This meeting led to a significant change in the way our customers view our company and our employees, and to a new business relationship that transcends the boundaries of our history. In addition, at another company, we shared the department manager's My Purpose with the employees, which ended up resonating with many of them. Subsequently, the quality and breadth of communication grew, which in turn led to new sales projects.

We believe that the sharing of My Purpose is not limited to the framework of insurance, but leads to the creation of a team of colleagues who can take on the challenge of solving social issues together. We will continue to actively engage in such efforts going forward.

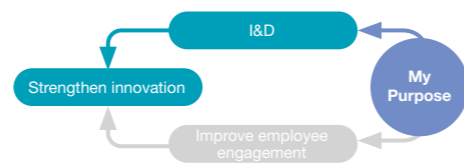


My Purpose

Toward a world where everyone can live with a raison d'être

3 From I&D* to creating innovation

4.5 Education and professional training for people with disabilities 5.5 Participation and advancement of women 10.2 Strengthening people's capabilities and promoting inclusion



The Sampo Group works to foster a culture in which employees from various backgrounds respect each other's My Purpose and recognize diverse values. This culture and our human resource strategy based on My Purpose have created a virtuous cycle that attracts diverse talents from outside the company and further strengthens I&D, creating new innovations through the concentration and collision of diverse values.

I&D through My Purpose

Sharing and resonating with My Purpose

Inclusion of each employee's diverse My Purpose and their utilization as a force for Group innovation starts with understanding and recognizing one another's My Purpose. The Sampo Group is disseminating "SOMPO DNA," a biography of the futures of 100 Sampo Group employees with diverse personalities who are motivated by their respective My Purpose and are realizing their aspirations on the Sampo stage, both inside and outside the company. In addition, through other means such as videos, cross-Group communities, and sharing meetings at each workplace, we are promoting efforts to disclose and respect each other's My Purpose among employees, including directors and officers.



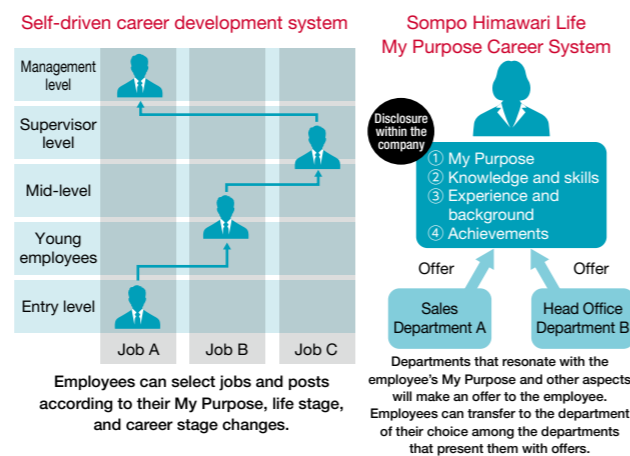
Click here for the biographies of 100 Sampo Group employees (SOMPO DNA) <https://www.sampo-dna.info/> (only Japanese)

A system to further promote I&D and to encourage taking on challenges and innovation

Introduction of a personnel system that supports career development based on My Purpose

The Sampo Group is advancing the introduction and expansion of a personnel system that enables employees to make choices in their own life and career paths based on My Purpose, and to demonstrate their achievements.

Sampo Holdings is promoting self-driven career development centered on job selection led by the employees themselves, including not reassigning employees without their consent and introducing a system whereby employees can run for department or section manager posts. In addition, at Sampo Himawari Life, each employee discloses their knowledge, skills, experience, career history, and achievements to the company along with his or her My Purpose as part of the "Himawari My Purpose Career System." It allows employees to choose where they would like to move to from among the departments that have offered them a new position based on this information.



Career recruitment

The Sampo Group actively promotes career recruitment with the main purpose of promoting I&D and acquiring highly specialized talents. After we began hiring in April 2020, we have hired approximately 100 mid-career hires, or 20% of our workforce, over the past two years. We have placed mid-career hires in the respective posts of general manager, section manager, and person in charge. By integrating the strengths of each of our existing internal human resources, we have been able to create new value.

Closing the gender gap

The Sampo Group is building a climate and environment that supports how easy it is for female employees to work, including by introducing a training program that supports balancing life events and career advancement, an unconscious bias diagnostic tool, and training videos. As a result of these efforts, the number and ratio of female managers as of April 1, 2022 are respectively 1,843 and 26.8% (target by April 1, 2024: 30%). In addition, the Succession Plan for the Group's major key posts (88 posts in total) sets a numerical target of 50% female candidates by FY2022, and efforts are being advanced to achieve this target.

*Inclusion is important for respecting and acknowledging each employee's diverse "My Purpose" and characteristics, and having them fully demonstrate their unique abilities, which will lead to innovation. In order to express this meaning, this part uses the acronym I&D for diversity and inclusion (D&I).

Meetings to share My Purpose in order to deepen mutual understanding among team members

Hiroshi Arisue, Senior Deputy Manager, Customer Communication Planning Department, Sampo Japan Insurance

In the previous fiscal year, we held a meeting to share My Purpose among a portion of members. This fiscal year, we asked department managers and various leaders to hold meetings to share My Purpose with team members across the entire workplace. Currently, we are supporting the sharing and creation of My Purpose through 1-on-1 meetings and other opportunities, and we plan to invite interested parties from among the team members to participate in sharing sessions in the future.

Through the meetings to share My Purpose, we were able to both learn more about ourselves and help the members around us understand us. In addition, by learning that each member around us has different thoughts and feelings, and by learning about the background that led up to those thoughts and feelings, our sense of mutual understanding has deepened even further. In the workplace, we are able to make decisions while having more meaningful communication, taking into consideration each other's ideas and areas of expertise, and this has resulted in a high level of synergy.

Meetings to share My Purpose are a necessary initiative for My Purpose, which is to "walk together, struggle together, and share joy together with many people." We intend to continue to actively hold these meetings.



My Purpose

Walking together, suffering together, and sharing joy together with many people

I decided to enter the Group because Sampo Group's philosophy based on My Purpose resonated with me

Kanami Matsuda, Deputy Manager, Sustainable Management Office, Sampo Holdings



For some time, I have been thinking about my career from the perspective of what I want to do and what I can do to achieve it. Then I came across Sampo, a company that values My Purpose. I truly resonated with the concept of building one's own career by making the most of the company's fields, centering on My Purpose, and decided to join Sampo.

My personal My Purpose is to be honest about how I feel and to use the power of communication to support a society overflowing with positive support.

Going forward, I would like to utilize my knowledge and experience in branding and communication, which I gained in an industry completely different from Sampo. I will strive to send positive support to everyone in the Sampo Group, each with their own diverse values, so that they can tackle their daily work honestly with their own feelings. I also want to face my daily work with honesty in order to embody my personal My Purpose.

My Purpose

I will provide support through the power of communication for a society that can be honest with its own feelings and overflows with positive support.

Taking on new challenges and innovations created by My Purpose

Ayumi Ito, Deputy Manager, Corporate Branch Office, Oita Branch, Sampo Japan Insurance

In the department to which I belong, we try to draw out individual thoughts (My Purpose) through dialogue (1-on-1) with each member and assign roles that match them.

Through regular dialogue with the section manager, I reconfirmed that I have a strong desire to contribute to my hometown of Oita, and I was assigned to Oita Prefecture this fiscal year.

Currently, as a step toward realizing My Purpose, I am considering an event using the Sampo Group's original SDGs card game to create a deep connection with Oita Prefecture.

This card game was developed to promote understanding of Sampo's SDGs initiatives, based on the starting point of Sampo colleagues' wish to "communicate more about the company."

When considering an event, we exchange opinions with other employees who are considering similar events. As everyone has their own ideas and plans, it is a good opportunity to be exposed to ideas, which in turn contribute to deepening one's own thinking.

In this way, by bringing together and connecting a diverse group of colleagues with their own My Purpose, new ideas will lead to the creation of new challenges and innovation, and I feel that the Sampo Group as a whole will become a stronger company.



My Purpose

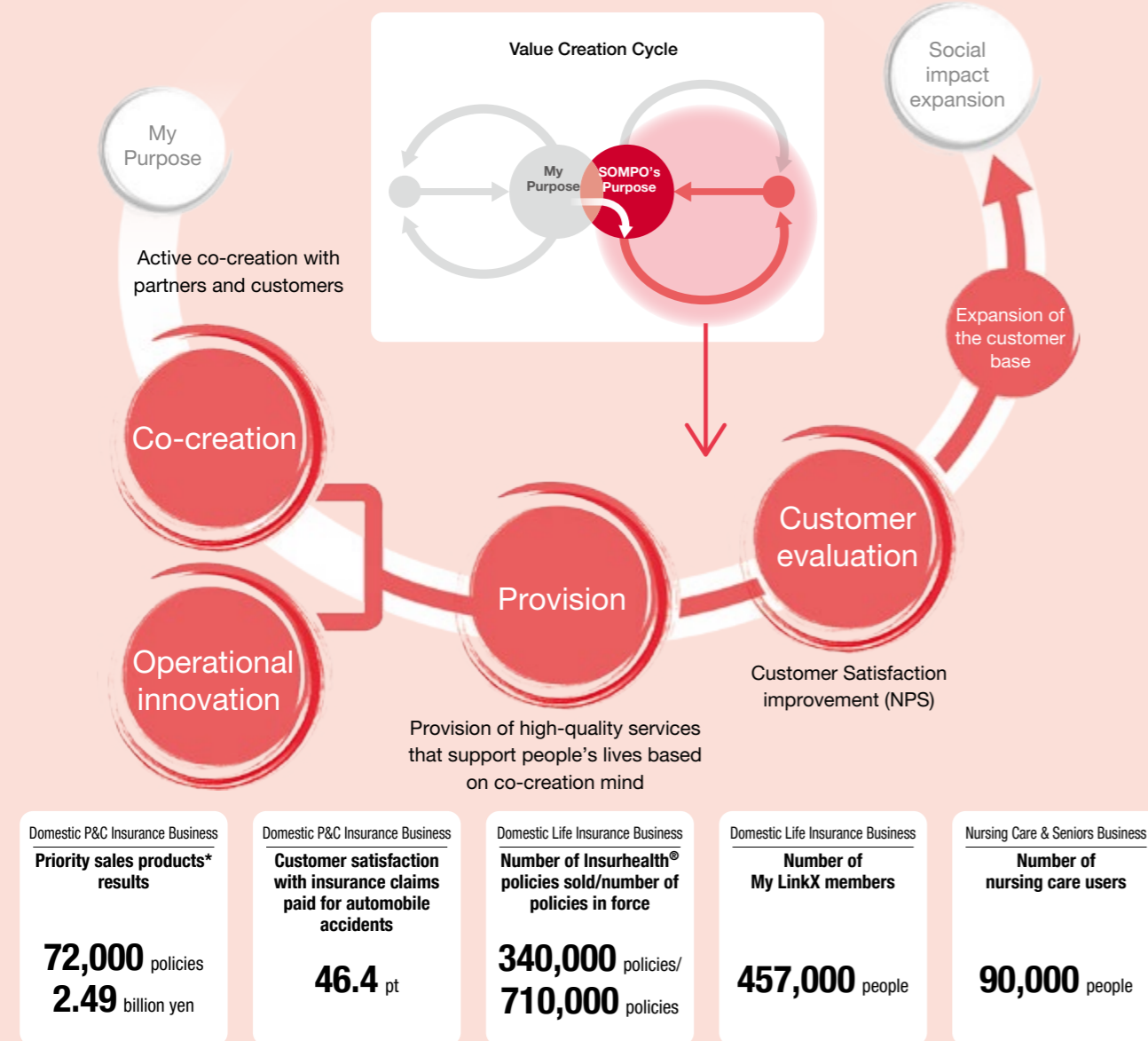
For the world and its people - I want to connect with people, learn from them, and keep smiling~

Value Creation Cycle: Route of Existing Business



Expansion of our customer base through the provision of high-quality products and services based on co-creation mind

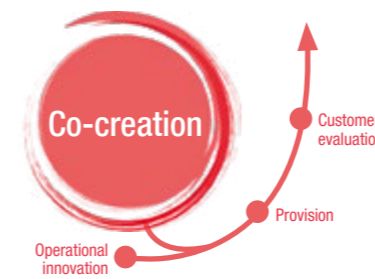
At the Sampo Group, employees are motivated by My Purpose, the driving force for the realization of SOMPO's Purpose. All of the Group's employees are working as one in existing business domains to provide high-quality services through co-creation with partners and thereby expand our customer base. This part will introduce specific examples of such efforts at each Group company, along with the thoughts of the employees involved in these efforts.



*Figures are actual results for FY2021
*Priority sales products include Medical Master, Nyuin Passport, New DRIVING! and UGOKU

Expansion of our customer base with the co-creation mind

Highly-engaged employees driven by My Purpose are shifting to high-value-added operations through **operational innovation**, and are working eagerly on **co-creation** with partners to **provide** the market with high-quality products and services that support customers' lives in diverse business domains. Through these efforts, we aim to further expand our customer base and achieve business growth by enhancing **customer evaluations** based on trust and empathy.



Creation of high-quality products and services through co-creation with partners and customers

In order to fully and appropriately reflect the opinions obtained from the market obtained by employees with diverse values in the development of products and services, we actively engage in co-creation with partners and customers. We aim to create high-quality products and services that are not limited by our own technologies and expertise.

The "Nyuin Passport" thoroughly reflects customers' needs

Sompo Japan Insurance

3.3 Eradication and control of epidemics and infectious diseases 3.4 Mental health and welfare promotion 8.10 Accessibility to insurance and financial services

The new medical insurance "Nyuin Passport," launched in June 2021, was created reflecting opinions from over 10,000 customers.

The product was developed after repeatedly conducting street interviews, qualitative and quantitative surveys, and the like with customers, thoroughly considering what customers wanted. Focused on customer views such as, "There is a burden on families left behind after someone is hospitalized," "Concerns about having enough money in the event of hospitalization," and "The many administrative procedures are cumbersome," we realized the industry's first coverage and a procedure that can be completed via smartphone. This product provides peace of mind from before hospitalization to afterwards, creating an environment in which customers can focus on their treatment.



Taking on new challenges unbound by precedent

Nobuya Yamamoto Senior Deputy Manager, Healthcare Business Group, Personal Lines Product Development Department

I feel it rewarding and motivating to take on new challenges through my work. This product was a great challenge for me, as it was developed by a team that was thoroughly focused on customer feedback, without being bound by precedent, with the desire to be of help with insurance in times of need. As a result, we have become able to pay insurance claims in as little as 30 minutes, which led to our winning the top prize in the "2021 Nikkei Superior Products and Services Awards." We will continue to take on the challenge of solving the issues faced by our customers and society by working without being bound by precedent with our customers as our central focus.

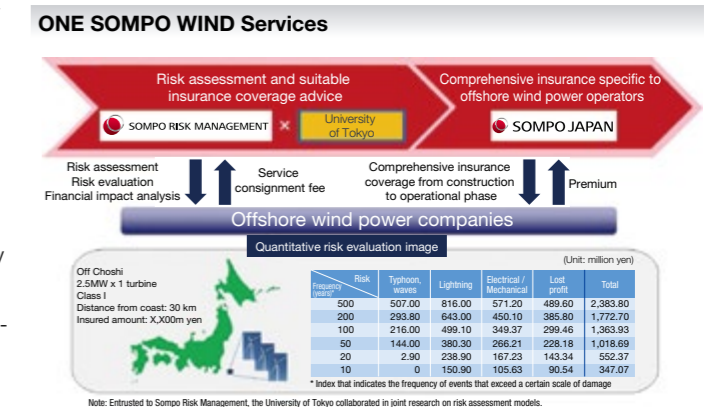


"ONE SOMPO WIND Services" contribute to realizing a net-zero society

Sompo Japan Insurance

7.2 Expanding renewable energy share 13.2 Climate change countermeasures 17.16 Multi-stakeholder partnership

In Japan, the spread and stable supply of renewable energy is a major challenge in working toward the net-zero society that the world is striving to achieve. Although offshore wind power has great potential and is expected to be introduced in the future, one of its issues is that it is exposed to various risks such as typhoons, lightning strikes, and other natural disasters, as well as accidents such as those involving undersea cables. Based on joint research with the University of Tokyo, our Group developed a risk assessment model and launched "ONE SOMPO WIND Services," which is comprehensive insurance that covers various risks for offshore wind power operators and includes risk assessments from construction work to business operations. In this way, we support offshore wind power operators in Japan and contribute to the spread of renewable energy.



Encouraging the spread of renewable energy

Yosuke Murakami Senior Deputy General Manager, Head of Energy Underwriting Section, Corporate Marketing Department VI

We believe it is our duty for the future young generation, who will shoulder the future, to visualize the unknown risks of offshore wind power projects, develop appropriate risk hedging measures, and contribute to the sustainable growth of the offshore wind power industry, which will play a leading role in providing safe and eco-friendly energy. Through ONE SOMPO WIND Services, we support our customers in public tenders and financing. We will continue to support the spread of renewable energy, the key to controlling the risk of climate change, which is considered to be a factor that increases the risk of natural disasters.

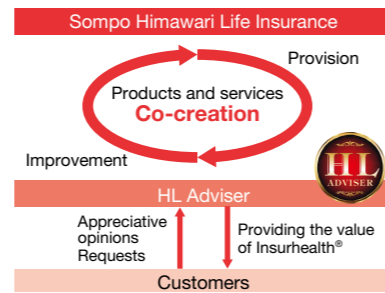


Co-creation with HL Advisors who provide high-quality products and services

3.4 Mental health and welfare promotion 8.10 Accessibility to insurance and financial services 17.16 Multi-stakeholder partnership

Sompo Himawari Life Insurance recognizes Himawari Life advisors as life insurance sales representatives of the highest quality who combine “high consulting and proposal skills,” “realization of health support,” and “customer-centric operation.” Under the motto of “Creating together” with HL Advisors, we provide customers with the value of Insurhealth® which combining the traditional role of life insurance to prepare for any possibility with day-to-day healthcare support functions. and deliver “security, health, and wellbeing,” thereby increasing the number of new customers who appreciate Insurhealth®. We will also work on co-creation to realize a Health Support Enterprise by utilizing the views of HL Advisors who are closest to our customers.

Sompo Himawari Life Insurance



The best partners that can protect customers for any possibility and their day-to-day healthcare

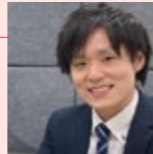
Sho Yamashita Senior Deputy Manager, Sales Planning Department



I feel it is rewarding to deliver security and wellbeing to future customers by listening to and supporting HL Advisors. I would like to work with HL Advisors, our highest quality partners toward establishing a Health Support Enterprise, to spread the value of Insurhealth® and to receive happy comments from our customers.

Evolving the value of Insurhealth® together

Kyogo Furuhashi Senior Deputy Manager, Sales Planning Department

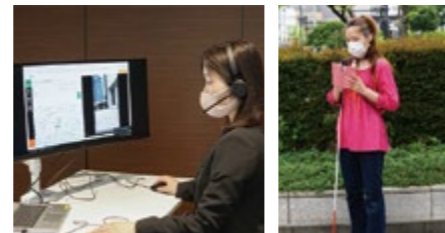


I would like to solve social issues by focusing attention on others and carefully listening to them. HL Advisors are our highest quality partners who can help more customers solve their problems by providing the value of Insurhealth®. HL Advisors are essential to the realization of My Purpose, and I would like to continue to work with them to advance Insurhealth®.

“Eyeco Support” development through dialogues with visually impaired

3.4 Mental health and welfare promotion 9.2 Promoting industry development through innovation, increasing employment and GDP 17.16 Multi-stakeholder partnership

With the desire to offer “service that only people can provide,” Prime Assistance (PRA) developed “Eyeco Support” to meet the needs of people with vision disabilities who want to freely go out whenever they wish. This service was developed through a trial-and-error process involving dialogues with visually impaired. By providing information on the surrounding area obtained by operators via smartphone images, the service enables timely access to necessary information and greatly expands the choices and range of activities for people with vision disabilities. We are expanding our circle of co-creation through demonstration experiments with local governments, airlines, and railroad companies that share the same awareness of the issues involved in this service.



Prime Assistance

Eliminating all barriers and bring smiles to socially oppressed

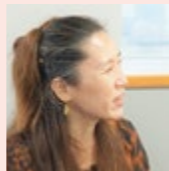
Reiko Fujita Deputy Manager, Life Support Business Dept.



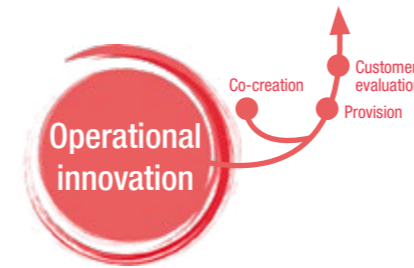
I want to develop services that empower people who suffer from barriers caused by isolation and disparities, together with my team members. “Eyeco Support” is the embodiment of this. In developing Eyeco Support, we held dialogues with people with vision disabilities, and I believe we were able to reflect their voices in our development because PRA is close to the end users in terms of their lifestyles and thoughts. Going forward, I would like to contribute to realizing a society where everyone, regardless of whether they have a disability, can fully demonstrate their abilities and challenge themselves to make their dreams come true.

Supporting people’s lives with digital and communication capabilities

Mitsue Fujii Life Support Business Dept.



I joined PRA because I was involved in the early stages of the development of this product as an advisor. Initially, I was involved in product development as an end-user with a vision disability, and felt delighted to see a product being created. When I joined the company as an employee, I felt the weight of my responsibilities, but I believe that PRA provides an environment where I can take on challenges together with its members. Currently, we are moving from the development phase to the user expansion phase. I would like to expand the value of this product, which supports people’s lives through digital and communication capabilities, to many people.



Shifting to high value-added services that only people can provide

The Sompo Group is working to shift to a work style that aims to provide high value-added services that only people can provide, such as creating more time to spend with customers, by promoting operational innovation through the use of digitalization and technology.

Future Nursing Care Creation Project aiming to improve the quality of nursing care and reduce the workload of caregiving staff

1.3 Implementation of an appropriate social protection system and measures 3.4 Mental health and welfare promotion 8.6 Promoting a safe and secure work environment

This project aims both to improve the quality of nursing care and to reduce the workload of caregiving staffs by reviewing work at nursing facilities from the perspectives of “facility management,” “care management,” and “nursing care services.”

Specifically, we are utilizing the latest technology and real data to create more time by reviewing work processes, and are promoting efforts to provide optimal services to users by spending more time on “tasks that only people can do,” such as talking with them.



Improvement of care quality

We provide the highest quality nursing care services that only people can provide by offering optimal care for each individual (meaning custom-made care) based on the philosophy of “respect humanity” while being careful about people’s mental and physical conditions, and values such as “what people can do” and “what people want to do.”

As part of this, we are focusing on helping our users to live their lives to the end in their own way by utilizing our original “Yumeyui Note,” which allows them to make a record of their lives thus far and dreams they wish to realize, and to share their individual values and goals for their lives.



Reducing the workload of caregiving staffs

By introducing technology into nursing facilities, we are working to satisfy our users and reduce the workload of frontline staffs.

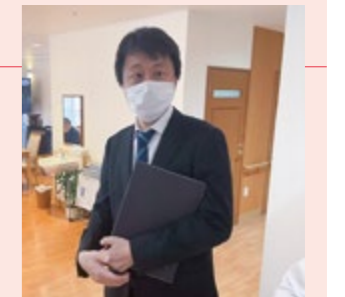
For example, the “Biami” shower bathing device for nursing care not only allows users to bathe comfortably without fear of drowning, as there is no need to fill the bathtub with hot water, but also reduces the workload of caregivers by allowing one person to assist bathing in a special bathtub, which normally requires two people.

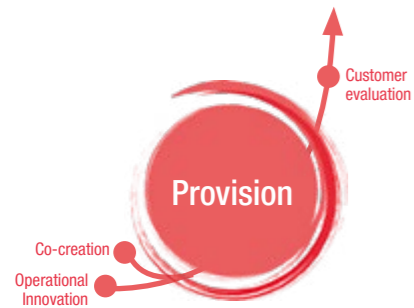


Interview with the Facility Head of Sompo no le Haruhino

Takashi Kozawa Senior Facility Head

We have been working since FY2020 as one of the leading homes in the future nursing care creation project. Previously, we had relied on experience and intuition of staff members to give nursing care, so it took a certain amount of time to train new staff members, for example. However, by utilizing technology, we have been able to standardize work and reduce the workload of staff. Staff members are able to use their free time to spend more time with residents than ever before, and I believe this has led to improved quality.





Providing high-quality products and services that solve social issues

Through accelerated cooperation to enhance product and service capabilities and business innovation aimed at providing high value-added services, the Sompō Group is working to provide high-quality products and services that solve social issues and support our customers' business innovation and lifestyles.

“Medical Master” to solve the issues of SME proprietors

3.3 Eradication and control of epidemics and infectious diseases 3.4 Mental health and welfare promotion 8.3 Supporting micro, small, and medium enterprises through innovation

To fulfil the needs of SME proprietors desiring to take good care of their employees and easily obtain insurance, we have been offering the new product “Medical Master” for SMEs since June 2021. This product is paid for by the company without requiring employees to pay premiums, and covers not only tangible assets owned by the company, but also the people who support the company, such as proprietors and employees. SME proprietors wishing to enhance their employee benefit programs to be just as good as those of large companies in order to secure talented employees and prevent turnover have been highly impressed with the simplicity of the procedures, including the fact that it is not necessary to register or provide notification of employees. Through this product, we protect a wide range of SMEs and their employees from various risks.

Sompō Japan Insurance



Members with diverse characteristics demonstrate their strengths

Kazuteru Yamada Group Leader, SME Package Product Development Team, Commercial Business Strategy and Underwriting Department

I wish to contribute to the creation of an environment where employees are able to work with peace of mind for many years. I would also like to respond to the concerns of proprietors, among them preventing employee turnover and labor shortages. The Medical Master Development Project was initiated by a team that transcended departmental boundaries with this in mind. I believe that when members with diverse backgrounds combine their knowledge and experience, we can accomplish a great job that is greater than the sum of our individual strengths. Although I myself only joined the team in the middle of the project, we were able to overcome the many challenges that arose, one by one, by sharing our wisdom with each other. Indeed, I feel that we were able to complete the project precisely because of the strengths shown by our diverse team members. I would like to continue to respect the diversity of my colleagues whilst creating products that will please our customers.



Providing cancer insurance that offers total support from before onset to post-treatment care

1.4 Accessibility of people to all services and financial resources 3.4 Mental health and welfare promotion 8.10 Accessibility to insurance and financial services

The “Health Support Cancer Insurance: Yuuki no Omamori” launched in October 2021 provides total support from before onset to post-treatment care. It is a “new form of cancer insurance” that is both rational and compatible with the latest cancer treatments based on the High-cost Medical Expense Benefit system. Smokers who successfully quit smoking after enrollment can change to a less expensive non-smoker premium rate. Furthermore, we have introduced the industry’s first system in which premiums are not charged for the first three months of cancer coverage from the time of concluding the contract.

Sompō Himawari Life Insurance



Supporting the fulfilling lives of customers

Toshihiko Morita Senior Deputy Manager, Business Planning Department

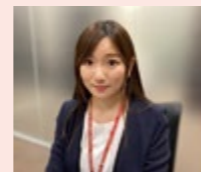
This product provides total support from before the onset of cancer to after treatment concludes. We introduce a cancer risk screening service that can be performed at home, allowing early detection of cancer. If people get cancer, we support the improvement of physical issues by introducing online exercise lessons for cancer patients. I would like to continue to focus on the significance of my involvement in each job, and refine the high quality of the services we deliver to our customers.



Developing insurance that is attentive to customers' needs

Aya Tanaka Senior Deputy Manager, Product Planning Department

This product responds to customer needs by offering two types of coverage: a “treatment benefit type” that pays benefits for each month of receiving treatment under the High-cost Medical Expense Benefit system, and a “diagnosis benefit type” that pays benefits in a lump sum to be used in a variety of ways. We will continue to develop insurance that is attentive to customers' needs, and deliver insurance that is generally considered “hard to understand” and “difficult” in an easy-to-understand manner.



Expanding our customer base based on trust and empathy

We are working to expand our customer base, which will support steady business growth, by earning the trust and empathy of customers and society in each of our business domains through provision of cooperation-oriented high-quality products and services.

No. 1 in the agency-based non-life insurance category of the J.D. Power “2021 Contact Center Support Satisfaction Survey”!

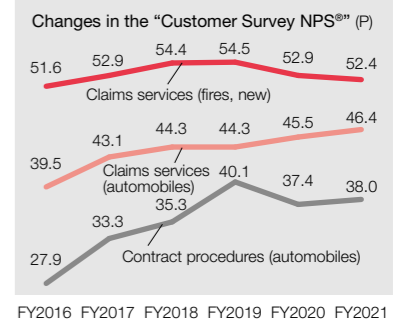
3.6 Promoting traffic safety 8.10 Accessibility to insurance and financial services 11.2 Providing access to sustainable transportation systems

This survey's purpose is to discover the level of satisfaction of people who used contact center support at financial institutions within the past year for resolving problems, making various inquiries, and gathering information on products and services. Sompō Japan ranked first in the agency-based non-life insurance company category, receiving the highest ratings in all four factors: ease of use, adequacy of information provided and responses to requests, politeness of explanations/politeness of responses, and time required to solve problems and respond.

Sompō Japan is also working to firmly establish customer-centric work management*, and has established “Customer Survey NPS®” as one of the indicators to evaluate the status of this. Our evaluation by customers who have completed contract procedures and received claims services has improved compared to that before the announcement of the customer-centric work management policy (as of the end of FY2016).

*Sompō Japan conducts customer-centric work management based on a thorough understanding of the customer's perspective at all points of contact with customers, in accordance with its Management Philosophy.

Sompō Japan Insurance

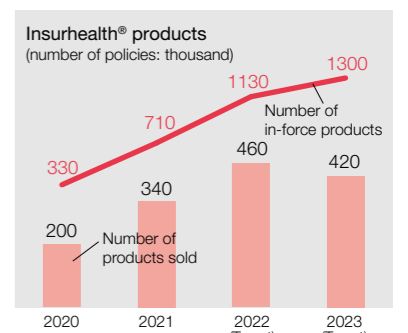


The number of applications for “Health Support Cancer Insurance: Yuuki no Omamori” has reached 200,000!

1.4 Accessibility of people to all services and financial resources 3.4 Mental health and welfare promotion 8.10 Accessibility to insurance and financial services

The number of applications for “Health Support Cancer Insurance: Yuuki no Omamori” reached 200,000 in July 2022. Customers who have subscribed have commented favorably, noting that “it motivated me to quit smoking” and “the fact that there is no duplication of premiums was a deciding factor in my decision to review my cancer insurance.” It has also been highly evaluated by financial

planners and other experts, and has won the grand prize and top place in various cancer insurance rankings. This product, Insurhealth®, is a “new type of cancer insurance” that provides total support from before the onset of cancer to post-treatment care. We will continue to expand the number of Insurhealth® products sold and in-force as we aim to become a Health Support Enterprise.



Sompō Care won the top prize of the “Asia Pacific Eldercare Innovation Awards” for efforts to assist users independence!

3.4 Mental health and welfare promotion 9.2 Promoting industry development through innovation, increasing employment and GDP 17.16 Multi-stakeholder partnerships

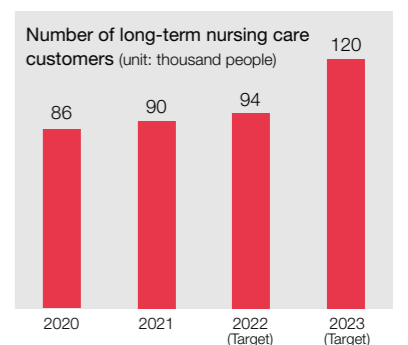
Through its nursing care service, which offers “assistance for independence” that respects each person's “individuality,” Sompō Care provides “Sompō Care Independence Assistance that Supports Independent Lifestyles” with the concept of improving quality of life (QOL) for seniors. This was entered in the “Operator of the Year—Assisted Living” category and won the top prize.

Under the theme of “Rethinking the Way Eldercare is Provided,” a panel of judges composed of global experts evaluated more than 200 outstanding innovations in eldercare entered from around the world and presented awards in each category.

In order to provide nursing care services

that lead to “assistance for independence,” we are working to provide optimal care based on a deep understanding of the needs of each individual senior through care management, conducting educational training and case study sessions for staff as a peripheral approach to assistance for independence, and accumulating and analyzing data through the active utilization of ICT and digital technology. By working to understand the gap between the essential needs of each senior and the content of services provided, we are striving to provide more appropriate nursing care services. Through these efforts, we will increase the number of long-term nursing care customers and support more seniors by

providing optimal long-term care services that are individualized and of high quality to each and every senior.

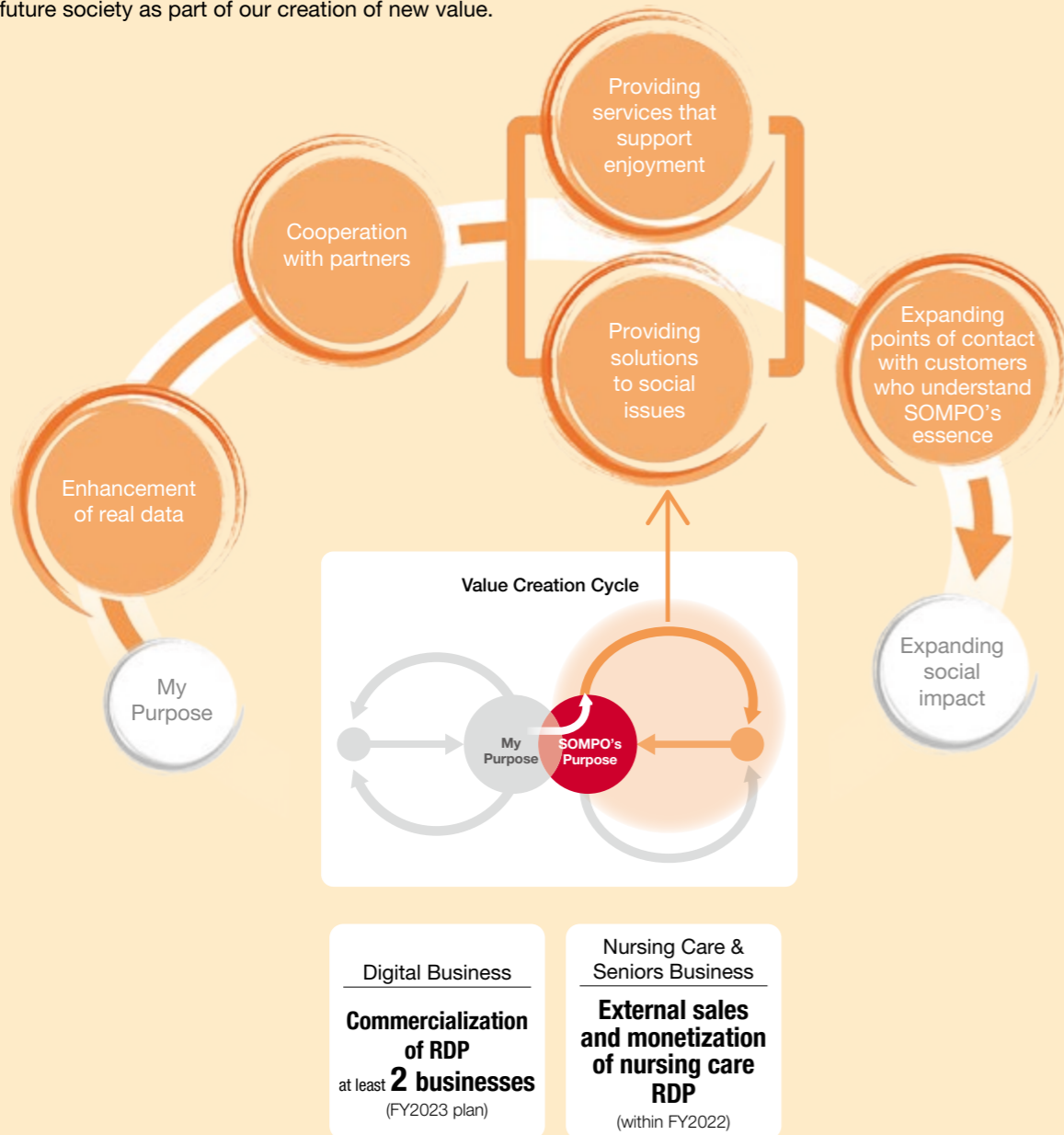


Value Creation Cycle: Route of New Value Creation



Providing solutions to change our future society

With the trust we have cultivated through our existing businesses and the abundance of high-quality real data we have accumulated, we are working to create new value beyond the boundaries of existing businesses by attracting diverse businesses and human resources as cooperation partners, promoting DX, and establishing our new RDP business model. The content here introduces specific efforts by each company to provide solutions that will change our future society as part of our creation of new value.



By thoroughly promoting the digital transformation (DX) of each business, which we have been working on since 2016, we aim to further accelerate the DX of the entire Group and increase corporate value by implementing revenue growth and improving operational efficiency in existing businesses, and by linking the efforts of Sampo Group companies to each business and company both in Japan and overseas.

In addition, by linking DX initiatives to RDP, we aim to develop and provide innovative SaaS solutions, especially in the nursing care and healthcare areas where social needs are high, and to materialize our unique RDP business.

Group CDO
Albert Chu

DX Strategy to realize digital transformation

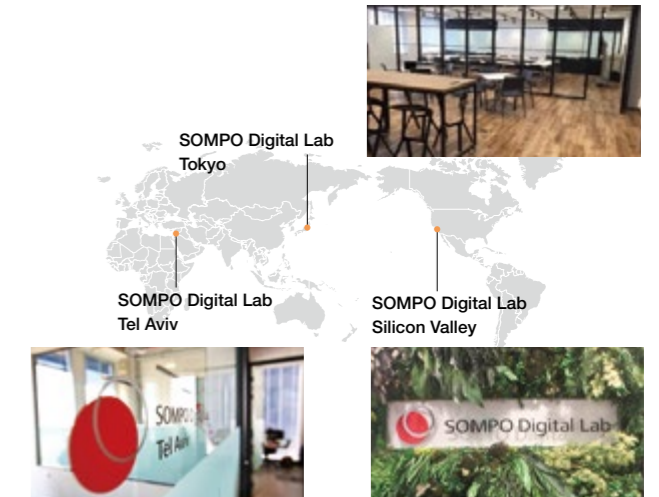
The Group is developing two mutually important efforts that are digital and data-driven: “new customer value creation through new businesses” and “DX promotion for existing Group businesses.”

We have positioned DX promotion as a foundational initiative, and have set up an organization to discover digital technologies, appointed a CDO to take charge of DX promotion, and secured and trained personnel to realize digital transformation (securing DX specialists and DX human resources development) as its three pillars. Through the organic functions in each of these pillars, we are working to accelerate DX initiatives and realize transformation. In addition, we will utilize data accumulated through the DX initiatives of the entire Group, and seek to enhance corporate value through the creation of customer value by linking it to our efforts for the realization of the Real Data Platform (RDP), a framework for creating new solutions that contribute to security, health, and wellbeing.

The SOMPO Digital Lab transforms existing businesses and creates new businesses

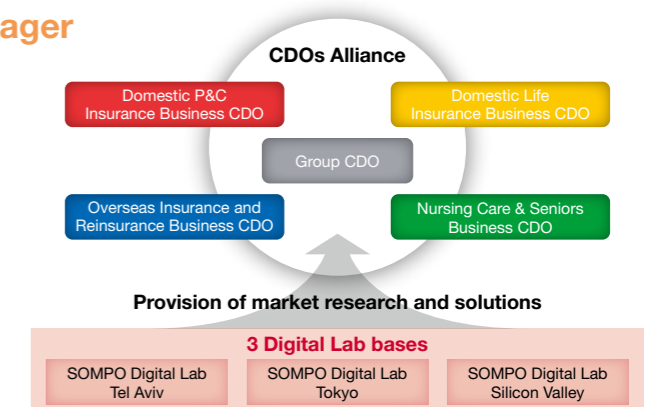
Since the establishment of the Digital Strategy Planning Department (now the Digital and Data Strategy Department) in April 2016, the SOMPO Digital Lab has been supporting the Sampo Group digital business at three bases in Tokyo, Silicon Valley, and Tel Aviv.

