

Sompo Holdings Sustainability Report 2023



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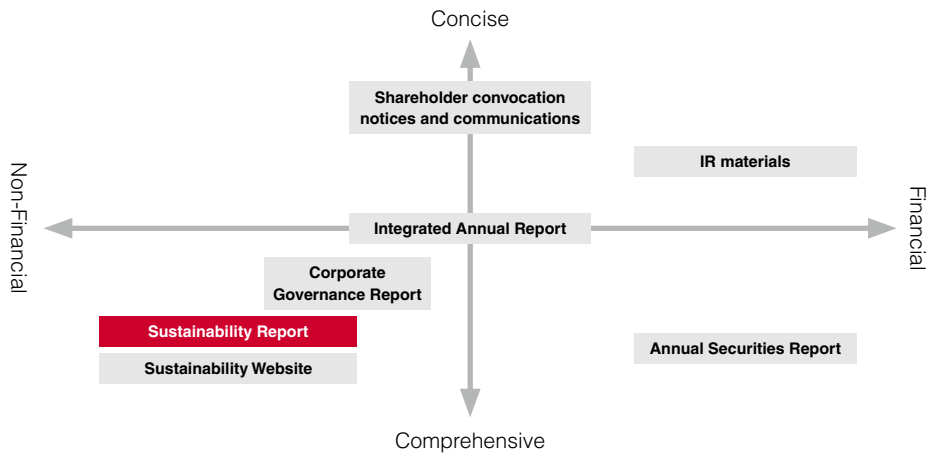
The main purpose of the Sompo Holdings Sustainability Report 2023 is to report on the efforts of the Sompo Group to achieve “Materiality,” which are priority environmental (E), social (S), and governance (G) issues, for realizing the Group’s Purpose.

Because it is intended to serve as a tool for engagement with all stakeholders, this Report was compiled based on international guidelines such as the United Nations Global Compact and the GRI Standards.

Please see the next page for information on how to read this Report.

Overview of sustainability communication

The Sustainability Report 2023 is a comprehensive and systematic summary of the Group’s most recent sustainability information.



- Web Reference data
- [Annual Report 2023](#)
 - [Sustainability Website](#)
 - [Investor Materials](#)
 - [Corporate Governance Report](#)
 - [Annual Securities Report](#) (in Japanese)

Reporting period

This Report relates mainly to initiatives from April 1, 2022, to March 31, 2023, but also contains some latest initiatives and policies to provide updated information.

The section “Third Party Opinion of the Sompo Group’s CSR and Sustainability Initiatives” was written based on interviews with the Company conducted up to mid-December.

Scope of this report

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

Publication period

March 2024

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

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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.

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Overview of information in the Sustainability Report 2023

This report provides a comprehensive overview of the Sompo Group's sustainability initiatives, with a focus on initiatives that fall under the "Materiality Subcategory*."

*Materiality subcategories are social issues that are prioritized in order to achieve the Sompo Group's seven material issues, which are priority issues for realizing the Group's Purpose.

How each initiative is described

The details of each initiative are systematically presented under the categories **Concept and Policy**, **Structure**, and **Activity and Result**. In addition, initiatives that fall under the category "partnership with various stakeholders to achieve transformation," which can be found under all seven material issues, are labeled **Partnership**.

Furthermore, to clearly communicate what kinds of social issues we are contributing to solving, we list the SDG targets that are most closely related to our Group initiatives.

*SDG targets are listed based on the relationships indicated in the SDGs Matrix prepared by the Company (see pages 84-85 of the Integrated Annual Report 2023).

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Information presented in the Sustainability Report 2023

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Initiatives towards the Achievement of Materiality				
Materiality	Materiality Subcategory			
Provide preparedness for all types of risk	Promoting financial inclusion and ensuring universal access to insurance			P.64
	Contributing to a sustainable food supply			P.24
Prevent accidents and disasters, contribute to a resilient society	Contributing to a society that is resilient against natural disasters			P.66
	Contributing to a safe and secure next-generation mobility society			P.68
	Improving the quality of customer services			P.80
	Educating future generations (disaster prevention and traffic safety)			P.83
Contribute to a greener society where the economy, society and environment are in harmony	Promoting sustainable finance (underwriting and developing insurance products, and investment and lending)			P.17
	Realizing a carbon neutral society			
	Incorporating ESG into the value chain			
	Biodiversity conservation, contributing to the realization of a circular society and a society in harmony with nature			
Provide solutions for healthy and happy lives	Extending life expectancy			P.70
	Contributing to a smart society			
Contribute to a sustainable aging society	Contributing to a sustainable social security system			P.77
A group of talent who can change future society	Improving employee engagement			P.41
	Promoting Health and Productivity Management®, and responding appropriately to risks to human dignity and human rights			
	Promoting diversity & inclusion			
	Investing in human resources (lifelong learning and recurrent education)			
Build a platform for partnerships towards creating value	Promoting a data-driven society			P.78

Co-creating with diverse stakeholders to achieve transformation

Fulfilling governance functions P.91

+ Initiatives that are unique to SOMPO Group other than the above

+ Initiatives that are unique to SOMPO Group other than the above

PDF For Materiality KPIs, please refer to [Materiality KPIs](#) (P.10-11).



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Sustainability Vision and 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 Sompo 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(WEPs), The OECD Guidelines for Multinational Enterprises and ISO26000.