Each of the three bases is involved in its local community, and gathers cutting-edge information while also utilizing the venture capital network, enabling the collection of information on the latest technologies and approaches to leading local companies. In addition, through mutual collaboration by the bases to realize DX for the entire Group, they provide optimal solutions to diverse business needs and support the transformation of existing businesses and the creation of new businesses for each Group company.



Appointment of the DX Promotion Manager

The Group CDO, who is the DX Promotion Manager for the entire Group, and the four CDOs appointed in each business to promote DX in the Group's core businesses will build an alliance to promote DX initiatives. In addition, the three SOMPO Digital Lab bases, which serve as “antennae” to quickly pick up on advanced digital technologies, are also responsible for market research, proof of concept (PoC) work, and solution provision, offering comprehensive support to each business, and thereby accelerating DX initiatives across the Group.



Envisioned status and expected effects achieved through DX

Business	Envisioned status through DX	Expected effects in FY2023
Domestic P&C Insurance	<ul style="list-style-type: none"> Digital transformation of organizations and business processes (defensive DX) Creation of new digital business models to improve CX/UX (offensive DX) 	15.1 billion yen (Improvement of underwriting income/expenses and operational efficiency)
Overseas Insurance and Reinsurance	<ul style="list-style-type: none"> Business process transformation and automation Realization of differentiation through utilization of new technologies Improvement of quality and speed of decision making through data integration Realization of loss prevention through digital utilization 	1.9 billion yen (Improvement of underwriting income and expenditure, operational efficiency enhancement)
Domestic Life Insurance	<ul style="list-style-type: none"> Expansion of Himawari fans by improving the value of Insurhealth® (insurance + healthcare) Pursuit of operational efficiency and optimization 	4 billion yen (New business opportunities, operational efficiency enhancement)
Nursing Care & Seniors	<ul style="list-style-type: none"> Realizing of projects of creation of future nursing care with high quality and productivity by utilizing digital data e.g. evolution of assisted living homes and at home nursing care models 	900 million yen (Operational efficiency enhancement)

SOMPO's partners for creating new value

9.5 Research promotion and technology improvement through innovation 11.5 Disaster-resilient community development 17.16 Multi-stakeholder partnership

The Somo Group aims to realize SOMPO's Purpose and enhance corporate value by working with like-minded partners to promote initiatives that create new value by providing solutions that help solve social issues.

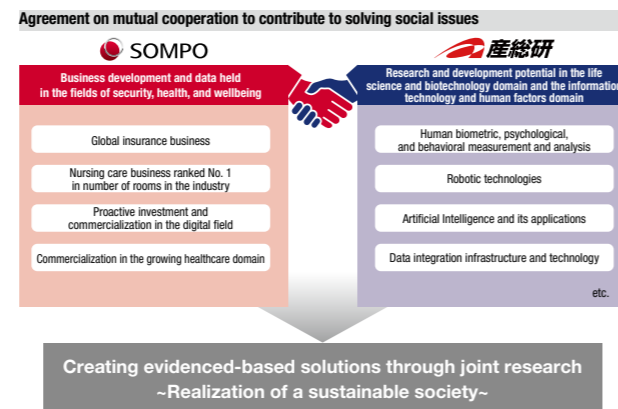
Palantir Technologies Inc

To provide new solutions by utilizing large amounts of high-quality real data, SOMPO has formed a business alliance consisting of three companies including Palantir Technologies Inc. (hereinafter "Palantir") and Palantir Technologies Japan K.K., which was established as a joint venture with Palantir.

By combining Palantir's technology with our Group's real data, we are working to develop a real data platform (RDP) and take on the challenge of creating new value. With regard to the preceding nursing care RDP, solutions for nursing facilities are scheduled to be deployed by the end of FY2022, and we are steadily proceeding with preparations to this end.

National Institute of Advanced Industrial Science and Technology (AIST)

Sompo Holdings has concluded an agreement on comprehensive mutual cooperation with AIST, one of the largest research institutes in Japan, in order to solve social issues such as the declining birthrate and aging population and the challenges associated with the new normal by leveraging expertise in our respective fields. SOMPO and AIST aim to build a platform for creating new customer value and solutions by forming an ecosystem involving the national government, local governments, and businesses. The first step will be to develop and standardize methods for assessing nursing care quality, and to develop methods for efficiently discerning the actual state of the nursing care process, with the aim of disseminating this to the world as a security, health, and wellbeing solution coming from Japan.



Advancement and automation of underwriting operations

3.4 Promotion of mental health and welfare 8.2 Improving economic productivity through innovation 8.10 Accessibility to insurance and financial services

Palantir's data analysis platform "Foundry" was introduced for underwriting work (hereinafter "UW").

By integrating data scattered both inside and outside the company and storing it in one place, Foundry has created an end-to-end solution to increase efficiency and improve the accuracy of decisions.

At present, Foundry is used as the main system for UW, primarily by the corporate fire insurance underwriting department. In addition to promoting data-based pricing and optimization of underwriting conditions, the system has enabled us to identify SME-scale contracts with high loss ratios that could not be identified in the past and allowed us to review their underwriting conditions, yielding a steady improvement in income and expenditures in FY2021.

Going forward, we aim to further advance and automate UW by expanding our efforts for new types of insurance and integrating risk models and AI technology in the future.

Sompo Japan Insurance

In addition, through cooperation with Hitachi, Ltd., we were the first in the insurance industry to commercialize natural disaster portfolio optimization technology using cutting-edge pseudo-quantum computing, and we introduced this into natural disaster risk underwriting decisions in FY2022. The technology uses a pseudo-quantum computer to rapidly calculate a portfolio that balances both risk-taking and stable profitability from a vast number of possible combinations of underwriting and reinsurance conditions for natural disaster risks. We have already begun using this technology for earthquake insurance for corporate clients, and will continue to expand its use in underwriting and reinsurance arrangements for other types of insurance.

Sompo Japan will continue to promote DX through the utilization of cutting-edge technologies, including real data platforms and quantum technology.

Providing new value utilizing digital technology and data

Sompo Himawari Life Insurance

3.4 Mental health and welfare promotion 9.5 Creating added value through innovation 17.16 Multi-stakeholder partnership

In order to realize SOMPO's Purpose, we are leveraging digital technology and data to provide value that makes our customers healthier. To date, we have provided new value through collaboration with Binah.ai, an Israeli startup company with H2 in Taiwan and Niigata University. Our collaboration with



Binah.ai was in the healthcare field, and involved joint development of a function that allows customers to check their stress conditions by simply taking a photographic portrait of a face. This function is provided through the "LinkX Health Try" app, which supports improvement of lifestyle habits. This app also includes other functions utilizing

technology from a Silicon Valley startup company that acquires health checkup data from images. In addition, H2 is developing Health2Sync App a health management app for diabetics that is used by approximately 900,000 people worldwide.

Through our business alliance, we support the prevention of serious illness by manage chronic conditions efficiently. Moreover, we are conducting joint research with Niigata University on the effects of improvement of lifestyle habits through voluntary lifestyle review using the app.

We will continue to provide new value by leveraging our domestic and international networks and expertise.



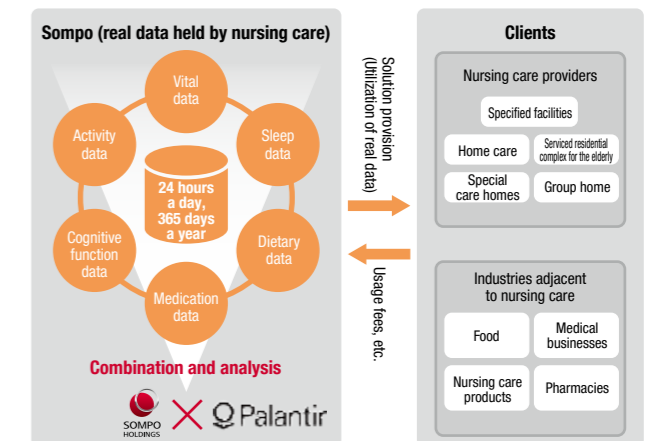
Airi Ito
Service Design,
Senior Deputy Manager,
Business Planning
Department

Nursing Care RDP—transformation into a platformer in the nursing care and seniors business field

3.4 Mental health and welfare promotion 9.2 Creating added value through innovation 17.16 Multi-stakeholder partnership

Overview of the nursing care RDP

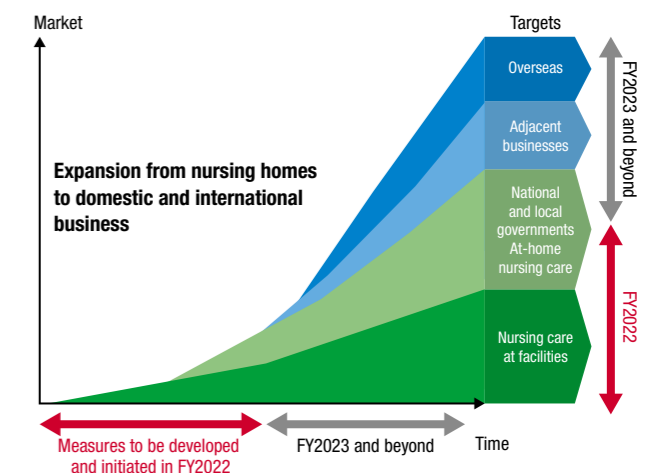
In the nursing care and seniors business, we are taking on the challenge of resolving the gap between the growing demand for nursing care and the supply of nursing care due to the social issue of Japan's aging population, and improving the sustainability of the nursing care insurance system. A major pillar of these efforts is the "Nursing Care RDP (Real Data Platform)". The main pillar of this initiative is the "Nursing Care Real Data Platform (RDP)." Based on industry leader Sompo Care's big data (real data) on users, operational capabilities such as services and know-how, and Palantir's data integration, the RDP aims to contribute to the sustainability of the entire industry by creating new solutions that contribute to improve productivity with good quality and deploying them in the nursing care and adjacent industries.



Vision for the Nursing Care RDP

The goals of the Nursing Care RDP are not only to expand into the nursing care and adjacent industries, but also to realize a sustainable nursing care insurance system in cooperation with both national and local governments, and to expand business overseas.

As the first step, we started collaboration with a partner company for nursing care facilities in June 2022, with full-scale sales planned to begin by the end of the fiscal year. At the same time, we aim to establish a system that has the potential to become the de facto standard by collaborating with local governments to build a home nursing care model and study caregiver support services, and by standardizing technology and care quality through joint research with the AIST.



Business model and practice of the Nursing Care RDP

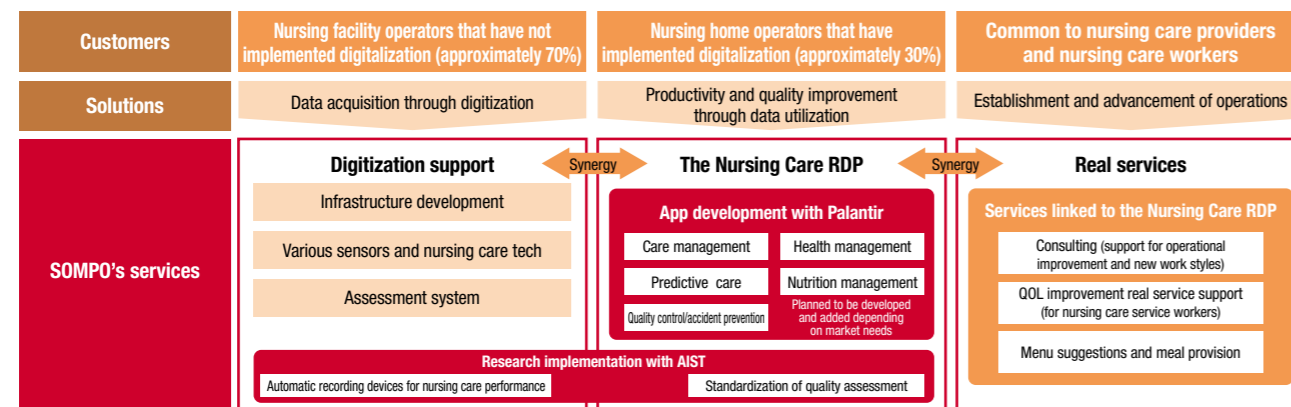
Business model of the Nursing Care RDP

We are considering supporting nursing facilities with three menus : the Nursing Care RDP, support for digitalization and real service provision as a business model.

For nursing care providers that have already implemented digitalization, we will provide the solutions (apps) we have developed to help them improve productivity and quality through data utilization. For nursing care providers whose various records have not been digitalized and their operation have not been systematized yet, we will support development of their infrastructure by supporting digitization and aid visualization

through centralized management for various data, along with creating a system that enables them to acquire and utilize real data. Furthermore, in addition to data-related support, we will also provide support in terms of real services, such as Sompō Care's know-how and services, in order to establish and enhance operations.

By providing such support, we will spread SOMPO's aim of improved productivity accompanied by good quality throughout the industry, and take on the challenge of contributing to improving the sustainability of the nursing care insurance system.



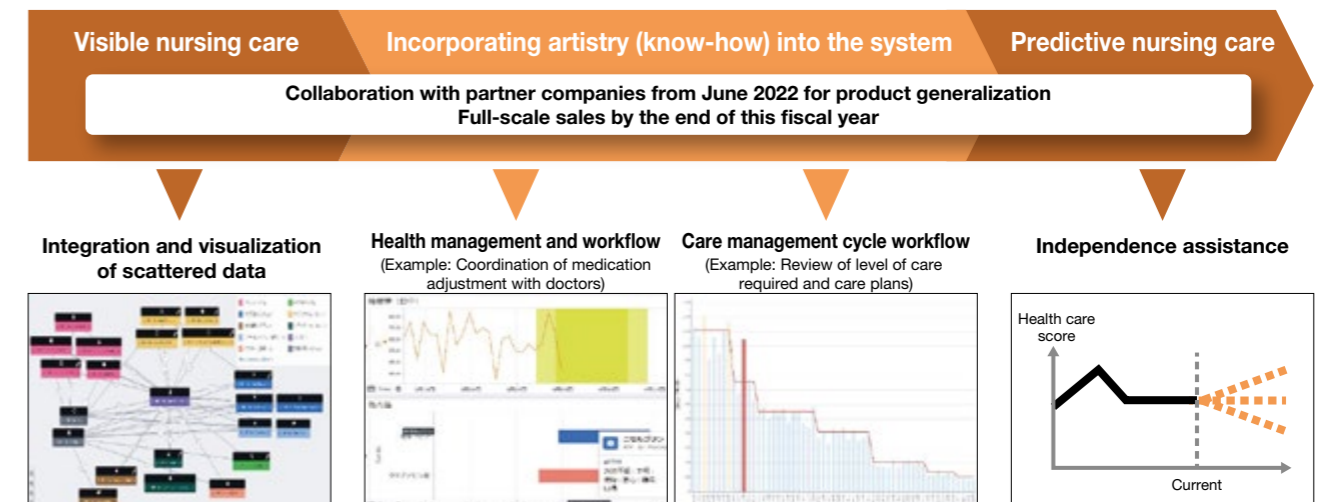
Specific examples of solutions for nursing facilities

Health management and workflow

This app provides suggestions on changes in health condition by centralizing and analyzing information from various sensors and daily customer records. We are developing and verifying this app with the expectation that it will be effective in coordinating with doctors to adjust medications, provide necessary interventions, and more.

Care management cycle workflow

Based on the real data and records obtained, this app provides suggestions in terms of four aspects of the care management flow: assessment, care planning, nursing staff workflow (schedules), and nursing care records. We are developing and verifying the app with the expectation that it will be effective in implementing a review of the level of care required and care plans.



The future we aim for with the Nursing Care RDP

On the implementation of the demonstration

Interview with the Facility Head of Sompō no Ie, Kawasaki Miyamae Daisuke Sasaki Senior Facility Head

As a leading home exercising nursing care RDP, we are currently conducting a demonstration of a module that utilizes real data. Previously, our information on users (real data) was scattered across multiple systems and paper documents, and it took time to find necessary information. The centralization of information has reduced the time required to create care plans and improved the quality of care. The data also suggests appropriate timing and methods of care predicted from the data, and thanks to this we are beginning to be able to provide high-quality care for our users when they need it. We believe that we will be able to provide each customer with more personalized care due to being able to interact with them more in the time created by the system.



Project leader's comment Naoki Hiranuma General Manager of the Data Strategy Department, Sompō Care

Currently, we are using the predictive nursing care function at two facilities, proceeding with efforts to prevent the deterioration of customers whose condition has been predicted to be worse, and preparing to expand the number of users and roll out the system. We are aiming to allow our users to achieve "the ability to continue living their own lives by preventing the worsening of health conditions as much as possible," and to realize the goals of "reduce workload caused by prevention from deteriorating health conditions of users and improve motivation by providing care tailored to each individual user," and "stabilize management by reducing staff workload and preventing employee turnover" for our Company.



Towards promotion of the nursing care RDP

Takahiro Iwamoto
Executive Director and Chief Digital Officer, Sompō Care



One of the social issues facing Japan is the declining birthrate and aging population, which is a major problem that no industry can avoid. The aging of society means that while the number of seniors will increase, the working-age population will decrease — something that will have a particularly large impact on the nursing care industry. The Ministry of Health, Labor and Welfare (MHLW) has announced an estimate that by 2040, there will be a shortage of 690,000 nursing care workers to support seniors. We at SOMPO feel a strong sense of urgency about this issue, and have thought about what we can do to improve the sustainability of the nursing care industry. As a result, we have concluded that instead of focusing solely on our own growth, it is essential to work hand in hand with other nursing care providers, medical care, and other adjacent industries to achieve growth for society as a whole through the Nursing Care RDP.

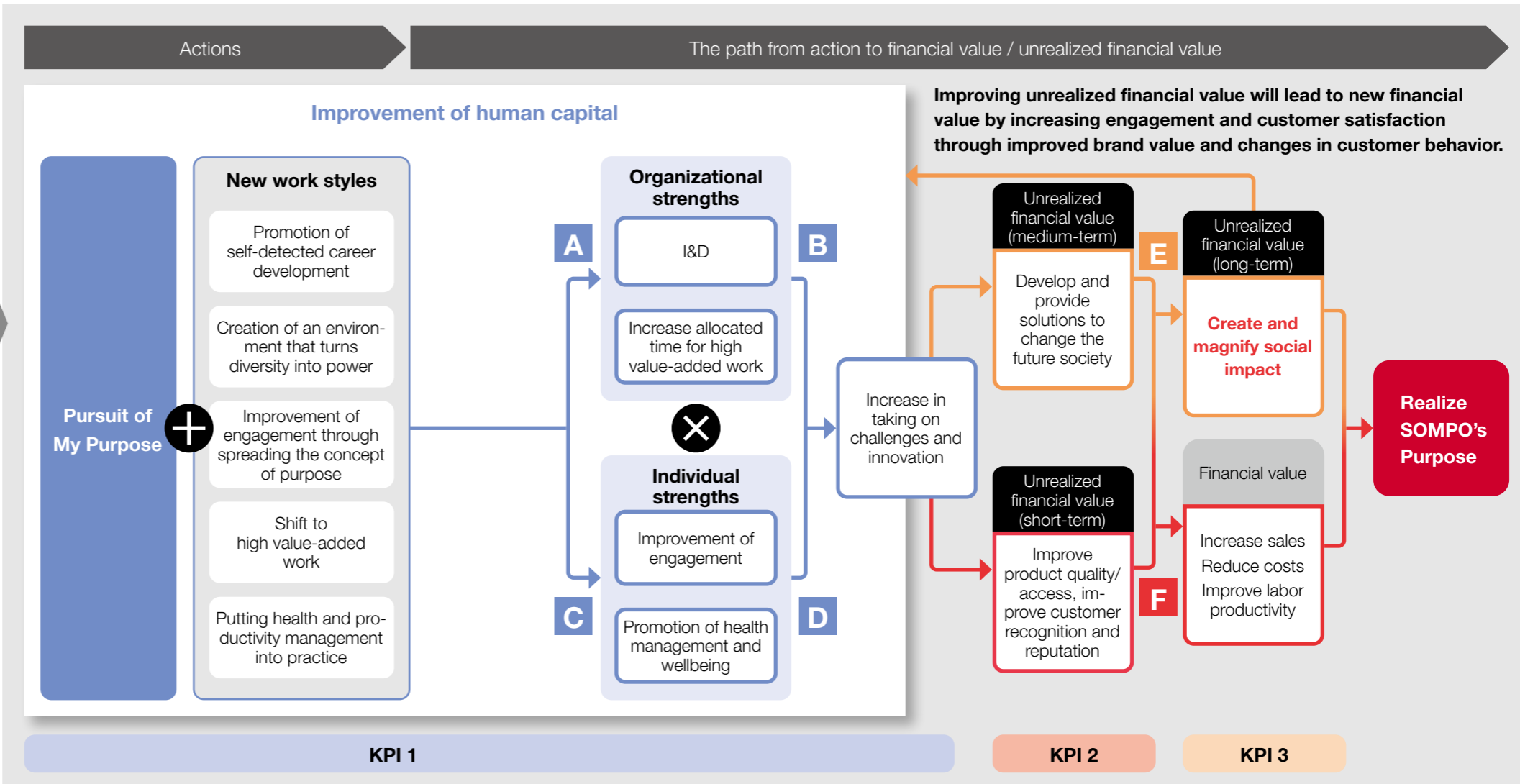
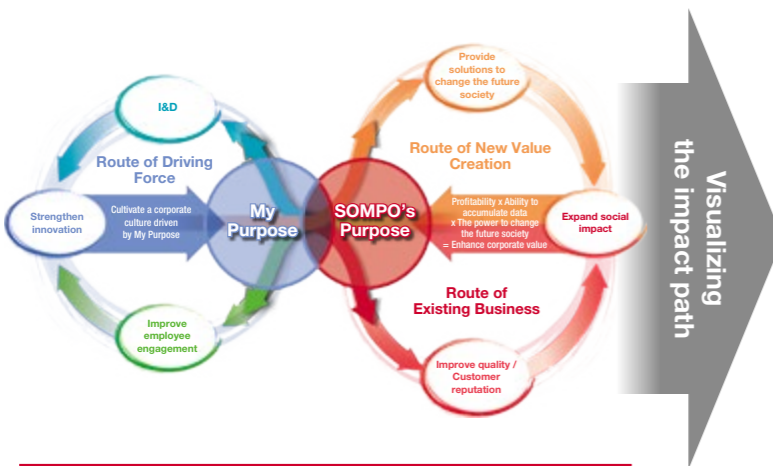
Through our Nursing Care RDP efforts, we aim to improve productivity with good quality throughout the nursing care industry as a whole. We will ensure the calculation of nursing care fees and personnel systems through appropriate care management, improve the activities of daily living (ADL) and QOL of users through health management and future predictions, and in turn have this lead to reductions in social security costs. Through this, we hope to create a world in which users, employees, and future society can all benefit from "the three goods" (good for the buyer, seller, and society).

Improving Unrealized Financial Value – Visualizing the impact path of human capital

Efforts to visualize SOMPO's Unrealized Financial Value

The Group calls any value that leads to financial or corporate value in the mid- to long-term **“Unrealized Financial Value,”** and the entire Group works to improve it while attempting to visualize it as much as possible by determining its impact path. Using the “Value Creation Cycle” that lays out the path to realizing SOMPO's Purpose, we set key levers/KPI to improve unrealized financial value. By improving each of these indicators, we will demonstrate to our stakeholders how we are progressing in managing the path to achieving SOMPO's Purpose.

*Value that is not shown on financial statements is generally called “non-financial value,” but we call it “unrealized financial value” because we believe such items will lead to financial and corporate value in the mid- to long-term.



The Impact Path

We have visualized the path our efforts to improve unrealized financial value through our investment in human capital will take to creating financial and corporate value.

We believe that our My Purpose initiative and new work style will lead to improvements in human capital, i.e. organizational strength and individual abilities, by improving engagement and I&D. This will work to drive other efforts to produce innovation and improve short-, medium-, and long-term unrealized financial value. Through this, we will increase financial value in a sustainable way and achieve our purpose.

This time, we particularly focused on visualizing the impact path for human capital. Based on the narrative created by this impact path, we have set sequential KPIs for each lever to gauge and display progress (see table on right.) We will verify each of these connections using data gathered within the Group and objective data published by external organizations, and thereby work to improve the impact path.

KPI 1	Details	2021 financial results
My Purpose	• Executives and employees (As of March 31, 2022)	73,676 (27,070 male; 46,606 female)
	• My Purpose training participation ratio (FY2021)	66.0% (FY2023 goal: 100%) *1
Engagement	• Employee engagement	Domestic: 3.46 points Overseas: 4.02 points*2
	• Productivity indicators connected to health and productivity management	93.8%*3
	• Number of companies certified as Health & Productivity Management Outstanding Organizations	22 (14 large companies, 8 small to medium-sized companies)
I&D Data	• Percentage of female executives (As of April 1, 2022)	9.0%
	• Percentage of executives who are foreign-born (As of July 1, 2022)	14.7%*4
	• Percentage of female candidates in succession plans	32.4%*5
	• Percentage of female managers (As of April 1, 2022)	26.8%
	• Percentage of employees with disabilities (As of April 1, 2022)	2.41%

KPI 2	Details	FY2021 results
Quality/customer reputation	• Sales of priority products	72,000 at 2.49 billion yen
	• Customer satisfaction with car accident response	46.4pt
	• Number of Insurhealth® packages sold/owned	340,000/710,000
	• Number of nursing care users	90,000

KPI 3	Details	Goal
Solutions	• Group sales created using RDP	500 billion yen (mid- to long-term goal)
	• External sales and monetization of RDP products and services	Two or more businesses by end of FY2023.
Social impact	• Approx. 3.7 trillion yen (for details, see “Progress of Mid-Term Management Plan (November 25, 2022)”)	

*1 Participation rate in domestic P&C insurance, domestic life insurance, and nursing care and seniors businesses
*2 FY2023 targets – Domestic: 3.70 points, Overseas: 4.10 points

*3 Targeting Sompco Japan and Sompco Himawari Life
*4 Ratio of executive directors, executive officers, vice presidents: (5 out of 34 total)
*5 Targeting the Group CEO, other chief officers, presidents, and other key posts (total 88)

Improving Unrealized Financial Value – Visualizing the impact path of human capital

Verifying the impact path connections

Organizational improvement route

Human Capital

A My Purpose dialogue accelerates I&D

Formulating My Purpose, engaging in dialogue about it, and sharing it within the organization are all key to nurturing I&D culture—a culture that accepts diverse values—and form the foundation upon which such a culture is built.

At SOMPO, we have confirmed that the more an organization engages in one-on-one discussions with employees about their My Purpose, the more that organization tends to recognize and accept diverse values.

B I&D fosters an intrinsic motivation that encourages more people to take on challenges

We believe that individuals with different values can more easily demonstrate their talents and strengths at organizations that foster I&D culture, and are more likely to take on the challenge of producing innovation.

SOMPO has confirmed that organizations that accept diversity in values tend to have employees who are more willing to take on challenges to realize their My Purpose.

C My Purpose dialogue improves engagement faster

We believe that formulating a My Purpose and discussing it one-on-one with supervisors and subordinates encourages employees to work autonomously based in that purpose, which leads to improved engagement.

SOMPO has confirmed that organizations that engage in one-on-one dialogues about My Purpose tend to have higher engagement.

*Normal correlation between one-on-one dialogues and engagement is roughly 0.5.

D Engagement increases intrinsic motivation encouraging more employees to take on challenges

We believe that improving engagement leads to greater innovation and more employees taking on challenges based on their own intrinsic motivations.

SOMPO has confirmed that highly-engaged organizations tend to have employees more motivated to take on challenges to realize their My Purpose.

*Our analysis is based on a survey about engagement aimed at employees of Sompo Holdings and conducted by Sompo Institute Plus. We are currently looking into expanding future analysis to include surveys conducted on each group company.
 *Understanding correlation coefficient: Generally speaking, the closer the coefficient is to "1," the stronger the positive relationship between two variables is. A strong correlation between the variables is suggested for any coefficient with an absolute value roughly between 0.7 and 1.0.

Unrealized Financial Value (Medium-term, Long-term)



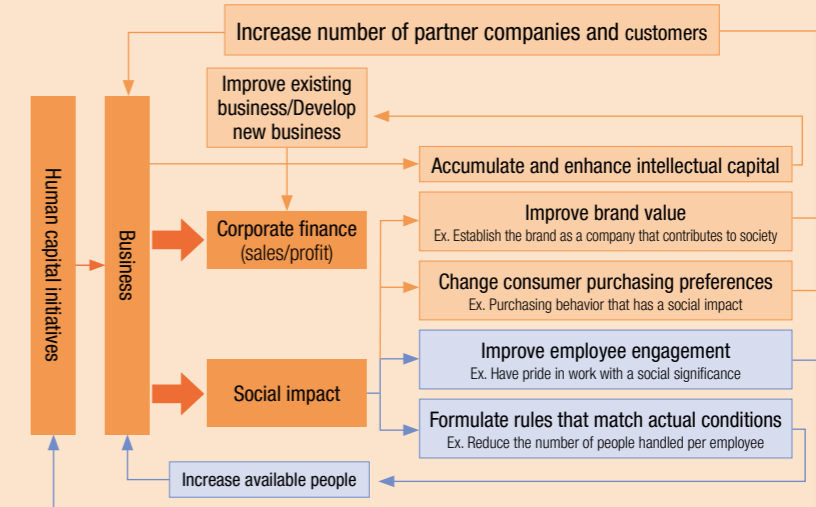
E The challenge of visualizing SOMPO's social impact and the connection to future financial value

By organizing impact paths and converting them into monetary values, we will clarify the social impact we produce that go beyond the scale of our operations. The four paths shown below show how social impact can lead to future financial value, and by taking these paths, we believe that our social impact will be returned to us in the form of human capital and business activity, and thereby produce financial value.

Example: Nursing care business

1. Improve brand value
2. Change consumer purchasing preferences
3. Improve employee engagement
4. Formulate rules that match actual conditions

The social impact generated by SOMPO is approximately 3.7 trillion yen (for details, see "Progress of Mid-Term Management Plan (November 25, 2022)").



Unrealized Financial Value (Short-term)

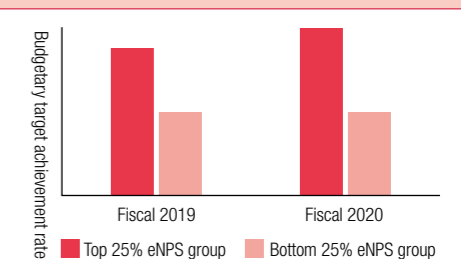


F Improving engagement leads to improved quality and performance through individuals taking on challenges and increasing innovation

It is expected that organizations with high engagement are able to improve labor productivity and quality. Here at the Group, we have analyzed the correlation between engagement (eNPS)* and budgetary target achievement rate, and confirmed that sales branches that score highly tend to have higher rates of achievement in subsequent fiscal years.

*eNPS or "employee Net Promoter Score" is a metric used at Sompo Japan to measure employee engagement, and is an indicator based on the question, "Would you encourage your friends or family to join the company?"

We compared and confirmed engagement (eNPS) and budgetary target achievement rates for the top 25% and bottom 25% of Sompo Japan's roughly 550 sales branches. We were able to confirm that there is a statistically significant difference between the two groups, **with higher achievement rates in the upper 25% of sales branches compared to the lower 25%.**



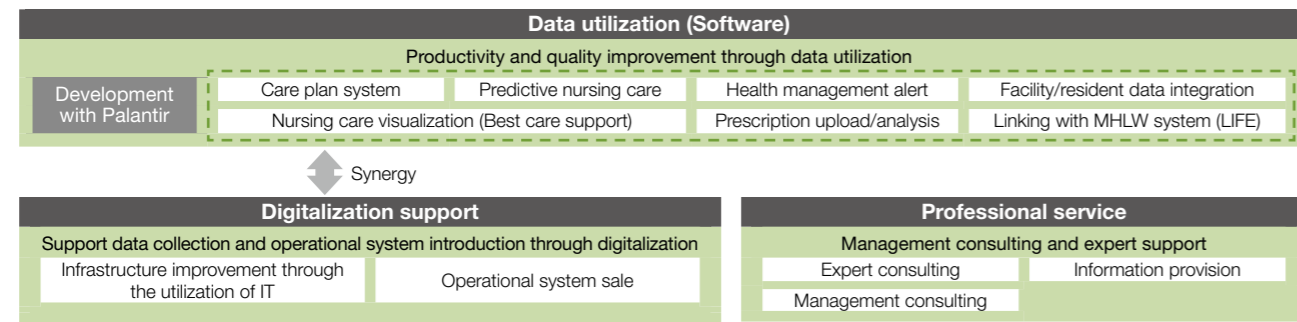
*This analysis was conducted by Sompo Institute Plus.

Solving Social Issues with “egaku” Nursing Care RDP

Commercialization of “egaku” Nursing Care RDP

In November 2022, we announced “egaku,” our new Nursing Care RDP (Real Data Platform) service. Starting in FY2023, the service will be deployed to many nursing care providers to lead the transformation of the nursing care industry and transform it into a business that supports more seniors. In addition to data utilization (software), “egaku” offers digitalization support services and professional

services to support nursing care facility operations. We expect “egaku” to contribute to improving the quality and productivity of nursing care providers who adopt it, thereby improving profitability at their sites. We aim to expand “egaku” to 30% of facility-based business sites and 10% of home-based business sites by FY2030, with revenue of 30 billion yen and operating profit of 10 billion yen.



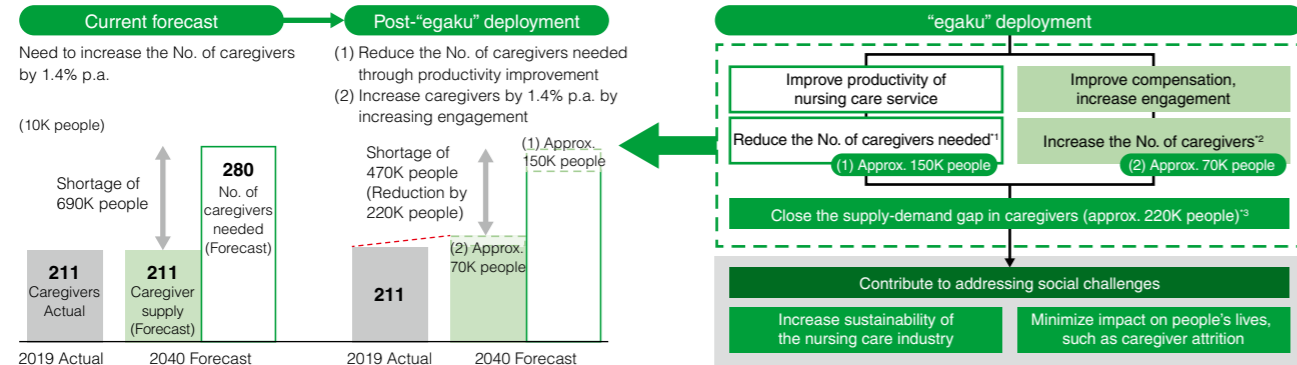
“egaku” project aims to close the supply-demand gap of 220,000 caregivers

In Japan, where hyper-aging is accelerating, the number of seniors requiring nursing care will continue to increase, and it is estimated that approximately 2.8 million caregivers will be needed by 2040. Since there were 2.11 million caregivers in FY2019, this leaves a supply-demand gap of approximately 690,000 caregivers.

the number of caregivers required (by approximately 150,000) by improving the productivity of the nursing care industry as a whole, and to increase the number of caregivers (by approximately 70,000) by enhancing the attractiveness of nursing care work through better compensation and engagement. In this way, we aim to close the supply-demand gap of 220,000 caregivers.

Through the services provided by “egaku,” we aim to reduce

Closing the supply-demand gap in caregivers (Outline)



*1 The effect of the increased number of seniors that can be cared for by each caregiver as a result of improved productivity of care services, thereby reducing the number of seniors in need
 *2 The effect of increasing the number of caregivers at the level of the required growth rate (1.4% per year) by implementing compensation improvements funded by the effects of productivity gains and by improving the attractiveness and engagement of caregiving work through increased efficiency
 *3 Number for Japan assuming deployment of “egaku” to 30% of home care providers and 10% of at-home care providers who all successfully reduce the No. of caregivers needed and increase the No. of caregivers, just like at Sompo Care

Social impact created by “egaku”

By closing the 220,000-person supply-demand gap for caregivers, “egaku” would enable support for up to 880,000 seniors⁴. If 880,000 seniors cannot receive nursing care service, it can be assumed that their families, etc. (numbering 880,000, equal to the

number of seniors without access to care) would need to quit or restrict work to provide their care. By preventing this scenario, it is estimated that “egaku” would create a social impact of up to 3.7 trillion yen (based on the Japanese GDP).

(Reference) Social impact of supply-demand gap in caregivers by 220K people (GDP equivalent)

Seniors supported by 220K people approx. 880K people × GDP per capita ¥4.26 mn = GDP equivalent Up to ¥3.7 tn

⁴ Assuming that deregulation allows 1 caregiver to support 4 seniors. SOMPO Care is participating in the Ministry of Health, Labor and Welfare’s demonstration project for deregulation.

By providing “egaku” as a solution to change the future society to one with more nursing care providers, we will expand our social impact, realize SOMPO’s Purpose, and enhance its corporate value.

Strategy/Capital

Fiscal 2021 marked the first year in the three-year Mid-Term Management Plan to realize SOMPO’s Purpose, and through the efforts of the entire Group, it began with record profits for the second year in a row.

Each business in the Group will continue to drive the Value Creation Cycle, implement the three basic strategies at the heart of the Plan – scale and diversification, new customer value creation, and new work styles – and bring to life our “Theme Park for Security, Health & Wellbeing.”

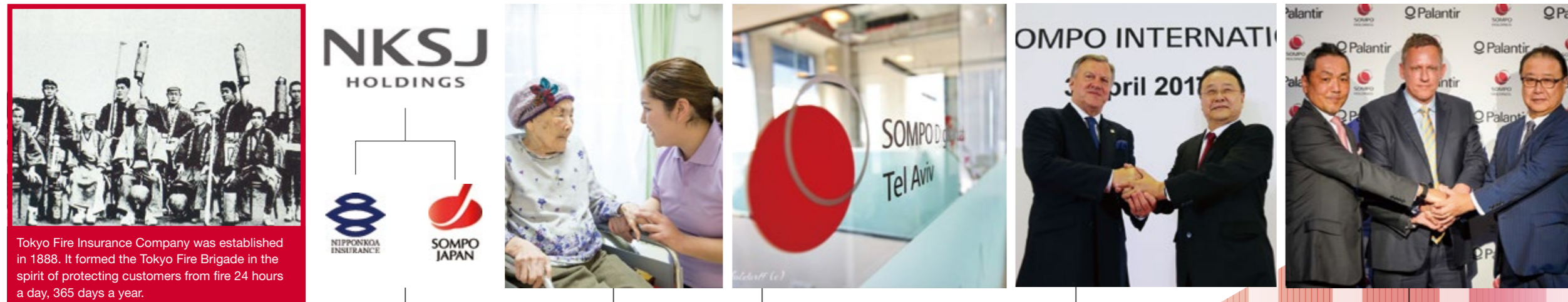


SOMPO's Capital as a Source of Competitiveness

History

In 1888, Tokyo Fire Insurance Company, one of the Group's forerunners, was established as Japan's first fire insurance company with the mission of protecting people from the threat of fire. This sense of mission has been passed down throughout our 130-year history, and is linked to our current Management Philosophy. As social issues change and become more complex, we have expanded the Group's business domains to include life insurance, nursing care, digital, and more with

P&C insurance at the core, taken on the challenge of solving a wide range of social issues, and cultivated our strengths—namely, trust and responsibility from society. The numerous capital assets we have amassed by leveraging these strengths are the source of our competitiveness today.



SOMPO's History of Cultivating Trust and Responsibility

<p>1992 Established the Department of Global Environment (the first for a Japanese financial institution) We established a department dedicated to the companywide promotion of solutions to global environmental issues, and have proactively addressed environmental issues through collaboration with stakeholders.</p>	<p>2010 Established NKSJ Holdings (now SOMPO Holdings) We started by improving the profitability of existing lines of business, before proactively shifting management resources to growth areas to build a stable earnings base.</p>	<p>2016 Established SOMPO Digital Labs We established SOMPO Digital Labs in Tokyo, Silicon Valley, and Tel Aviv to function as research and development bases for digital strategies, and have constructed a system to realize the digital transformation (DX) of the entire Group through information gathering and networking.</p>	<p>2019 Established Palantir Technologies Japan We jointly established Palantir Technologies Japan together with Palantir to achieve security, health, and wellbeing for Japanese companies and society through big data analysis by leveraging each other's strengths.</p>	<p>2021 Launched Mid-Term Management Plan, Announced SOMPO's Purpose SOMPO launched a Mid-Term Management Plan to achieve its purpose: to create a society in which every person can live a healthy, prosperous and happy life true to themselves by way of a Theme Park for Security, Health & Wellbeing.</p>
<p>1996 Entered the life insurance business We entered the life insurance business when Yasuda Fire & Marine (now Sompo Japan) outsourced the agency and administrative operations of INA Life Insurance and established Nippon Fire Partner Life Insurance and Koa Fire & Marine Magokoro Life Insurance.</p>	<p>2003 Launched full-fledged initiatives for diversity (the first for a Japanese financial institution) Starting with the establishment of a department dedicated to the promotion of active participation by women, we have constructed systems and frameworks to support the active participation of diverse human resources.</p>	<p>2015 Entered the nursing care business in earnest Through our entry into the nursing care business in earnest, we have invested in the future through efforts such as confronting the social issues of a low birthrate and an aging population, providing nursing care services that leverage technology to provide both high productivity and quality, and opening the Future Care Lab in Japan.</p>	<p>2017 Acquired Endurance (now SOMPO International) Through disciplined M&As, we have expanded the scale of our business and reorganized our subsidiaries to build a global platform that has contributed to the diversification effects of the Group along with increased revenue and high profit growth.</p>	<p>2020 Established Headquarters for Promoting New Work Styles We have positioned the promotion of new work styles as the biggest project in our 130-year existence to transform our corporate culture, and have established the Headquarters for Promoting New Work Styles with the Group CEO at its head with the aim of becoming a group of people who share the three core values through the employees' pursuit of My Purpose.</p>

Financial capital

Social and relationship capital

Human capital

Intellectual capital

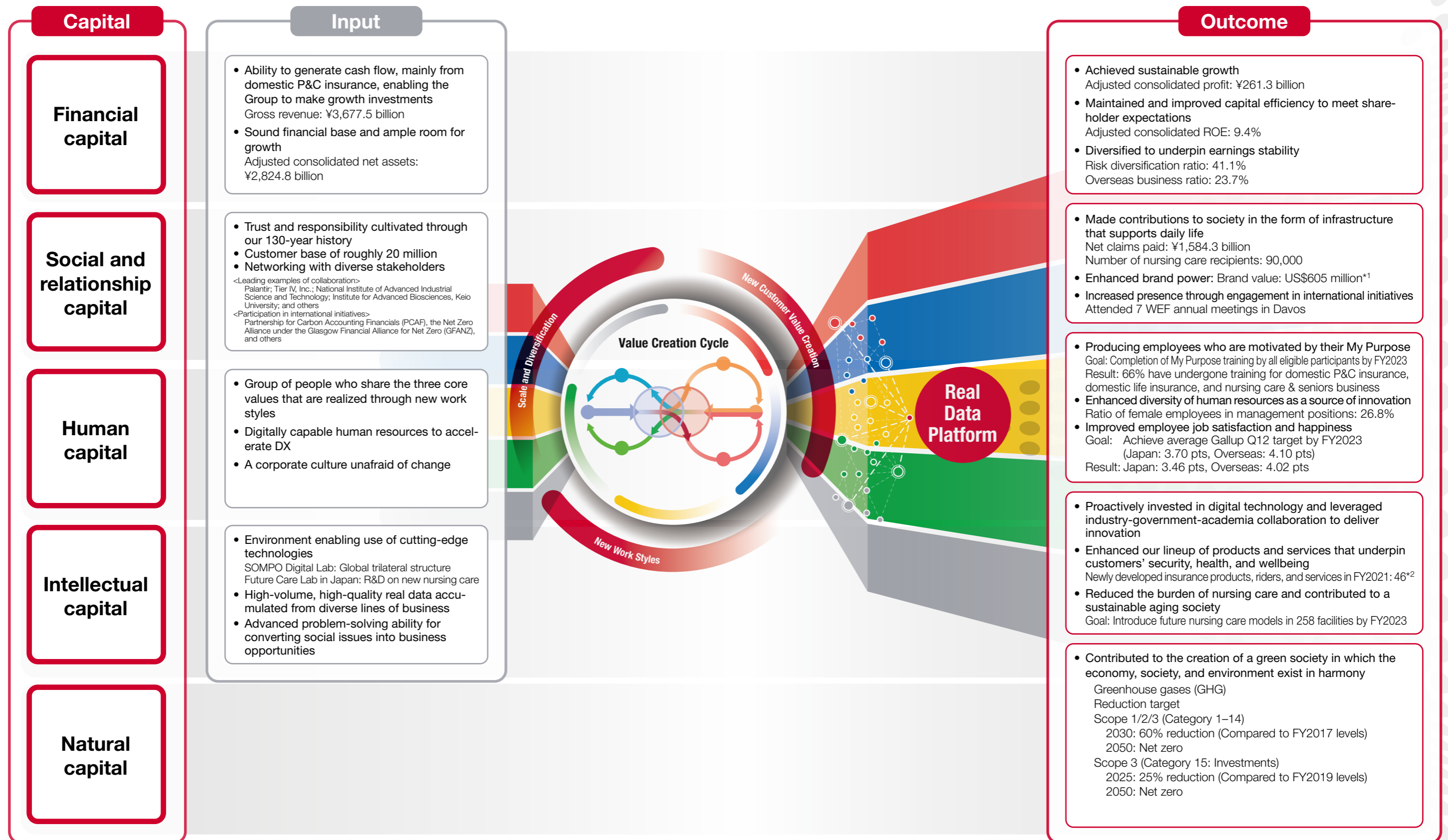
Natural capital

SOMPO's Capital as a Source of Competitiveness

Capital

Over our 130-year history, we have accumulated numerous capital assets that serve as the source of our competitiveness. We will combine our stable revenue base and diverse capital built on relationships of trust with a variety of

stakeholders to create value that only SOMPO can offer. Our 74,000 employees, each motivated by their own My Purpose, are the driving force for our Value Creation Cycle, which we are using to achieve sustainable growth and realize SOMPO's Purpose.



*Actual figures for FY 2021 unless otherwise noted

*1 Based on a survey by Interbrand Japan, Inc.

*2 Simple aggregate of the number of newly developed products, services and riders released by Sompo Japan and Sompo Himawari Life in FY2021

Overview of Mid-Term Management Plan

Sompo Holdings launched the current Mid-Term Management Plan in fiscal 2021. Since it is difficult to predict the future with certainty in the VUCA age, this plan covers a three-year period through FY2023.

In order to realize the vision for society outlined in SOMPO's Purpose, the Mid-Term Management Plan details the initiatives that we will undertake by the end of FY2023. By carefully executing our three core strategies of Scale and Diversification, New Customer Value Creation, and New Work Style, we aim to achieve the goals of an adjusted consolidated profit of ¥300.0 billion or more, and an adjusted consolidated ROE of 10% or higher.

Mid-Term Management Plan (FY2021-2023)

Goals

Realizing "A Theme Park for Security, Health & Wellbeing"

- Adjusted consolidated profit: ¥300.0 billion or more
- Adjusted consolidated ROE: 10% or higher
- Increase the risk diversification effect
- A solution provider that goes beyond the boundaries of insurance

Three Core Strategies

1 Scale and Diversification

To ensure that the company has a resilient business foundation capable of withstanding rapid changes in the environment, such as increasingly severe natural disasters and the spread of COVID-19, we will work to improve profitability and productivity and expand our customer base, with a focus on the insurance business. We will also expand businesses and grow profits by utilizing M&As and other means, and thereby change our business portfolio and improve capital efficiency.

2 New Customer Value Creation

To deliver unprecedented value, we are focusing on establishing the Real Data Platform which organically links real data from various businesses and domains by recognizing the transformative power of digital technology and data. We are also engaged in new business development in areas with a high affinity to our existing businesses.

3 New Work Style

It is essential to increase job satisfaction and happiness of all employees and achieve high productivity for sustainable growth of the Group. We aim to build a group of talent practicing the Three Core Values (Mission-Driven, Professionalism, and Diversity & Inclusion) by reforming various systems and developing human resources.

SDGs in Business Management

Capital Policy and ERM

Governance

Key Financial Performance Indicators

	FY2020 actual	FY2021 actual	FY2022 forecast	FY2023 plan	
Adjusted consolidated profit	¥202.1 billion	¥261.3 billion	¥260.0 billion	¥300.0 billion or more	
Adjusted consolidated ROE	8.0%	9.4%	9.2%	10% or higher	
Diversification effects	Risk diversification ratio	39.4%	41.1%	42.2%	Improvement on FY2020
	Overseas business ratio	14.9%	23.7%	38.5%	30% or higher
New Customer Value Creation	—	—	—	External sales and monetization of products and services (in two businesses or more)	

Domestic P&C Insurance

	FY2020 actual	FY2021 actual	FY2022 forecast	FY2023 plan
Adjusted profit	¥130.1 billion	¥157.4 billion	¥120.0 billion	¥150.0 billion or more
Net premiums written*1	¥1,903.4 billion	¥1,941.7 billion	¥1,987.6 billion	¥2,000.0 billion
E/I combined ratio*1	94.3%	93.5%	93.7%	91.7%
Reduction of strategic shareholdings	¥70.3 billion	¥50.1 billion	¥50.0 billion	¥50.0 billion (three-year total: ¥150.0 billion)

Overseas Insurance and Reinsurance

	FY2020 actual	FY2021 actual	FY2022 forecast	FY2023 plan
Adjusted profit	¥30.0 billion	¥61.8 billion	¥100.0 billion	¥100.0 billion or more
GWP growth rate*2	+37.8%	+31.1%	+4.7%	Annual rate of approx. +9%
E/I combined ratio*2	97.8%	93.9%	90.7%	88-89%

Domestic Life Insurance

	FY2020 actual	FY2021 actual	FY2022 forecast	FY2023 plan
Adjusted profit	¥32.5 billion*3	¥33.6 billion	¥35.0 billion	¥40.0 billion or more
Annualized new premiums*4	¥29.8 billion	¥35.6 billion	¥46.0 billion	¥50.0 billion
Policies in force	4.26 million	4.45 million	4.72 million	5.00 million
Investment for ALM matching*5	—	¥329.4 billion	¥300.0 billion	¥300.0 billion

Nursing Care and Seniors

	FY2020 actual	FY2021 actual	FY2022 forecast	FY2023 plan
Adjusted profit	¥7.3 billion	¥5.9 billion	¥6.0 billion	¥8.0 billion or more
Revenue	¥131.8 billion	¥136.1 billion	¥151.1 billion	¥162.0 billion
Occupancy rate*6	89.4%	91.1%	92.9%	93.8%

New Customer Value Creation

FY2023 plan	External sales and monetization of products and services that utilize RDP	Two businesses or more	Mid- to long-term target	Group revenue generated by the utilization of RDP	¥500.0 billion or more
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*1 Sompo Japan (excl. CALI, household earthquake insurance) *2 Sompo International commercial business *3 Recalculated according to current definitions
*4 Based on sales performance *5 30-year maturity equivalent *6 As of the end of the fiscal year

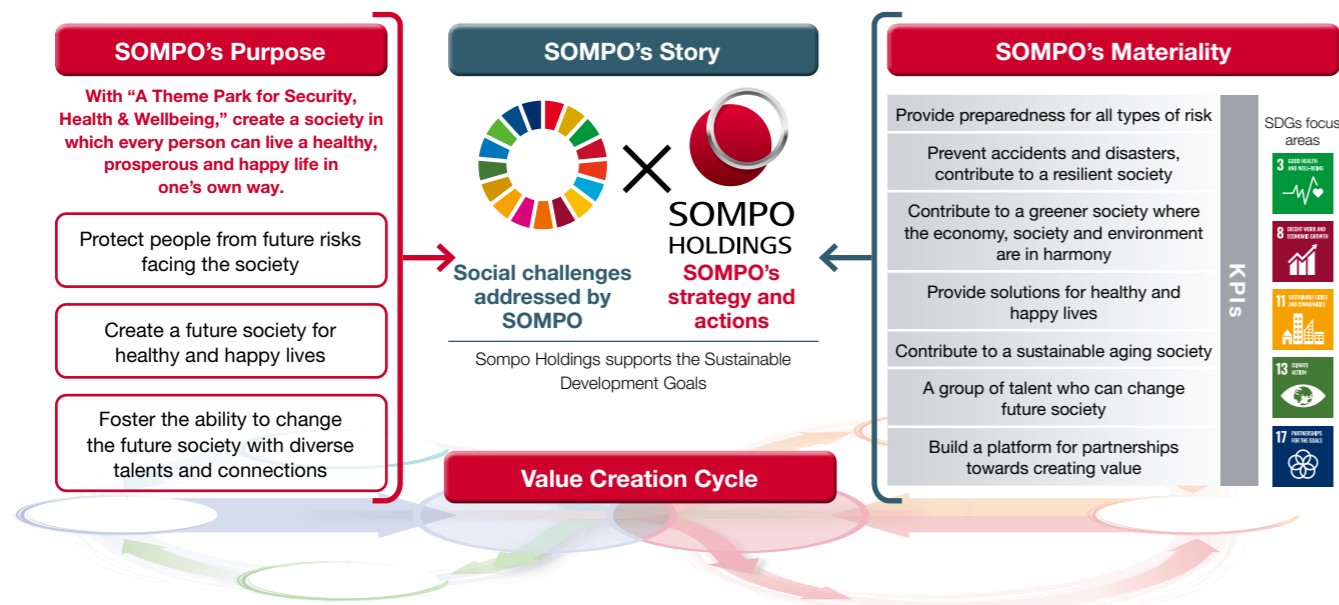
SDGs in Business Management

Overview of SDGs in Business Management

In its current Mid-Term Management Plan, the Sompō Group has positioned “SDGs in Business Management” as one of our Group Business Foundations to create economic and social value by using its core business to resolve social challenges. To do this, we have designated seven Materialities—or priority issues—for realizing SOMPO’s Purpose. We have also set KPIs for each Materiality to

facilitate the creation of highly effective PDCA cycles, visualizing our progress and identifying issues.

By driving value creation cycles through this SDGs in Business Management framework, we seek to promote Group-wide initiatives for realizing SOMPO’s Purpose.



Promotion Structure

The Company has established a system of sustainability governance whereby Executive Officers execute measures in line with Group-wide strategies and policies aimed at realizing SOMPO’s Purpose, and the Board of Directors monitors their performance.

The Group Chief Sustainability Officer (Group CSuO) is in overall charge of sustainability at the Group, and is responsible for formulating and executing strategies related to sustainable management, and for overseeing the sustainability functions of the entire Group.

The Group Sustainable Management Committee is chaired by the Group CSuO, and its membership comprises CSO, CSuO, etc. (executive level) at each Group business. The Committee carries out preliminary discussions on climate change and other sustainability issues, taking the various perspectives of Group businesses into account. It then submits policies and measures for discussion to Global ExCo and MAC, thereby raising the quality of our decision-making. The Board of Directors (including preliminary briefing meetings) also receives reports on the discussions held by Global ExCo and MAC, thereby increasing the effectiveness of its supervisory functions.

The Committee is responsible for promoting the sustainability initiatives of the entire Group; to this end, it monitors the progress of and identifies potential issues in implementation plans formulated by Group companies to achieve Materialities and Materiality KPIs for the realization of SOMPO’s Purpose.



- Committee Discussion Topics, April 2021–June 2022**
- Sharing the Group’s Mid-Term Management Plan and the policy for SDGs in Business Management in FY2021
 - Formulating Materiality KPIs (MAC preliminary discussions)
 - Revising the Group’s net-zero targets (MAC preliminary discussions)
 - Discussing the Group’s climate change strategy (Global ExCo preliminary discussions)
 - Summarizing initiatives for the first half of FY2021
 - Summarizing full-year initiatives for FY2021

Identifying Materiality

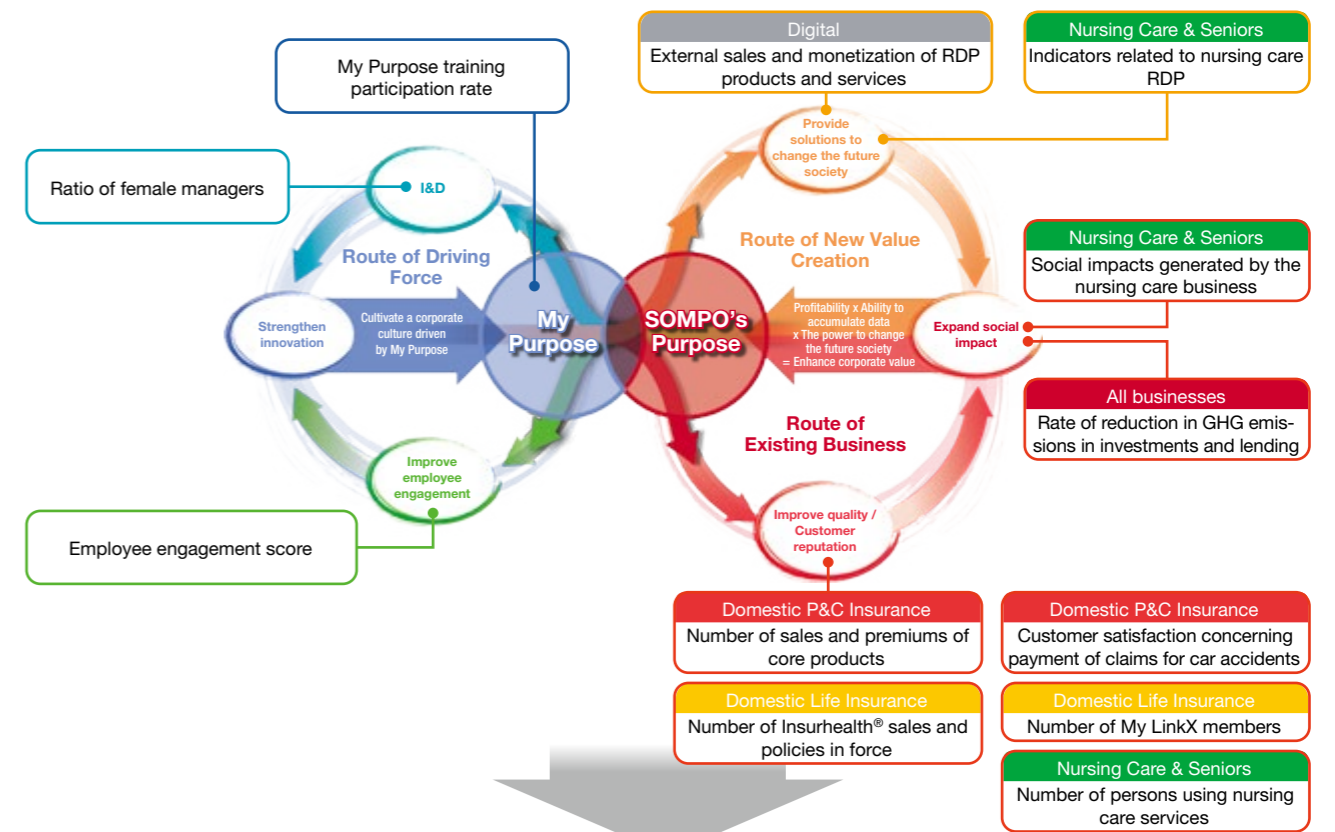
The Sompō Group has identified social challenges based both on international norms and on its mission to realize SOMPO’s Purpose. After assessing their importance according to their relevance to SDGs, we have identified priority social challenges, and organized, integrated, and systematized them as Materiality.

Materiality Identification Process



Integrating Materiality KPIs and the Value Creation Cycle

The Sompō Group has established materiality KPIs in order to measure the progress of initiatives for achieving materiality targets. As part of the establishment process, we have constructed a framework for putting the value creation cycle into practice with an SDGs-oriented approach to management by combining the key levers in the value creation cycle with those KPIs.



Towards implementation of value creation cycle with an SDGs-oriented approach to management

SDGs Matrix: Social Challenges and SDGs Addressed by SOMPO

This matrix follows ISO 26000 frameworks to clarify the relationship between the social challenges facing SOMPO, which were identified in Process 1 of the Materiality Identification Process, and the core subjects of ESG and ISO 26000. It also indicates which of the 169 SDG Targets the Sompogroup will contribute to through the provision of its products and services. In Process 2, we

narrowed down Materiality candidates based on their level of importance, and identified which social challenges to prioritize through our business. Finally, in Process 3, we organized, integrated, and systematized these social challenges according to our strategies. We have termed these challenges "Materialities," or priority issues for realizing SOMPO's Purpose.



ESG Category	ISO 26000 Seven Core Subjects	Social challenges facing SOMPO	1	2	3	4	5	6	7	8		
G	Organizational governance	Fulfilling governance functions					△5.5			△8.8		
		Refining ERM								△8.10		
		Strengthening cyber security resilience									△8.10	
		Strengthening resilience against increasingly uncertain international affairs										
Fair operating practices		Ensuring compliance								△8.8		
		Preventing corruption								△8.8		
Human rights		Incorporating ESG into the value chain							●7.2	●8.7		
		Responding appropriately to risks to human dignity and human rights	△1.3		●3.4	●4.4	△5.4				●8.8	
S	Labor practices	Preventing the spread of infectious diseases			●3.3						●8.10	
		Improving employee engagement			△3.4	●4.4	△5.4				●8.2	
		Improving the Group's ability to innovate				△4.4	△5.b				●8.2	
		Promoting diversity & inclusion	△1.4		△3.4	●4.5	●5.5				●8.2	
		Promoting health and productivity management*			●3.4							●8.8
		Investing in human resources (lifelong learning and recurrent education)				●4.4						●8.2
S	Community involvement and development	Investing in human capital			△3.4	△4.4	△5.5				●8.2	
		Supporting regional development for regional revitalization										
		Promoting culture and the arts					△4.7					
		Promoting financial inclusion and ensuring universal access to insurance	●1.4	●2.3	●3.3							●8.10
		Contributing to a society that is resilient against natural disasters	●1.5									●8.10
		Contributing to a safe and secure next-generation mobility society			●3.6							●8.10
		Contributing to a sustainable social security system	●1.3		●3.4		●5.4					●8.8
		Supporting people who are vulnerable to disasters	△1.5									
		Co-creating with diverse stakeholders to achieve transformation	●1.4	●2.4	●3.6	●4.7	●5.5	●6.6	●7.a			●8.10
		Responding to a data-driven society			●3.4	△4.4	△5.b					△8.10
E	Consumer issues	Improving the quality of customer services			●3.6						●8.10	
		Safeguarding privacy									△8.8	
		Contributing to a smart society			●3.4							
		Extending life expectancy	△1.4		●3.4	△4.4	△5.4					●8.10
		Providing products and services that reflect changes in people's values and behavior			●3.4							●8.10
		Educating future generations (disaster prevention and traffic safety)			●3.6	●4.7			△6.6			
E	Environment	Educating future generations (the environment)				●4.7						
		Promoting sustainable finance (underwriting and developing insurance products)			△3.9					●7.a	△8.10	
		Promoting sustainable finance (investment and lending)			△3.9					●7.a	△8.3	
		Contributing to a sustainable food supply	●1.5	●2.4					△6.6			●8.10
		Contributing to a carbon neutral society	●1.5	●2.4	△3.9	△4.7			△6.6	●7.2		
		Contributing to a circular economy								●6.b		
								●6.6				
									●6.6			

9	10	11	12	13	14	15	16	17	Priority social challenges
●9.b							●16.7	△17.17	☆
							△16.5		
△9.1							●16.1		
	△10.3						●16.5		
	△10.3						●16.5		
			●12.2	●13.2	△14.2	△15.1	△16.2	●17.17	☆
							●16.1	●17.16	☆
				△13.1					
●9.b									☆
●9.b									
	●10.2		△12.6						☆
								△17.16	☆
●9.b	△10.2								☆
●9.b	△10.2								☆
		△11.3						●17.16	
								●17.16	
△9.3		●11.b		●13.1				●17.16	☆
		●11.b		●13.1				●17.16	☆
●9.b		●11.2						●17.16	☆
	△10.2							●17.16	☆
		△11.b		△13.3				△17.16	
●9.2	●10.4	●11.b	●12.5	●13.3	●14.2	●15.1	●16.2	●17.16	☆
●9.2								●17.16	☆
△9.5								●17.16	☆
							●16.5		
		●11.3		△13.1				●17.16	☆
	△10.2							●17.16	☆
			△12.8					●17.16	
		●11.b						●17.16	☆
		●11.b	●12.3	●13.3	●14.1			●17.16	☆
●9.1	●11.4		●13.3	△14.1	△15.5			●17.16	☆
●9.4	●11.4		●13.a	△14.1	△15.5			●17.16	☆
			●13.1					●17.16	☆
△9.1	△11.4	●12.8	●13.2	△14.1	△15.5			●17.16	☆
		●12.5	△13.3	●14.1	△15.4			●17.16	☆
		●12.5	△13.3	●14.1	△15.2			●17.16	☆

- Provide preparedness for all types of risk
- Prevent accidents and disasters, contribute to a resilient society
- Contribute to a greener society where the economy, society and environment are in harmony
- Provide solutions for healthy and happy lives
- Contribute to a sustainable aging society
- A group of talent who can change future society
- Build a platform for partnerships towards creating value

*1 SDG targets strongly linked to Sompogroup's initiatives are marked as "●," and those moderately linked are marked as "△."
 The Sompogroup will continuously review the matrix in light of developments in its problem-solving business and changes to social challenges.
 *2 This matrix was formulated under the supervision of Professor Hidemitsu Sasaya of the Chiba University of Commerce.
 * "Health and productivity management" is a registered trademark of Nonprofit Organization KenkoKeiei.

Materiality KPIs

The Sampo Group has set KPIs for each Materiality to define its actions for realizing SOMPO's Purpose, and to gauge the progress of these actions. By integrating these KPIs with important elements of our value creation cycle, we have created a system that enables us to implement said value creation cycle. In fiscal 2021, we achieved 24 of the 29 KPIs for which we had set single-year targets. As our initiatives and strategies for realizing SOMPO's Purpose evolve and change, we are expanding our Materiality KPIs.

Indeed, we have committed to adding a further four KPIs in fiscal 2022, and plan to subsequently add two more. In this way, by establishing a Group-wide framework that facilitates the creation of a PDCA cycle for our value creation cycle, we are making progress towards realizing SOMPO's Purpose.

★ KPIs added in fiscal 2022
☆ KPIs scheduled for addition

Key value creation cycle KPIs

Materiality	Materiality Subcategory	Materiality KPIs	
		KPIs	Target Business
Provide preparedness for all types of risk	Promoting financial inclusion and ensuring universal access to insurance	Domestic net written premiums (contribution to promoting insurance)	Domestic P&C Insurance
		Overseas gross written premiums (contribution to promoting insurance)	Overseas Insurance and Reinsurance
		No. of life insurance policies in force (contribution to promoting insurance)	Domestic Life Insurance
		No. of sales and premiums for insurance products that help people prepare for illness and injury (core products)	Domestic P&C Insurance
Prevent accidents and disasters, contribute to a resilient society	Contributing to a sustainable food supply	Expansion of AgriSampo's agricultural insurance business to more countries	Overseas Insurance and Reinsurance
		Customer satisfaction with insurance claims paid for natural disasters	Domestic P&C Insurance
		★ Development of products and services that help adapt to or mitigate climate change	All Group businesses
		No. of sales and premiums for insurance products that contribute to a safe and secure next-generation mobility society (core products)	Domestic P&C Insurance
Contribute to a greener society where the economy, society and environment are in harmony	Contributing to a carbon neutral society, to a circular economy, and to a society in harmony with nature	★ Customer satisfaction with insurance claims paid for car accidents	Domestic P&C Insurance
		No. of participants in disaster prevention and traffic safety training	All Group businesses
		Participation and activities in sustainability-related initiatives and rule-making	All Group businesses
		No. of engagements with investee and borrower companies	All Group businesses
Provide solutions for healthy and happy lives	Extending life expectancy	Reduction rate for Group greenhouse gas emissions	All Group businesses
		Switch to renewable energy sources	All Group businesses
		★ Reduction rate for greenhouse gas emissions of investee and borrower companies	All Group businesses
		No. of participants in environmental education programs	All Group businesses
Contribute to a sustainable aging society	Contributing to a sustainable social security system	No. of Insurhealth® policies sold	Domestic Life Insurance
		No. of Insurhealth® policies in force	Domestic Life Insurance
		Sales share of Insurhealth® products	Domestic Life Insurance
		★ No. of My Link X members	Domestic Life Insurance
A group of talent who can change future society	Investing in human capital	Company name recognition	Domestic Life Insurance
		Perception as a company that promotes health	Domestic Life Insurance
		No. of branch offices offering dementia prevention programs	Nursing Care and Seniors
		Health guidance business revenue	Strategic business
Build a platform for partnerships towards creating value	Promoting a data-driven society	Mental health service revenue	Strategic business
		No. of smart community proof of concepts	Nursing Care and Seniors
		No. of facilities introducing future nursing care model	Nursing Care and Seniors
		Nursing care facility occupancy rate	Nursing Care and Seniors
Investing in human capital	Investing in human resources (lifelong learning and recurrent education)	No. of nursing care users	Nursing Care and Seniors
		Care provider turnover rate	Nursing Care and Seniors
		☆ Social impact of Nursing Care Business	Nursing Care and Seniors
		Employee engagement	All Group businesses
Investing in human capital	Investing in human resources (lifelong learning and recurrent education)	My Purpose training participation rate	All Group businesses
		Telework rate	All Group businesses
		Health and productivity management indicators (Work Limitations Questionnaire)	All Group businesses
		Ratio of female managers	All Group businesses
Investing in human capital	Investing in human resources (lifelong learning and recurrent education)	Ratio of employees with disabilities	All Group businesses
		Shift to job-based HR system	All Group businesses
		No. of digital personnel developed and recruited	All Group businesses
		Group revenue generated by utilizing Real Data Platform	Digital
Investing in human capital	Investing in human resources (lifelong learning and recurrent education)	External sales and monetization of Real Data Platform products and services	Digital
		☆ Nursing Care RDP indicators	Nursing Care and Seniors

Materiality	Materiality Subcategory	Materiality KPIs	FY2021 Results		Relevant SDG Targets	SOMPO's Vision for Society and for the Group				
			Numerical Targets	Partnership KPIs			Results	Status of single-year targets		
Provide preparedness for all types of risk	Promoting financial inclusion and ensuring universal access to insurance	Domestic net written premiums (contribution to promoting insurance)	FY2021: ¥1,988.6bn; FY2022: ¥2,055.3bn; FY2023: ¥2,079.9bn	Increase YoY	¥1,999.6bn	Achieved	1.4	8.10	11.1b	A safe and secure society, which is also protected from new risks such as climate change, infectious diseases, and cyberattacks due to the evolution of insurance
		Overseas gross written premiums (contribution to promoting insurance)	FY2021: +7.9%; FY2022: +7.1%; FY2023: +6.9% *USD base		+25.8%	Achieved	1.4	8.10	13.1	
		No. of life insurance policies in force (contribution to promoting insurance)	FY2021: 4.43M; FY2022: 4.72M; FY2023: 5.00M		4.43M	Achieved	1.4	3.4	8.10	
		No. of sales and premiums for insurance products that help people prepare for illness and injury (core products)			YoY increase: +12,000 insurance product sales; +¥2.25bn premiums	Achieved	3.3	3.4	8.10	
Prevent accidents and disasters, contribute to a resilient society	Contributing to a sustainable food supply	Expansion of AgriSampo's agricultural insurance business to more countries	Increase number of countries by FY2023	Improve YoY	No increase	No single-year target set	1.5	2.4	13.1	A society in which risks are controlled and damage is minimized by detecting and preventing warning signs
		Customer satisfaction with insurance claims paid for natural disasters	Improve YoY		YoY improvement: -3.3 points	Not achieved	1.5	11.1b	13.1	
		★ Development of products and services that help adapt to or mitigate climate change	Publish and update development results		—	—	1.5	13.1	13.3	
		No. of sales and premiums for insurance products that contribute to a safe and secure next-generation mobility society (core products)	Increase YoY		YoY increase: +59,000 insurance product sales; +¥240mn premiums	Achieved	3.6	8.10	11.2	
Contribute to a greener society where the economy, society and environment are in harmony	Contributing to a carbon neutral society, to a circular economy, and to a society in harmony with nature	★ Customer satisfaction with insurance claims paid for car accidents	Improve YoY	Publish and update activity results	—	—	3.6	8.10	11.2	An inclusive and resilient carbon neutral society where people and nature coexist in harmony
		No. of participants in disaster prevention and traffic safety training	FY2021: 15,000; FY2022: 18,000		23,036	Achieved	3.6	4.7	11.1b	
		Participation and activities in sustainability-related initiatives and rule-making	60% reduction by 2030 (compared to 2017 levels), net zero by 2050 *Targets include Scopes 1, 2, and 3, but exclude investee and borrower companies		Joined PCAF and three GFANZ sector-specific alliances	No single-year target set	9.4	11.4	13.3	
		No. of engagements with investee and borrower companies	70% utilization rate by FY2030		Increase YoY	Achieved	7.4	9.4	13.3a	
Provide solutions for healthy and happy lives	Extending life expectancy	Reduction rate for Group greenhouse gas emissions	25% reduction by 2025 (compared to 2019 levels), net zero by 2050 *For Scope 3, Category 15 emissions	Increase YoY	228,051tCO2e	No single-year target set	7.2	12.8	13.2	A society in which people who need support can live independent, healthy, and happy lives in a way true to themselves
		Switch to renewable energy sources	FY2021: 11,500; FY2022: 9,000		6,595	Not achieved	4.7	13.3	14.1	
		★ Reduction rate for greenhouse gas emissions of investee and borrower companies	End of FY2021: 300,000; End of FY2022: 460,000; End of FY2023: 420,000		340,000	Achieved	1.4	3.4	8.10	
		No. of participants in environmental education programs	End of FY2021: 600,000; End of FY2022: 1,130,000; End of FY2023: 1,300,000		710,000	Achieved	1.4	3.4	8.10	
Contribute to a sustainable aging society	Contributing to a sustainable social security system	No. of Insurhealth® policies sold	End of FY2021: 60%; End of FY2022: 70%; End of FY2023: 80%	Increase in no. of partnerships	68.3%	Achieved	1.4	3.4	8.10	A society in which people who need support can live independent, healthy, and happy lives in a way true to themselves
		No. of Insurhealth® policies in force	FY2021: 700,000; FY2023: 1,000,000		457,000	—	1.4	3.4	8.10	
		Sales share of Insurhealth® products	Life insurance industry ranking for Sampo Himawari Life Insurance: End of FY2021: No. 5; End of FY2022: No. 3; End of FY2023: No. 1		51.7%	Not achieved	3.4	3.4	8.10	
		★ No. of My Link X members	FY2021: 38; FY2022: 82; FY2023: 171		No.9	Not achieved	3.4	3.4	8.10	
A group of talent who can change future society	Investing in human capital	Company name recognition	FY2021: ¥3.519bn; FY2022: ¥3.881bn	1) No. of collaborations and partnerships announced to the public	41	Achieved	3.4	5.4	10.2	A hopeful society in which the burden is reduced on people tasked with supporting an aging population and a declining birthrate
		Perception as a company that promotes health	FY2021: ¥1.485bn; FY2022: ¥1.619bn		¥3.746bn	Achieved	3.4	3.5	4.7	
		No. of branch offices offering dementia prevention programs	FY2021: 10; FY2022: 10		¥1.493bn	Achieved	3.4	4.4	8.8	
		Health guidance business revenue	FY2021: 28; FY2022: 73; FY2023: 258		12	Achieved	3.4	3.4	11.3	
Build a platform for partnerships towards creating value	Promoting a data-driven society	Mental health service revenue	FY2021: 90.8%; FY2022: 92.9%; FY2023: 93.8%	2) No. of proof-of-concept and pilot tests conducted through collaborations and partnerships	23	Not achieved	1.3	3.4	8.8	An organization whose diverse workforce has the capacity to develop innovative solutions and transform future society
		No. of smart community proof of concepts	FY2021: 90,000; FY2022: 94,000; FY2023: 120,000		91.1%	Achieved	1.3	3.4	10.2	
		No. of facilities introducing future nursing care model	FY2021: 11.4%; FY2022: 11.0%; FY2023: 10.5%		90,000	Achieved	1.3	3.4	8.5	
		Nursing care facility occupancy rate	Plans to disclose future social impact of Nursing Care Business		11.4%	Achieved	1.3	3.4	8.5	
Investing in human capital	Investing in human resources (lifelong learning and recurrent education)	Care provider turnover rate	FY2021 Results: 1) 97	3) No. of solutions provided through collaborations and partnerships	—	—	1.3	3.4	8.5	An organization whose diverse workforce has the capacity to develop innovative solutions and transform future society
		☆ Social impact of Nursing Care Business	Average Gallup Q12 score of 3.70 pt in Japan and 4.10 pt overseas by end of FY2023		3.46 pt in Japan, and 4.02 pt overseas	Achieved	4.4	8.2	9.1b	
		Employee engagement	End of FY2023: 100% of eligible employees		66% of employees from Domestic P&C, Domestic Life Insurance, and Nursing Care and Seniors Businesses	Achieved	4.5	4.4	8.2	
		My Purpose training participation rate	50% or more of whole Group *excluding frontline care givers		65.0%	Achieved	4.4	5.4	8.8	
Investing in human capital	Investing in human resources (lifelong learning and recurrent education)	Telework rate	Improve YoY at all companies	FY2021 Results: 1) 97 2) 45 3) 58	93.8%	Achieved	3.4	8.2	8.8	An organization whose diverse workforce has the capacity to develop innovative solutions and transform future society
		Health and productivity management indicators (Work Limitations Questionnaire)	End of FY2023: 30%		26.8%	Achieved	5.5	8.2	10.2	
		Ratio of female managers	End of FY2023: 2.5%		2.41%	Achieved	4.5	8.2	10.2	
		Ratio of employees with disabilities	Introduce job-based system at all companies by end of FY2023		No results	No single-year target set	8.2	8.5	9.5	
Build a platform for partnerships towards creating value	Promoting a data-driven society	Group revenue generated by utilizing Real Data Platform	End of FY2023: 100% of eligible employees	DX specialists: 31 DX planning personnel a) Employees who have completed basic DX training: 1,979 b) Participants in AI planning, data utilization, and CX agile design training: 791 DX utilization personnel: 10,656 participants in training	66% of employees from Domestic P&C, Domestic Life Insurance, and Nursing Care and Seniors Businesses	Achieved	4.4	8.2	9.5	An organization that innovates based on facts and data, and that promises fulfilling lives for an aging population and for the people who support it
		External sales and monetization of Real Data Platform products and services	50% or more of whole Group *excluding frontline care givers		No results	No single-year target set	3.4	9.2	17.16	
		☆ Nursing Care RDP indicators	Improve YoY at all companies		93.8%	Achieved	3.4	8.2	8.8	
		Targets to be decided based on business plans	End of FY2023: 30%		26.8%	Achieved	5.5	8.2	10.2	

Climate Change Initiatives (Environment)

I. SOMPO Climate Action

Since the 1990s, the Group has been tackling global environmental issues in collaboration with a wide range of stakeholders. Through partnerships with stakeholders built up over many years, we will promote initiatives that emphasize environmental, economic, and social sustainability. Our aim is to realize a resilient, carbon-neutral society where people and nature are in harmony.