Sustainability Vision and Policy

Group Sustainable Procurement Policy

Sompo 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 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 (Sompo 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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Group CSuO (Chief Sustainability Officer) Message



Ryoko Shimokawa
Group CSuO, Senior Vice President
and Executive Officer

First and foremost, I would like to deeply apologize to our customers, agents, shareholders, and all other stakeholders for the administrative sanctions (business improvement orders) brought against Sompo Holdings and its subsidiary, Sompo Japan Insurance, by the Financial Services Agency regarding the practice of adjusting insurance policy premiums, and against Sompo Japan Insurance and Sompo Holdings regarding fraudulent automobile insurance claims by used car dealerships that act as insurance agencies for Sompo Japan Insurance. We understand the significant inconvenience and concerns these have caused. We are treating these incidents with the utmost seriousness and, together with Sompo Japan Insurance, we will make a concerted effort to implement business improvement plans. We will double down on legal/regulatory compliance and customer protection measures and strive to regain the trust of customers and society.

To regain the trust of our stakeholders as we make progress on our business improvement plans, each and every officer and employee of the Sompo Group must proactively tackle social issues in their day-to-day work. It is imperative that we continue to press ahead without abandoning the progress we have made thus far. An unequivocal focus at the heart of our management on the sustainability of society through issues such as the increasingly serious climate change crisis and the loss of biodiversity, and respect for human rights across all walks of life, is indispensable if our company is to achieve sustainable growth. As Group Chief Sustainability officer (CSuO), I intend to thoroughly incorporate the feedback and opinions I gather through dialogue with stakeholders into the Group's management policies.

2023 was the final year of the Mid-Term Management Plan that sought to embody SOMPO's Purpose—A Theme Park for Security, Health & Wellbeing—and the third year of positioning Sustainable Development Goals (SDG) in Business Management as the business foundation of the Mid-Term Management Plan. SDGs in Business Management are key to realizing our purpose. They are the framework for creating both social and economic value through our core business, and a mechanism for putting into practice the plans for achieving the seven items of materiality. Over the past three years, each company in the Group has clarified the relationship between SOMPO's Purpose and its own mission, vision, and values, and established a process for identifying the issues and setting the goals it must address to realize SOMPO's

Purpose. By implementing the 'plan-do-check-action' or PDCA cycle based on this framework, we make step-by-step progress to achieving SOMPO's Purpose.

One issue that we have prioritized over the last three years is climate change. In May 2021 we publicly announced SOMPO Climate Action and identified issues with a view to its implementation. We have so far focused not only on reducing our own greenhouse gas (GHG) emissions and set GHG reduction targets for our investment targets in which we hold shares and corporate bonds but we have also bolstered promotion of these efforts throughout the Group.

At the same time, in order for us to address more issues in society and deliver value through the framework we have established, we will need to align it more closely with our business strategy. We will work hand in-hand with each company in the Group to clarify what kind of value propositions our customers, partners, and other stakeholders expect from the Group. However, there is no denying that every employee in the Group does not yet understand and empathize with the significance of such initiatives, and accordingly, they have yet to take action of their own accord. We will take measures to ensure that as many employees as possible identify where they can make their own contribution by finding where the My Purpose initiative, SOMPO's Purpose, and the value provided to society come together for them.

This report has been produced by aligning our policies, structures, products, and services geared towards solving social issues and fulfilling our responsibilities to society through the Group's core businesses. I hope that it clearly communicates the kinds of social issues the Group is addressing and the kinds of social value we aim to create. I certainly hope that not only customers, shareholders, investors, non-profit/non-government organisations and other external stakeholders but also Group partners like business associates and insurance agents, as well as Group employees, will take the time to read it. We will also look to utilize the feedback and opinions received from everyone to further improve the Group's initiatives going forward.

March 2024

Ryoko Shimokawa
Group Chief Sustainability Officer, Senior Vice President and Executive Officer

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SOMPO's Purpose

With “A Theme Park for Security, Health & 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	Material issues (Key management themes)	SOMPO's vision for society and for the group
<div>Protect people from future risks facing the society</div>	<div>Provide preparedness for all types of risk</div> <div>Prevent accidents and disasters, contribute to a resilient society</div> <div>Contribute to a greener society where the economy, society and environment are in harmony</div>	<div>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</div> <div>A society in which risks are controlled and damage is minimized by detecting and preventing warning signs</div> <div>An inclusive and resilient carbon neutral society where people and nature coexist in harmony</div>
<div>Create a future society for healthy and happy lives</div>	<div>Provide solutions for healthy and happy lives</div> <div>Contribute to a sustainable aging society</div>	<div>A society in which people who need support can live independent, healthy, and happy lives in a way true to themselves</div> <div>A hopeful society in which the burden is reduced on people tasked with supporting an aging population and a declining birthrate</div>
<div>Foster the ability to change the future society with diverse talents and connections</div>	<div>A group of talent who can change future society</div> <div>Build a platform for partnerships towards creating value</div>	<div>An organization whose diverse workforce has the capacity to develop innovative solutions and transform future society</div> <div>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</div>

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Materiality identification process

Concept and Policy

Activity and Result

After holding extensive discussions on which social challenges to address and what kind of value to provide based on the SOMPO Group's strengths and resources, we identified seven material issues as key issues for fulfilling our Purpose. In addition, we analyze our materiality once a year and confirm whether changes are necessary based on changes in social challenges and the Group's business strategies as well as requests from our stakeholders.

[PROCESS1] Identifying social challenges

We have comprehensively identified social challenges that are relevant to the SOMPO Group based on international guidelines such as GRI standards, ISO 26000, and the United Nations Global Compact. By matching the social challenges identified with the Sompo Group's strategies and actions to fulfill our Purpose, we identified social challenges that are highly important for the Group.

[PROCESS2] Prioritization

For the social challenges identified in PROCESS1, we evaluated their importance by evaluating their degree of impact on stakeholders and degree of importance to the SOMPO Group and then prioritized them based on their relationships to the SDGs (which represent a universal language).

Importance evaluation criteria

- **Degree of impact on stakeholders:** Evaluated the SOMPO Group's degree of impact on stakeholders by sending ESG investment questionnaires to investors, experts, and portfolio companies and engaging in dialogue with NGOs and other stakeholders.
- **Degree of importance to the SOMPO Group:** Evaluated degree of importance to the SOMPO Group by assessing the positive and negative impacts on the Group's management strategy and business activities.