In 1992, SOMPO's president at the time participated in the Rio Summit as the chairman of the Keidanren Committee on Nature Conservation. In the same year, we established the Department of Global Environment—the first for a Japanese financial institution—and have since been working on global environmental issues in collaboration with NPOs and other organizations. In 1997, we

obtained ISO 14001 certification for environmental management systems (another first for a Japanese financial institution), and been working to “adapt to” and “mitigate” climate change.

The Sompo Group has identified “contributing to a greener society where the economy, society, and environment are in harmony” as a key management theme (Materiality) that must be addressed to realize SOMPO's Purpose. To address this priority issue, in our Mid-term Management Plan, which started in FY2021, we identified “adaptation,” “mitigation,” and “contribution to societal transformation” as “SOMPO Climate Action,” which takes a composite approach to climate-related risks and opportunities, and we are now in the process of executing various related initiatives.

SOMPO Climate Action		
1. Adapt to climate change	2. Mitigate climate change	3. Contribute to societal transformation
<p>Help enhance societal resilience by developing/offering products/services through collaboration</p> <ul style="list-style-type: none"> Contribute to sustainable agriculture with AgriSompo Develop products/new businesses for disaster prevention & mitigation BCP support service for companies 	<p>Achieve net zero group GHG emissions (by 2050)</p> <ul style="list-style-type: none"> Group's introduction of renewable energy (70% by 2030) Sustainable procurement that considers biodiversity Develop products/new businesses for the promotion of clean energy Service for promoting decarbonization for companies 	<p>Support the transition of society by collaborating with stakeholders, such as NPOs, and engaging as financial institution</p> <ul style="list-style-type: none"> Engagement with investee companies Proactive involvement in rule making, policy advocacy Develop environmental personnel

Together with stakeholders, aim to realize an inclusive and resilient carbon neutral society where people and nature are in harmony

SOMPO's strengths

Addressing global environmental issues for 30 years ahead of our time

Management understanding/ leadership since the 1992 Rio summit	Climate change adaptation measures utilizing risk management
Relationship of trust with NGOs, experts, etc., built through collaborative projects, the Group's Environment Foundation, etc.	
Built “Green SOMPO” brand through product development with consideration for ESG (underwriting, green funds, etc.), and environmental education for students/citizens	

Policy for SDGs in business management

A partnership platformer

A Theme Park for Security, Health & Wellbeing (Contribution to SDGs utilizing real data, etc.)
Network with stakeholders
Diverse personnel

II. Implementation of SOMPO Climate Action

To make Climate Action a reality, we established basic policy to engage in four actions: formulate and execute a Green Transition Plan, strengthen our governance, upgrade climate risk framework, and create climate-related business opportunities, based on an analysis of the potential risks and opportunities posed by climate change to the Group and other factors. In FY2022, we will focus on the following initiatives.

1. Formulate and Execute a Green Transition Plan

The goal of our Group is to achieve net-zero greenhouse gas (GHG) emissions by 2050, including our underwriting operations and our

investee and borrower companies. To this end, the entire Group is promoting the following actions.

[Initiative 1] Initiative to achieve interim greenhouse gas (GHG) reduction targets of investee and borrower companies

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

strengthen our engagement with investee companies.

As specific measures, we are promoting a green transition by strengthening engagement with the top 20 greenhouse gas (GHG) emitting companies among our equity holdings, and we are promoting a switch from high GHG emitting sectors to low emitting sectors when public and corporate bonds reach maturity in order to reduce transition risks and capture opportunities. See [III. 4. Metrics and Targets] for details.

[Initiative 2] Contributions through underwriting/investment and loan

The Sompo Group considers sustainability to be the driving force behind long-term value creation, and makes decisions regarding insurance underwriting, investments and loans, and business activities based on the basic concept of its Purpose.

In particular, with regard to contributions to energy transition, which is an essential part of the transition to a green society, we have established the following underwriting, investment and loan policies, and are moving forward with related implementation initiatives.

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

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

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

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

For further information about our Policy for ESG-related Underwriting, Investment and Loan, please visit our corporate website:

<https://www.sompo-hd.com/en/csr/system/vision/>

See [III. 2. Strategy] for other initiatives.

[Initiative 3] Initiative for societal transformation

Various organizations and groups around the world are actively discussing the formulation of regulations and guidance to realize a net-zero society. The Sompo Group is contributing to “societal transformation” by participating in sustainability promotion and rule-making organizations.

Recently, we have been working hard to promote climate-related information disclosure in the insurance industry, including

by developing methods for analyzing climate risks. For example, we joined the insurance pilot working group of the Task Force on Climate-related Financial Disclosures (TCFD), promoted by the United Nations Environment Programme Finance Initiative. We are also committed to the Science Based Targets (SBT) initiative, which aims to achieve the 1.5°C target of the Paris Agreement, and in September 2018 we were the only domestic insurance group to join in the Expert Advisory Group for the development of SBT guidelines for financial institutions. In December 2020, meanwhile, we joined the Business for Nature Strategic Advisory Group, which consolidates the opinions of industry and makes policy proposals to address the growing sense of crisis about biodiversity.

We are also engaged in rule-making to realize a net-zero society. In 2021, we became the first Asian member of the PCAF Insurance-Associated Emissions Working Group, which was established by the Partnership for Carbon Accounting Financials (PCAF), an international initiative that develops methods for measuring GHG emissions through financial institutions' investment, loan, and underwriting portfolios.

In 2022, we became the first Japanese insurer to join three sector-specific alliances under the Glasgow Financial Alliance for Net Zero (GFANZ)*, a global alliance of financial institutions aiming to achieve net zero GHG emissions by 2050. This will also contribute to the acceleration of net zero initiatives by promoting decarbonization in underwriting and reducing GHG emissions in asset management.

In addition, we are participating in the pilot project of the Taskforce on Nature-related Financial Disclosures (TNFD), an international organization that establishes a framework for properly assessing and disclosing risks and opportunities related to natural capital and biodiversity through the United Nations Environment Programme Finance Initiative, and are contributing to the development of the beta version.

By proactively participating in and leading these rule-making efforts, the Group will not only contribute to societal transformation but also seek to create and expand business opportunities for the Group, such as attracting partners by accumulating knowledge and enhancing our reputation through these efforts.

*Participating net-zero related initiatives:

- Net-Zero Insurance Alliance (NZIA)
- Net Zero Asset Owner Alliance (NZAOA)
- Net Zero Asset Managers initiative (NZAM)

2. Upgrading the Climate Risk Framework

Sompo Holdings has long been committed to practicing Enterprise Risk Management (ERM) in accordance with the Sompo Holdings Group Basic Policy on ERM. The ERM has two aspects: risk-taking (proactive) for strategy execution and risk control (protective) for the stability of the business foundation. For effective risk control, the Sompo Group aims to minimize unexpected losses and stabilize profits using frameworks that identify, analyze, and evaluate the diverse risks that the Group faces.

Climate Change Initiatives (Environment)

We have attempted to apply risks arising from climate change to these risk control systems such as framework for material risk management. But we decided to develop a new risk framework for climate change risk in 2022 because of some difficulties; 1) climate change risks are long-term in their impacts and highly uncertain, 2) those impacts extend well beyond increased severity of natural disasters and 3) existing risk framework which works mainly for insurance business might miss identifying risks and/or

cause delay in response.

This new framework complements our existing risk control system by identifying, assessing, and managing risks resulting from long-term climate change. Through this framework, we work together with Sompo Japan Insurance Inc. and other group companies for analysis and assessment for climate change risks, and strive to understand risks.

See [III. 2. Strategy/3. Risk Management] for details.

III. Disclosure of our Climate-Related Measures Based on the TCFD Recommendations

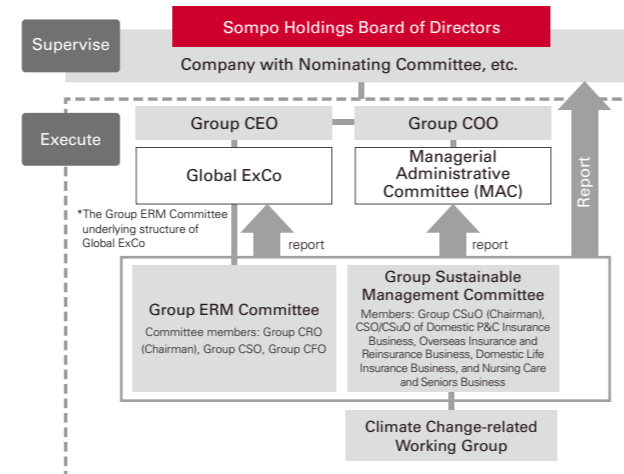
1. Governance

Based on SOMPO's Purpose (With "A Theme Park for Security, Health and Wellbeing," create a society in which every person can live a healthy, prosperous and happy life in one's own way), we have identified "contributing to a greener society where the economy, society and environment are in harmony" as one of our material issues for achieving our Purpose. Sompo has established a system under which executive officers and vice presidents implement measures based on Group-wide strategies and policies to realize SOMPO's Purpose and the Board of Directors supervises the implementation of these measures.

The Group Chief Sustainability Officer (CSuO) is responsible for formulating and implementing strategies related to the Group's sustainable management, including climate change, and overseeing the Group's overall sustainability function. We have established a dedicated Sustainable Management Office, and have built a system to promote climate change measures and other sustainability initiatives for the entire group.

The Group Sustainable Management Committee, chaired by the Group CSuO, and consisting of executives in charge of sustainability (CSOs, CSuOs, etc.) at each Group business, discusses and makes decisions on ESG issues, including climate change, and monitors each company's efforts and shares best practices. Climate change strategies and their implementation status are discussed and reported at the Global Executive Committee (Global ExCo) and the Managerial Administrative Committee (MAC), and discussions are reported to the Board of Directors on a quarterly basis.

The Group has established a risk control system to manage risks based on the Sompo Group Basic ERM Policy established by the Board of Directors. Through the Group ERM Committee, a subcommittee of the Global ExCo, the Group Chief Risk Officer (CRO) comprehensively identifies and evaluates the risks to each business, designates risks that may have a significant impact on the Group as material risks, and reports the state of risk management to the MAC and the Board of Directors twice a year to verify its effectiveness. The Group CSuO and Group CRO are responsible for implementing countermeasures against material risks, such as the severity of natural disasters that may be impacted by climate change, the impact on asset prices due to the transition to a carbon-free society, and changes in consumer preferences.



Note: Meetings held in FY2021 (number of times climate change-related agenda items were addressed is shown in parentheses) Global ExCo (2), MAC (5), Group Sustainable Management Committee (3), Group ERM Committee (2)

2. Strategy

(1) Climate-related risks and opportunities

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

We have identified the risks and opportunities that climate change poses to our business based on the results of studies conducted by external organizations such as the Intergovernmental Panel on Climate Change (IPCC) and the World Economic Forum, and we are assessing, analyzing, and responding to such risks and opportunities

on a short-, medium- (5-10 years: around 2030), and long-term (10-30 years: around 2050) time horizon. The main environmental changes associated with physical and transition risks due to climate

change, as well as risks and opportunities that are expected to have a significant impact on the Group, are shown in the table below.

Environmental Change		Impact on our company	Risk	Opportunity
Physical	Acute	Intensifying weather disasters: Increased payment of property insurance and reinsurance costs due to intensification or increase in frequency of typhoons and hurricanes	•	—
		Advancement of Climate Change Forecasting: Competitive advantage by developing Risk Models in response to advancement of climate change forecasting	—	•
		Impact on agricultural insurance: Increased agricultural insurance claims payments due to drought. Providing solutions for agricultural risks in each country.	•	•
	Chronic	Sea-level rise: Increase in insurance payments due to flood in coastal areas arising from sea level rise and other weather events caused by chronic climate change	•	—
		Price declines in the real estate market: Declining prices of real estate susceptible to physical risk	•	—
		Services for disaster risk reduction and mitigation: Growing demand for public-private partnerships and consulting services for disaster risk reduction and mitigation of weather-related disasters	—	•
Policy	Chronic	Political instability/conflict: Social turmoil and economic instability due to increased immigration, national bankruptcy, increased terrorism, etc. due to food and water shortages	•	—
		Emerging Pandemics: Increased occurrence of serious emerging infectious disease pandemics due to deforestation and thawing permafrost	•	—
		Changes in stocks & bonds: Changes in the price of stocks and bonds due to the tighter laws and regulations and the technological innovation for decarbonization	•	•
	Policy	Increase in energy prices: Prolonged higher oil prices due to expansion of supply-demand gap caused by decarbonization, and increase in prices due to introduction of carbon tax, etc.	•	—
		Subsidies (EV purchase, energy efficiency, etc.)	•	—
		Untimely and rapid transition: Rapid transition of countries lagging behind in transitioning to a low-carbon society, leading to economic instability	•	—
Transition	Legal	Revision of laws for reparations, and application of new interpretation	•	•
		Legal risk such as climate change litigation: Increase in liability insurance claims due to climate change litigation. Increasing demand for insurance coverage and services	•	•
		Decarbonization using new technologies: Fluctuations in premium income and asset prices due to changes in industrial structure caused by the diffusion of new technologies and obsolescence of existing technologies	•	•
	Technology	Development for energy storage systems and infrastructure	•	•
		New technologies such as renewable energy and energy saving	•	•
		Advances in low-carbon technologies: Growing demand for insurance and services for new markets and businesses such as energy conservation and energy storage systems	—	•
Preference	Preference	Reputation: Impact on reputation due to superiority of climate change initiatives and information disclosure in products and services	•	•
		Changes in consumer behaviors: Changes in premium income and asset prices due to changes in consumer behavior (e.g., sharing services)	•	•

Climate risks are assessed on short/medium- and long-term time horizons. See the Risk Map in [III. 3. Risk Management] for key results.

(2) Scenario analysis

A. Physical risks

The Group's P&C insurance business could be financially affected by higher-than-expected insurance payouts due to the increased severity and frequency of natural disasters, including typhoons, floods, and storm surges. In 2018, we started working with universities and other research institutions to quantitatively grasp risks based on scientific findings. Based on large-scale analysis using weather and climate big data, such as the Database for Policy Decision-making for Future Climate Change (d4PDF)*1, we are working to evaluate the long-term impacts in climate scenarios of 2°C and 4°C global warming with respect to changes in the average trends for storm surges affected by typhoons, floods and

sea level changes and trends in the occurrence of extreme weather events. We are also examining the medium-term impacts over the next five to ten years to incorporate the information into our business strategies.

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

Estimate results

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

We are also analyzing the impact of climate change on natural

Climate Change Initiatives (Environment)

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

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

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

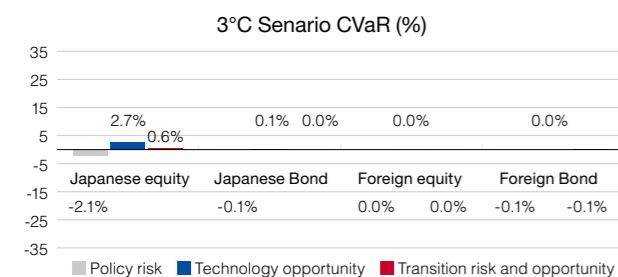
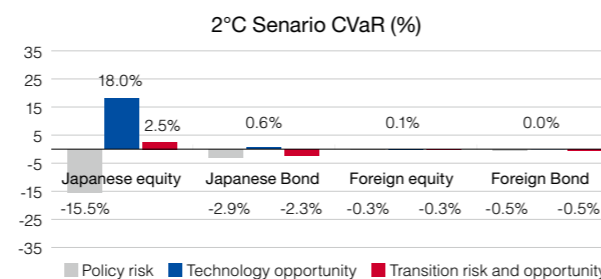
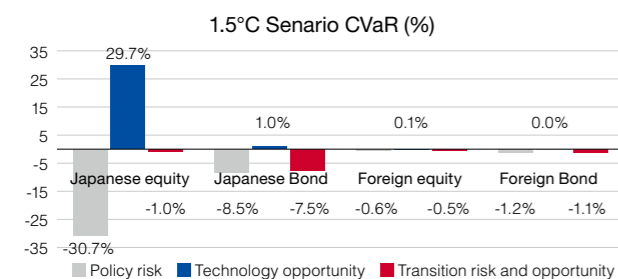
B. Transition risks

We have analyzed the impact of transition risks on assets held by the Group (Japanese equity, Japanese bond, foreign equity, and foreign bond) using the Climate Value-at-Risk (CVaR)^{*3} model provided by MSCI, based on scenarios in which global warming by the end of this century are limited to 1.5°C, 2°C, or 3°C above pre-industrial levels. We focused on the impact of policy risks associated with the transition to a low-carbon global economy and the impact of technological opportunities from climate change mitigation and adaptation initiatives.

*3 MSCI Climate Value-at-Risk

- One method to measure the impact on corporate value associated with climate change-related policy changes and disasters
- Future costs and profits associated with climate-related risks and opportunities are translated into the current valuation in this approach. We calculated the impact as of the end of March 2021, taking into account the market price weight of each stock in our portfolio.

Sompo Holdings: CVaR Analysis of Transition Risks and Opportunities by Global Warming Scenario



- **Policy Risk:**
Figures calculated for each level of Scope 1, 2, and 3 for the cost required to achieve the GHG reduction targets.
 - **Technology opportunity:**
Figures calculated for the potential business opportunities created by environment-related technologies owned by companies against the backdrop of the transition to a low-carbon economy.
 - **Transition risk and opportunity:**
Sum of policy risks and technology opportunities
- Source: Prepared by Sompo Holdings using MSCI Climate Value-at-Risk
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As outlined above, the overall impact of policy risks is limited as it is offset by that of technological opportunities. By scenario, the impact of policy risks and technological opportunities under the

1.5°C scenario is the largest, and by asset holdings, the impact on Japanese equities is the largest.

(3) Responding to risks

A. Physical risks

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

B. Transition risks

The Group is working to enhance corporate resilience to social change by providing green transition support to insurance client and investee companies, while at the same time working to mitigate transition risks through analysis-driven management of asset management portfolios.

We are promoting green transition to investment portfolio companies by strengthening engagement with the top 20 greenhouse gas (GHG) emitting companies among our equity holdings. We have set a target of reducing GHG emissions in our investment portfolio by 25% by 2025 (compared to FY2019, based on total GHG emissions of equity and bonds) by promoting a switch from high GHG emitting sectors to low emitting sectors when public and corporate bonds reach maturity in order to reduce transition risks and capture opportunities.

In addition, we promote the transition through our insurance of and investments in renewable energy and other innovative green technologies.

We will not underwrite new insurance or make new investments in or loans for new or existing coal power plants or thermal

coal mine projects^{*1}. We also will not underwrite new insurance or make new investments in or loans for oil and gas extraction projects in the oil sands or the Arctic National Wildlife Refuge (ANWR). We will not insure or make investments or loans to companies whose primary business is coal^{*2}, or oil and gas extraction projects in the ANWR, unless they establish a GHG reduction plan by January 2025^{*3}.

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

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

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

For further information about our Policy for ESG-related Underwriting, Investment and Loan, please visit our corporate website:

<https://www.sompo-hd.com/en/csr/system/vision/>

Also, we have set targets of reducing our own Sompo Group GHG emissions and achieving net zero emissions by 2050 and 60% by 2030 compared to the level in 2017. To achieve these targets, we are steadily implementing initiatives in line with the roadmap, such as switching to renewable energy for a source of electricity at Sompo Japan's headquarters building.

(4) Responding to opportunities

The Sompo Group is working to develop and expand the business of various products and services, considering changes such as the increasing need for compensation for natural disasters, the advancement of climate prediction, and the development of technology for the transition to a green society as opportunities.

Status of initiatives in climate change-related business, etc.	
Adaptation	<p>[Expansion of AgriSompo] We are contributing to a stable food supply through the global roll-out of agricultural insurance through the AgriSompo platform, a global integrated platform for agricultural insurance. (No. 2 market share for agricultural insurance in North America)</p> <p>[Launch of proof-of-concept test of hotel evacuation support to achieve zero evacuation delay ("nobody left behind") in the event of a natural disaster] In cooperation with data CRADLE and hotels in Kochi City, Sompo Japan Insurance Inc. has launched a proof-of-concept test of hotel evacuation support, targeting people who require evacuation support, pregnant women, and parents with infants in Kochi City.</p> <p>[Launch of evacuation supporters' insurance for local governments and "Connected Disaster Prevention Project" to support people requiring special care] Sompo Japan Insurance Inc. has launched "evacuation supporters' insurance" to ensure that evacuation supporters in individual evacuation programs and residents participating in local disaster prevention activities can carry out their activities with peace of mind. In collaboration with the Japan NPO Center, we have also launched the "Connected Disaster Prevention Project," an initiative to build regional networks (connections) that will encourage mutual aid in the event of a disaster.</p>

<p>[Launch of new service (first in P&C insurance industry*) to promote reuse of solar panels damaged by natural disasters]</p> <p>Sompo Japan Insurance Inc. and Sompo Risk Management Inc. have launched an initiative to reuse solar panels damaged by natural disasters that otherwise would have been discarded by referring owners to companies that can reuse and recycle the panels at the time of insurance claim payment.</p> <p><small>*According to research by Sompo Japan Insurance Inc. in October 2021</small></p>
<p>Mitigation</p>
<p>[Contribution to energy transition, which is an essential part of the transition to a green society]</p> <ul style="list-style-type: none"> <p>• Launch of ONE SOMPO WIND Service for offshore wind power companies</p> <p>Sompo Japan Insurance Inc. and Sompo Risk Management Inc. launched the ONE SOMPO WIND Service, which provides offshore wind power operators with risk assessments from construction work through business operation and comprehensive risk coverage, as part of efforts to promote offshore wind power projects with extremely low carbon dioxide emissions.</p> <p>• Provision of comprehensive insurance for tidal current (ocean current) power generation to support the spread of offshore renewable energy</p> <p>Sompo Japan Insurance Inc. and Sompo Risk Management Inc. have developed comprehensive insurance for tidal current (ocean current) power generation and risk management services related to offshore renewable energy, with the goal of supporting, from the perspectives of insurance and risk management, initiatives and challenges aimed at practical application of power generation technology using various marine energies (ocean currents, tidal currents, etc.).</p> <p>• Launch of SOMPO-ZELO*, a series of risk solutions to support the construction of supply chains for hydrogen, ammonia, and other next-generation energies</p> <p>Sompo Japan Insurance Inc. and Sompo Risk Management Inc. launched SOMPO-ZELO, a series of risk solutions to support the construction of supply chains for hydrogen, ammonia, and other next-generation energies, including peripheral technologies such as ammonia-fueled ships, as part of efforts to promote the development and provision of insurance and risk management consulting to contribute to the implementation and stable operation of next-generation energy supply chains.</p> <p>Under this series, we developed Japan's first insurance dedicated to ammonia transportation in April 2022, followed by insurance dedicated to hydrogen transportation in July 2022, thereby contributing to the stable supply of next-generation energy.</p> <p><small>* The "ZELO" in SOMPO-ZELO stands for "Zero carbon x Logistics." Aiming for "net zero (carbon neutrality)" and "zero risk," SOMPO-ZELO seeks to support the construction of next-generation energy supply chains and their implementation in society by providing dedicated risk solutions designed from scratch (free from preconceived notions).</small></p> <p>• Insurance for virtual power plants (VPPs)</p> <p>In cooperation with TEPCO Ventures, Inc., Sompo Japan Insurance Inc. has started offering dedicated insurance to support the spread of VPPs (virtual power plants)*.</p> <p><small>* A VPP provides capabilities equivalent to a power plant by allowing the owners of consumer-side energy resources or power generation equipment and power storage equipment connected directly to the power grid, or a third party, to control those energy resources (including reverse power flow from the energy resource on the consumer side).</small></p> <p>• Stabilization support insurance for municipal renewable energy supply</p> <p>Sompo Japan Insurance Inc. has developed "electric power procurement cost stabilization insurance" to partially compensate for additional procurement costs that go higher than planned due to soaring wholesale electricity market prices when local government-funded retail electric power companies procure locally generated renewable energy.</p>
<p>[Collaboration with Kansai Electric Power Co., Inc. to realize a carbon-neutral society]</p> <p>By combining Kansai Electric Power Co., Inc.'s zero carbon consulting know-how and real data with Sompo Japan Insurance Inc.'s strengths in risk assessment and analysis and Sompo Risk Management Inc.'s ESG consulting menu, we aim to develop new products and solutions to improve the market environment toward a carbon neutral society and realize solution services that combine the services of the three companies.</p>



<p>[Proof-of-concept test of energy conversion of organic waste on-site (first in Japan)]</p> <p>Sompo Japan Insurance Inc., using the systems of its project collaborator Sustainable Energy Inc., conducted a proof-of-concept test where organic waste emitted and incinerated in office buildings is turned into fuel. (Shinjuku Center Building)</p>
<p>[Launch of a rider for rebuilding expenses to compensates for cost of rebuilding damaged home]</p> <p>Sompo Japan Insurance Inc., in order to respond to the needs of customers who have experienced natural disasters such as typhoons and heavy rains, offers a rider to cover the cost of rebuilding the home, and through this rider, will encourage the spread of housing that complies with energy conservation standards.</p>
<p>Societal transformation</p>
<p>[Active involvement in rule-making through membership in net-zero organizations]</p> <p>In 2021, the Sompo Group joined the PCAF Insurance-Associated Emissions Working Group (working group to develop international standards to measure and disclose GHG emissions through insurance underwriting), and in 2022, the Group joined three sector-specific alliances (NZIA, NZAOA and NZAM) under the Glasgow Financial Alliance for Net Zero (GFANZ).</p>
<p>[Compensation for forest-derived carbon credits (first in Japan)]</p> <p>Sompo Japan Insurance Inc. has begun offering compensation for forest-based carbon credits*1, the first of its kind in Japan in the voluntary credit*2 market, which reduces greenhouse gas emissions through the use of natural capital.</p> <p><small>*1 A credit that certifies reductions in carbon dioxide or other greenhouse gases through forest protection, afforestation, and similar activities. *2 A system that allows companies to issue credits (emission credits) for reductions in CO2 and other greenhouse gases (amount reduced or absorbed) through forest protection, afforestation, introduction of energy-saving equipment, etc., and to trade them with other companies.</small></p>
<p>[Engagement with investee companies]</p> <p>In FY2021, Sompo Japan Insurance Inc. conducted ESG questionnaires to approximately 1,700 investee companies, including non-listed companies, to encourage their sustainability efforts, including decarbonization.</p>
<p>[Investment in "Tokyo Green Bonds" by the Tokyo Metropolitan Government]</p> <p>Sompo Himawari Life Insurance Inc. invested 800 million yen in "Tokyo Green Bonds" issued by the Tokyo Metropolitan Government, which will be used for projects related to climate change adaptation, smart energy city development, and improvement of the living environment.</p>
<p>[Contributions to societal transition through collaboration between SOMPO Group and its stakeholders]</p> <ul style="list-style-type: none"> Climate change risk analysis services (support for TCFD response) in collaboration with the National Research Institute for Earth Science and Disaster Resilience Partnership agreement with Weathernews Inc. to create new value and businesses to solve social issues related to climate change and global warming Business alliances to provide total support to companies in decarbonization management and climate change response (boost technologies, Inc., Asuene Inc.) Joint research agreement with Gifu University to study flood risk prediction and social impacts due to climate change And so on
<p>[Initiatives for fostering environmental personnel]</p> <ul style="list-style-type: none"> Continued implementation of Open Lectures on the Environment for citizens by the SOMPO Environment Foundation, and the CSO Learning Scholarship Program, which provides an eight-month internship experience at a CSO (civil society organization) in the environmental field for university students and graduate students Volunteer activities centered on the Sompo Chikyu (Earth) Club, a volunteer organization made up of Group executives and employees.

Climate Change Initiatives (Environment)

3. Risk Management

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

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

Risk Framework for Climate Change



In 2022, positioned as an exploratory assessment, we conducted a risk assessment assuming possible policy transition patterns (see table below) based on the research results of external organizations, such as the IPCC and the World Economic Forum, and visualized them as a climate change risk map.

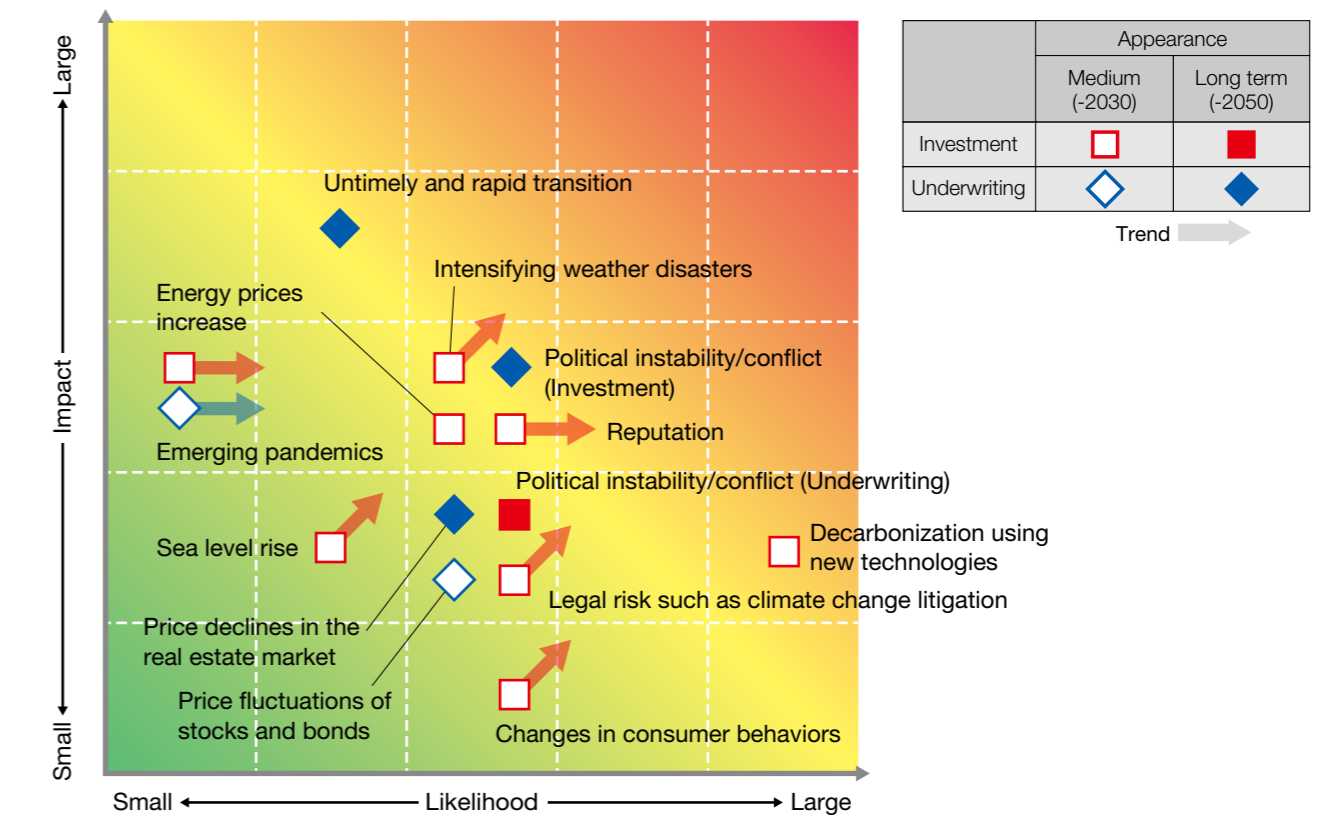
A. Moderate transition	Global warming has intensified, causing heat waves over large areas, resulting in severe food crises and water shortages. Mortality rates have also risen due to frequent and severe natural disasters. Political instability has led to regional conflicts, the proliferation of terrorism, and an increase in the number of refugees.
B. Immediate and significant transition	The rapid promotion of decarbonization policies has caused a steep rise in fossil fuel prices, and has had significant negative impact on G7 economies, including industrial hollowing out and rapid inflation.
C. Countries transition at different speeds	Geopolitical and economic friction and disparities between countries have increased as countries and regions proceed with policy and technological transitions at different speeds.

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

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

In order to capture the complex impacts of climate change, the climate change risk framework uses the following three steps to assess and organize the risks and opportunities described in section (2) Addressing Climate-related Risks and Opportunities (Strategies).

Climate Change Risk Map



The climate change risk map visualizes risks that require continuous monitoring and will stimulate discussions on climate change in the Board of Directors and other executive bodies by providing a bird's eye view of the impact, likelihood, timing of occurrence, and trends of risks that will primarily affect insurance underwriting and asset management.

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

Climate-related material risks and their main scenarios

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

We will also incorporate the knowledge gained through the climate change risk framework into our existing risk control system framework that involves capital management, stress testing, risk

limit management, and liquidity risk management, thereby enhancing the overall sophistication of our risk management.

Climate Change Initiatives (Environment)

4. Metrics and Targets

(1) Metrics for assessing risks and opportunities

Sompo Holdings recognizes that the steady implementation of the Green Transition Plan toward the implementation of SOMPO Climate Action will lead to risk reduction and the acquisition of new business opportunities for the Group. Accordingly, we will use the metrics indicated below for assessment.

GHG emissions	Total GHG emissions (FY2021)		
	Category	Total Emissions	
	Scope 1, 2 and 3 (excluding investments and loans) [unit: t-CO ₂ e]	228,051	
	Total GHG emissions at investees* (FY2020)		
	Category	Equity	Bonds
	Scope 3 (investments and loans) [unit: t-CO ₂ e]	948,530	906,207
	Weighted Average Carbon Intensity (WACI) at investees* (FY2020)		
	Category	Equity	Bonds
	Scope 3 (investments and loans) [unit: t-CO ₂ e/million US dollars]	100.58	133.77
Renewable energy introduction rate	End of FY2021: less than 2.2%		
Other environmental metrics	Electricity consumption (FY2021): 280.37 million kWh Paper consumption (FY2021): 5,771 tons		
Leadership to Address Climate Change	See "<Reference> Leadership to Address Climate Change."		

*Calculated for Scope 1 and Scope 2 in Japanese and foreign listed stocks and bond investees using data provided by MSCI ESG Research (listed stock coverage rate: 93%, bond coverage rate: 84%, both based on market value). GHG emissions are our share of emissions based on investees' Enterprise Value Including Cash (EVIC), and WACI is the weighted average of each investee's GHG emissions per unit sales, according to the holding percentage for that investee in our portfolio. Note that numerical data may be revised retroactively.

(2) Targets for managing risks and opportunities

The Sompo Group is committed to the implementation of SOMPO Climate Action through the achievement of the Green Transition Plan, and manages its progress using the following materiality KPIs.

Materiality KPI	Target	Result in FY2021	Achievement status in FY2021
Participation and activities in sustainability-related initiatives and rule-making	Publication of activity results as needed	Membership in PCAF and three sector-specific alliances under GFANZ	No single-year target
Number of engagements with investee and borrower companies	Increase from previous year	Increase from previous year	Achieved
SOMPO greenhouse gas (GHG) reduction rate	60% reduction by 2030 (vs. 2017), net zero emissions by 2050 * Scope 1, 2, 3 (excluding investments and loans) are covered	228,051t-CO ₂ e	No single-year target
Switch to renewable energy for electricity usage	2030 adoption rate 70% 2050 adoption rate 100%	2.2%	No single-year target
Investment and loan greenhouse gas (GHG) reduction rate	25% reduction by 2025 (vs. 2019), net zero emissions by 2050 * Scope 3 category 15 is covered (target assets are listed equities and corporate bonds)	FY2020 Equities 948,530t-CO ₂ e, bonds 906,207t-CO ₂ e	No single-year target
Number of participants in environmental education	11,500 in FY2021, 9,000 in FY2022	6,595	Not achieved

<Reference> Leadership to Address Climate Change

Leadership through Various Initiatives

It is important that many stakeholders work collaboratively to address the challenges of climate change. As climate action is being discussed in numerous initiatives both in Japan and the world, we are making an effort to show leadership in such initiatives.

Here we introduce some of our major activities.

Participation in three sector-specific alliances under GFANZ

The Sompo Group has joined the Net-Zero Insurance Alliance (NZIA), the Net-Zero Asset Owner Alliance (NZAOA), and the Net-Zero Asset Managers Initiative (NZAM), where it works to improve rule-making and its own efforts toward net zero.

Participation in CDP (Climate Change) and Support for TCFD

The CDP is a set of collaborative initiatives by the world's institutional investors. It encourages businesses worldwide to adopt climate change strategies and disclose their GHG emissions. Sompo Japan has been a member since 2005 as an institutional investor. As a responding company, Sompo Holdings selected for the Climate A List as the highest rank in a CDP Climate Change for the sixth times.

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

Paris Agreement: Participation in Initiatives to Achieve 2°C Target

In 2017, we took part in an initiative led by the Ministry of the Environment, Japan aiming to set Science Based Targets (SBT). In 2018, we submitted a letter of commitment to the SBTi (international initiative that certifies companies that set ambitious targets consistent with the Paris Agreement) and declared our participation in the drafting of financial sector guidance. In fiscal year 2018, we set new mid- to long-term GHG emission reduction targets for 2030 and 2050 in line with the levels recommended by the SBTi.

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 combat climate change. We endorse the purpose of this initiative and are participating as a founding member.

Caring for Climate

"Caring for Climate" is an initiative established by the United Nations Global Compact (UN GC), the United Nations Environment Programme (UNEP), and the United Nations Framework Convention on Climate Change (UNFCCC) to advance the role of business in addressing climate change. Masao Seki, Senior Advisor on CSR at Sompo Japan at the time, was a member of the steering committee.

The Conference of the Parties (COP) COP

In November 2016, the 22nd Session of the Conference of the Parties (COP22) to the United Nations Framework Convention on Climate Change was held in Marrakesh, Sompo Japan, spoke at a session of a side event organized by Japan's Ministry of the Environment, focusing on Japanese corporations' efforts for climate resilience. The company also participated in a High-Level Meeting on Climate Change organized by Caring for Climate during COP22, as a steering committee member. In November 2017, at a side event organized by the Japan International cooperation Agency (JICA) at the COP23 held in Bonn, Germany, Sompo Risk Management gave a presentation on Private Sector Perspective on Agricultural Insurance.

In November 2018, Masaya Futamiya, Director-Chairman of Sompo Japan at the time, participated in Global Business and Biodiversity Forum held in advance of COP14 and gave a presentation on the revision of Declaration of Biodiversity by Keidanren and a progress status of the "mainstreaming of biodiversity" in the Japanese business sector as Chairman of the Keidanren Committee on Nature Conservation. He also held dialogs with representatives from organizations that have a great effect on promoting global nature conservation.

At the Convention on Biological Diversity (COP15) held in Montreal, Canada in December 2022, Keiji Nishizawa, Director-Chairman of Sompo Japan Insurance Inc., participated as Chairman of the Keidanren Committee on Nature Conservation. In order to contribute to the achievement of a new international framework (global goals), in collaboration with Japan's Ministry of the Environment, he announced the plan to provide financial support of 300 million yen for the "Community Development and Knowledge Management for the Satoyama Initiative (COMDEKS)" implemented by the United Nations Development Programme (UNDP) through the Keidanren Nature Conservation Fund.

In addition, at COP15, Sompo Holdings endorsed the statement regarding the Global Biodiversity Framework (GBF), which calls for a society that coexists with nature by 2050, and which the United Nations Environment Programme Finance Initiative (UNEP FI) has called on private financial institutions to support.

Respect for Human Dignity and Rights (Society)

Respecting Human Rights

In its "Group Human Rights Respect Policy," the Group declares that it will respect the fundamental human rights of all stakeholders in the Group and in the global marketplace, including the value chain, and that it will act with high ethical standards to create a sustainable society, while respecting international codes of conduct.

In promoting our initiatives, we are openly listening to the opinions of our stakeholders to understand the various impacts on human rights, establish and implement effective internal systems to prevent human rights violations, and continuously improve our

internal systems and disclose information.

Through the Group-wide internal reporting system, employee consultation hotline, and complaint desk at each Group company, we have established a system to identify events that may have a negative impact on the human rights of our employees, customers, and other stakeholders, and to take corrective measures.

In addition, we conduct Group-wide "Sustainability and Human Rights Training" every year to improve employees' human rights literacy.

Human Rights Risk Identification and Mitigation

Our human rights due diligence process is implemented systematically and continuously based on our Enterprise Risk Management (ERM).

Since FY2018, the company-wide risk assessments performed

by related departments and Group companies have covered human rights risks, in addition to labor-related risks. We use these risk assessment results to identify risks in our operations that could have an adverse impact on human rights.

Human Rights Risk Identification and Evaluation

We identify potential impacts and risks related to human rights for all businesses (Domestic P&C Insurance Business, Overseas Insurance and Reinsurance Business, Domestic Life Insurance Business, Nursing Care & Senior Business, Digital Business, and other Strategic Businesses) and business processes through the entire value chain. In identifying human rights risks, we use various international guidelines such as the UNEP FI Human Rights

Guidance Tool for the Financial Sector, and the CSR procurement self-assessment questionnaire published by the UN Global Compact Network Japan.

In FY2021 we carried out a risk evaluation on human rights based upon the two axes "Human rights impact (severity, number affected, and likelihood of remediation)" and the "Connection to company".

Results of the Assessment – Human Rights Risk Mapping



Mitigating Human Rights Risks

Since FY2019, we are taking the following actions for mitigating human rights risks to address the issues identified in the assessment in FY2019.

Material issues	Target stakeholders	Business
Employee health and safety	Employees	All businesses
Long working hours	Employees, workers in supply chain	All businesses
Unsuitable wages and employee benefits	Employees, workers in supply chain	All businesses
Inhumane treatment (including harassment) of employees and others	Employees	All businesses
Inappropriate disclosure of employee and customer private data, Privacy violations	Employees, customers	All businesses
Discrimination related to products and services and other human rights violations	Customers	Nursing care business
Safety of products and services	Customers	Nursing care business

Of the organizations covered by the risk of "long working hours" among employees identified in the 2019 Human Rights Risk Assessment, 87.7% have developed and worked on mitigation measures.

Of these, 43.6% of organization showed improvement through the use of the system of telecommuting /flextime as well as the reduction of overtime work through zero-based work review.

The Sampo Group Compliance Code of Conduct clearly states that all forms of harassment are prohibited, and we are implementing measures such as training on this issue. The "Rules of Employment" was revised in 2020 to set out that conduct falling within or suspected to be power harassment/sexual harassment is prohibited, and to clearly specify that conduct falling within or suspected to be harassment related to pregnancy, childbirth, childcare leave, nursing care leave, etc. is prohibited. In case of incident occurred, effective remedial action has been taken. We aim to improve the quality and availability of protection mechanisms to minimise the risks of the related incident of inhumane treatment including harassment.

< Our Zero-Tolerance Policing >

Complying with our "Group Human Rights Policy", in all facets of labour practices, we will not discriminate on the basis of race, color, ethnic origin, religion, creed, nationality, birthplace, social status,

descent, gender, sexual orientation, gender identity, sexual expression, pregnancy, marital status, age, disability or any other status.

The Group has established a Compliance Hotline operated by a third-party body as an internal whistleblowing contact point for the entire Group. We are striving to increase its effectiveness by making the entire Group aware of this contact point and the rules of the whistleblowing system, including the prohibition on treating whistleblowers unfavorably. Since 2019, the company has also been a registered operator of the Self-Conformance Declaration of the Whistleblowing Compliance Management System Certification (WCMS Certification) operated by Consumer Affairs Agency, and is working to expand the scope of cases and protect whistleblowers.

< Measures to Mitigate Human Rights Risks through Insurance Underwriting and Investment/Loan >

Sampo Japan is working to reduce human rights risks through its financial functions. Since October 2020, we have held dialogues with civil society (NGOs, etc.), experts, and experts, accurately grasping the expectations and requests of stakeholders, and utilizing them in the management of each business including insurance underwriting and investment and financing. We identify businesses that engage in child labor and forced labor as having a negative impact on society and respond carefully.

Remediation Action

Under the whistleblowing system of the company, employees can report the matter related to violation of human rights, the privacy of the person who consult is strictly protected, and the received information is kept confidential. In the event that a violation of laws and regulations, internal rules or any concern or problem contrary to the spirit of the Code of Conduct of Sampo Holdings is suspected, the company will promptly investigate thoroughly and

fairly. Also, in the event that a violation of applicable laws and regulations, the Code of Conduct of Sampo Holdings, or other internal rules is found, the offender may be subject to disciplinary action including dismissal based on the standards and requirements stipulated by the employment contract and employment rules of the Group Company.

Health and Productivity Management Initiatives (Society)

Background of the “Health and Productivity Management”^{®1)*}

Sompo Group values the health and wellbeing of employees and their families. As stated in its management philosophy, the Group aspires to be an organization that:

- (1) Makes a value judgment from customers' perspectives,
- (2) Provides the highest quality services for customers' security, health, and wellbeing through a broader range of business activities focusing on insurance, and
- (3) Contributes to the society.

It is essential to take care of employees' health and their families, who are the driving force in embodying the philosophy. The Group's Human Respect Policy also states that we are committed

to maintaining and improving employees' health to ensure a vibrant work environment.

The Group is actively practicing the Health and Productivity Management initiatives to boost employees' health as one of its most important business themes based on the management philosophy and policies.

The Group will deliver messages to the outside world to raise awareness of health management. It will also support and sponsor external health management programs.

¹⁾The term “Health and Productivity Management” is a registered trademark of an incorporated NPO organization, the Workshop for the Management of Health on Company and Employee.

Sompo Group Health Management Declaration

To further promote the Health and Productivity Management throughout the Group, we have established the “Sompo Group Health Management Declaration,” which incorporates three objectives: (i) embody the Group Management Philosophy, (ii) boost productivity, and (iii) enhance corporate value. We are pushing ahead with the Health and Productivity Management by delivering the group-common policies internally and externally.

[Sompo Group Health Management Declaration]

Sompo Group values its contribution to society and ensures the highest quality services for customers' safety, security and health. To this end, we strive to provide healthy and happy lives for employees and their families.

- We respect a sense of ownership; we support individual health activities that suit each employee's mission and work style.
- We provide a place where people can express their diverse talents and strengths; we try to boost individuals' and organizations' productivity in a healthy working environment.
- We contribute to the realization of a healthier and more energetic society by increasing employees' motivation and creating innovations.

Main initiatives

(1) Maintain and Improve the Health of Employees

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

Sompo Japan, for example, encourages its employees to read the company-original “Textbook for Human Resource Development – Health,” which offers tips on health issues in a remote work environment and improves their health literacy.

Another excellent example would be Sompo Himawari Life Insurance (“Sompo Himawari”), which provides a free wearable device for all employees to raise health awareness. The device enables people to check their day-to-day health data, e.g., the number of steps taken, heart rate, calories consumed, and hours of sleep. Sompo Himawari is trying to create an exercise-focused lifestyle for its employees. For example, it holds regular online workshops to encourage working out. Daily step competitions are organized and gauged by the company-provided wearable devices. In addition, Sompo Himawari introduced a non-smoking policy in April 2019. This company-wide policy sought to strengthen non-smoking efforts during work hours. In April 2020, Sompo

Himawari included in its recruitment policies a clause indicating that new hires in and after 2020 must be non-smokers. In addition, Sompo Himawari provides individual online follow-up programs for people who quit smoking.

(2) Ensure a Vibrant Work Environment

“Happiness at Work” is a must-have factor for companies to grow sustainably. The Group believes that promoting health management can enhance employees' well-being and mental and physical health. “The health of employees and their families” is the driving force of the Group's management philosophy. To this end, the Group declared its recognition that employees' mental and physical health is a management issue. Along with Sompo New Wok Style, the Group will promote its health management to embody a diverse work style.

Sompo Japan regularly conducts employee awareness surveys to gauge the vitality of employees and the company. The study results, employees' work hours, and regular stress checks are analyzed together to see how happy employees are at work. Sompo

Japan then works on any areas for improvement to increase employee motivation and team vitality.

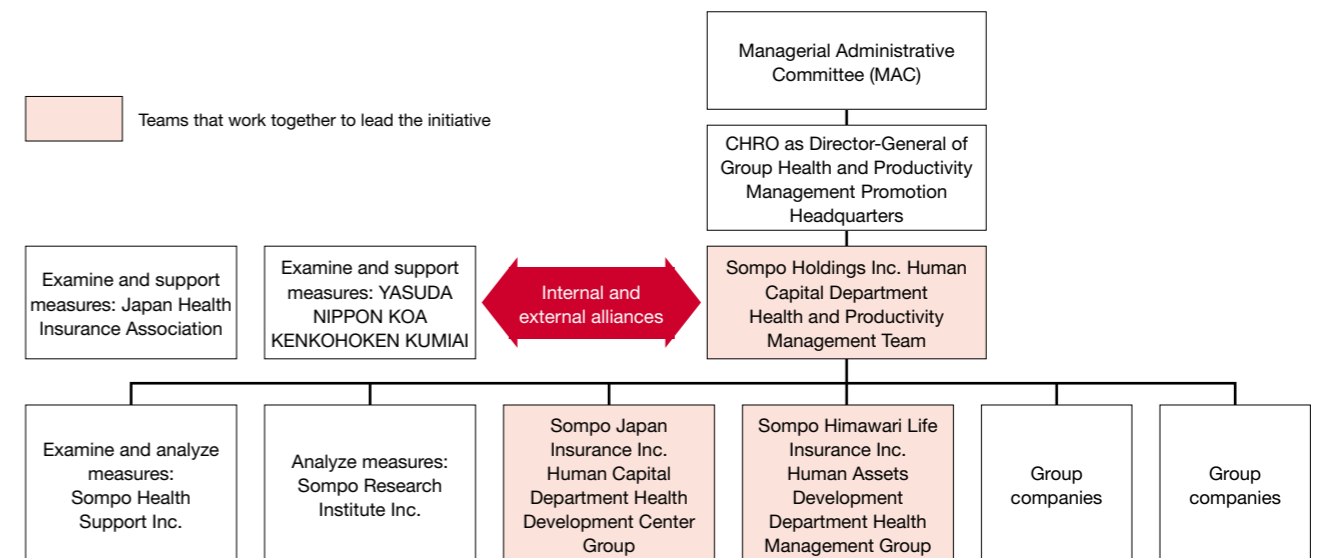
(3) Data Analytics in Health

The Group analyzes health data offered by Sompo Health Support Inc. while working with health insurance associations. Sompo Japan accumulates the data on (i) employees' checkups, (ii) results

of stress checks, and (iii) lifestyle habits. It is working on analyzing the relationship between work hours and presenteeism*. Sompo Himawari is working on the progress of Data Analytics in Health. It collects health data from wearable devices, checkup results, and medical bills.

*Presenteeism: losses caused by reduced productivity due to physical and mental health conditions.

Health Management Initiatives in the Group



Note 1) Group companies in Japan (21 companies) are as follows

1. Mysurance Inc., 2. Sompo Asset Management Co., Ltd., 3. Sompo Commercial Line Claims Support Inc., 4. Sompo Credit Inc., 5. Sompo Care Inc., 6. Sompo Corporate Services Inc., 7. Sompo Communications Inc., 8. Sompo Systems Inc., 9. Sompo Challenged Inc., 10. Sompo Business Services, Inc., 11. Sompo Business Solutions Inc., 12. Sompo Health Support Inc., 13. Sompo Risk Management Inc., 14. Sompo Warranty Inc., 15. Wellness Communications Corporation, 16. Saison Automobile and Fire Insurance Company, 17. Sompo Japan DC Securities Inc., 18. Sompo Japan Career Bureau Inc., 19. Sompo Japan Partners Inc., 20. Prime Assistance Inc., 21. FRESHHOUSE Co., Ltd.

Health Issues and Major Verification Indicators

Sompo Japan Insurance Inc.										
Health Issues		Target KPI	Target (%)	FY2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Lifestyle disease preventive measures	1	Rate of regular medical checkup	100%	99.7	99.7	99.8	99.9	99.8	100.0	99.9
	2	Rate of detailed examination following regular medical checkup	100%	78.5	77.3	83.2	82.7	69.3	36.0	65.6
	3	Completion of specific health guidance	90%	47.2	65.5	74.6	70.3	67.8	52.3	75.9
	4	Maintain appropriate weight (BMI 18.5 - 24.9)	80%	69.7	67.7	67.9	67.3	66.7	66.2	66.0
	5	Rate of regular exercise	30%	15.5	18.8	19.1	19.7	18.6	19.8	21.3
Smoking prevention measures	6	Rate of smoking	12%	21.6	21.6	19.6	19.1	17.9	16.6	16.4
Mental health measures	7	Rate of stress check examination	100%	89.0	90.4	85.5	91.7	91.7	93.1	93.3
	8	General health risk	below 100%	107.0	106.0	102.0	101.0	103.0	101.0	100.0
Improve presenteeism	9	Total Performance Evaluation* *WLQ-J score (most productive = 100%)	95%	94.0	94.1	94.3	94.4	93.9	94.1	94.0

Notes: Target KPI 1, 2, 6, 7, 8, and 9 are for all employees
Target KPI 3, 4, and 5 are for employees aged 40+

Health and Productivity Management Initiatives (Society)

Sompo Himawari Life Insurance Inc.

Health Issues	Target KPI	Target (%)	FY2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Lifestyle disease preventive measures	1 Rate of regular medical checkup	100%	97.7	100.0	100.0	100.0	100.0	99.9	100.0
	2 Rate of detailed examination following regular medical checkup	100%	50.3	48.6	56.0	63.0	67.0	89.8	85.9
	3 Completion of specific health guidance	80%	98.6	64.9	71.9	76.5	63.6	69.1	79.9
	4 Maintain appropriate weight (BMI 18.5 - 24.9)	80%	70.3	70.1	67.5	67.6	68.3	68.2	67.3
	5 Rate of regular exercise	30%	22.1	25.5	27.4	24.2	23.8	24.0	26.8
Smoking prevention measures	6 Rate of smoking	12%	21.4	20.8	20.6	18.3	15.3	11.1	9.3
Mental health measures	7 Rate of stress check examination	100%	75.0	76.8	74.4	79.1	94.6	95.1	97.7
	8 General health risk	90.0	98.0	94.0	92.0	95.0	96.0	98.0	95.0
Improve presenteeism	9 Total Performance Evaluation* *WLQ-J score (most productive = 100%)	100%	—	—	95.0	94.7	94.1	93.9	93.9

Notes: Target KPI 1, 2, 6, 7, 8, and 9 are for all employees
Target KPI 3, 4, and 5 are for employees aged 40+

SOMPO Holdings Inc.

Health Issues	Target KPI	Target (%)	FY2020	FY2021
Lifestyle disease preventive measures	1 Rate of regular medical checkup	100%	100.0	99.1
	2 Rate of detailed examination following regular medical checkup	100%	—	81.3
	3 Completion of specific health guidance	90%	40.0	60.0
	4 Maintain appropriate weight (BMI 18.5 - 24.9)	80%	47.1	63.4
	5 Rate of regular exercise	30%	41.2	40.2
Smoking prevention measures	6 Rate of smoking	12%	11.8	9.8
Mental health measures	7 Rate of stress check examination	100%	92.3	94.4
	8 General health risk	below 100%	85	84
Improve presenteeism	9 Total Performance Evaluation* *WLQ-J score (most productive = 100%)	Improvement from the previous fiscal year	95.4	95.3

Notes: Target KPI 1, 2, 6, 7, 8, and 9 are for all employees
Target KPI 3, 4, and 5 are for employees aged 40+

Medical Expense/Insurance Op Expense

Item	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Medical Expense/person	231,505	228,330	228,678	236,646	218,814	240,301
Insurance Op Expense/person	28,507	26,694	27,043	28,850	28,957	31,113

(JPY)

Information on health initiatives

Item	FY2021
Employee satisfaction with health initiatives	3.02

*5-point scale

External Recognition on Health and Productivity Management

Sompo Holdings Inc. was selected as a "FY2022 Health & Productivity Stock Selection" for four consecutive years. This recognition, co-sponsored by METI and the Tokyo Stock Exchange, acknowledges excellent large-scale companies that strategically carry out efforts to ensure employees' health.

Including Sompo Holdings, 22 companies within the group were recognized as "Outstanding Enterprises Engaging in Efforts to ensure Health and Productivity Management" under

the Large Enterprise Category, co-sponsored by METI and Nippon Kenko Kaigi. Of the 22 group companies, 11 were recognized as White 500.

In partnership with health insurance associations, the Group will continuously deliver updates of the initiatives internally and externally, as well as expand Health and Productivity Management policies across the Group and its client companies.

<List of Selected Group Companies FY2022>

White 500

• Sompo Holdings Inc.	For the 6th consecutive year
• Sompo Japan Insurance Inc.	For the 6th consecutive year
• Sompo Himawari Life Insurance Inc.	For the 6th consecutive year
• Sompo Health Support Inc.	For the 6th consecutive year
• Sompo Communications Inc.	For the 4th consecutive year
• Sompo Japan Career Bureau Inc.	For the 4th consecutive year
• Prime Assistance Inc.	For the third consecutive year
• Sompo Japan Partners Inc.	For the third consecutive year
• Sompo Corporate Services Inc.	For the second consecutive year
• Sompo Risk Management Inc.	4th time in three years
• Sompo Business Services, Inc.	4th time in three years

Outstanding Enterprises Engaging in Efforts to ensure Health and Productivity Management (Large Enterprise Category)

• Sompo Systems Inc.	For the third consecutive year
• Saison Automobile and Fire Insurance Company	For the third consecutive year
• Sompo Care, Inc.	1st recognition

Outstanding Enterprises Engaging in Efforts to ensure Health and Productivity Management (Small and Medium Enterprise Category)

• Wellness Communications Corporation	For the 4th consecutive years
• Sompo Asset Management Co., Ltd.	For the third consecutive year
• Sompo Japan DC Securities Inc.	For the third consecutive year
• Sompo Business Solutions, Inc.	For the second consecutive year
• Sompo Commercial Line Claims Support Inc.	For the second consecutive year
• Sompo Credit Inc.	For the second consecutive year
• Sompo Warranty Inc.	For the second consecutive year
• Sompo Challenged Inc.	1st recognition

Policy on Customer-Oriented Business Operations (Society)

Policy on Customer-Oriented Business Operations

The Sompo Group has established the management philosophy that, "We will at all times carefully consider the interests of our customers when making decisions that shape our business. We will strive to contribute to the security, health, and wellbeing of our customers and society as a whole by providing insurance and related services of the highest quality possible."

With this in mind, Sompo Japan has established this policy to achieve customer-oriented business operations based on our thorough understanding of our customer's point of view at all points of contact, and to fulfill our corporate social responsibilities to all of our stakeholders.*

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

Received the Consumer Affairs Agency Commissioner's Award

On November 26, 2018, Sompo Japan received the Consumer Affairs Agency Commissioner's Award at the First Consumer-Oriented Business Excellence Awards in recognition of the Policy on Customer-Oriented Business Operations and initiatives involving this policy.

The Consumer-Oriented Business Excellence Awards recognizes the outstanding initiatives by companies that have announced a consumer-oriented voluntary declaration and published the results of their activities and follow-ups. Sompo Japan was praised for developing products from a customer's perspective and for promoting disaster preparedness and resilience, both of which have incorporated the main principle behind the SDGs of leaving no one behind.

Sompo Japan Insurance Inc. will strive even harder to implement customer-oriented business operations in order to become the P&C insurance company most favored by customers.



Presentation of award by Ms. Kazumi Okamura, Consumer Affairs Agency Commissioner* Masaya Futamiya, Sompo Japan Chairman and Representative Director
*Positions are as of the time of the award

Voice of Customer (VOC) White Paper

Sompo Japan has published Voice of Customer (VOC) White Paper annually since fiscal year 2007 with the aim of keeping all our stakeholders informed of our initiatives to incorporate customer feedback in our management and efforts to make improvements. From fiscal year 2020, Sompo Japan will integrate VOC into a report that introduces our main initiatives based on our Policy on Customer-Oriented Business Operations.

Going forward, we will work to achieve customer-oriented business operations based entirely on our customer's point of view and report on specific initiatives.



System to Utilize Voice of Customer (VOC) in Management

Sompo Japan receives appreciation, gratitude, inquiries, opinions, requests, complaints, and other types of customer feedback via their sales offices, agencies, insurance claims department, customer relations office and customer call centers. They value customer feedback and respond with them promptly and appropriately.

In an effort to build and strengthen our stance of leveraging customer feedback in our management activities, the company thoroughly analyzes the cause of issues identified from customer feedback, and shares issues relating to product development,

sales, insurance payments and other aspects of our business with the relevant departments at the headquarters. Initiatives and improvements made based on customer feedback are periodically reported at management meetings for further discussion.

For particularly critical issues, departments such as Customer Communications and Planning offer instructions or suggestions to prevent recurrence and improve quality to relevant departments at the headquarters, working to fundamentally prevent the recurrence of complaints and continuously improve operations and quality.

Customer Satisfaction of Insurance Claims Service

Sompo Japan is striving to provide a swift and qualified claim service and an added value that meets the needs of each customer to be the most reliable service provider, recognizing that each claim services shall embody each insurance. It has the following basic concept. "For customers who have just encountered accidents, we would provide an added value that let them feel relieved by quick responses and providing the prospects of returning to their dairy lives," and "For customers in progress of insurance claim service, we would give simple procedure and relief to end the accidents quickly and smoothly."

It established the SC Credo*1, the code of conduct for the insurance claim departments in December 2011. Every staff at the department is giving highly qualified and truly sincere service based on the Credo to let all the customers feel relieved.

In fiscal year 2012, Sompo Japan established a system to certify employees who practice the SC Credo as Credo Meisters, and the company is working to offer reassurance to customers by

developing human resources with strong communication and professional skills.

Since November 2015, their call centers which operate 24 hours every day started to receive insurance claims in five languages to improve their claim service. By the end of October 2022, the call centers have been available in 21 languages*2 as the industry largest, and are now able to respond to foreign customers who need interpreters.

Going forward, to provide customers with relief, they will strengthen efforts in swift responses and understandable explanation with collaboration with insurance agents who are the most familiar with their customers.

*1 Targeting insurance claims department staff, the SC Credo contains guiding principles for everyday judgment, decision-making and action. It highlights the importance of putting customers as the first priority and providing sincere service to every single customer.

*2 21 languages: English / Chinese / Korean / Spanish / Portuguese / Thai / Vietnamese / Indonesian / Tagalog / Nepali / French / German / Italian / Russian / Malay / Burmese / Khmer / Mongol / Sinhalese / Hindi / Bengali

Services that Consider a Diverse Range of Customers

Sign Language Service for Customers with Hearing and Speech Disabilities

Sompo Japan started accepting accident reports made using sign language via a telephone relay service provided by PLUSVoice in September 2017.

To initiate the service, a customer can use the video call function of their phone to contact a sign language interpreter. The interpreter then calls the Sompo Japan call center and supports the communication between the customer and the staff at the call center so that the customer can report the accident. The parties can also communicate in writing and use text-based chat functions in addition to sign language, enabling customers who rarely use sign language to feel confident to contact us.

Through the introduction of this service, the company has been able to alleviate some of the anxiety experienced by customers with hearing and speech disabilities immediately after an accident and to ensure their peace of mind. In June 2020, the company expanded

the scope of this service to include accident response consultations after accepting reports.

Voice Assist Service for Visually Impaired and Elderly Customers

To improve convenience for visually impaired and elderly customers, in March 2020 Saison Automobile & Fire Insurance Company adopted the Uni-Voice barcode* on some customer mailings as a voice assist service that reads aloud the contents of the mailings and contact information.

*Uni-Voice barcode:
A 2D barcode developed by the Japan Association of Visually-Impaired Information Support (JAVIS). It is used together with a dedicated smartphone application (Uni-Voice/Uni-Voice Blind) that reads the text aloud.

Going forward, by improving the quality of our response to customers, we will contribute to the realization of a society in which the general public at large, not just our policyholders, can feel secure.

Sompo Group's Social Contribution (Environment/Society)

Sompo Holdings Group's Corporate Citizenship Activities

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

Corporate Citizenship Policy

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

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

Programs to Support and Encourage Employees' Efforts

• Sompo Chikyu (Earth) Club

The Sompo Chikyu (Earth) Club, a volunteer activity organization of which all group employees are members, plays a pivotal role in conducting volunteer activities throughout Japan.

Since its establishment in 1993, the Club is undertaking various activities including forest conservation, cleanups, cleaning and maintenance of wheelchairs in welfare facilities, and collection of second-hand books by collaborating with agencies. Each project is tailored according to the needs and characteristics of local communities.

• Sompo Chikyu (Earth) Club Corporate Citizenship Fund

The Sompo Chikyu (Earth) Club Corporate Citizenship Fund is financed by voluntary donations by our employees and directors. The funds raised are used primarily for community outreach activities conducted by the Club, such as the payment of expenses of volunteer activities performed across Japan, support for disaster relief and donations to civil society groups and other organizations supported by the Fund members.

• Volunteer Work Leave

At Sompo Japan, employees are entitled to take short-term volunteer leave (up to 10 days per year) and long-term volunteer leave (from six to 18 months) in addition to annual paid leave. The employees who take these leaves participate in a variety of volunteer activities.

Corporate Citizenship Activities in Japan

We conduct a diversity of community outreach activities in cooperation with agencies and citizens. The activities include conserving nature, local cleanups, maintaining and cleaning wheelchairs, and donating food to a food bank.

• Sompo Japan

Nagano

Forest conservation



Forest custodian project in Nagano Prefecture

Chiba

Employee volunteering



At an event in Chiba Prefecture

• Sompo Holdings Group companies

[Saison Automobile & Fire Insurance]

Interested employees jointly purchased some cookies from Nozomien, the welfare workshop of the Tokyo Covenant Church. These cookies were specially made to commemorate the company's 40th anniversary.



Bringing in the cookies

Corporate Citizenship Activities Outside Japan

• Turkey

~Sompo Sigorta~

We celebrate our employees' work anniversaries by donating to a different NGO each year. The donation amount increases as the years of service increase.



A message was delivered to employees celebrating their anniversary at the company and announcing the completion of donations.

• Brazil

~Sompo Seguros~

Employees visited welfare facilities and spent time with the users, enjoying conversations and recreational activities together.



Visit to a welfare facility (Brazil)

Bosai JAPAN-DA Project to Raise Disaster Awareness

Given that insurance is one of our core businesses, Sompo Japan focuses on raising public awareness of disasters. In the Bosai JAPAN-DA Project, we host puppet shows and experience-based workshops to teach children—society's future leaders—and their guardians how to protect themselves and others in emergency situations.

The puppet show, performed by the Yumemi Trunk Puppet Theater Troupe, is an original adaptation of The Three Little Pigs. It tells the story of how the three pigs help each other to overcome various calamities (wind, rain, lightning, fire, etc.) caused by the big bad wolf. Also, in the experience-based workshop, provided in

partnership with the NPO Plus Arts, participants get to move their arms and bodies in fun ways and take part in a quiz, all the while gaining useful knowledge and skills for responding to crises.

Since the fiscal year 2020, with the aim of preventing the spread of COVID-19, we have prepared videos, worksheets, and information material for guardians and teachers that can be viewed online or downloaded. We hope these materials will be put to good use at home or in schools.

As of March 2022, these events have been held 376 times across Japan attracting 57,000 people.

Sompo Group's Social Contribution (Environment/Society)

SAVE JAPAN Project

When Sompo Japan's customers select web-based insurance policy or terms and conditions, or choose recycled parts for vehicle accident repairs, the cost savings are used to fund projects to conserve the environment inside and outside Japan, and achieve sustainable society while inspiring future leaders. Partnerships with civil society groups provide opportunities for people to take a greater interest in the environment in their local communities and work towards a sustainable society. As of March 31, 2022, 46,894 people have participated in 873 events.

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

Since fiscal year 2016, the company has been working to provide new opportunities for residents to participate and expand the project on the concept of "creating a good environment for living things," by making greater use of the uniqueness of local communities in cooperation with various local stakeholders.

*Social Return on Investment (SROI) is a method of quantifying the effectiveness of a project, and is calculated by dividing the social value (total benefit) an initiative produces by the cost of implementing it.



Road Safety Project in Indonesia

Road safety is an important social issue in Indonesia, where the number of traffic fatalities is now the highest in Southeast Asia. Drawing on Japan's expertise in preventing traffic accidents, Sompo Japan and PT Sompo Insurance Indonesia have teamed up with Save the Children Japan, international civil society specialized in child support, to launch a road safety project from October 2014 to August 2017 in Bandung City, West Java and from April 2018 to March 2022 in North and East Jakarta in the Special Capital Region of Jakarta.

This joint project aims to enhance a safer mind as well as safer environment related to road safety around the schools liaising with local administration. They provided traffic safety education for teachers, students, and parents at 50 elementary and middle schools (30 in Bandung City, 20 in North and East Jakarta), improved transportation infrastructure near the schools, and appealed to regional and national governments. Over 48,000 people (30,000 in Bandung City, 18,000 in North and East Jakarta) have participated in the project.

To attempt measuring and evaluating collective impact, where various constituents collaborate to resolve a social issue, we used Social Return on Investment (SROI*) analysis to quantitatively understand the project's social value and verify that it is effective (the creation of social value exceeds the cost invested).

*SROI is a method of quantifying the effectiveness of a project, and is calculated by dividing the social value (total benefit) an initiative produces by the cost of implementing it.



[Social Impact Report of Road Safety Project in Indonesia, October 2018—Public Management and Social Strategy Research Institute web-site \(in Japanese\)](#)



[Social Impact Report of Road Safety Project in Indonesia, September 2022—Public Management and Social Strategy Research Institute web-site \(in Japanese\)](#)

Supporting Activities and Researches for Social Welfare —Sompo Welfare Foundation

The Sompo Welfare Foundation, established in 1977, conducts various programs, including providing financial assistance to civil society organizations in Japan, ASEAN countries, India and South Africa; holding academic conferences and funding research on social welfare, social security, insurance, and gerontology; and awarding outstanding academic papers. Aware of the rapid aging of society, it also promotes solutions to increasingly complex social issues, including supporting families who provide home care to an elderly member with dementia or other conditions, and providing scholarships for students studying to become certified care workers. Its programs are designed to meet contemporary needs through both research and practice.

Support for Purchase of Vehicles

Since 1999, the foundation has financially supported organizations that need to purchase vehicles for their welfare activities for people with disabilities. In fiscal year 2021, the foundation invited applications from eastern Japan and selected ten organizations. These vehicles allow organizations to expand the range and scale of their activities and to increase the income of people with disabilities and the number of users of their welfare services.



New vehicles are proving to be very useful in safely transporting people

Support for Organizational and Operational Reinforcement of Civil Society Groups

In 2004, the foundation started to provide financial support for organizational and operational reinforcement of civil society organizations that render welfare services to communities. In fiscal year 2021, financial support was provided to 58 organizations in total through programs to strengthen their organizational and operational activities, to help them acquire official status as approved specified non-profit corporations and to support local residents for their efforts in



Anybody can participate in communication-focused sports; participants here are playing balloon volleyball

comprehensive local issues. As the effects of the pandemic continue, in fiscal year 2021, the foundation once again increased the total amount of grants and accepted applications from non-profit organizations across Japan, including those aimed at continuing and expanding activities and projects even during the COVID-19 pandemic. The foundation supports the development of high-quality, sustainable nonprofit organizations that play key roles in their communities and the realization of a community-based society.

Support for Overseas Welfare Activities

The foundation has supported civil society organizations in the social welfare field in ASEAN countries and India since 2010. In fiscal year 2021, it provided funds to projects undertaken by four organizations in four countries: in Indonesia, the foundation supported the purchasing of wheelchairs needed for vocational training to enable disabled people to become more self-reliant; in Malaysia, the funds were spent on facilities to help young people with Down's syndrome lead independent lives; in the Philippines, the foundation helped cover the cost of education and meals provided to needy children who have dropped out of school; and in Singapore, the funds were spent on providing comprehensive home-based nursing care and healthcare services to poverty-stricken elderly people.



Presentation ceremony in Indonesia



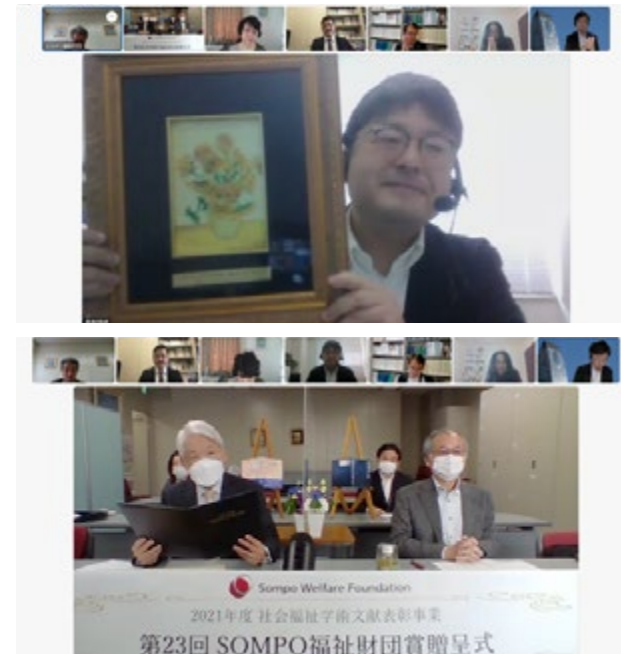
Remote presentation ceremony in the Philippines

Sompo Welfare Foundation Award

The foundation has awarded outstanding academic literature in the field of social welfare since fiscal year 1999. In fiscal year 2021, Yasuo Takasaka won the award for his book *Basic Disability Pension and the Disability Rights Movement: The Establishment of a New Guaranteed Income for People with Disabilities and its*

Sompo Group's Social Contribution (Environment/Society)

Political Dynamics. The presentation ceremony was held online in March 2021 and the Lectures and Symposiums Commemorating Awards scheduled to be held in July were cancelled in light of the spread of COVID-19 infections.



Fiscal 2021 online presentation ceremony

Support for Networking and Learning of Family Caregivers for the Elderly

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

Scholarships for Students Studying to Become Certified Care Workers

To boost the workforce of caregivers, the foundation offers scholarships for students in two-year vocational school programs and high school students in the welfare field. In fiscal year 2021, the foundation gave scholarships to 12 students in total (10 in first grade of professional training schools and 2 in second grade of high schools). After graduating from the school, many of them are playing an active role as care professionals.

Financial Support for Gerontology Research

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

Encouraging People to Develop Skills Needed for Environmental Protection –Sompo Environment Foundation

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

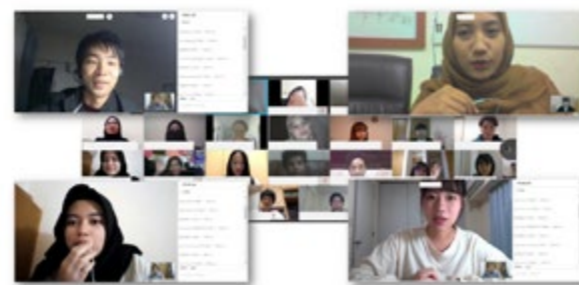
The foundation, working with the Japan Environmental Education Forum, a national NGO consisting of varieties of people who are engaged or interested in promoting environmental education, and Sompo Japan, organizes a series of Public Seminars on the Environment, held on the themes of SDGs and sustainability, that have attracted more than 29,300 participants since the program's start in 1993 (as of March 2022). Starting in fiscal year 2020, the seminar was held online due to the COVID-19 pandemic. The most recent seminar attracted 2,697 participants from all over Japan. The foundation also shared a recording of the seminar, which was viewed by a total of 3,059 people (this figure includes people who also joined the seminar in real time).

Its CSO^{*1} Learning Scholarship Program, meanwhile, is an eight-month internship program for undergraduate and graduate students desiring working experience at an environmental organization. As of March 31, 2022, the program has given 1,225 students opportunities to learn about environmental issues and civil society at 79

organizations. Even during the COVID-19 pandemic, online meetings and remote work were adopted to ensure the program continued without interruption. In February 2019, the program was launched in Jakarta, Indonesia, and to date, a total of 58 students have completed the program. The fourth session started in February 2022.

^{*1} Civil Society Organization

In addition, since 1999 the foundation has awarded grants for environmental conservation projects to support CSOs working on environmental issues. Moreover, since 2001 the foundation has provided academic research funding for graduate students' costs of writing PhD papers, to support outstanding young researchers who are inspired to write on environmental themes.



The Japan-Indonesia exchange meeting on the CSO Learning Scholarship Program held in October 2020

Contributing to Community through the Arts and Culture (Society)

The Puppet Theater “Himawari Hall”

The Himawari Hall puppet theater has been jointly operated by the local NPO Aichi Puppetry Center and our Group since its opening in 1989.

The theater has organized a wide variety of events that draw national attention, such as puppet performances, seminars, workshops, the children's art festival, and script competition, P New Face Award (contest to discover new talent for future generation, and “P” stands for performance art, including puppet performance, and other performance art using body and/or objects), in the area where puppet shows are very popular.



Puppet Theater “Himawari Hall”

Sompo Fine Art Foundation (Sompo Museum of Art)

In 1976, we opened an art museum as part of our corporate citizenship activities. The museum is the only one in Asia where visitors can view Van Gogh's “Sunflowers” and it has attracted over six million visitors since it opened. In July 2020, the museum was relocated to a new building in the grounds of Sompo Japan's headquarters building, where it was reopened as the Sompo

Museum of Art.

We will contribute to society through the further advancement of culture and art by working to create a museum that attracts visitors of all ages from around the world, and by hosting roughly four special exhibitions a year to display Western paintings, modern works of art, and various other pieces.



Sompo Museum of Art



Sunflowers Vincent Van Gogh in 1888 Sompo Museum of Art

Donations to Humanitarian Aid Activities in Ukraine and Neighboring Countries through Van Gogh's “Sunflowers”

Given the significance of sunflowers as a symbol of peace, we donated money to humanitarian aid projects in Ukraine and neighboring countries through Van Gogh's “Sunflowers” painting, which is owned by Sompo Japan Insurance and on permanent display in the Sompo Museum of Art.

A total of ¥84,532,205 was donated to five humanitarian aid organizations undertaking activities in Ukraine and neighboring countries. This donation amount was derived from the number

of visitors to the “Henri Le Sidaner—Henri Martin” exhibition held at the Sompo Museum of Art from March 26, 2022 to June 26, 2022, as well as the number of times the exhibition's promotional video was viewed.

- ^{*}Donations were made to the following five organizations
- UNHCR (United Nations High Commissioner for Refugees)
 - UNICEF (United Nations Children's Fund)
 - Save the Children
 - Japanese Red Cross Society
 - Japan Platform

Governance

The Group has continued to transform (qualitative evolution) toward “A Theme Park for Security, Health & Wellbeing” to remain indispensable even in 100 years’ time. And it is SOMPO’s governance that supports this transformation.