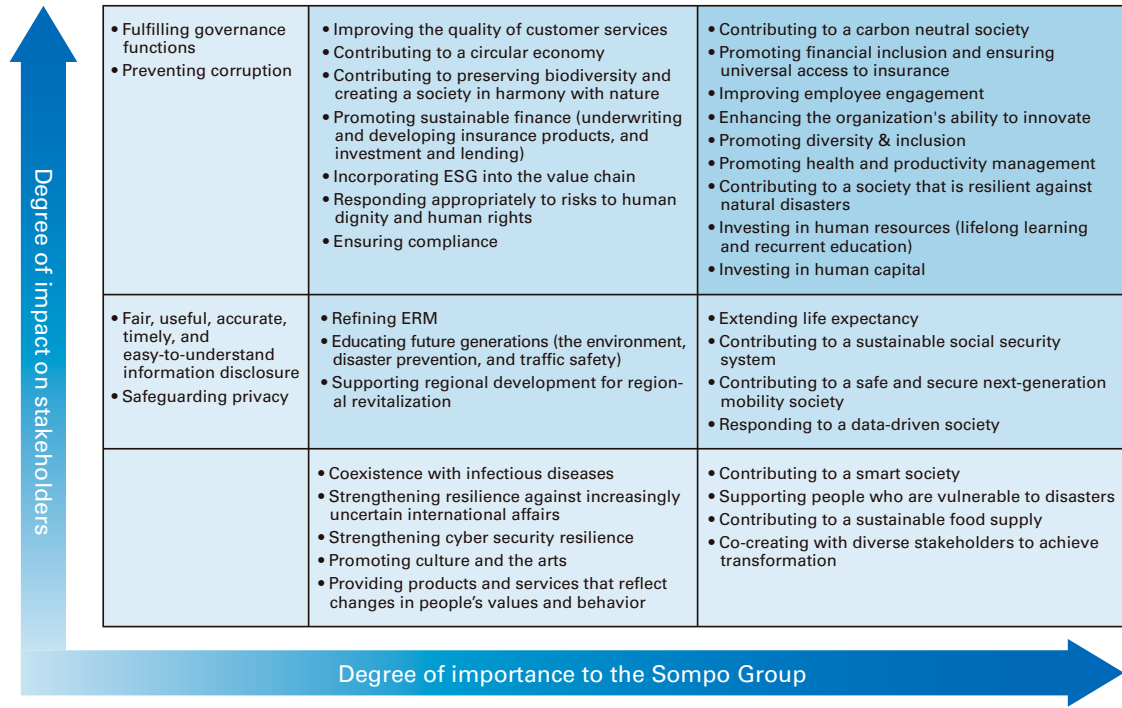
Dialogue with stakeholders

We believe that stakeholder engagement is an important activity for producing greater results by identifying social challenges and building relationships of trust and collaboration.

When reviewing our materiality in 2021, we discussed with Emiko Nagasawa, Keidanren (Japan Business Federation) Deputy General Manager* of the SDGs Headquarters, and Masaru Arai, Chair* of the Japan Sustainable Investment Forum, about what stakeholders expect and demand from us today, the appropriateness of our materiality and KPIs, and how we can further advance them by disseminating them within the company.

*Titles are those at the time of the discussion

Fy2023 social challenge map



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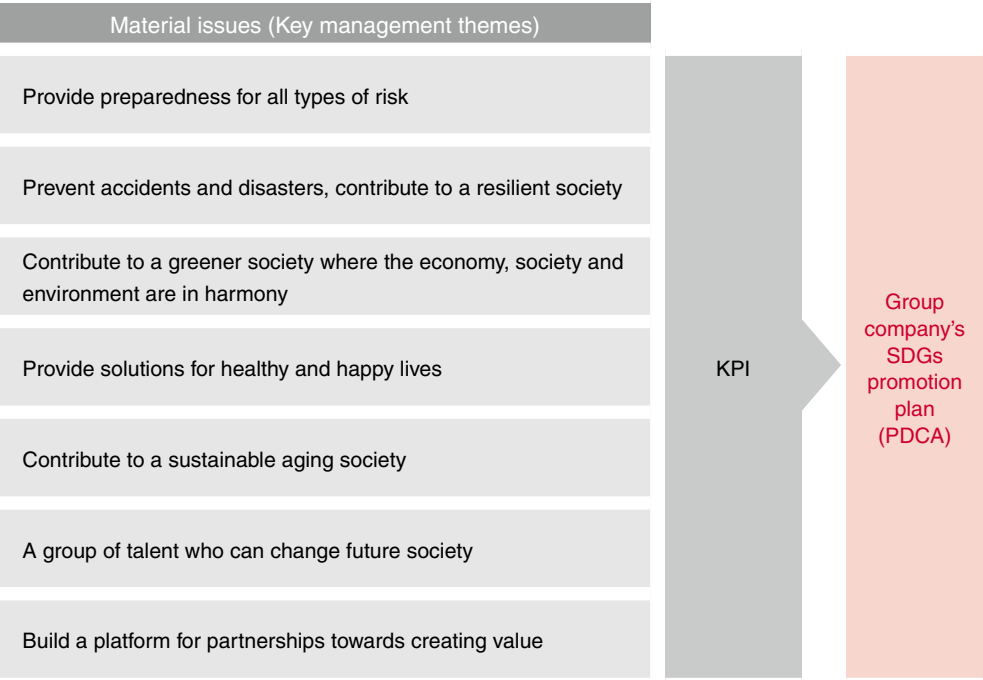
[PROCESS3] Identifying material issues and setting KPIs

We organized and integrated the priority social challenges identified in PROCESS2 to determine how to incorporate them into our management strategy and systematized them into seven material issues as key issues for fulfilling SOMPO's Purpose.