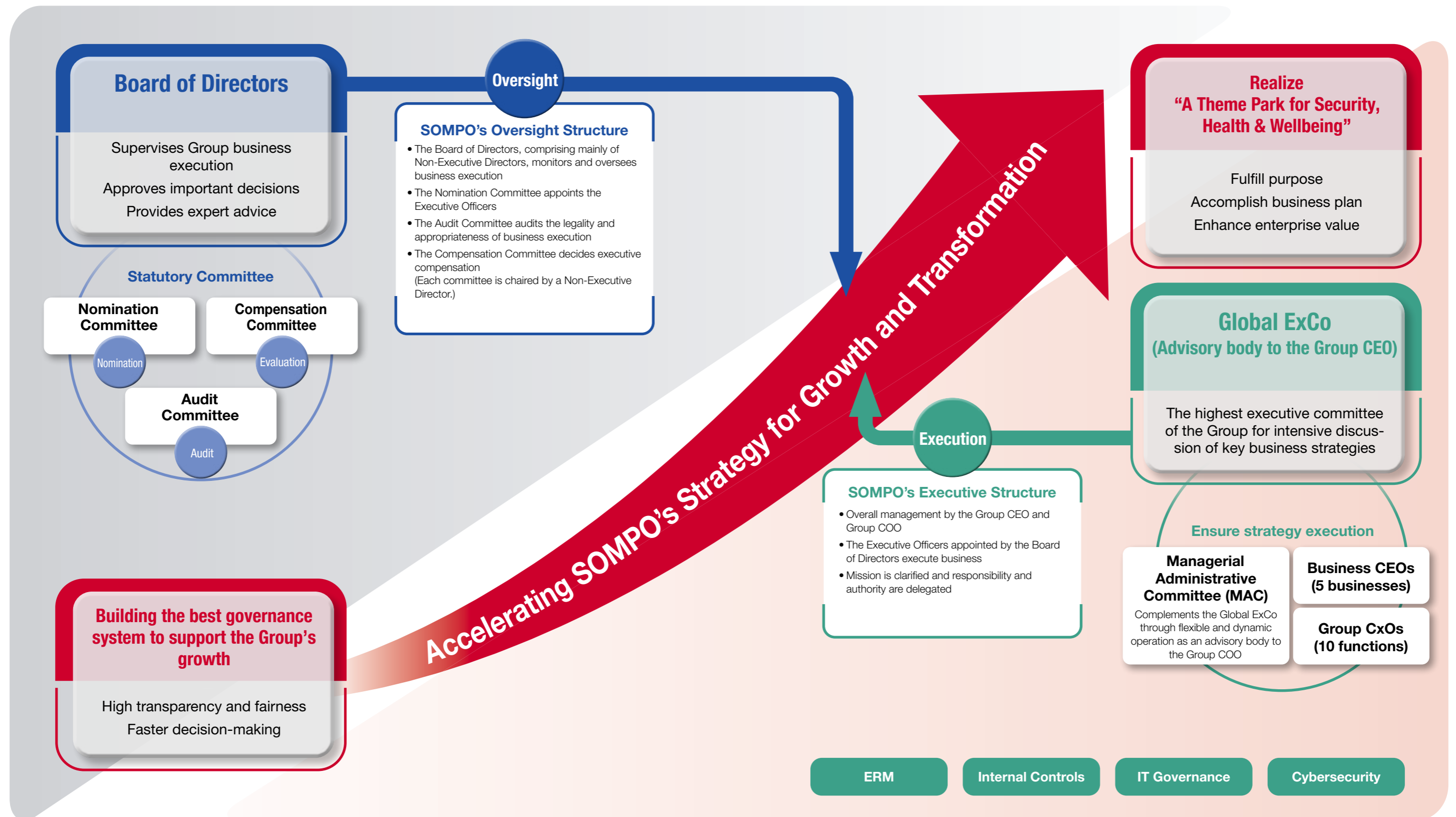
As a company with committees, we established a system where the executive team is given great authority under the oversight of the Directors, comprising mainly of Non-Executive Directors, and elected by the shareholders. Among the statutory committees that are important for the Board of Directors to provide oversight, the Nomination Committee and Compensation Committee are comprised only of non-executive members, creating a healthy tension between the executive team and ensuring high transparency and fairness.

The Executive Officers and Executive Vice Presidents appointed by the Board of Directors make fast decisions by working together while honing their expertise under the Business Owner System and Group CxO System, and dynamically implement Group strategies with a sense of oneness.

The Global ExCo is the highest executive committee of the Group and members with diverse background, including the Business CEOs who manage individual business and Group CxOs who have deep expertise in their respective functional area have frank discussion across regions and time frame as well as make decisions for Group Best to realize “A Theme Park for Security, Health & Wellbeing.”



Overview of the Corporate Governance Structure



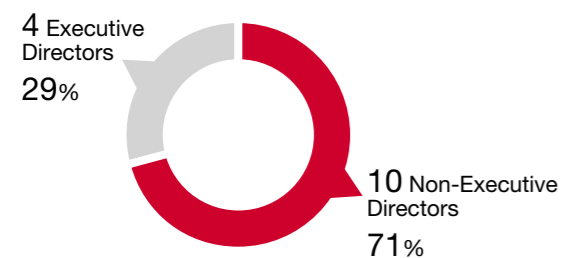
Oversight Structure

Sompo Holdings is a company with committees and has strengthened oversight by the Board of Directors by separating management oversight and business execution, and expedited business execution by delegating substantial authority to executives. In addition, three statutory committees (Nomination Committee, Audit Committee, and Compensation Committee) were established for a governance structure that provides greater transparency and fairness.

Board Composition

10 of the 14 members of the Board of Directors—or 71%—are Non-Executive Directors

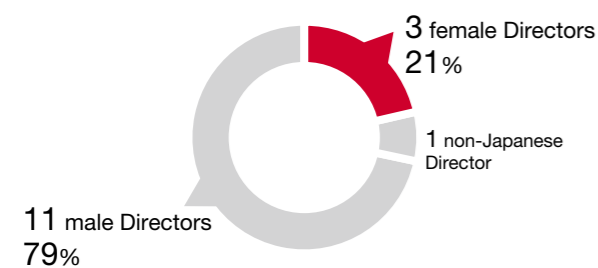
*The number and ratio of Non-Executive Directors increased since founding in April 2010 when 6 of the 12 Directors (50%) were Non-Executive Directors.



Director Diversity

Of the 14 members of the Board of Directors, 3 are female and 11 are male; 1 of the male Directors is non-Japanese

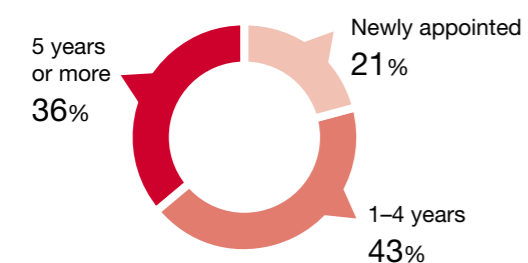
*At the time of founding, there was no female Director (the number and ratio has increased), and 1 non-Japanese Director (the number and ratio has remained the same)



Director tenure

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

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



Directors Appointed at the General Meeting of Shareholders, as of July 1, 2022

Executive Directors	Non-Executive Directors		
 Kengo Sakurada Also serves as Executive Officer	 Scott Trevor Davis Chair of the Nomination Committee	 Kazuhiro Higashi Chair of the Compensation Committee	 Masayuki Waga
 Mikio Okumura Also serves as Executive Officer	 Takashi Nawa	 Meyumi Yamada	
 Toshihiro Teshima	 Naoki Yanagida Chair of the Audit Committee	 Isao Endo	 Kumi Ito
 Satoshi Kasai	 Hideyo Uchiyama	 Misuzu Shibata	

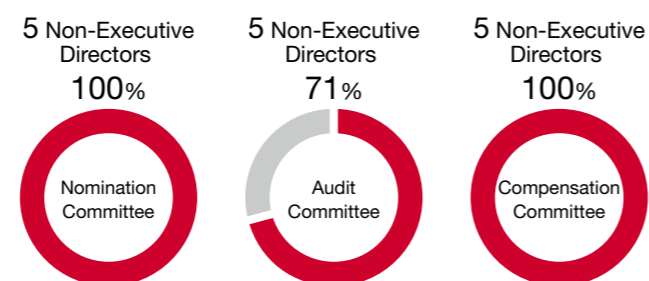
Nomination Committee
 Composed solely of Non-Executive Directors

Audit Committee
 Composed mainly of Non-Executive Directors

Compensation Committee
 Composed solely of Non-Executive Directors

Committee Composition

The composition of the three legally-mandated committees is as follows: the Nomination Committee and Compensation Committee are comprised of Non-Executive Directors only; the Audit Committee is comprised mainly of Non-Executive Directors



Executive Structure

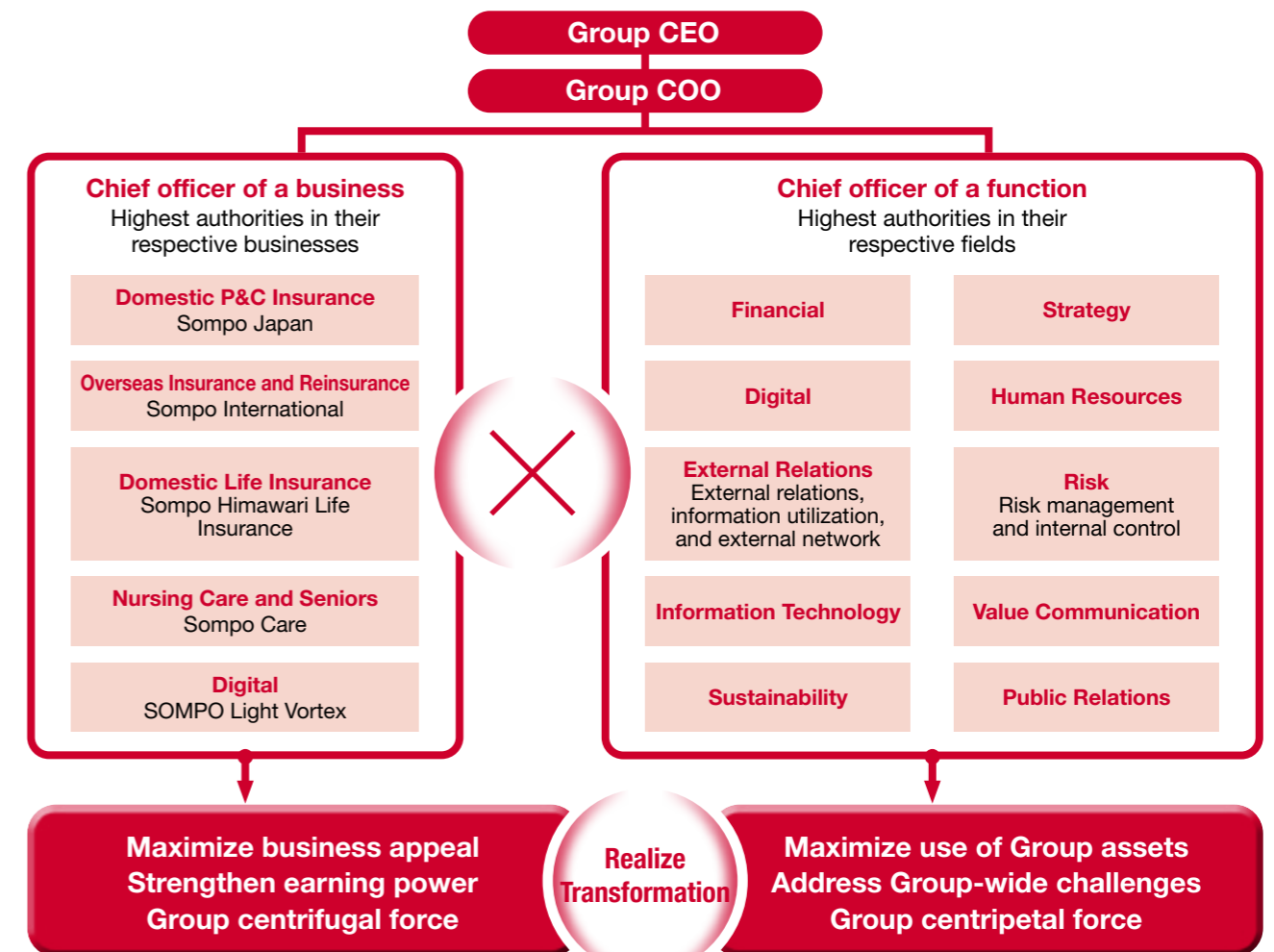
Sompo Holdings established an executive structure that combines the Business Owner System and Group CxO System to continue transforming with agility and flexibility even in the VUCA age.

Business Owner System

The Business CEO drives the Group's growth and expansion by formulating business policies, accomplishing business plans, and improving the quality of business operations as the chief executive of a business.

Group CxO System

The Group CxO who has deep expertise in a functional area exerts necessary influence across business over practicing Group management philosophy, fulfilling purpose, enhancing enterprise value, creating a conglomerate premium, etc. to maintain a sense of oneness and soundness throughout the Group.



Directors and Executive Officers with a Diverse Array of Backgrounds

The Company places great importance on the diversity of its Director and Executive Officer portfolio when formulating the Succession Plan and when appointing Directors and Executive Officers. For this reason, we appoint Directors and Executive Officers with diverse expertise and backgrounds, and so create a system that facilitates high-quality decision-making for the transformation of our Group.

8 Directors and Executive Officers have previously worked for companies outside the Sompo Group



**Directors and Executive Officers* refers to the Group CEO, the Group COO, Business CEOs, and Group CxOs; there are 16 Directors and Executive Officers at the Sompo Group.

Enterprise Risk Management (ERM)

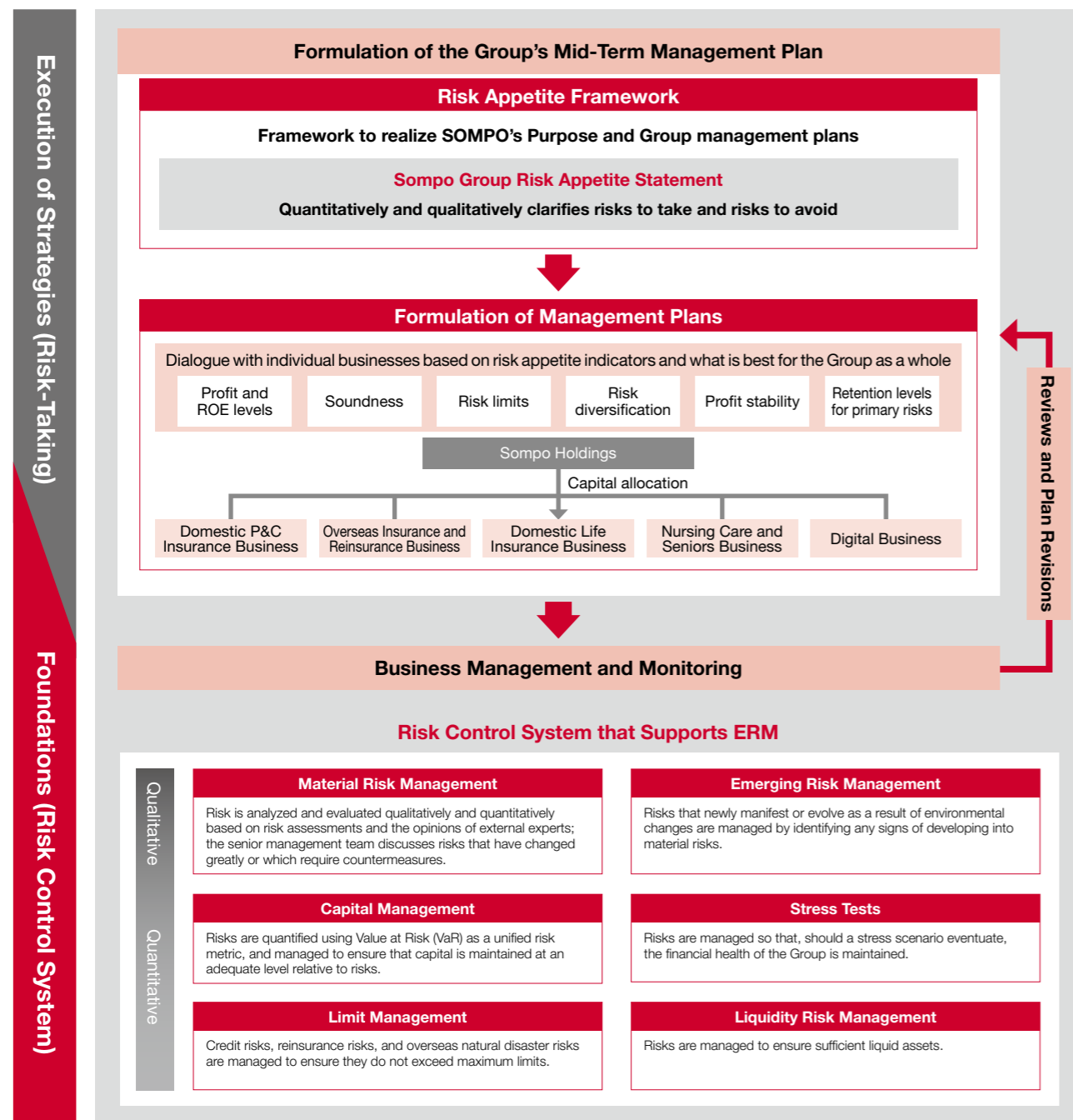
ERM as the “Compass of Management”

We live in a world of increasing uncertainty and risk. Climate change is driving more frequent occurrence of large-scale natural disasters, the threat of cyber-attacks is growing, and the global geopolitical environment is increasingly chaotic. This challenges our ability to chart the optimal course we should take as a Group.

The role of ERM is to navigate the Group through these unpredictable seas, acting as the compass to show the

optimal direction. As such, ERM provides three functions: (1) accurately analyzing and grasping the Group’s current position; (2) detecting and sensitively responding to possible future risks in advance; and (3) clearly indicating the best course of action for the Group to take. ERM’s mission is to fulfill these functions as a “compass of management” and to lead the Group to realize its management philosophy and SOMPO’s Purpose.

Overview of the Somo Group’s Enterprise Risk Management



Strengthening and Evolving ERM to Realize SOMPO’s Purpose

Sompo Group is working to improve its resilience in two ways: firstly, by accelerating “Scale and Diversification” initiatives, primarily in its insurance business; secondly, through “New Customer Value Creation” initiatives, to improve long-term profit growth while contributing to solving social issues.

We are developing an ERM framework that supports these initiatives – rather than just extending and enhancing our existing insurance business-based paradigm, we are evolving the framework so that it is fully adapted to our new business

models. For example, we are taking on the challenge of evolving ERM by establishing both quantitative and qualitative risk management frameworks for the non-insurance businesses, such as digital business, based on the expertise accumulated in the insurance and nursing businesses. Through our analysis and verification of risks in the “new normal” world, such as climate change and increasingly sophisticated cyber-attacks, we are also contributing to the identification and pursuit of business-side opportunities and threat reduction initiatives.

ERM of the Somo Group

The Group ERM framework aims to maximize corporate value while balancing capital, risk, and return. To effect this, it has two main components: the “Risk Appetite Framework,” which supports conscious risk-taking in pursuit of strategic objectives, and the “Risk Control System,” which contributes to stabilizing the foundations of our business.

1. Risk Appetite Framework

The “Risk Appetite Framework” is a system for increasing the certainty of achieving the Group’s strategic goals – as set forth in the Management Philosophy, SOMPO’s Purpose, and the Group’s Management Plan – by taking risks based on the Sompo Group Risk Appetite Statement. This clearly states the risks the Group will take and the risks it will avoid. We formulate a Group’s Management Plan and allocate capital to each business, after dialogue with the respective management teams, based on risk appetite indicators and the perspective of overall Group optimization.

For further details, please visit the corporate website: <https://www.sompo-hd.com/en/company/risk/>

2. Risk Control System

For effective risk control, Sompo Group uses a “Risk Control System” that identifies, analyzes, and evaluates the various risks surrounding the Group.

The Group defines risks that could have a significant impact on its business as “material risks”; we comprehensively identify and evaluate these risks based on risk assessments and expert opinions and insights. We evaluate the frequency of occurrence and the severity of impact across three risk dimensions (economic loss, business continuity, and reputational damage) in both qualitative and quantitative terms. We also confirm the status of countermeasures.

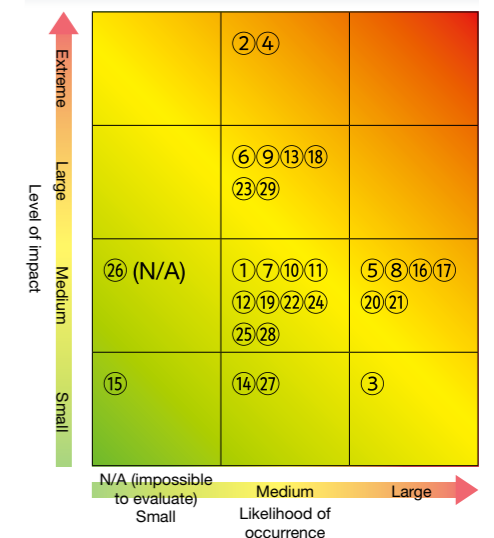
Additionally, the Group defines “emerging risks” as risks that have the potential to emerge or change, through changes in the environment or other factors, such that they would have a significant impact on the Group in the future. We manage emerging risks appropriately by monitoring any signs that they may develop into material risks.

Through Capital Adequacy Management, Stress Testing, Risk Limit Management, and Liquidity Risk Management, we strive to minimize unexpected losses and stabilize profits. <https://www.sompo-hd.com/en/ir/financial/risk/>

List of Material Risks

Type	No.	Material Risk	Type	No.	Material Risk
Management Strategy Risks	①	Deterioration of and changes in competitive environments	Operational Risks and Compliance Risks	⑮	Failures of third-party management
	②	Deterioration of economic environments		⑰	System failures
	③	Geopolitical events		⑱	Cyber security
	④	Pandemics		⑲	Labor
	⑤	Regulatory changes		⑳	Leakages of customer information (excluding cyberattacks)
	⑥	Weak governance		㉑	Misconduct and leakages of confidential information
	⑦	Mistaken evaluation of new business risks		㉒	Conduct
	⑧	Delays to large-scale system development projects		㉓	Major earthquakes in Japan
	⑨	Climate change (physical risks and transition risks)		㉔	Major storms and floods in Japan
	⑩	Sustainability		㉕	Major natural disasters overseas
	⑪	Reputation		㉖	Cyber integration
	⑫	Inadequate human resources		㉗	Mistaken evaluation of Nursing Care Business environments
	Financial and Investment Risks	⑬		Significant market deterioration	㉘
⑭		Bankruptcy of loan, investment, and reinsurance destinations	㉙	Business interruptions	
⑮		Cash requirements in times of large-scale disasters			

Material Risk Heatmap

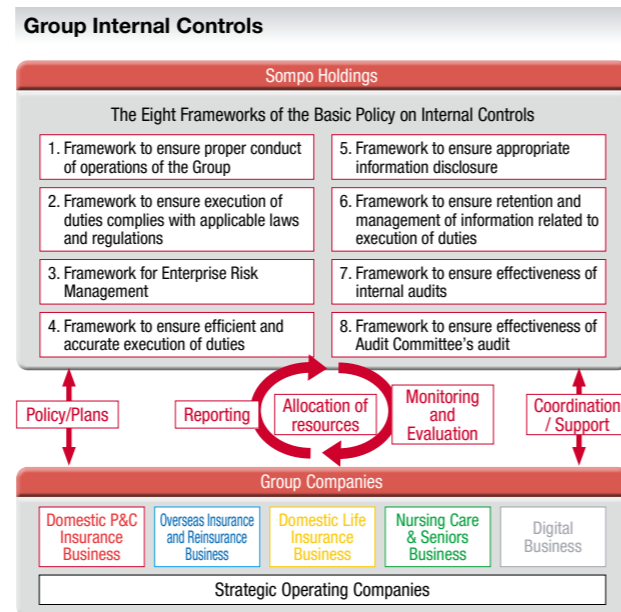


Group Internal Controls to Support Corporate Governance

Group Internal Controls to Support Corporate Governance

The Board of Directors has established eight frameworks in the Basic Policy on Internal Controls as a foundation for improving corporate value and for ensuring the proper conduct of operations within the Group. In addition, to ensure that the Group's controls function both effectively and efficiently, the Company enters into management contracts with each Group company, properly understands and checks the situation at each company, and continuously works to enhance and strengthen internal control systems at a Group level.

For further details, please visit the corporate website: <https://www.sompo-hd.com/en/company/governance/policy/>



Compliance Initiatives

As part of its commitment to compliance, the Company has formulated various policies and codes of conduct, such as the Sompo Group Basic Policy on Compliance, and established compliance systems, and raised awareness of these policies among Group officers and employees. We are a company that seeks to maintain a healthy social presence; to this end, rather than viewing compliance simply as complying with laws and regulations, we have been working to develop a culture that encourages behavior that conforms to corporate ethics and social norms.

We coordinate with Group companies so that they can increase the effectiveness of their compliance initiatives, and we have been working to evolve our compliance frameworks based on Group strategies and external environments. In response to increased social awareness of data protection, for example, we are implementing measures for privacy risks. In order to quickly discover problem events, we have strengthened our whistle-blower system, and we are also working to identify latent conduct risks and improve our understanding of

similar phenomena.

While the Group has insurance business at its core, it has expanded into new business areas such as the Nursing Care & Seniors Business and Digital Business. We have also been working to create new businesses and transform existing businesses through partnerships and the use of new digital technologies and data. When developing compliance frameworks, it is necessary to consider not only the relevant laws, but also the business characteristics, scale, and operating conditions of each Group company, as well as the potential risks they face. As such, we participate in Group company meetings, and vice-versa; we also hold Chief Compliance Officer meetings, attended by the heads of the Compliance Departments in each business. This is a forum to share examples of effective initiatives undertaken by each business, and to exchange opinions on the issues we face. In this way, through our efforts to understand conditions at the Group and share information, we support the development of compliance frameworks at Group companies.

Developing the Group's Internal Audit Framework

The Company has established the Sompo Group Basic Policy on Internal Audits, which defines internal audits as processes for assessing the internal control framework and providing recommendations on methods for its improvement. Accordingly, we endeavor to enhance corporate value and meet the expectations of stakeholders by developing an efficient and effective Group-wide internal audit framework, and by conducting risk-based internal audits that take into account the characteristics

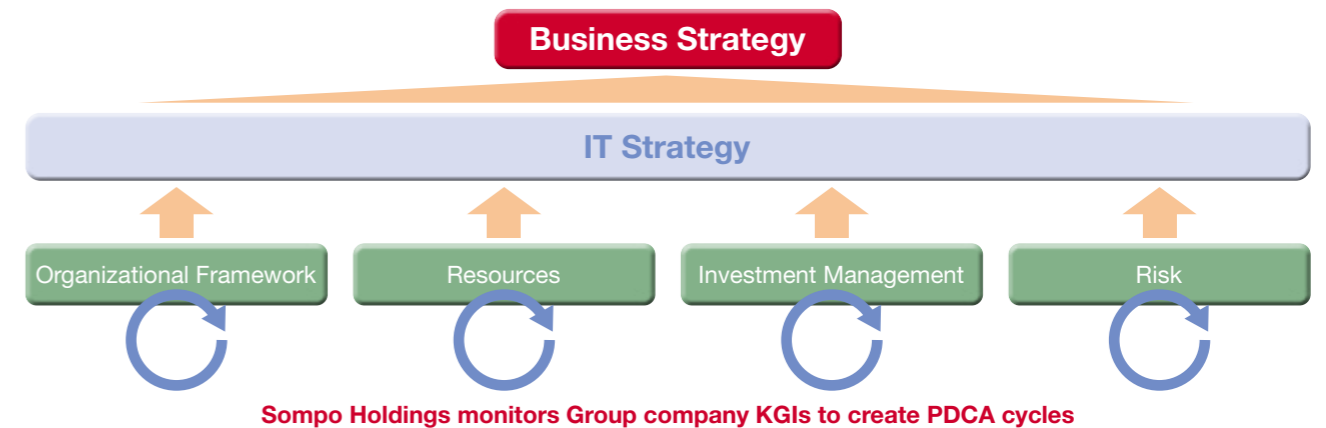
and strategies of our businesses.

Specifically, we have expanded our monitoring functions and adopted a flexible approach to the auditing of changing risks. In conjunction with these efforts, we help Group companies develop their own internal audit frameworks by evaluating the quality of their internal audits and recommending ways to rectify any issues they have identified.

IT Governance

Each entity's system implementation, operation processes are aligned in accordance with each country and industry regulations. By continuously improving the PDCA cycle via KGI

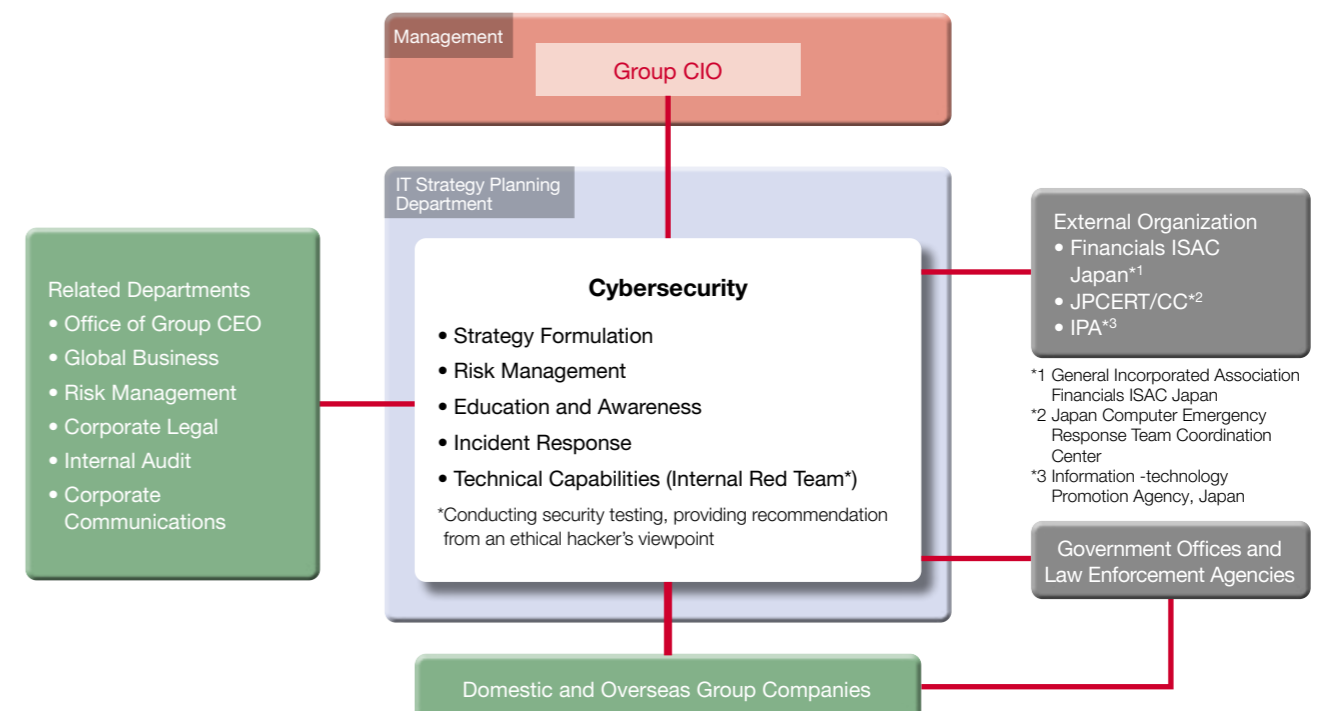
monitoring and aligning to international standards, we strive to optimize the IT processes to support the Group-wide business and IT strategy.



Responses to Cyber Risks

The company takes cybersecurity as a social responsibility. In response to cyber risks, we established "SOMPO Group Security Basic Policy" as the cornerstone to continuously improve the efficiency and effectiveness of the cyber risk management. A specialized team of cybersecurity professionals within IT Strategy Planning Department is formed to formulate strategies and strengthen cybersecurity capabilities

across the group. The team has a shared responsibility model with the entity in managing cyber risk and increase group maturity on both day-to-day operation and during emergency. Cybersecurity is prioritized and closely knitted with the business and IT strategy to help the company gain a competitive edge and deliver a safe, secured digital transformation.



ESG Related Information

Active participation in the initiatives, External Recognition

Active participation in the initiatives

To solve social issues on a global level, the collaboration of a broad range of stakeholders is indispensable.

Our Group participates actively and endeavors to take a leading role in a wide variety of international and domestic initiatives.

United Nations Global Compact (UN GC)

The United Nations Global Compact is a voluntary initiative for participation by companies in the creation of a global framework under which companies exercise responsible and creative leadership to act as good members of society to realize a sustainable society. Sampo Holdings has been a signatory to and expresses its support for the UNGC since 2006, and is committed to corporate activities that respect the ten principles concerning human rights, labour, the environment and anti-corruption advocated by the UN Global Compact.



We publish an annual Communication on Progress (COP), which is a regular activity report on the status of initiatives for addressing The Ten principles of the United Nations Global Compact and on participation in UN partnership programs such as the Sustainable Development Goals (SDGs).

UN GC's SDGs reports

[SDG Industry Matrix for Financial Services \(Industry Handbook on the SDGs\) \(UN GC, KPMG International\)](#)



[SDGs and Business in Practice: Early Actions by Japanese Private Companies \(Global Compact Network Japan, Institute for Global Environmental Strategies\)](#)



Women's Empowerment Principles (WEPs)

The WEPs, a joint initiative between the United Nations Development Fund for Women and the UN Global Compact, offers a framework for business on how to empower women in the workplace, marketplace and community. Its seven principles point the way to best practice in advancing gender equality by elaborating the gender dimension of corporate responsibility and private organizations, the UN Global Compact, and business's role in sustainable development. Sampo Holdings became a signatory of WEPs in June 2012 and Sampo Asset Management Co.,Ltd. also became a signatory in October 2018.



Business Call to Action (BCtA)

The BCtA is a global initiative launched in 2008 by the United Nations Development Programme (UNDP) and five government institutions that challenges companies to develop business models with the potential to achieve both long-term commercial success and sustainable development outcomes.



A weather index insurance provided by our Group company has been recognized as meeting the requirements for membership in the BCtA. This makes us the first financial institution in Japan, and the first property and casualty (P&C) insurance group in the world, to be granted membership.

United Nations Environment Programme Finance Initiative (UNEP FI)

The UNEP FI is an international financial sector network comprising financial institutions that aim to contribute to sustainable development. Since its launch



in 1992, it has promoted the integration of environmental considerations into all aspects of the financial sector's operations and services in pursuit of sustainable development that is conducive to both economic progress and environmental protection. Sampo Japan became a signatory in 1995.

United Nations Principles for Responsible Investment (UN PRI)

The UN PRI was formulated by the UNEP FI as a declaration by financial institutions that take ESG issues into account when making investment decisions. In 2006, Sampo Japan became the first Japanese insurance company to become a signatory to these principles and Sampo Asset Management also became a signatory in January 2012.



United Nations Principles for Sustainable Insurance (UN PSI)

The UN PSI was formulated by the UNEP FI in June 2012, as a declaration by insurance companies that they will take ESG issues into account through their business operations. Sampo Japan participated in the development of the principles and became a signatory when it made a statement to promote the principles at the formal launch during the UN Conference on Sustainable Development (Rio+20) in Rio de Janeiro, Brazil, in June 2012.



Glasgow Financial Alliance for Net Zero (GFANZ)

The GFANZ is a global coalition of financial institutions that aim to achieve net-zero greenhouse gas (GHG) emissions by the year 2050. Under the GFANZ umbrella there are sector-specific alliances that bring together insurance underwriters, asset managers, and other members. Our Group is a member of three of those alliances.

- Net-Zero Insurance Alliance (NZIA)
- Net-Zero Asset Owner Alliance (NZAOA)
- Net Zero Asset Managers Initiative (NZAM)

Partnership for Carbon Accounting Financials (PCAF)

Established in 2015, PCAF is a global initiative for developing methods to measure GHG emissions associated with the loans and investments of financial institutions and in their insurance underwriting portfolios. We joined the PCAF in December 2021 with the aim of contributing to the attainment of a net-zero society by formulating rules for GHGs in our insurance underwriting.

Caring for Climate

Caring for Climate is an initiative established by UN GC, UN Environment Programme, UN Framework Convention on Climate Change (UNFCCC) in 2007 to advance the role of business in addressing climate change. Masao Seki, Senior Advisor on Management Planning at Sampo Japan, served as a member of the steering committee.

World Business Council for Sustainable Development (WBCSD)

The WBCSD, established in 1995, is a CEO-led global association of companies. Company leaders from around the world provide industry leadership on the environment and sustainable development through lively debate, policy recommendations, and other activities. Sampo Japan is the only Japanese financial institution participating in the initiatives of the WBCSD. The company is also a board member of Redefining



Active participation in the initiatives, External Recognition

Value, a cross-cutting WBCSD program focused on advancing the measurement of "True Value," "True Costs" and "True Profits" in corporate decision-making, disclosure and reporting.

CDP

The CDP is a set of collaborative initiatives by the world's leading institutional investors. It encourages businesses worldwide to adopt climate change strategies and disclose their GHG emissions. Sompo Japan has been a member since 2005 as an institutional investor.

Respond to CDP climate change survey

Since 2016, Sompo Holdings won the A List of a survey on climate change by the international CDP project four years in a row, under which the world's major institutional investors call upon businesses to adopt climate strategies and disclose their GHG emissions.

Japan Business Federation (Keidanren)

Committee on Responsible Business Conduct & SDGs Promotion

Committee on Responsible Business Conduct & SDGs Promotion promotes to disseminate the Charter of Corporate Behavior and the concept of "Society 5.0 for SDGs," and encourages social contribution activities of companies and their employees. Keiji Nishizawa, Chairman and Director of Sompo Japan, serves as co-chair of the committee.

Participation in Japan's SDGs roundtable as a Business Leader

Japan's SDGs Promotion Headquarters was established in May 2016 with the entire Cabinet as members and the Prime Minister of Japan as the chair. A multi-stakeholder roundtable was later created in order to develop implementation policies for the SDGs in Japan. Representing the business sector, Keiji Nishizawa, Chairman and Director of Sompo Japan and co-chair of Committee on Responsible Business Conduct & SDGs Promotion, serves as a member of the roundtable.

Council for Better Corporate Citizenship (CBCC)

The CBCC is an organization established by Keidanren that is responsible for planning and operating lectures and other events on CSR, promoting exchanges and collaboration with overseas CSR-related organizations, and conducting research and study through sending delegates abroad and other means. Keiji Nishizawa, Chairman and Director of Sompo Japan, serves as the chair of CBCC.

Keidanren Committee on Nature Conservation (KCNC)

The KCNC financially supports civil society working on the conservation of biodiversity and nature through the Keidanren Nature Conservation Fund (KNCF), while promoting companies' awareness of biodiversity and nature conservation as well as communication and cooperation with civil society. Keiji Nishizawa, Chairman and Director of Sompo Japan, serves as the chair of KCNC.

Participation in COP13 of the UN Convention on Biological Diversity

As the chair of KCNC, Futamiya participated in the 13th Conference of the Parties (COP13) to the Convention on Biological Diversity held in Mexico in December 2016, and gave a speech to represent the business sector at a UN Decade on Biodiversity Day (UNDB Day) side event. The conference itself is held every

two years, with the participation of many government representatives and civil sector organizations from around the world, and was an occasion for dialogue with representatives from influential organizations that promote global nature conservation.



Speaking as KCNC chair (at the time) at a side event (Masaya Futamiya)

Participation in the Convention on Biological Diversity

As the chair of KCNC, Futamiya participated in the 14th Conference of the Parties to the Convention on Biological Diversity (COP14) which held in Egypt in November 2018. He gave a speech to represent revised edition of Declaration of Biodiversity by Keidanren and Progress status of Mainstreaming of Biodiversity in Japanese Business Sector in Global Business and Biodiversity Forum, which held prior to the opening.

The conference itself is held every two years, with the participation of many government representatives and civil sector organizations from around the world, and was an occasion for dialogue with representatives from influential organizations that promote global nature conservation.