By setting KPIs for each materiality and incorporating them in the promotion plans of each LOB and company, we have established a highly effective PDCA cycle that enables us to visualize the progress of initiatives and identify issues.

Management-level discussion and approval/reporting process

After discussion by the Managerial Administrative Committee (MAC), the decision was approved by the Group COO (Director). The MAC proposal was reported to the Board of Directors. (FY2021)



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Materiality KPIs

- Concept and Policy
- Activity and Result

In addition to organizing key issues in the way of realizing the Group's Purpose into seven material issues, KPIs have been set for each materiality to define what actions need to be done and to ensure that they were penetrated in the field and that their progress is monitored. Besides using materiality KPIs as indicators to take on day-to-day challenges in each business and field, the Group also reviews, updates, and expands them according to evolving and changing of the Group's initiatives and strategies. Changes were made in 2023, such as the creation of new KPIs related to its “egaku” business launched in April. By defining not only financial but also non-financial indicators and promoting a common framework, the Group will work together as one to realize SOMPO’s Purpose.

★Newly added KPIs in FY2023

Materiality	Materiality Subcategory	Materiality KPIs		FY2022 Results		Relevant SDG Targets			SOMPO's Vision for Society and for the Group		
		KPIs	Numerical Targets	Results	Status of single-year targets						
Provide preparedness for all types of risk	Promoting financial inclusion and ensuring universal access to insurance	Co-creating with diverse stakeholders to achieve transformation	Fulfilling governance functions	Domestic net written premiums (contribution to promoting insurance)	FY2021: ¥1,988.6bn; FY2022: ¥2,055.3bn; FY2023: ¥2,079.9bn	¥2,079.3bn	Achieved	1.4	8.10	11.b	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	+11.3%	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	4.71M	Not 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)			Increase YoY	YoY increase: +2,890 insurance product sales; +¥500mil premiums	Achieved	3.3	3.4	8.10		
Contributing to a sustainable food supply	Expansion of AgriSompo's agricultural insurance business to more countries			Increase number of countries by FY2023	—	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	
Prevent accidents and disasters, contribute to a resilient society	Customer satisfaction with insurance claims paid for natural disasters			Improve YoY	YoY improvement: +1.6 points	Achieved	1.5	11.b	13.1		
	Development of products and services that help adapt to or mitigate climate change			Publish and update development results	Published in various disclosures	No single-year target set	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: +324,220 insurance product sales; +¥1.54bn premiums	Achieved	3.6	8.10	11.2		
	Customer satisfaction with insurance claims paid for car accidents			Improve YoY	YoY improvement: -0.8 points	Not achieved	3.6	8.10	11.2		
	Educating future generations (disaster prevention and traffic safety)			No. of participants in disaster prevention and traffic safety training	FY2021: 15,000; FY2022: 18,000; FY2023: 20,000	17,963	Not achieved	3.6	4.7		11.b
Contribute to a greener society where the economy, society and environment are in harmony	Promoting sustainable finance (underwriting and developing insurance products, and investment and lending)	Participation and activities in sustainability-related initiatives and rule-making	Publish and update activity results	Published in various disclosures	No single-year target set	9.4	11.4	13.3	An inclusive and resilient carbon neutral society where people and nature coexist in harmony		
	Realizing a carbon neutral society	No. of engagements with investee and borrower companies	Increase YoY	Decrease YoY	Not achieved	7.a	9.4	13.a			
		Reduction rate for Group greenhouse gas emissions	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	239,554 tCO ₂ e	No single-year target set	7.2	12.8	13.2			
	Incorporating ESG into the value chain	Switch to renewable energy sources	70% utilization rate by FY2030	5.1%	No single-year target set	7.2	12.2	13.2			
		Reduction rate for greenhouse gas emissions of investee and borrower companies	25% reduction by 2025 (compared to 2019 levels), net zero by 2050 *For Scope 3, Category 15 emissions	FY2021 Equities: 931,821 t-CO ₂ e Bonds: 909,893 t-CO ₂ e	No single-year target set	7.a	12.8	13.2			
	Biodiversity conservation, contributing to the realization of a circular society and a society in harmony with nature	No. of participants in biodiversity conservation activities and environmental education programs	FY2021: 11,500; FY2022: 9,000; FY2023: 10,500	9,472	Achieved	4.7	13.3	14.1			
Provide solutions for healthy and happy lives	Extending life expectancy	No. of Insurhealth® policies sold	End of FY2021: 300,000; End of FY2022: 460,000; End of FY2023: 420,000	440,000	Not 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	End of FY2021: 600,000; End of FY2022: 1,130,000; End of FY2023: 1,300,000	1,100,000	Not achieved	1.4	3.4	8.10			
		Sales share of Insurhealth® products	End of FY2021: 60%; End of FY2022: 70%; End of FY2023: 80%	74%	Achieved	3.4	3.a	8.10			
		No. of My Link X members	FY2022: 700,000; FY2023: 1,000,000	770,000	Achieved	1.4	3.4	8.10			
		Company name recognition	End of FY2021: 60%; End of FY2022: 70%; End of FY2023: 70%	56.8%	Not achieved	3.4	3.a	8.10			
		Perception as a company that promotes health	Life insurance industry ranking for Sompo Himawari Life Insurance: End of FY2021: No. 5; End of FY2022: No. 3; End of FY2023: No. 1	No.8	Not achieved	3.4	3.a	8.10			
		No. of branch offices offering dementia prevention programs	FY2021: 38; FY2022: 82; FY2023: 194	133	Achieved	3.4	5.4	10.2			
		Health guidance business revenue	FY2021: ¥3.519bn; FY2022: ¥3.881bn; FY2023: ¥4.039bn	¥3.693bn	Not achieved	3.4	3.5	4.7			
		Mental health service revenue	FY2021: ¥1.485bn; FY2022: ¥1.619bn; FY2023: ¥1.764bn	¥1.600bn	Not achieved	3.4	8.8	4.4			
	Contributing to a smart society	No. of smart community proof of concepts, revenue in smart community business	FY2021: 10; FY2022: 10; FY2023: ¥20mil *Revenue in the first year of commercialization	9	Not achieved	3.4	11.3	3.d			