At the Convention on Biological Diversity (COP15) held in Montreal, Canada in December 2022, Keiji Nishizawa, Director-Chairman of Sompo Japan Insurance Inc., participated as Chairman of the Keidanren Committee on Nature Conservation. In order to contribute to the achievement of a new international framework (global goals), in collaboration with Japan's Ministry of the Environment, he announced the plan to provide financial support of 300 million yen for the "Community Development and Knowledge Management for the Satoyama Initiative (COMDEKS)" implemented by the United Nations Development Programme (UNDP) through the Keidanren Nature Conservation Fund.

ECO FIRST Program, Japan's Ministry of the Environment

In November 2008 Sompo Holdings became the first companies in the insurance business to be accredited by the Japanese Minister of the Environment as an "ECO FIRST Business." Under the ECO FIRST program, companies make a commitment to the minister about the environmental conservation initiatives they will take in fields such as combating climate change.



Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century) (PFA)

These principles were developed to guide the actions of financial institutions to fulfill their roles and responsibilities to create a sustainable society. Sompo Japan was a member of the drafting committee, and 10 Group companies signed the principles in 2011 (currently 7 Group companies are signatories).

Sompo Japan is serving as a co-chair of the steering committee and chair of the insurance working group.



Steering committee meeting



Insurance working group

SDG Stakeholders Roundtable, Japan's Ministry of the Environment

Masao Seki, Senior Advisor on Management Planning of Sompo Japan, is a member of the SDG Stakeholders Roundtable, which promotes environmental aspects for implementation of the SDGs.

Montreal Carbon Pledge

In September 2017, Sompo Asset Management signed the Montreal Carbon Pledge which was adopted at the annual general meeting of the Principles for Responsible Investment (PRI) held in Montreal, Canada, in September 2014, aiming to reduce GHG emissions.



Signatories are required to measure and disclose GHG emissions associated with some or all of their stock portfolios, and Sompo Asset Management is committed to regularly disclosing the volume of GHG emissions it has invested.

External Recognition

The Group has been highly recognized by institutions in Japan and around the world, and Sompo Holdings is included in several socially responsible investment (SRI) indices and funds. The following is a list of some of the recent awards and recognition received by the group.

Awards

Outstanding performance award at the 4th EcoPro Awards

Sompo Holdings Sompo Risk Management

Sompo Japan and Sompo Risk Management received the outstanding performance award at the 4th EcoPro Awards sponsored by Sustainable Management Promotion Organization, in recognition of "ONE SOMPO WIND Service" for offshore wind power operators. (September 2021)

Recognition

Recognized with prestigious A score for Climate Action by CDP

Sompo Holdings



Sompo Holdings was selected as "The Climate A List" for the sixth time by global environment non-profit CDP. CDP is a collaborative initiative by the world's leading institutional investors to encourage businesses worldwide to adopt climate change strategies and disclose their GHG emissions.

Ranked 2nd in the Toyo Keizai CSR Corporate Ranking

Sompo Holdings



Sompo Holdings was ranked 2nd in the CSR categories among all types of industry and 3rd in the Financial Business Category in the Toyo Keizai CSR Corporate Ranking 2022 (Sompo Holdings).

(February 2022)

Group Implementation of ISO 26000

ISO 26000, an international standard providing guidance on social responsibility, was published in November 2010.

In order to determine and promote more important environmental initiatives, our Group uses ISO 26000 as a self-check tool to clarify the Group's strengths and weaknesses, and incorporates elements of ISO 26000 into the Environmental Management System, which is an educational tool for all levels and a framework for promoting Environmental initiatives, as well as into the seven social issues (materiality) that we face and the KPIs (materiality KPIs) that we have set for these materiality.

As an expert from Japan's business sector, Masao Seki, Senior Advisor on Management Planning of Sompo Japan, participated in development of the standard.

Top overall rating in Nikkei SDGs Management Survey 2022

Sompo Holdings

Sompo Holdings received the highest overall rating in the Nikkei SDGs Management Survey 2022, which rates companies' commitment to the United Nations Sustainable Development Goals (SDGs).



The evaluation is based on the concept of "SDGs management," defined as a company's efforts to contribute to the SDGs through its business and to improve its corporate value. Sompo Holdings received high marks for its initiatives including "Addressing Social Issues," "Employee Engagement," "Human Capital Disclosure," and "Governance Policy and Effectiveness."

(November 2022)

Certified as "5 stars" by Nikkei Smart Work Management Survey

Sompo Holdings

Sompo Holdings was recognized with a 5-star rating in the Nikkei Smart Work Management Survey, which selects leading companies that are taking on the challenge of revolutionizing productivity through workstyle innovation.



(November 2022)

Received the Highest "S" Rating in the Registered and Certified Institution Evaluations for the Tokyo Cap and Trade Program

Sompo Risk Management

Sompo Risk Management received the highest ranked "S" rating for the eighth consecutive year among the registered and certified institutions in the Tokyo Cap-and-Trade Program.

(November 2021)

Active participation in the initiatives, External Recognition

Certification

Recognition of "2022 Health and Productivity Stock" and Eleven Group Companies recognized as "White 500"

For the fourth consecutive year, Sampo Holdings has been selected as a 2022 Health and Productivity Stock, co-sponsored by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange, in recognition of its outstanding health and productivity management.* At the same time, 22 companies from the Sampo Holdings Group have been recognized as Health & Productivity Management Outstanding Organizations (Large Enterprise Category), and eleven of them have been certified as "White 500" companies under the 2022 Certified Health and Productivity Management Organization Recognition Program jointly promoted by METI and the Nippon Kenko Kaigi.

*"Health and productivity management" is a registered trademark of the Workshop for the Management of Health on Company and Employee.

(Group company selected as Health and Productivity Stock)

- Sampo Holdings, Inc. (Four consecutive years)

(Group companies recognized as White 500 companies)

- Sampo Holdings, Inc. (six consecutive years)
- Sampo Japan Insurance Inc. (six consecutive years)
- Sampo Himawari Life Insurance Inc. (six consecutive years)
- Sampo Health Support Inc. (six consecutive years)
- Sampo Communications Inc. (four consecutive years)
- Sampo Japan Career Bureau, Inc. (four consecutive years)
- Prime Assistance Inc. (four consecutive years)
- Sampo Japan Partners Inc. (three consecutive years)
- Sampo Corporate Service Inc. (two consecutive years)
- Sampo Risk Management Inc. (fourth time in three years)
- Sampo Business Services, Inc. (fourth time in three years)



Health & Productivity Management Outstanding Organizations (Large Enterprise Category)

- Sampo Systems, Inc. (three consecutive years)
- SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (three consecutive years)
- Sampo Care, Inc. (first recognition)

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

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

Inclusion in ESG Related Indices

The Sampo Holdings is included in the following ESG Related Indices (as of January 25, 2023).

Dow Jones Sustainability Indices

Sampo Holdings

Dow Jones Sustainability Indices (DJSI) is a stock index developed by S&P Dow Jones Indices in the United States. As the world's leading ESG index, DJSI evaluates corporate sustainability from the three aspects of "economy," "environment," and "society,"



and selects for inclusion companies pursuing advanced initiatives. Sampo Holdings has been selected for DJSI Asia Pacific, which covers the Asia-Pacific region, for three consecutive years since 2020.

FTSE4Good Index Series

Sampo Holdings

The FTSE4Good Index Series is a group of SRI indexes that evaluate the performances of companies that meet globally recognized corporate responsibility standards, including such ESG issues as aspects on environment and human rights.



FTSE Blossom Japan Index

Sampo Holdings

Created by the global index provider FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company), the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.



MSCI ESG Leaders Indexes / MSCI SRI Indexes

Sampo Holdings

These indexes comprise companies from various industries that have earned high evaluations in relation to the environment, society, and governance.



*The inclusion of Sampo Holdings in any MSCI Index, and the use of MSCI logos, trademarks, service marks or Index names herein, do not constitute a sponsorship, endorsement or promotion of Sampo Holdings by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names and logos are trademarks or service marks of MSCI or its affiliates.

MSCI Japan ESG Select Leaders Index

Sampo Holdings

MSCI Japan ESG Select Leaders Index is designed to select companies with high evaluation in ESG (Environment, Society, Governance) aspects from among the MSCI Japan IMI Top 500 Index.



MSCI Japan Empowering Women Index (WIN)

Sampo Holdings

MSCI Japan Empowering Women Index (WIN) is designed to select companies with high evaluation in gender diversity from among the MSCI Japan IMI Top 500 Index.



ECPI Global Developed ESG Best in class Equity Index

Sampo Holdings

ECPI Global Developed ESG Best in class Equity Index that are constituted by stocks with high ESG evaluation.



S&P/JPX Carbon Efficient Index

Sampo Holdings

This is an index that weights constituent stocks by focusing on the status of disclosure of environmental information and the level of carbon efficiency (carbon emissions per unit sales) within TOPIX, a representative stock index reflecting the trend of the Japanese market.



Major ESG Data

General Information on ESG Data

To identify our ESG-related issues, we have conducted ESG surveys targeting our Group companies since fiscal year 2011. The tables below show our major ESG data, as obtained from the

survey results. The survey is conducted on Sampo Holdings and its consolidated companies in and outside Japan.

Organizations surveyed in FY2021

- Company Name**
- Sampo Holdings, Inc.
 - Sampo Japan Insurance Inc.
 - SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
 - Sampo Japan Partners Inc.
 - Mysurance Inc.
 - Sampo International Holdings Ltd.
 - Endurance Specialty Insurance Ltd.
 - Endurance Assurance Corporation
 - Endurance Worldwide Insurance Limited
 - SI Insurance (Europe), SA
 - Sampo Japan Sigorta Anonim Sirketi
 - Sampo Holdings (Asia) Pte. Ltd.
 - Sampo Insurance Singapore Pte. Ltd.

- Berjaya Sampo Insurance Berhad
- PT Sampo Insurance Indonesia
- Sampo Insurance China Co., Ltd.
- Sampo Insurance (Hong Kong) Company Limited
- Sampo Seguros S.A.
- Sampo Himawari Life Insurance Inc.
- Sampo Care Inc.
- Sampo Warranty Inc.
- SOMPO Light Vortex Inc.
- Sampo Asset Management Co., Ltd.
- Sampo Japan DC Securities Inc.
- Sampo Risk Management Inc.
- Sampo Health Support Inc.
- Other 47 companies

Scope of the report and coverage ratio

Scope of the report by category		Coverage ratio based on sales revenue*1	
Consolidated companies in Japan	Sampo Japan	73.5%	56.8%
	Other group companies		16.7%
Overseas consolidated companies		26.5%	100%

*1 Formula for coverage ratio

Coverage ratio (%) = $\frac{\text{Total sales revenue of Group companies that responded to survey}}{\text{Total sales revenue of Group companies subject to survey}} \times 100$

To disclose ESG data that includes our consolidated subsidiaries engaged in various types of businesses (including insurance and financial business, and nursing and healthcare business), this report uses sales revenues as the basis to calculate coverage ratios.

Group Employee Data

Number of employees (by employment status)

	Male	Female	Total
Regular employees	19,879	27,897	47,776
Temporary employees	1,452	12,671	14,123
Total	21,331	40,568	61,899

Number of employees (by region)

	Japan	Asia & Middle East	Europe & North/South America	Total
Regular employees	40,284	2,420	5,072	47,776
Temporary employees	14,051	26	46	14,123
Total	54,335	2,446	5,118	61,899

*1 Number of employees by region is calculated based on the locations of consolidated companies under Sampo International.
*2 Employees of Sampo Japan, of which 99.91% are Japanese nationals, 0.08% are Asian nationals, and 0.01% are U.S. or European nationals.

Reporting of Greenhouse Gases (GHGs)

- Since fiscal year 2012 we have been receiving annual third-party verification by a certification body.
- Although maximum attention is paid to accuracy and validity, calculation methods that are considered to be reasonable and versatile are adopted for activities for which quantification is difficult.
- The scope of calculation is as indicated by the coverage ratio and the list of reporting companies for each data item.
- Scope 1 emissions, as appearing in the data below, are direct

- GHG emissions from sources owned or controlled by the Group, such as emissions from the use of gas and gasoline. Scope 2 emissions are indirect GHG emissions resulting from the generation at power stations and other external sites of electricity and heat that are purchased by the Group. Scope 3 emissions are indirect GHG emissions other than Scope 2 emissions that are generated in any part of the value chain of the Group.
- The table below shows activity items subject to calculation.

Scope	Category	Activity items subject to calculation
Scope 1	Direct emissions	City gas consumption, class A heavy oil consumption, kerosene consumption, LPG consumption, fuel consumption by company fleets
Scope 2	Indirect emissions from energy sources	Electricity consumption, heat (steam) consumption
Scope 3	Purchased products and services	Paper consumption, servers, municipal water
	Activities in connection with fuels and energy (other than Scopes 1 and 2)	City gas consumption, class A heavy oil consumption, kerosene consumption, LPG consumption, fuel consumption by company fleets, electricity consumption, heat (steam) consumption
	Transportation / delivery (upstream)	Mail, home delivery, interoffice mail, office relocation, employee residence relocation
	Waste generated from business activities	Industrial waste, general waste
Scope 3	Business trips	Domestic (sales, trips, new appointments, overnight or longer stays), international (trips, new appointments, overnight or longer stays)
	Commuting of employees	Train, bus, private car

Environmental Performance Data

Item	Unit	FY2019	FY2020	FY2021	Companies covered			Verified	
					Consolidated companies in Japan		Overseas consolidated companies		
					Sompo Japan	Other group companies			
GHG (Scope 1)	t-CO ₂ e	34,758	30,357	26,663	•	•	•	✓	
GHG (Scope 2)	t-CO ₂ e	147,755	140,694	121,882	•	•	•	✓	
GHG (Scope 3)	t-CO ₂ e	107,229	85,630	79,506	•	•	•	✓	
GHG (Scope 1-3) Total ^{*1}	t-CO ₂ e	289,748	256,678	228,051	•	•	•	✓	
Total GHG emissions per employee	t-CO ₂ e	4.66	4.09	3.68	•	•	•	✓	
City gas consumption	m ³ -N	3,540,788	3,308,645	3,533,791	•	•	•	✓	
Class A heavy oil consumption	kℓ	195	193	161	•	•	•	✓	
Kerosene consumption	kℓ	243	229	274	•	•	•	✓	
LPG consumption	t	1,730	1,649	259	•	•	•	✓	
Fuel consumption by company fleets	kℓ	8,571	7,050	7,069 ^{*2}	•	•	•	✓	
Electricity consumption	kWh	304,203,466	296,465,353	280,376,417	•	•	•	✓	
Heat (steam) consumption	MJ	92,018,627	91,529,224	89,600,884	•	•	•	✓	
Paper consumption	t	8,129	6,821	5,771	•	•	•	✓	
Clean water usage	kℓ	349,465	247,222	1,727,914 ^{*3}	•	•	•	✓	
Wastewater discharge	kℓ	326,872	223,481	1,747,207 ^{*3}	•	•	•	✓	
Total waste generation	t	16,958	13,916	13,454	•	•	•	✓	
Recycled waste	t	4,816	3,253	3,755	•	•	•	✓	
Total waste disposed	t	16,958	13,916	13,454	•	•	•	✓	
Break down of total waste disposed	landfill	t	69	73	595	•	•	•	✓
	Incineration (with thermal)	t	16,865	13,834	12,843	•	•	•	✓
	Incineration (without thermal)	t	24	9	13	•	•	•	✓
	Other Dispositions	t	0	0	4	•	•	•	✓
Disposal method unknown	t	0	0	0	•	•	•	✓	
CO ₂ emission relating to business travel	t-CO ₂ e	21,960	6,514	7,457	•	•	•	✓	
Total floor space ^{*4}	m ²	1,517,474	1,499,409	1,465,009	•	•	•	✓	
Share of green purchasing	%	52.2	52.3	47.0	•	•	•	✓	
Human development of environmental field	Attendees of open Lectures on the Environment ^{*5}	Persons	1,173	7,176	5,610	—	—	—	✓
	Participants of CSO Learning Scholarship Program	Persons	55	43	78	—	—	—	✓
	Participants of SAVE JAPAN Project ^{*6}	Persons	2,652	1,502	907	—	—	—	✓

*1 The Group has been received an annual Assurance Statement by a third-party certification organization. The coverage of the survey is Sompo Holdings, Inc., and main consolidated subsidiaries, and in the process of data collection in FY2021, we reviewed and recalculated the data collected and calculated prior to FY2020.
 *2 Sompo International acquired Diversified Crop Insurance Services in December 2020 and increase in the number of its owned vehicles.
 *3 Includes Sompo Care from FY2021.
 *4 It includes the results of Sompo Holding and its domestic and overseas consolidated subsidiaries, excluding Sompo Care.
 *5 In FY2020, we switched from face-to-face programs to online programs.
 *6 Includes online event participants.

GHG emissions from investments and loans (Scope 3, Category 15)

We calculate the GHG emissions of the companies to which our group invest, using a calculation method that is being studied and developed by the Partnership for Carbon Accounting Financials (hereinafter referred to as PCAF), and targets the GHG emissions reductions.

The scope of the calculation is Scope 1 and Scope 2 GHG emissions of companies issuing listed equities and corporate bonds for which the calculation method has been developed by the PCAF.

Asset class		Unit	FY2019	FY2020
Listed Equities	Total GHG emission	t-CO ₂ e	1,013,157	948,530
	Weighted average carbon intensity of investee (WACI ^{*1})	t-CO ₂ e/Million USD	119.60	100.58
Corporate Bonds	Total GHG emission	t-CO ₂ e	1,059,379	906,207
	Weighted average carbon intensity of investee (WACI)	t-CO ₂ e/Million USD	121.07	133.77

*1 Abbreviation for Weighted Average Carbon Intensity
 *2 Calculated using data provided by MSCI ESG Research for Scope 1 and Scope 2 listed equities and corporate bonds in Japan and overseas (Coverage) 93 % of listed equities and 84% of corporate bonds in FY2019, 93 % of listed equities and 85% of corporate bonds in FY2020 on a market value basis.
 *3 GHG emissions are our company's share of the investee's EVIC (Enterprise Value Including Cash: Corporate Value Including Cash) base, and WACI is the weighted average of GHG emissions per unit of sales for each investee's portfolio holdings.
 *4 This report contains information (the "Information") sourced from MSCI Inc., its affiliates or information providers (the "MSCI Parties") and may have been used to calculate scores, ratings or other indicators. The Information is for internal use only, and may not be reproduced/redisseminated in any form, or used as a basis for or a component of any financial instruments or products or indices. The MSCI Parties do not warrant or guarantee the originality, accuracy and/or completeness of any data or information herein and expressly disclaim all express or implied warranties, including of merchantability and fitness for a particular purpose. The information is not intended to constitute investment advice or a recommendation to make (or refrain from making) any investment decision and may not be relied on as such, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the MSCI Parties shall have any liability for any errors or omissions in connection with any data or information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.
 *5 Numerical data may be adjusted retroactively.

Environmental Accounting (FY2021 GHG Reduction Investment Cost and Effect)

Item	Amount Invested (JPY)	Investment Effect (JPY)	Reduction in GHG (t-CO ₂ e)
Scope1 & Scope2	1,205,315,000	116,674,630	414.4

Note: The amount invested in FY2021 is mainly the total cost of energy-saving construction work, such as work to upgrade air conditioning equipment in our Group-owned buildings. The investment effect is calculated based mainly on the reduction in the consumption of electricity as a result of energy-saving construction work on our Group-owned buildings.

Social Performance Data

Item	Unit	FY2019	FY2020	FY2021	Companies covered			Verified	
					Consolidated companies in Japan		Overseas consolidated companies		
					Sompo Japan	Other group companies			
Executive or higher ^{*1}	Male	Persons	214	188	355	•	•	•	
	Female	Persons	16	19	35	•	•	•	
	Total	Persons	230	207	390	•	•	•	
Department manager level or higher but lower than executive ^{*1}	Male	Persons	837	821	1,103	•	•	•	
	Female	Persons	164	178	229	•	•	•	
	Total	Persons	1,001	999	1,332	•	•	•	
Section manager level or higher but lower than department manager level ^{*1}	Male	Persons	2,642	3,014	3,926	•	•	•	
	Female	Persons	794	1,060	1,614	•	•	•	
	Total	Persons	3,436	4,074	5,540	•	•	•	
Ratio of female employees in managerial positions ^{*2}	%		23.8	24.2	26.8	•	•	•	
Share of female in management positions in revenue-generating functions ^{*3}	%		18.0	22.0	24.1	•	•	•	
Share of female in STEM-related positions ^{*4}	%		36.9	32.2	41.0	•	•	•	
Ratio of employees with disabilities ^{*2}	%		2.29	2.37	2.45	•	•	•	
Union membership rate	%		98.0	98.0	97.9	•	•	•	
Total number of new employee hires/Ratio of female	Male	Persons	1,590	1,243	1,641	•	•	•	
	Female	Persons	4,504	3,720	3,896	•	•	•	
	Total	Persons	6,094	4,963	5,537	•	•	•	
	Ratio of Female managerial position	%		73.9	75.0	70.4	•	•	•
	Non-managerial position	Persons	60	41	149	•	•	•	
Number of employees who took childcare leave ^{*5}	Male	Persons	6,034	4,922	5,388	•	•	•	
	Female	Persons	377	443	516	•	•	•	
	Total	Persons	2,045	2,090	2,005	•	•	•	
Average number of days taken off work for childcare leave by employees	Male	Days	2,422	2,533	2,521	•	•	•	
	Female	Days	5.6	6.8	8.6	•	•	•	
Childcare support systems	Number of employees using the shorter work hour system + Number of employees using the earlier / later work hour system	Days	183.0	183.6	178.8	•	•	•	
	Male	Persons	2,724	2,839	2,900	•	•	•	
Number of employees who took family care leave	Male	Persons	50	22	32	•	•	•	
	Female	Persons	90	70	71	•	•	•	
	Total	Persons	140	92	103	•	•	•	
Number of employees using telecommuting system	Persons	13,241	31,008	28,769	•	•	•		
Number of employees who used flextime work system	Persons	2,354	4,333	3,941	•	•	•		
Ratio of flextime work system use	%		6.8	12.3	11.6	•	•	•	
Ratio of paid vacation use	%		67.0	70.8	72.9	•	•	•	
Occupational accident frequency rate	%		5.71	6.07	5.44	•	•	•	
Total days lost due to absenteeism	Days		63,690	59,980	59,037	•	•	•	
Absentee Rate	%		0.42	0.39	0.39	•	•	•	
Ratio of overtime work	%		10.9	10.4	11.2	•	•	•	
Employee turnover rate(all)	Total turnover rate	%	11.2	10.5	11.5	•	•	•	
	Voluntary turnover rate	%	8.3	7.8	8.0	•	•	•	
	Total turnover rate	%	7.9	6.8	9.1	•	•	•	
Employee turnover rate (Excluding Nursing Care Business)	Total turnover rate	%	4.0	3.0	4.0	•	•	•	
	Voluntary turnover rate	%	18.0	17.3	15.7	•	•	•	
Employee turnover rate (Nursing Care Business only)	Total turnover rate	%	17.2	16.5	15.0	•	•	•	
	Voluntary turnover rate	%	3.27	3.34	3.46	•	•	•	
Employee Engagement ^{*6}	Japan	Point	3.81	4.02	4.02	•	•	•	
	Overseas	Point	89.1	89.1	89.2	•	•	•	
Customer Satisfaction Rate ^{*7}	%		89.1	89.1	89.2	•	•	•	
Number of volunteers from employees ^{*8}	Persons		39,297	29,730	9,075	•	•	•	
Amount of money the company contributed to corporate citizenship/philanthropic activities	JPY		2,031,288,146	1,830,737,862	1,467,676,195 ^{*9}	•	•	•	

*1 For FY2019 and FY2020, the number of employees at domestic and overseas consolidated companies are counted. For FY2021, the number of employees at domestic group companies and overseas consolidated companies are counted.
 *2 Data from domestic companies (as of April 1st) and overseas consolidated companies (as of December 31).
 *3 We count managers in departments involved in the output of products and services such as sales excluding support functions such as HR, Legal, IT.
 *4 We count STEM (Science, Technology, Engineering, or Mathematics) related employees who have skills on mathematic or IoT such as actuaries, web developer, etc.
 *5 We have a provision for paid maternity and paternity leave over and above the legal requirement.
 *6 We use Q12 provided by Gallup in our engagement surveys.
 *7 Sompo Japan conducts customer satisfaction survey to customers who were involved in car accidents by sending them questionnaire upon insurance payment.
 *8 Total number of Group employees and agency employees.

Major ESG Data

*9 Breakdown/Type of Contributions in FY2021

(Currency: JPY)

Cash contributions	1,467,676,195
Time: employee volunteering during paid working hours - Converted into money based on labor cost	3,109,375
In-kind giving: product or services donations, projects/partnerships or similar	51,480,000
Management overheads	612,540

Contributions for trade associations or tax-exempt groups: JPY 147,841,122

Category of Contribution in FY2021	
Charitable Donations	9.7%
Community Investment	86.4%
Commercial Initiatives	3.8%
TOTAL	100%

Amount of Contributions to Initiatives in FY2021

We make monetary contribution to the following organizations as part of our commitment to initiatives in Japan and the world as well as to help resolve global social issues through business activities.

(Currency: JPY)

Purpose	Addressing social issues by cooperating with below initiatives				
Organization	WBCSD	UNGC	Council for Better Corporate Citizenship	UNEP FI	UN PRI
Amount of Contribution	12,033,000	1,110,000	220,000	2,672,355	1,320,925

Workforce Breakdown (Gender)

Item	Unit	FY2021	Companies covered*		
			Consolidated companies in Japan		Overseas consolidated companies
			Sompo Japan	Other group companies	
<30 years old	Persons	2,883	•	•	
30-50 years old		10,590			
>50 years old		4,938			
Total		18,411			

*Data covers regular employees of Sompo Holdings, Sompo Japan, and Himawari Life.

Training & Development Inputs

Item	Unit	FY2021	Companies covered*		
			Consolidated companies in Japan		Overseas consolidated companies
			Sompo Japan	Other group companies	
Average hours per person of training and development	Hours	5.38	•	•	
Average amount spent per person on training and development	JPY	7,591			

*Data covers the amount of Sompo Japan, and Himawari Life.

Fair compensation system

Salaries are determined in accordance with role-based ranks which reflect the role and responsibility of each employee. Ranking system is structured so employees will be promoted based on their roles, responsibilities and how much they have contributed to the Group's performance. Note that same compensation system is applied to both male and female employees, thus there is no gender pay gap in the Group.

Main job classifications	Male:Female ratio (compensation system)
Officers	1 : 1
Managers	1 : 1
Non-managerial positions	1 : 1

*These figures represent average basic salary for employees in each of the main job classifications at Sompo Japan for FY2021.

Governance Data

Our Corporate Governance Overview for information on our fundamental principles and other information related to Corporate Governance.

• Number of meetings held by the Board of Directors and the Board of Corporate Auditors as well as the participation status of the Board Members

Record of the meetings of Board of Directors in FY2021.

Board of Directors meetings	Held: 13 times
	Attendance*: 98.0% of Directors

*In principle, all board members are required to attend all board of directors meeting.

• Compensation for Directors and Audit & Supervisory Board Members (FY2021)

• Ratio between CEO compensation and employee average compensation

Ratio of CEO compensation to employee average compensation is as follows: follows

(Currency: JPY)

Total CEO compensation	Employee compensation (average amount)	Ratio
432,000,000	11,284,115	38.29:1

Briefings for investors and analysts (FY2021)

Briefings	Times
Briefings (IR meetings) for institutional investors, analysts	2
Conference calls for institutional investors, analysts	2
Conferences organized by securities companies	7
Individual meetings	279
Briefings for individual investors	4

Number of voting rights and shares outstanding

Classification	Number of shares (shares)	Number of voting rights (units)	Details
Shares without voting rights	—	—	—
Shares with restricted voting rights (Treasury stock, etc.)	—	—	—
Shares with restricted voting rights (Others)	—	—	—
Shares with full voting rights (Treasury stock, etc.)	4,134,700	—	—
	(Crossholding stock) Commons stock: 1,800	—	—
Shares with full voting rights (Others)	342,399,900	3,423,999	—
Shares less than one unit	1,162,289	—	Shares less than one unit (100 shares)
Total number of shares outstanding	347,698,689	—	—
Total voting rights owned by all shareholders	—	3,423,999	—

(Notes)

1 The number of "Shares with full voting rights (Others)" includes 1,000 shares of common stock (10 units of voting rights) in the name of Japan Securities Depository Center, Inc., and 961,300 shares of the Company's common stock (9,613 units of voting rights) held by Mizuho Trust & Banking Co., Ltd. (retrusted to Custody Bank of Japan, Ltd.) under Board Benefit Trust (BBT). These 9,613 units of voting rights are not exercised.

2 Number of common stock in "Shares less than one unit" includes 40 shares of treasury stock held by the Company, 76 shares in the name of Japan Securities Depository Center, Inc. and 63 shares in crossholding stock (held by Hitz Insurance Service Corporation).

Major ESG Data

Compliance training							
Item	Unit	FY2019	FY2020	FY2021	Companies covered*		
					Consolidated companies in Japan		Overseas consolidated companies
					Sompo Japan	Other group companies	
Ratio of employees who received compliance training	%	98.8	97.5	98.3	•	•	•

*Excluding the data of Sompo Care Inc

Cybersecurity oversight system

The Group established a risk control system based on the “Basic Policy on Sompo Group ERM (Strategic Risk Management)” set out by the Board of Directors, and classifies risks that may have a significant impact on the Group as “material risks”. The Group Chief Risk Officer (CRO) carries out an exhaustive assessment of risks of each business, regularly reports the risk management status to the Managerial Administrative Committee (MAC), Board of Directors, etc. and verifies the efficacy of countermeasures taken. The Chief Information Officer (CIO) is in charge of taking countermeasures for system failures, including cyberattacks, as material risk at the Group ERM Committee.

It is essential to address cyber risks that increase in response to technological advances and changes in the environment to deliver “security and health” which the Group values to customers, business partners, and shareholders. We also established the “Basic Policy on Group Cybersecurity”, and are trying to establish an

efficient and effective cyber risk management system for the entire Group based on the understanding that cybersecurity initiative is corporate social responsibility.

Moreover, we established a Cybersecurity Group as a specialized organization in the IT Strategy Planning Department to deal with cyber risks that are becoming more sophisticated and complicated every day, and are working on developing strategies and strengthening security across the Group. The major mission of this group of specialists is to jointly manage cyber risks with the persons responsible for cybersecurity at each Group company in both normal times and emergencies, and improve the levels of maturity on a Group-wide basis, while carrying the function of the Computer Security Incident Response Team (CSIRT) of SOMPO Holdings.

We will closely align cybersecurity with business strategy and IT strategy, turn it into competitive advantage in each business, and realize digital transformation in a secure and safety manner.

Whistleblowing System

The number of whistleblowing cases which the group received in FY2021 was as below.

Item	Unit	FY2021	Companies covered		
			Consolidated companies in Japan		Overseas consolidated companies
			Sompo Japan	Other group companies	
Number of whistleblowing cases	cases	256*	•	•	•

*The number of reports and consultations regarding human rights violations, including harassment, received in FY2021 was 175 (including questionable cases). Also, there were no significant cases of violations involving the payment of fines to the authorities in FY2021.

Customer privacy protection

Sompo Japan takes appropriate actions within the organization, such as treating what was recognized in the company as a complaint and reporting it to external related party. The table below

shows the number of complaints for which we were able to confirm the facts out of the total complaints about customer privacy violation received in FY2021.

<FY2021: Number of complaints received about personal information>

Item	Overview	Number of complaints received
Misdelivery	Delivery to the wrong person	33
Third party disclosure	Disclosure of confidential information to third party without the prior consent	23
Other	Personal information-related complaints other than the above	40
	Annual total	96

*The number of complaints received from the regulatory authority was zero regarding the above.

Comparative Table of Stakeholder Capitalism Metrics

Sompo Holdings endorses the Stakeholder Capitalism Metrics (hereinafter referred to as “the metrics”) developed under the leadership of the International Business Council (IBC) of the World Economic Forum.

The metrics define universal and comparable disclosures by companies across countries and industries in order to render

stakeholder capitalism measurable.

The metrics consist of four categories—Principles of Governance, Planet, People, and Prosperity—and corresponding sets of 21 core metrics and 34 extended metrics. The table below shows the status of disclosure for each standard relevant to the Sompo Group’s businesses.

Principle of Governance		
Theme	Core metrics and disclosures	Page References
Governing purpose	Setting purpose The company’s stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	Toward the Realization of SOMPO’s Purpose Group Management Philosophy, SOMPO’s Purpose, and Materiality Integrated Annual Report 2022 (SOMPO’s Purpose) Management System
Quality of governing body	Governance body composition Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual’s other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	Directors’ Skills Matrix Organization Chart Integrated Annual Report 2022 (Governance) Corporate Governance Management System Major ESG Data (Governance Data)
Stakeholder engagement	Material issues impacting stakeholders A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	Stakeholder Engagement SDGs in Business Management Materiality and KPIs Addressing ESG Issues in Sompo Group Business Operations Management System
Ethical behavior	Anti-corruption 1. Total percentage of governance body members, employees and business partners who have received training on the organization’s anti-corruption policies and procedures, broken down by region. a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	Compliance System Overview of the Status of Internal Control System Major ESG Data (Governance Data)
	Protected ethics advice and reporting mechanisms A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organizational integrity; and 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.	Overview of the Status of Internal Control System Stakeholder Engagement Addressing ESG Issues in Sompo Group Business Operations
Risk and opportunity oversight	Integrating risk and opportunity into business process Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	Top Commitment Response to Recommendations of the Task Force on Climate-related Financial Disclosures Group CEO message regarding the COVID-19 pandemic (for Group executives and employees) [Topics] Toward the Realization of SOMPO’s Purpose SDGs in Business Management Materiality and KPIs
Theme	Expanded metrics and disclosures	Page References
Governing purpose	Purpose-led management How the company’s stated purpose is embedded in company strategies, policies and goals.	Toward the Realization of SOMPO’s Purpose Group Management Philosophy, SOMPO’s Purpose, and Materiality Integrated Annual Report 2022 (SOMPO’s Purpose) Management System

Comparative Table of Stakeholder Capitalism Metrics

Quality of governing body	<p>Progress against strategic milestones Disclosure of the material strategic economic, environmental and social milestones expected to be achieved in the following year, such milestones achieved from the previous year, and how those milestones are expected to or have contributed to long-term value.</p> <p>Materiality and KPIs</p>	
	<p>Remuneration</p> <ol style="list-style-type: none"> How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental and social topics, as connected to the company's stated purpose, strategy and long-term value. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: <ul style="list-style-type: none"> Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses and deferred or vested shares Sign-on bonuses or recruitment incentive payments Termination payments Clawbacks Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives and all other employees <p>Integrated Annual Report 2022 (Corporate Governance, Executive Compensation Structure) Major ESG Data (Governance Data) Corporate Governance</p>	
Risk and opportunity oversight	<p>Economic, environmental and social topics in capital allocation framework How the highest governance body considers economic, environmental and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments</p> <p>Management System Response to Recommendations of the Task Force on Climate-related Financial Disclosures Group Management Philosophy, SOMPO's Purpose and Materiality SDGs in Business Management</p>	
Planet		
Theme	Core metrics and disclosures	Page References
Climate change	<p>Greenhouse gas (GHG) emissions For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO₂e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.</p> <p>Major ESG Data (Environmental Performance Data) Integrated Annual Report 2022 (SOMPO Climate Action)</p>	
	<p>TCFD implementation Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.</p> <p>Response to Recommendations of the Task Force on Climate-related Financial Disclosures</p>	
Nature loss	<p>Land use and ecological sensitivity Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).</p> <p>Major ESG Data (Environmental Performance Data)</p>	
Freshwater availability	<p>Water consumption and withdrawal in water-stressed areas Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.</p> <p>Major ESG Data (Environmental Performance Data)</p>	
Theme	Expanded metrics and disclosures	Page References
Climate change	<p>Paris-aligned GHG emissions targets Define and report progress against time-bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. This should include defining a date before 2050 by which you will achieve net-zero greenhouse gas emissions, and interim reduction targets based on the methodologies provided by the Science Based Targets initiative, if applicable. If an alternative approach is taken, disclose the methodology used to calculate the targets and the basis on which they deliver on the goals of the Paris Agreement.</p> <p>Response to Recommendations of the Task Force on Climate-related Financial Disclosures SDGs in Business Management: SOMPO Climate Action Integrated Annual Report 2022 (SOMPO Climate Action)</p>	
	<p>Impact of GHG emissions Report wherever material along the value chain (GHG Protocol Scope 1, 2 & 3) the valued impact of greenhouse gas emissions. Disclose the estimate of the societal cost of carbon used and the source or basis for this estimate.</p> <p>Major ESG Data (Reporting of Greenhouse Gases (GHGs))</p>	

People		
Theme	Core metrics and disclosures	Page References
Dignity and equality	<p>Diversity and inclusion Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).</p> <p>Key Initiatives (Employees-Diversity and Inclusion) Major ESG Data (Social Performance Data)</p>	
	<p>Pay equality Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.</p> <p>Major ESG Data (Fair compensation system)</p>	
	<p>Wage level</p> <ol style="list-style-type: none"> Ratios of standard entry level wage by gender compared to local minimum wage. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO. <p>Major ESG Data (Fair compensation system)</p>	
	<p>Risk for incidents of child, forced or compulsory labour An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.</p> <p>Key Initiative (Employees-Respect for Human Dignity and Rights)</p>	
Health and well-being	<p>Health and safety</p> <ol style="list-style-type: none"> The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers. <p>Major ESG Data (Social Performance Data)</p>	
Skills for the future	<p>Training provided Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).</p> <p>Key Initiatives (Employees-Building Resilient Organizations through Human Resources Development)</p>	
Theme	Expanded metrics and disclosures	Page References
Dignity and equality	<p>Pay gap</p> <ol style="list-style-type: none"> Mean pay gap of basic salary and remuneration of full-time relevant employees based on gender (women to men) and indicators of diversity (e.g. BAME to non-BAME) at a company level or by significant location of operation. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country. <p>Major ESG Data (Governance Data) Integrated Annual Report 2022 (Corporate Governance, Executive Compensation Structure) Major ESG Data (Ratio between CEO compensation and employee average compensation)</p>	
	<p>Discrimination and harassment incidents and the total amount of monetary losses Number of discrimination and harassment incidents, status of the incidents and actions taken, and the total amount of monetary losses as a result of legal proceedings associated with: a) law violations; and b) employment discrimination.</p> <p>Key Initiative (Employees-Respect for Human Dignity and Rights)</p>	
	<p>Freedom of association and collective bargaining at risk</p> <ol style="list-style-type: none"> Percentage of active workforce covered under collective bargaining agreements. An explanation of the assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk, including measures taken by the organization to address these risks. <p>Major ESG Data (Social Performance Data)</p>	
Health and well-being	<p>Human rights review, grievance impact and modern slavery</p> <ol style="list-style-type: none"> Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country <p>Respect for Human Dignity and Rights</p>	
	<p>Employee well-being</p> <ol style="list-style-type: none"> The number of fatalities as a result of work-related ill-health, recordable work-related ill-health injuries, and the main types of work-related ill-health for all employees and workers. a) Percentage of employees participating in "best practice" health and well-being programmes, and b) Absentee rate (AR) of all employees. <p>Major ESG Data (Social Performance Data)</p>	

Comparative Table of Stakeholder Capitalism Metrics

Prosperity		
Theme	Core metrics and disclosures	Page References
Employment and wealth generation	Absolute number and rate of employment Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	Major ESG Data (Social Performance Data)
	Economic contribution 1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: <ul style="list-style-type: none"> • Revenues • Operating costs • Employee wages and benefits • Payments to providers of capital • Payments to government • Community investment 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	Investor Materials Major ESG Data (Governance Data)
	Financial investment contribution Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	Integrated Annual Report 2022 (Shareholder Returns)
Innovation of better products and services	Total R&D expenses Total costs related to research and development.	Investor Materials (Investor Presentations-SOMPO Topics & Basics (November 2021))
Community and social vitality	Total tax paid The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	Integrated Annual Report 2022 (Consolidated Statement of Income and Consolidated Statement of Comprehensive Income Consolidated Statement of Income) Investor Materials
Theme	Expanded metrics and disclosures	Page References
Employment and wealth generation	Infrastructure investments and services supported Qualitative disclosure to describe the below components: <ol style="list-style-type: none"> 1. Extent of development of significant infrastructure investments and services supported. 2. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. 3. Whether these investments and services are commercial, in-kind or pro bono engagements. 	Major ESG Data (Governance Data) Key Initiatives (Stockholders / Investors-Contributing Community through Business) Key Initiatives (Communities-Engagement with Communities) Key Initiatives (Communities-Contributing to Community through the Arts and Culture) Actions Sampo Group Is Taking to Tackle COVID-19 Key Initiatives (Communities-Supporting Reconstruction after the Large-Scale Disasters)
	Significant indirect economic impacts 1. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. 2. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities (e.g. national and international standards, protocols, policy agendas).	Addressing ESG Issues in Sampo Group Business Operations Response to Recommendations of the Task Force on Climate-related Financial Disclosures Key Initiatives (Communities-Adaptation to Climate Change) Key Initiatives (Stockholders / Investors-Solutions for Environmental Issues)
Innovation of better products and services	Social value generated Percentage of revenue from products and services designed to deliver specific social benefits or to address specific sustainability challenges	IR Library: IR Presentation—Progress of Mid-Term Management Plan (November 2022) Integrated Annual Report 2022 (Business At a glance)
Community and social vitality	Total Social Investment Total Social Investment (TSI) sums up a company's resources used for "S" in ESG efforts defined by CECP Valuation Guidance.	Major ESG Data (Category of Contribution in FY2021 / Amount of Contributions to Initiatives in FY2021)
	Total tax paid by country for significant locations Total tax paid and, if reported, additional tax remitted, by country for significant locations.	Key Initiatives (Stockholders / Investors-Contributing Community through Business)

GRI Content Index

When disclosing sustainability information, the Sampo Group consults the Global Reporting Initiative (GRI) Standards. The tables below list the general, economic, environmental, and social metrics to be disclosed under the GRI Standards and the web pages

where the information is published.