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★Newly added KPIs in FY2023

Materiality	Materiality Subcategory			Materiality KPIs		FY2022 Results		Relevant SDG Targets			SOMPO's Vision for Society and for the Group				
				KPIs	Numerical Targets	Results	Status of single-year targets								
Contribute to a sustainable aging society	Contributing to a sustainable social security system			Co-creating with diverse stakeholders to achieve transformation	No. of facilities introducing future nursing care model	FY2021: 28; FY2022: 73; FY2023: 180	37	Not achieved	1.3	3.4	8.8	A hopeful society in which the burden is reduced on people tasked with supporting an aging population and a declining birthrate			
					Nursing care facility occupancy rate	FY2021: 90.8%; FY2022: 92.9%; FY2023: 94.8%	92.3%	Not achieved	1.3	3.4	10.2				
					No. of nursing care users	FY2021: 90,000; FY2022: 94,000; FY2023: 100,000	92,000	Not achieved	1.3	3.4	5.4				
					Care provider turnover rate	FY2021: 11.4%; FY2022: 11.0%; FY2023: 11.4%	11.7%	Not achieved	1.3	3.4	8.5				
A group of talent who can change future society	Improving employee engagement	Investing in human capital	Enhancing the organization's ability to innovate		Employee engagement	Average Gallup Q12 score of 3.70 pt in Japan and 4.10 pt overseas by end of FY2023	3.50 pt in Japan, and 4.12 pt overseas	No single-year target set	4.4	8.2	9.b	An organization whose diverse workforce has the capacity to develop innovative solutions and transform future society			
					My Purpose training participation rate	End of FY2023: 100% of eligible employees *HD and group companies in Japan	90%	No single-year target set	3.4	4.4	8.2				
	Telework rate				50% or more of whole Group *excluding frontline care givers	43%	Not achieved	4.4	5.4	9.b					
	Health and Productivity Management® indicators (Work Limitations Questionnaire)				Improve YoY at all companies	93.5%	Not achieved	3.4	4.4	8.8					
	Ratio of female managers				End of FY2023: 30% *As of April 1st, 2024	28.1% *As of April 1st, 2023	No single-year target set	5.5	8.2	10.2					
	Ratio of employees with disabilities				End of FY2023: 2.5% *As of April 1st, 2024	2.36% *As of April 1st, 2023	No single-year target set	4.4	8.2	10.2					
	Shift to job-based HR system			Introduce job-based system at all companies by end of FY2023	At Sompo Holdings, job-based system was expanded to non-managers	No single-year target set	8.2	8.5	9.5						
	No. of digital personnel developed and recruited			End of FY2023: DX specialists: 177 DX planning personnel a) Employees who have completed basic DX training: 4,000 b) Participants in AI planning, data utilization, and CX agile design training: 3,000 DX utilization personnel: 17,100 participants in training	End of FY2023: DX specialists: 69 DX planning personnel a) Employees who have completed basic DX training: 4,173 b) Participants in AI planning, data utilization, and CX agile design training: 1,797 DX utilization personnel: 17,281 participants in training	No single-year target set	4.4	8.2	9.5						
	Build a platform for partnerships towards creating value			Promoting a data-driven society			Group revenue generated by utilizing Real Data Platform	¥500bn (medium- to long-term target)	Commercialize "egaku" from FY2023	No single-year target set	3.4		9.5	17.16	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	Two projects or more by end of FY2023	Commercialize "egaku" from FY2023	No single-year target set	3.4		9.5	17.16	
★ No. of facilities introducing Nursing Care RDP "egaku"		End of FY2023: 100 facilities	—				—	3.4	8.5	9.2					
★ Operating income of Nursing Care RDP "egaku"		End of FY2030: ¥10bn	—				—	3.4	8.2	9.2					
★ Social impacts that Nursing Care RDP "egaku" creates		End of FY2040: ¥3.7trillion *Close the labor supply demand gap of 220,000 people	—				—	1.3	3.4	8.5					
(All Material issues)				Partnership KPIs Increase in no. of partnerships 1) No. of collaborations and partnerships announced to the public 2) No. of proof-of-concept and pilot tests conducted through collaborations and partnerships 3) No. of solutions provided through collaborations and partnerships	—	1) 112 2) 41 3) 51	—								



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Sustainability Promotion Structure

Promotion structure

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.

With regard to the promotion structure, the Group Sustainable Management Committee (hereinafter referred to as "the Committee") is positioned as the parent organization for promoting sustainability throughout the Group. The Committee, whose members include the CSuOs and CSOs from the four major domestic and overseas businesses, discusses and makes decisions on ESG issues, including climate change.

The Committee also drives 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 materiality and KPIs.

By establishing a Climate Change Working Group and Sustainable Management Promotion Liaison Committee under the umbrella of the Committee, we are building a system to advance information sharing and policy implementation based on the consideration of individual issues and the content of the discussions of the Committee.

Topics of discussion at the Committee are referred to the Global Executive Committee (Global ExCo)*, the Group's highest executive committee, and the Managerial Administrative Committee (MAC)*, thereby raising the quality of our decision-making. The Board of Directors (including at preliminary briefing meetings) also receives reports on the discussions held by Global ExCo and MAC, thereby increasing the effectiveness of its supervisory functions.