For the economic, environmental, and social metrics, the tables show the web pages for aspects that are material (items selected as important) to the Sampo Group.

Standard Disclosure

Disclosures No.	Requirements	Page References (or Reasons for Omission)
Organizational profile		
102-1	a. Name of the organization.	▶ Corporate Profile
102-2	a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	▶ Group Businesses
102-3	a. Location of the organization's headquarters.	▶ Corporate Profile
102-4	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	▶ Overseas Insurance
102-5	a. Nature of ownership and legal form.	▶ Corporate Profile
102-6	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	▶ Group Businesses
102-7	a. Scale of the organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided.	▶ Corporate Profile ▶ Financial Highlights
102-8	a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	▶ Number of Employees
102-9	a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.	▶ Value Chain
102-10	a. Significant changes to the organization's size, structure, ownership, or supply chain, including: i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.	▶ Group Businesses ▶ Integrated Annual Report 2022 p.196-200 (Segment information)
102-11	a. Whether and how the organization applies the Precautionary Principle or approach.	▶ Top Commitment ▶ Management System ▶ Declarations to Society and Participation in CSR Initiatives ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ SOMPO Climate Action ▶ Enterprise Risk Management (ERM)

GRI Content Index

102-12	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	<ul style="list-style-type: none"> ▶ Declarations to Society and Participation in CSR Initiatives ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures Policy ▶ SOMPO Climate Action ▶ Adaptation to Climate Change
102-13	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	<ul style="list-style-type: none"> ▶ Declarations to Society and Participation in CSR Initiatives
Strategy		
102-14	a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.	<ul style="list-style-type: none"> ▶ Top Commitment ▶ Sompo Holdings Group's value creation stories in an era of the SDGs
102-15	a. A description of key impacts, risks, and opportunities.	<ul style="list-style-type: none"> ▶ Top Commitment ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Group CEO message regarding the COVID-19 pandemic (for Group executives and employees) [Topics] ▶ Toward the Realization of SOMPO's Purpose ▶ SDGs in Business Management ▶ Materiality and KPIs
Ethics and integrity		
102-16	a. A description of the organization's values, principles, standards, and norms of behavior.	<ul style="list-style-type: none"> ▶ Group Management Philosophy ▶ Policy ▶ Group Management Philosophy, SOMPO's Purpose, and Materiality
102-17	a. A description of internal and external mechanisms for: <ol style="list-style-type: none"> i. seeking advice about ethical and lawful behavior, and organizational integrity; ii. reporting concerns about unethical or unlawful behavior, and organizational integrity. 	<ul style="list-style-type: none"> ▶ Stakeholder Engagement ▶ Addressing ESG Issues in Sompo Group Business Operations ▶ Overview of the Status of Internal Control System
Governance		
102-18	a. Governance structure of the organization, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics.	<ul style="list-style-type: none"> ▶ Management System ▶ Corporate Governance ▶ Corporate Governance Report
102-19	a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.	<ul style="list-style-type: none"> ▶ Management System
102-20	a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics. b. Whether post holders report directly to the highest governance body.	<ul style="list-style-type: none"> ▶ Management System
102-21	a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics. b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.	<ul style="list-style-type: none"> ▶ Addressing ESG Issues in Sompo Group Business Operations ▶ Management System
102-22	a. Composition of the highest governance body and its committees by: <ol style="list-style-type: none"> i. executive or non-executive; ii. independence; iii. tenure on the governance body; iv. number of each individual's other significant positions and commitments, and the nature of the commitments; v. gender; vi. membership of under-represented social groups; vii. competencies relating to economic, environmental, and social topics; viii. stakeholder representation. 	<ul style="list-style-type: none"> ▶ Management System ▶ Major ESG Data (Governance Data) ▶ Corporate Governance ▶ Corporate Governance Report
102-23	a. Whether the chair of the highest governance body is also an executive officer in the organization. b. If the chair is also an executive officer, describe his or her function within the organization's management and the reasons for this arrangement.	<ul style="list-style-type: none"> ▶ Management System ▶ Corporate Governance ▶ Corporate Governance Report
102-24	a. Nomination and selection processes for the highest governance body and its committees. b. Criteria used for nominating and selecting highest governance body members, including whether and how: <ol style="list-style-type: none"> i. stakeholders (including shareholders) are involved; ii. diversity is considered; iii. independence is considered; iv. expertise and experience relating to economic, environmental, and social topics are considered. 	<ul style="list-style-type: none"> ▶ Management System ▶ Corporate Governance ▶ Corporate Governance Report

102-25	a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed. b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum: <ol style="list-style-type: none"> i. Cross-board membership; ii. Cross-shareholding with suppliers and other stakeholders; iii. Existence of controlling shareholder; iv. Related party disclosures. 	<ul style="list-style-type: none"> ▶ Management System ▶ Corporate Governance ▶ Corporate Governance Report
102-26	a. Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.	<ul style="list-style-type: none"> ▶ Management System
102-27	a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.	<ul style="list-style-type: none"> ▶ Management System
102-28	a. Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics. b. Whether such evaluation is independent or not, and its frequency. c. Whether such evaluation is a self-assessment. d. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.	<ul style="list-style-type: none"> ▶ Corporate Governance ▶ Corporate Governance Report
102-29	a. Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes. b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities.	<ul style="list-style-type: none"> ▶ Management System ▶ Corporate Governance ▶ Corporate Governance Report
102-30	a. Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics.	<ul style="list-style-type: none"> ▶ Management System
102-31	a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities.	<ul style="list-style-type: none"> ▶ Management System
102-32	a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered.	<ul style="list-style-type: none"> ▶ Management System
102-33	a. Process for communicating critical concerns to the highest governance body.	<ul style="list-style-type: none"> ▶ Management System ▶ Corporate Governance ▶ Corporate Governance Report
102-34	a. Total number and nature of critical concerns that were communicated to the highest governance body. b. Mechanism(s) used to address and resolve critical concerns.	<ul style="list-style-type: none"> ▶ Corporate Governance ▶ Corporate Governance Report
102-35	a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: <ol style="list-style-type: none"> i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares; ii. Sign-on bonuses or recruitment incentive payments; iii. Termination payments; iv. Clawbacks; v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees. b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.	<ul style="list-style-type: none"> ▶ Major ESG Data (Governance Data) ▶ Corporate Governance ▶ Integrated Annual Report 2022 (Corporate Governance Executive Compensation Structure) ▶ Corporate Governance Report
102-36	a. Process for determining remuneration. b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management. c. Any other relationships that the remuneration consultants have with the organization.	<ul style="list-style-type: none"> ▶ Major ESG Data (Governance Data) ▶ Corporate Governance ▶ Integrated Annual Report 2022 (Corporate Governance Executive Compensation Structure) ▶ Corporate Governance Report
102-37	a. How stakeholders' views are sought and taken into account regarding remuneration. b. If applicable, the results of votes on remuneration policies and proposals.	<ul style="list-style-type: none"> ▶ Major ESG Data (Governance Data) ▶ Corporate Governance ▶ Integrated Annual Report 2022 (Corporate Governance Executive Compensation Structure) ▶ Corporate Governance Report
102-38	a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	<ul style="list-style-type: none"> ▶ Major ESG Data (Governance Data) ▶ Integrated Annual Report 2022 (Corporate Governance Executive Compensation Structure)

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102-39	a. Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	<ul style="list-style-type: none"> ▶ Major ESG Data (Governance Data) ▶ Integrated Annual Report 2022 (Corporate Governance Executive Compensation Structure)
Stakeholder engagement		
102-40	a. A list of stakeholder groups engaged by the organization.	▶ Stakeholder Engagement
102-41	a. Percentage of total employees covered by collective bargaining agreements.	▶ Major ESG Data (Social Performance Data)
102-42	a. The basis for identifying and selecting stakeholders with whom to engage.	▶ Stakeholder Engagement
102-43	a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	<ul style="list-style-type: none"> ▶ Stakeholder Engagement ▶ Major ESG Data (Social Performance Data) ▶ ESG Initiatives through Our Asset Management Business ▶ Key Initiatives (Stockholders / Investors- Solutions for Environmental Issues) ▶ Addressing ESG Issues in Sompo Group Business Operations
102-44	a. Key topics and concerns that have been raised through stakeholder engagement, including: <ol style="list-style-type: none"> how the organization has responded to those key topics and concerns, including through its reporting; the stakeholder groups that raised each of the key topics and concerns. 	<ul style="list-style-type: none"> ▶ Addressing ESG Issues in Sompo Group Business Operations ▶ Stakeholder Engagement ▶ SDGs in Business Management
Reporting practice		
102-45	a. A list of all entities included in the organization's consolidated financial statements or equivalent documents. b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	<ul style="list-style-type: none"> ▶ Group Businesses ▶ Overview of Sustainability Communication (Covered Organization) ▶ Integrated Annual Report 2022 (Corporate Data, The Company, Subsidiaries, and Affiliates)
102-46	a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organization has implemented the Reporting Principles for defining report content.	<ul style="list-style-type: none"> ▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management
102-47	a. A list of the material topics identified in the process for defining report content.	<ul style="list-style-type: none"> ▶ SDGs in Business Management ▶ Materiality and KPIs
102-48	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.	Not applicable
102-49	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	▶ SDGs in Business Management
102-50	a. Reporting period for the information provided.	▶ Overview of Sustainability Communication (Covered Organization)
102-51	a. If applicable, the date of the most recent previous report.	▶ Overview of Sustainability Communication (Publication Period)
102-52	a. Reporting cycle.	▶ Overview of Sustainability Communication (Publication Period)
102-53	a. The contact point for questions regarding the report or its contents.	▶ Overview of Sustainability Communication (Planning and Editing)
102-54	a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either: <ol style="list-style-type: none"> 'This report has been prepared in accordance with the GRI Standards: Core option'; 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'. 	<ul style="list-style-type: none"> ▶ The Sustainability Report 2022 has been prepared in accordance with the Core option of the GRI Sustainability Reporting Standards.
102-55	a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include: <ol style="list-style-type: none"> the number of the disclosure (for disclosures covered by the GRI Standards); the page number(s) or URL(s) where the information can be found, either within the report or in other published materials; if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made. 	<p>This page is the GRI Content Index.</p> <ul style="list-style-type: none"> ▶ Overview of Sustainability Communication (Referenced Guidelines)

102-56	a. A description of the organization's policy and current practice with regard to seeking external assurance for the report. b. If the report has been externally assured: <ol style="list-style-type: none"> A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; The relationship between the organization and the assurance provider; Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report. 	<p>Have received third-party assurance on some quantitative social and environmental data.</p> <ul style="list-style-type: none"> ▶ Assurance by a Third-Party Organization
Management Approach		
103-1	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: <ol style="list-style-type: none"> where the impacts occur; the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. 	<ul style="list-style-type: none"> ▶ Overview of Sustainability Communication (Covered Organization) ▶ Back numbers of CSR -KPIs (FY2020) ▶ SDGs in Business Management
103-2	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: <ol style="list-style-type: none"> Policies Commitments Goals and targets Responsibilities Resources Grievance mechanisms Specific actions, such as processes, projects, programs and initiatives 	<ul style="list-style-type: none"> ▶ Policy ▶ Management System ▶ Materiality and KPIs
103-3	a. An explanation of how the organization evaluates the management approach, including: <ol style="list-style-type: none"> the mechanisms for evaluating the effectiveness of the management approach; the results of the evaluation of the management approach; any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Management System ▶ Materiality and KPIs ▶ Back numbers of CSR -KPIs (FY2020) ▶ Stakeholder Engagement

ECONOMIC

Disclosures No.	Requirements	Page References (or Reasons for Omission)
GRI Standard		
Economic Performance		
103-1	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: <ol style="list-style-type: none"> where the impacts occur; the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. 	<ul style="list-style-type: none"> ▶ Overview of Sustainability Communication (Covered Organization) ▶ Back numbers of CSR -KPIs (FY2020) ▶ SDGs in Business Management
103-2	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: <ol style="list-style-type: none"> Policies Commitments Goals and targets Responsibilities Resources Grievance mechanisms Specific actions, such as processes, projects, programs and initiatives 	<ul style="list-style-type: none"> ▶ Policy ▶ Management System ▶ Materiality and KPIs
103-3	a. An explanation of how the organization evaluates the management approach, including: <ol style="list-style-type: none"> the mechanisms for evaluating the effectiveness of the management approach; the results of the evaluation of the management approach; any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Management System ▶ Back numbers of CSR -KPIs (FY2020) ▶ Stakeholder Engagement

GRI Content Index

201-1	<p>a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:</p> <ul style="list-style-type: none"> i. Direct economic value generated: revenues; ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments; iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'. <p>b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.</p>	<ul style="list-style-type: none"> ▶ Financial Highlights ▶ Investor Materials ▶ Major ESG Data (Governance Data)
201-2	<p>a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:</p> <ul style="list-style-type: none"> i. a description of the risk or opportunity and its classification as either physical, regulatory, or other; ii. a description of the impact associated with the risk or opportunity; iii. the financial implications of the risk or opportunity before action is taken; iv. the methods used to manage the risk or opportunity; v. the costs of actions taken to manage the risk or opportunity. 	<ul style="list-style-type: none"> ▶ Materiality identification process ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Key Initiatives – Business partners: Mitigation of Climate Change ▶ Key Initiatives – Communities: Adaptation to Climate Change ▶ Key Initiatives – Agencies: Mitigation of Climate Change ▶ Assurance by a Third-Party Organization ▶ Addressing ESG Issues in Sompo Group Business Operations ▶ SOMPO Climate Action
201-3	<p>a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.</p> <p>b. If a separate fund exists to pay the plan's pension liabilities:</p> <ul style="list-style-type: none"> i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them; ii. the basis on which that estimate has been arrived at; iii. when that estimate was made. <p>c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.</p> <p>d. Percentage of salary contributed by employee or employer.</p> <p>e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.</p>	<ul style="list-style-type: none"> ▶ Integrated Annual Report 2022 (Retirement Benefits Outline of retirement benefit plans)
201-4	<p>a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including:</p> <ul style="list-style-type: none"> i. tax relief and tax credits; ii. subsidies; iii. investment grants, research and development grants, and other relevant types of grant; iv. awards; v. royalty holidays; vi. financial assistance from Export Credit Agencies (ECAs); vii. financial incentives; viii. other financial benefits received or receivable from any government for any operation. <p>b. The information in 201-4-a by country.</p> <p>c. Whether, and the extent to which, any government is present in the shareholding structure.</p>	Not applicable
Indirect Economic Impacts		
103-1	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> ▶ Overview of Sustainability Communication (Covered Organization) ▶ Materiality identification process ▶ Back numbers of CSR –KPIs (FY2020)
103-2	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 	<ul style="list-style-type: none"> ▶ Policy ▶ Management System

103-3	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Management System ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement
203-1	<p>a. Extent of development of significant infrastructure investments and services supported.</p> <p>b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.</p> <p>c. Whether these investments and services are commercial, in-kind, or pro bono engagements.</p>	<ul style="list-style-type: none"> ▶ Major ESG Data (Governance Data) ▶ Key Initiatives – Stockholders / Investors: Contributing Community through Business ▶ Key Initiatives – Communities: Engagement with Communities ▶ Key Initiatives – Communities: Contributing to Community through the Arts and Culture ▶ Actions Sompo Group Is Taking to Tackle COVID-19 ▶ Supporting Reconstruction after the Large-Scale Disasters
203-2	<p>a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.</p> <p>b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.</p>	<ul style="list-style-type: none"> ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Key Initiatives – Communities: Adaptation to Climate Change ▶ Key Initiatives – Stockholders / Investors: Solutions for Environmental Issues
Anti-corruption		
103-1	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> ▶ SDGs in Business Management ▶ Overview of Sustainability Communication (Covered Organization)
103-2	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 	<ul style="list-style-type: none"> ▶ Compliance System ▶ Global Business Expansion
103-3	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Compliance System
205-1	<p>a. Total number and percentage of operations assessed for risks related to corruption.</p> <p>b. Significant risks related to corruption identified through the risk assessment.</p>	Information unavailable. Will collect/ analyze information and work toward its disclosure.
205-2	<p>a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.</p> <p>b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.</p> <p>c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.</p> <p>d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.</p> <p>e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.</p>	<ul style="list-style-type: none"> ▶ Major ESG Data (Governance Data)
205-3	<p>a. Total number and nature of confirmed incidents of corruption.</p> <p>b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.</p> <p>c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.</p> <p>d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.</p>	Information unavailable. Will collect/ analyze information and work toward its disclosure.

ENVIRONMENTAL

Disclosures No. GRI Standard	Requirements	Page References (or Reasons for Omission)
Materials		
103-1	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	<ul style="list-style-type: none"> ▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management ▶ Materiality identification process ▶ Back numbers of CSR –KPIs (FY2020) ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Stakeholder Engagement
103-2	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	<ul style="list-style-type: none"> ▶ Policy ▶ Management System
103-3	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	<ul style="list-style-type: none"> ▶ Management System ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement ▶ Major ESG Data (Environmental Performance Data)
301-1	a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by: i. non-renewable materials used; ii. renewable materials used.	<ul style="list-style-type: none"> ▶ Major ESG Data (Environmental Performance Data) ▶ Key Initiatives – Business partners: Mitigation of Climate Change
301-2	a. Percentage of recycled input materials used to manufacture the organization's primary products and services.	▶ Major ESG Data (Environmental Performance Data)
301-3	a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected.	▶ Major ESG Data (Environmental Performance Data)
Energy		
103-1	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	<ul style="list-style-type: none"> ▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management ▶ Materiality identification process ▶ Back numbers of CSR –KPIs (FY2020) ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Stakeholder Engagement
103-2	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	<ul style="list-style-type: none"> ▶ Policy ▶ Management System
103-3	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	<ul style="list-style-type: none"> ▶ Management System ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement ▶ Major ESG Data (Environmental Performance Data)

302-1	a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used.	▶ Major ESG Data (Environmental Performance Data)
302-2	a. Energy consumption outside of the organization, in joules or multiples. b. Standards, methodologies, assumptions, and/or calculation tools used. c. Source of the conversion factors used.	▶ Major ESG Data (Environmental Performance Data)
302-3	a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both.	▶ Major ESG Data (Environmental Performance Data)
302-4	a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all. c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. d. Standards, methodologies, assumptions, and/or calculation tools used.	▶ Major ESG Data (Environmental Performance Data)
302-5	a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples. b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. c. Standards, methodologies, assumptions, and/or calculation tools used.	▶ Major ESG Data (Environmental Performance Data)
Biodiversity		
103-1	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	<ul style="list-style-type: none"> ▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management ▶ Back numbers of CSR –KPIs (FY2020) ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Stakeholder Engagement ▶ Addressing ESG Issues in Sompco Group Business Operations
103-2	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	<ul style="list-style-type: none"> ▶ Policy ▶ Management System
103-3	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	<ul style="list-style-type: none"> ▶ Management System ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement ▶ Major ESG Data (Environmental Performance Data)

304-1	<p>a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information:</p> <ul style="list-style-type: none"> i. Geographic location; ii. Subsurface and underground land that may be owned, leased, or managed by the organization; iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas; iv. Type of operation (office, manufacturing or production, or extractive); v. Size of operational site in km² (or another unit, if appropriate); vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem); vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation). 	Not applicable
304-2	<p>a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:</p> <ul style="list-style-type: none"> i. Construction or use of manufacturing plants, mines, and transport infrastructure; ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources); iii. Introduction of invasive species, pests, and pathogens; iv. Reduction of species; v. Habitat conversion; vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level). <p>b. Significant direct and indirect positive and negative impacts with reference to the following:</p> <ul style="list-style-type: none"> i. Species affected; ii. Extent of areas impacted; iii. Duration of impacts; iv. Reversibility or irreversibility of the impacts. 	<ul style="list-style-type: none"> ▶ Key Initiatives – Civil society groups: Conservation of Biodiversity
304-3	<p>a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals.</p> <p>b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.</p> <p>c. Status of each area based on its condition at the close of the reporting period.</p> <p>d. Standards, methodologies, and assumptions used.</p>	<ul style="list-style-type: none"> ▶ Key Initiatives – Civil society groups: Conservation of Biodiversity
304-4	<p>a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk:</p> <ul style="list-style-type: none"> i. Critically endangered ii. Endangered iii. Vulnerable iv. Near threatened v. Least concern 	Not applicable
Emissions		
103-1	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> ▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management ▶ Materiality identification process ▶ Back numbers of CSR –KPIs (FY2020) ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Stakeholder Engagement ▶ Addressing ESG Issues in Sampo Group Business Operations
103-2	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 	<ul style="list-style-type: none"> ▶ Policy ▶ Management System
103-3	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Management System ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement ▶ Major ESG Data (Environmental Performance Data)

305-1	<p>a. Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.</p> <p>d. Base year for the calculation, if applicable, including:</p> <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<ul style="list-style-type: none"> ▶ Major ESG Data (Environmental Performance Data) ▶ Assurance by a Third-Party Organization
305-2	<p>a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.</p> <p>c. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>d. Base year for the calculation, if applicable, including:</p> <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<ul style="list-style-type: none"> ▶ Major ESG Data (Environmental Performance Data) ▶ Assurance by a Third-Party Organization
305-3	<p>a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.</p> <p>d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.</p> <p>e. Base year for the calculation, if applicable, including:</p> <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. <p>f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<ul style="list-style-type: none"> ▶ Major ESG Data (Environmental Performance Data) ▶ Assurance by a Third-Party Organization
305-4	<p>a. GHG emissions intensity ratio for the organization.</p> <p>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</p> <p>c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p> <p>d. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p>	<ul style="list-style-type: none"> ▶ Major ESG Data (Environmental Performance Data)
305-5	<p>a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO₂ equivalent.</p> <p>b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Base year or baseline, including the rationale for choosing it.</p> <p>d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p> <p>e. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<ul style="list-style-type: none"> ▶ Major ESG Data (Environmental Performance Data) ▶ Assurance by a Third-Party Organization
305-6	<p>a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent.</p> <p>b. Substances included in the calculation.</p> <p>c. Source of the emission factors used.</p> <p>d. Standards, methodologies, assumptions, and/or calculation tools used.</p>	Not applicable
305-7	<p>a. Significant air emissions, in kilograms or multiples, for each of the following:</p> <ul style="list-style-type: none"> i. NOX ii. SOX iii. Persistent organic pollutants (POP) iv. Volatile organic compounds (VOC) v. Hazardous air pollutants (HAP) vi. Particulate matter (PM) vii. Other standard categories of air emissions identified in relevant regulations <p>b. Source of the emission factors used.</p> <p>c. Standards, methodologies, assumptions, and/or calculation tools used.</p>	Not applicable

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Environmental Compliance		
103-1	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> ▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management ▶ Back numbers of CSR –KPIs (FY2020) ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Stakeholder Engagement
103-2	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 	<ul style="list-style-type: none"> ▶ Policy ▶ Management System
103-3	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Management System ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement ▶ Major ESG Data (Environmental Performance Data)
307-1	<p>a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:</p> <ul style="list-style-type: none"> i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. <p>b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.</p>	Not applicable

SOCIAL

Disclosures No.	Requirements	Page References (or Reasons for Omission)
GRI Standard		
Training and Education		
103-1	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> ▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement
103-2	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 	<ul style="list-style-type: none"> ▶ Policy ▶ Diversity and Inclusion
103-3	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Stakeholder Engagement

404-1	<p>a. Average hours of training that the organization's employees have undertaken during the reporting period, by:</p> <ul style="list-style-type: none"> i. gender; ii. employee category. 	Information unavailable. Will collect/ analyze information and work toward its disclosure.
404-2	<p>a. Type and scope of programs implemented and assistance provided to upgrade employee skills.</p> <p>b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.</p>	▶ Key Initiatives – Employees: Building Resilient Organizations through Human Resources Development
404-3	<p>a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.</p>	▶ Key Initiatives – Employees: Building Resilient Organizations through Human Resources Development
Diversity and Equal Opportunity		
103-1	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> ▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement
103-2	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives 	<ul style="list-style-type: none"> ▶ Policy ▶ Diversity and Inclusion
103-3	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement ▶ Major ESG Data (Social Performance Data)
405-1	<p>a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:</p> <ul style="list-style-type: none"> i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). <p>b. Percentage of employees per employee category in each of the following diversity categories:</p> <ul style="list-style-type: none"> i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). 	▶ Major ESG Data (Social Performance Data)
405-2	<p>a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.</p> <p>b. The definition used for 'significant locations of operation'.</p>	Information unavailable. Will collect/ analyze information and work toward its disclosure.
Human Rights Assessment		
103-1	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> ▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement ▶ Key Initiatives – Employees: Respect for Human Dignity and Rights ▶ Addressing ESG Issues in Sompoo Group Business Operations

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103-2	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ol style="list-style-type: none"> Policies Commitments Goals and targets Responsibilities Resources Grievance mechanisms Specific actions, such as processes, projects, programs and initiatives 	<ul style="list-style-type: none"> ▶ Policy ▶ Key Initiatives – Employees: Respect for Human Dignity and Rights
103-3	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ol style="list-style-type: none"> the mechanisms for evaluating the effectiveness of the management approach; the results of the evaluation of the management approach; any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Stakeholder Engagement ▶ Key Initiatives – Employees: Respect for Human Dignity and Rights
412-1	<p>a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.</p>	<ul style="list-style-type: none"> ▶ Respect for Human Dignity and Rights
412-2	<p>a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p> <p>b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p>	<ul style="list-style-type: none"> ▶ Major ESG Data (Governance Data) ▶ Key Initiatives – Employees: Respect for Human Dignity and Rights
412-3	<p>a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.</p> <p>b. The definition used for 'significant investment agreements'.</p>	<p>Information unavailable. Will collect/ analyze information and work toward its disclosure.</p>
Local Communities		
103-1	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ol style="list-style-type: none"> where the impacts occur; the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> ▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management ▶ Materiality identification process ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement
103-2	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ol style="list-style-type: none"> Policies Commitments Goals and targets Responsibilities Resources Grievance mechanisms Specific actions, such as processes, projects, programs and initiatives 	<ul style="list-style-type: none"> ▶ Policy ▶ Management System
103-3	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ol style="list-style-type: none"> the mechanisms for evaluating the effectiveness of the management approach; the results of the evaluation of the management approach; any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Management System ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement ▶ Major ESG Data (Environmental Performance Data, Social Performance Data)
413-1	<p>a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:</p> <ol style="list-style-type: none"> social impact assessments, including gender impact assessments, based on participatory processes; environmental impact assessments and ongoing monitoring; public disclosure of results of environmental and social impact assessments; local community development programs based on local communities' needs; stakeholder engagement plans based on stakeholder mapping; broad based local community consultation committees and processes that include vulnerable groups; works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; formal local community grievance processes. 	<ul style="list-style-type: none"> ▶ Key Initiatives – Civil society groups: Prevention of Road Traffic Accidents ▶ Key Initiatives – Civil society groups: Conservation of Biodiversity ▶ Key Initiatives – Communities: Evaluation of CSR Programs
413-2	<p>a. Operations with significant actual and potential negative impacts on local communities, including:</p> <ol style="list-style-type: none"> the location of the operations; the significant actual and potential negative impacts of operations. 	<p>Not applicable</p>

Public Policy		
415-1	<p>Political Contributions</p>	<ul style="list-style-type: none"> ▶ Value of political contributions*1
Customer Privacy		
103-1	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ol style="list-style-type: none"> where the impacts occur; the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> ▶ SDGs in Business Management ▶ Overview of Sustainability Communication (Covered Organization)
103-2	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ol style="list-style-type: none"> Policies Commitments Goals and targets Responsibilities Resources Grievance mechanisms Specific actions, such as processes, projects, programs and initiatives 	<ul style="list-style-type: none"> ▶ http://www.sompo-hd.com/company/compliance/privacy/ (In Japanese)
103-3	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ol style="list-style-type: none"> the mechanisms for evaluating the effectiveness of the management approach; the results of the evaluation of the management approach; any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ http://www.sompo-hd.com/company/compliance/privacy/ (In Japanese)
418-1	<p>a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:</p> <ol style="list-style-type: none"> complaints received from outside parties and substantiated by the organization; complaints from regulatory bodies. <p>b. Total number of identified leaks, thefts, or losses of customer data.</p> <p>c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.</p>	<ul style="list-style-type: none"> ▶ Key Initiatives – Customers: Providing the Highest Possible Quality of Service ▶ Number of complaints concerning customer privacy from regulatory body*2
Socioeconomic Compliance		
103-1	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ol style="list-style-type: none"> where the impacts occur; the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> ▶ SDGs in Business Management ▶ Overview of Sustainability Communication (Covered Organization)
103-2	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ol style="list-style-type: none"> Policies Commitments Goals and targets Responsibilities Resources Grievance mechanisms Specific actions, such as processes, projects, programs and initiatives 	<ul style="list-style-type: none"> ▶ Compliance System ▶ Global Business Expansion
103-3	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ol style="list-style-type: none"> the mechanisms for evaluating the effectiveness of the management approach; the results of the evaluation of the management approach; any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Compliance System
419-1	<p>a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:</p> <ol style="list-style-type: none"> total monetary value of significant fines; total number of non-monetary sanctions; cases brought through dispute resolution mechanisms. <p>b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.</p> <p>c. The context against which significant fines and non-monetary sanctions were incurred.</p>	<p>Not applicable</p>

*1 In FY2021, Sompo Japan made political donations amounting to 13.1 million yen.

In Japan, it is mandatory for political organizations to release the status of income and spending of political funds. Therefore, the above mentioned amount is to be disclosed in the Official Gazette and prefectural public notice.

*2 In FY2021, there was no complaints concerning customer privacy from regulatory body.

Third Party Comments

Third Party Opinion of the Sampo Group's CSR and Sustainability Initiatives

Hideto Kawakita

CEO, International Institute for Human, Organization and the Earth
 Publisher, Socio Management Review

IHOE: An NPO established in 1994 "for the democratic and balanced development for all the lives on the Earth." While their main focus is providing management support to civil society organizations and social business operators, IHOE also provides support for social responsibility initiatives by major companies.
<https://blog.canpan.info/ihoeh/> (in Japanese)



This third-party opinion is based on the information available in the CSR and sustainability section of the Sampo Holdings website, the integrated annual report released in August 2022, and with reference to interviews with personnel from SOMPO Care and those from the Administration, Human Capital, CSR/Sustainability, and Social Contribution Departments of Sampo Japan Insurance. It concerns activities undertaken in fiscal 2021 and those ongoing in fiscal 2022 (until the end of November 2022).

In addition to the ongoing implementation of CSR and sustainability initiatives, the Sampo Group has defined policies for medium- and long-term material issues, and I believe the Group has reached the stage where it ought to step up its collaboration with external parties and further its efforts to solve social issues and promote value creation, including business model development.

Areas Evaluated Highly

- On the topic of management geared towards achieving the corporate purpose, the Group has articulated the three values it seeks to provide to society and the driving force behind their implementation currently rests with the motives (My Purpose) of the employees themselves. I commend the fact that these values continue to be confirmed and shared. I also highly evaluate the fact that the Group has set KPIs for achieving its purpose and is disclosing its progress towards attaining them. I continue to look forward to seeing the Group forecast the kind of social issues it needs to address and expand its KPIs to include reductions in greenhouse gas (GHG) emissions and respect for human rights, among other indicators, so that its social values can also be put into practice at each workplace and linked to the creation of business partners in its value chain to implement initiatives relating to fundamental sustainability/CSR issues, such as the environment and human rights, and promote collaboration on its theme park platform with various companies and NPOs/NGOs for the development, provision and evolution of solutions.
- On the topic of initiatives expected to generate social value in the Nursing Care & Senior Business, I hold a favorable view of the fact that the Group is deploying the utilization of real data as a business to other companies and government agencies. I hope that going forward the information obtained can be utilized to quantitatively grasp the contribution to the optimization of services to users and the improvement of employee motivation, and then leveraged to build out a platform that is beneficial to users and employees, not just nursing care providers. I am also still keen to see the Group pool its strengths to lead the way in developing businesses related to risk preparedness, including insurance products and risk consulting in the Nursing Care & Senior Business, and BCP/BCM planning and training of human resources to respond to natural disasters and infectious diseases in particular.

Initiatives Progressing Well but Requiring Further Effort

- On the topic of mitigating and adapting to climate change, I commend the Group for continuing to reduce its paper consumption mainly by reviewing the types of forms it uses, continuing to introduce renewable energy, establishing GHG emission reduction targets for customers to whom it extends investments and loans, responding to climate change risks and opportunities primarily by providing risk consultations and agricultural and weather index insurance services to customers, suspending the underwriting of new insurance contracts for, and investments and loans to, coal-fired power plants and coal mine developments, and continuing long-term programs in collaboration with civil society, such as public seminars on environmental issues and wildlife conservation activities. Going forward, in order to achieve the Japanese government's pledge to reduce greenhouse gas emissions in Japan by 46% by 2030 (compared to 2013), I continue to strongly urge the Group to expand its initiatives so that its Group companies and agencies can benefit from a

knock-on effect, and so that it can assist clients in introducing renewable energy and improving business efficiency and insulation, and promote initiatives for protecting biodiversity and other resources at the Group's paper suppliers. In Japan and overseas, I would also like to see the Group support, from a financial and insurance perspective, the so-called "eco-driving campaign" and decarbonization investments. With that in mind, in order to ascertain, in concrete terms, the kind of world, customers, and Group situation it will likely encounter in the 2050s, I think the Group's TCFD scenarios need to be quantitative and more accurate. Furthermore, I still hope to see an evolution in the Group's services by way of active collaboration with agencies, business partners, and NPOs/NGOs, which is one of the Group's major strengths, to meet the requirements of the TNFD as well, and strengthen services that support the formulation of sector-specific assumption scenarios.

- On the topic of human rights initiatives, I commend the Group for (1) identifying and working on material issues, including employee health and safety and long working hours, based on the Group's human rights materiality assessments in line with its policy on human rights, for (2) developing consultation-oriented insurance services as a business, and for (3) conducting workplace surveys at SOMPO Care. In the future, to promote human rights transformation and financing that respects human rights (and prevents infringements) in the P&C insurance sector and at business partners, I hope to see successive developments starting with industries thought to have the biggest impact regarding human rights due diligence, the avoidance of negative impacts, and access to remedy in the event that issues do arise. I also hope to see the United Nations Guiding Principles on Business and Human Rights (Ruggie Framework) being put into practice at the entire Group and more opportunities for the Group's executives and employees, as well as those of its agencies, to receive relevant training, in light of the Group's interaction with society on multiple fronts and the fact that it holds a dominant position in numerous settings.
- On the topic of business and organizational management that takes into consideration human diversity, the approach of Sampo Japan Insurance to produce a manual on how to interact with senior citizens and people with disabilities, as well as the Group's definition of HR core values and the formulation of a succession plan for 88 key posts in the Group, are positive developments. I hope the Group will continue to clarify its long-term personnel portfolio targets and I also expect the Group to continue to expand its system for nurturing the next generation of globally active senior management by providing training to validate assumptions in preparation for the market and business environment of the future. I would also like to see the Group encouraging the creation of communities where people with disabilities and other minority employees can share their experience and knowledge and mutually support each other in the context of their stage in life. I also want to see the continued use of easy-to-understand Japanese, for not only the benefit of foreigners in Japan, but to assist customers with dementia or other disorders.
- On the topic of maintaining and improving the health of employees and providing a supportive workplace, it is positive that 25% of employees now use leave, shorter working hours, and teleworking schemes designed to accommodate childcare, elderly care, and nursing care commitments. In the future, I strongly hope that the Group will continue to provide support to young female employees to prevent illness and manage their health in order to reduce the gender gap in the years of service to a more reasonable level.
- On the topic of social contribution activities in the area of culture and art, I highly rate the Group's efforts to create various opportunities, for example, by operating an art museum and hosting workshops. Going forward, I hope to see such initiatives evolve with a view to the connections between art, including the fine arts, culture, and finance, as well as the development and provision of platform functions for companies and operators of art museums.

Response to Third-Party Opinion

Ryoko Shimokawa

Group CSuO, Senior Vice President and Executive Officer



I would like to thank Mr. Kawakita again for his assessment of the Group's efforts to solve social issues to achieve SOMPO's Purpose, as well as for his advice on improvements and expectations of further progress. Mr. Kawakita has been providing third-party opinions on our reports since 2001. We have found his informed opinions, which are attuned to changes in the external environment and the Group's initiatives, to be very useful in advancing specific discussions within the Company.

In this year's third-party opinion, he gave us high marks for our management framework, which identifies the value that SOMPO provides to society, sets KPIs for achieving this, and manages its progress. This framework is one of the strengths of the Sampo Group, and we intend to make it even more effective so that each of our businesses can provide solid value to its customers, business partners, and other stakeholders. On the other hand, I recognize that, as Mr. Kawakita mentioned among his expectations, putting this framework into practice in the workplace is extremely important. We will work to ensure that each and every employee of the Group sees this as one's own personal matter, while also working to promote purpose dissemination and culture change, with My Purpose as the starting point.

Looking to future issues, Mr. Kawakita also mentioned that he would like to see us expand our initiatives to address environmental issues, such as the reduction of greenhouse gases and consideration for biodiversity in the procurement of paper, and to promote the evolution of related services, with the involvement of insurance agencies, business partners, and other key partners of the Group, which is mainly engaged in the insurance business. For the Sampo Group, insurance agents are the starting point for customer contact, so we will work to gain their understanding and sympathy for efforts to solve social issues, discuss specific measures to be taken, and work together with our business partners to realize a better society through dialogue. Mr. Kawakita also raised the issue of how to deal with human rights risks, which Japanese companies have been taking steps to address in recent years. This reminded me once again that we have an important responsibility to not only develop our own framework for dealing with human rights risks, but to leverage our risk management knowledge and know-how to encourage a human rights transformation among our business partners. Although we are already developing products and services in this domain, further measures, such as industry-specific risk analysis, will lead to social transformation and the acquisition of economic value for the Group.