*Group ExCo (after April 2024)

Most recent discussions and reports at the Committee

Activity and Result

■ March 2023

- The international situation surrounding ESG issues and climate change policy based on the activities of net-zero organizations, including NGOs

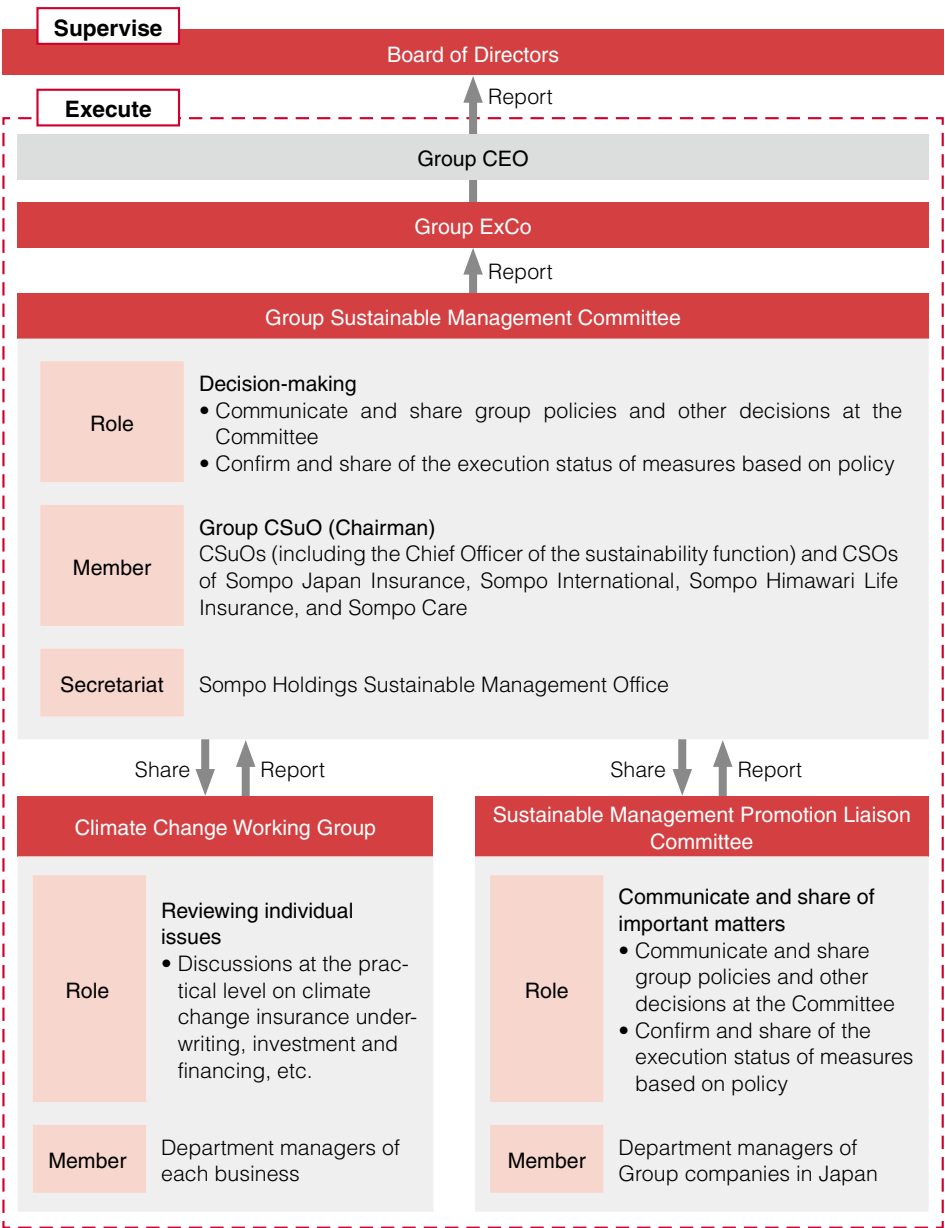
■ August 2023

- Progress of targets and metrics committed to under SOMPO Climate Action and status of initiatives
- Materiality KPIs

■ October 2023

- Policies for GHG reduction activities in and after FY2024 (Scope 1 to 3, Category 15 (including Investments and Loans))
- Targets for transition insurance in underwriting

System chart



Note: Structure after April 2024 (as of February 29, 2024)

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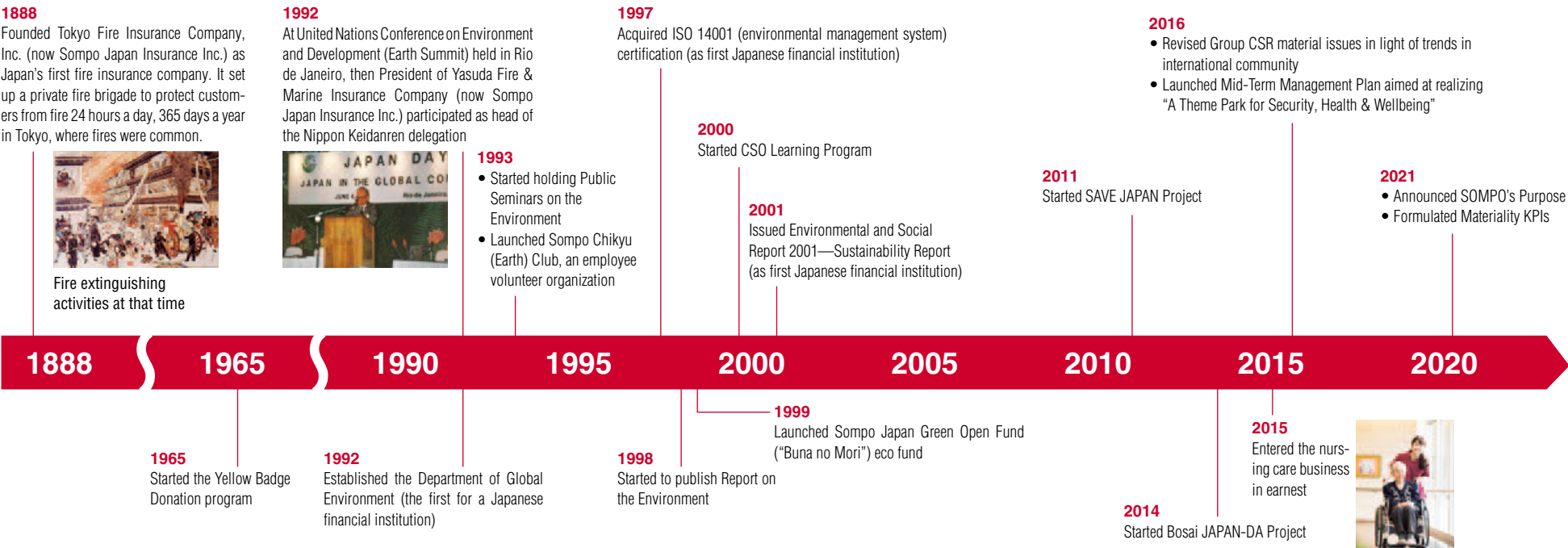
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Sustainability Milestones and Impacts of Key Initiatives

Activity and Result

Tokyo Fire Insurance Company, Inc., one of the Group's forerunners, was established in 1888 as Japan's first fire insurance company with the mission of protecting people from the threat of fire. We have deepened our sustainability efforts in keeping with the changes of the times, which have included population decline, low birthrate and population aging, climate change, and the evolution of technology. The following is an overview of our sustainability milestones and the impacts of key initiatives to date.

Sompo Group's sustainability milestones



Impacts of key initiatives

Yellow Badge Donation program	Public Seminars on the Environment	CSO Learning Program	SAVE JAPAN Project	Bosai JAPAN-DA Project
Approx. 70.82 million badges donated (as of April 2023)	Approx. 36,400 total attendees (as of March 2023)	1,276 total attendees (as of March 2023)	Approx. 61,000 total attendees (as of March 2023)	Approx. 77,000 total attendees (as of March 2023)

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Stakeholder Engagement

Activity and Result

Key stakeholders that influence our business activities are highly diverse. We value stakeholder engagement because we believe communicating with our stakeholders is important for understanding social issues, building relationships of trust and collaboration, and accomplishing greater results.

Stakeholder	Policy	Main communication methods	Main communication themes
Customers	Sompo Holdings' Group Management Philosophy calls on us to "contribute to the security, health, and wellbeing of customers and society as a whole by providing insurance and related services of the highest quality possible." To achieve this, and to become the best service provider for our customers, we have established the Sompo Group Basic Policy on Response to Customer Feedback. Each Group company will strive to develop a system for collecting and utilizing customer feedback in accordance with the characteristics of its business.	<ul style="list-style-type: none">• Customer relations office and customer call centers• Customer survey• Provide information through websites, etc.	<ul style="list-style-type: none">• Improve quality of claims service• Improve products and services• Requests regarding employees and agencies of the Sompo Group
Shareholders, investors	Through the timely and appropriate disclosure of information, we aim to ensure that shareholders and investors have a suitable understanding of the Group's business conditions and status of each initiative. We also make use of input received through constructive dialogue with shareholders and investors in order to promote sustainable growth and increase corporate value.	<ul style="list-style-type: none">• General Shareholders Meeting• Financial results briefings, IR meetings• Provide information through Integrated Annual Report, Sustainability Report, and Website	<ul style="list-style-type: none">• Medium- to long-term company strategy• Status of achievement of the Mid-Term Management Plan• Progress in Purpose Management• Status of initiatives in non-financial areas
Local Communities	We strive to coexist with local communities by understanding the impact of our business activities on local communities, conducting business activities that respond to their needs, and maintaining communication with them.	<ul style="list-style-type: none">• Social contribution activities, volunteer activities• SAVE JAPAN Project• Partnership agreements with local governments	<ul style="list-style-type: none">• Disaster prevention and mitigation in local communities• Initiatives to address environmental issues• Overall SDGs
Agencies	We value the relationship of trust we have with agencies, who are our business partners, and we will strive to provide appropriate advice and sufficient services that satisfy our customers and cooperate with each other for mutual development.	<ul style="list-style-type: none">• Conduct a survey of actual conditions for insurance agencies• Establish management consultation desk	<ul style="list-style-type: none">• Insurance products and related services• Promotion of sales to small and medium-sized enterprises, etc.• Agency system
NPO/NGO Civil societies	We strive to understand and solve social issues through dialogue and collaboration with NPOs and NGOs in various countries.	<ul style="list-style-type: none">• Regular meetings• Survey responses	<ul style="list-style-type: none">• Climate change• Human rights
Business partners	Conduct fair and equitable business with partners, observe legislation and regulations, and collaborate with them to address social issues.	<ul style="list-style-type: none">• Periodic requests for consideration of sustainability• Provide information through websites, etc.	<ul style="list-style-type: none">• The Sompo Group's environmental and CSR procurement policies
Employees	Positioning each employee's My Purpose as the foundation of human capital management, we aim to build a group of talents that share three core values: mission-driven, professionalism, and diversity & inclusion.	<ul style="list-style-type: none">• Town Hall Meetings between management team and employees• Engagement Survey	<ul style="list-style-type: none">• Satisfaction with the work environment• My Purpose



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Participation in Sustainability Initiatives

Activity and Result

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.

Group or initiative	Overview	Sompo Group activity
<div>United Nations Global Compact (UNGC)</div> <div></div>	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.	<ul style="list-style-type: none">• Signed in 2006• Submit an Annual Report on the status and results of the implementation of the four areas (human rights, labor, environment, and anti-corruption) and ten principles of the United Nations Global Compact
<div>Women's Empowerment Principles (WEPs)</div> <div><div>In support of</div><div></div></div>	International principles representing seven steps companies and private organizations can take to promote and empower women.	<ul style="list-style-type: none">• Signed in 2012• Signed by Sompo Asset Management in 2018
<div>United Nations Environment Programme Finance Initiative (UNEP FI)</div> <div></div>	The UNEP FI is an international financial sector network comprising financial institutions that aim to contribute to sustainable development.	<ul style="list-style-type: none">• Signed in 1995
<div>United Nations Principles for Responsible Investment (UN PRI)</div> <div><div>Signatory of:</div><div></div></div>	Investment principles that require financial institutions to consider environmental, social, and governance (ESG) issues when making investment decisions.	<ul style="list-style-type: none">• First Japanese insurance company to sign in 2006• Signed by Sompo Asset Management in 2012

Group or initiative	Overview	Sompo Group activity
<div>United Nations Principles for Sustainable Insurance (UN PSI)</div> <div></div>	Declaration by insurance companies to consider ESG issues in their business operations.	<ul style="list-style-type: none">• Signed in 2012• Participation in TCFD Insurance Working Group sponsored by PSI
<div>Glasgow Financial Alliance for Net Zero (GFANZ)</div> <div></div>	The GFANZ is a global coalition of financial institutions that aim to achieve net-zero greenhouse gas (GHG) emissions by the year 2050.	<ul style="list-style-type: none">• Joined in 2022• GFANZ-affiliated organizations of which the Sompo Group is a member: Net-Zero Asset Owner Alliance (NZAOA) Net Zero Asset Managers Initiative (NZAM)
<div>Partnership for Carbon Accounting Financials (PCAF)</div> <div></div>	A global industry-led initiative, consisting of financial institutions and partners, that are working to develop and implement a harmonized accounting approach to measure and disclose greenhouse gas emissions associated with their financial activities.	<ul style="list-style-type: none">• Joined in 2021
<div>World Business Council for Sustainable Development (WBCSD)</div> <div></div>	Global organization of more than 200 leading companies committed to sustainable development	<ul style="list-style-type: none">• Joined in 1995• Only Japanese financial institution that is a member

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Participation in Sustainability Initiatives

Group or initiative	Overview	Sompo Group activity
<p>Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century) (PFA)</p> 	<p>Principles developed to guide the actions of financial institutions to fulfill their roles and responsibilities to create a sustainable society.</p>	<ul style="list-style-type: none">• Signed by 10 Group companies (currently 6) in 2011• Sompo Japan Insurance serves as co-chair of the steering committee and chair of the insurance working group, while Sompo Asset Management serves as co-chair of the working group on investment, securities and investment banking.
<p>Climate Action100+</p> 	<p>Initiative aimed at effectively promoting the Principles for Responsible Investment (PRI) and the reduction of greenhouse gas emissions by asset owners and managers.</p>	<ul style="list-style-type: none">• Signed by Sompo Asset Management in 2018
<p>Japan Climate Initiative (JCI)</p> 	<p>Network established to enhance information dissemination and the exchange of opinions among non-government entities such as corporations, local governments, civic groups, and NGOs that are actively taking measures to combat climate change.</p>	<ul style="list-style-type: none">• Joined in 2018
<p>ECO-FIRST Program, the Ministry of the Environment, Japan</p> 	<p>Program under which environmentally advanced companies make a commitment to the Ministry of the Environment, Japan about the environmental conservation initiatives they will take in fields such as combating climate change.</p>	<ul style="list-style-type: none">• Became the first P&C insurance company to be certified in 2008
<p>Task Force on Climate-related Financial Disclosures (TCFD)</p> 	<p>Task Force on Climate-related Financial Disclosures established by the Financial Stability Board (FSB).</p>	<ul style="list-style-type: none">• Endorsed in 2018

Group or initiative	Overview	Sompo Group activity
<p>Taskforce on Nature-related Financial Disclosures (TNFD) Forum</p> 	<p>TNFD is an international organization established to build a framework for corporate risk management and disclosure related to nature. The TNFD Forum is a stakeholder organization established to help build the framework.</p>	<ul style="list-style-type: none">• Sompo Japan Insurance joined in 2021
<p>30by30 Alliance for Biodiversity</p> 	<p>A coalition of companies, local governments, and groups that support the registration of "other effective area based conservation measures" (OECMs) towards achieving the international goal of "30 by 30" —preserving more than 30% of land and sea by 2030.</p>	<ul style="list-style-type: none">• Sompo Japan Insurance joined in 2022
<p>Keidanren Initiative for Biodiversity Conservation</p> 	<p>Initiative by companies and groups that work on multiple items of Keidanren Declaration for Biodiversity and Action Guideline, or agree with its overall purpose.</p>	<ul style="list-style-type: none">• Sompo Japan Insurance has been a member of the initiative since 2009, when it started as "The Declaration of Biodiversity by Keidanren Promotion Partners."
<p>Declarations of Partnership Building</p> 	<p>The "Partnership Building Declaration" was established at the "Council on Promoting Partnership Building for Cultivation the Future," whose members include the Chairman of KEIDANREN, the Chairman of Japan Chamber of Commerce and Industry (JCCI), the Chairman of Japanese Trade Union Confederation (JTUC), and relevant ministers of Japan (Cabinet Office, Ministry of Economy, Trade and Industry, Ministry of Health, Labor and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Land, Infrastructure and Transport). It is a declaration of a company to build a new partnership by promoting cooperation and coexistence with business partners and value-creating businesses in the supply chain.</p>	<ul style="list-style-type: none">• The following Sompo Group companies have signed on to the declaration: Sompo Holdings Sompo Japan Insurance Sompo Himawari Life Sompo Care Sompo Health Support



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Group Environmental Policy

Concept and 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.

We have established environmental objectives and targets based on the “Action Guidelines” listed below, and we periodically review them with the goal of continuous improvement.

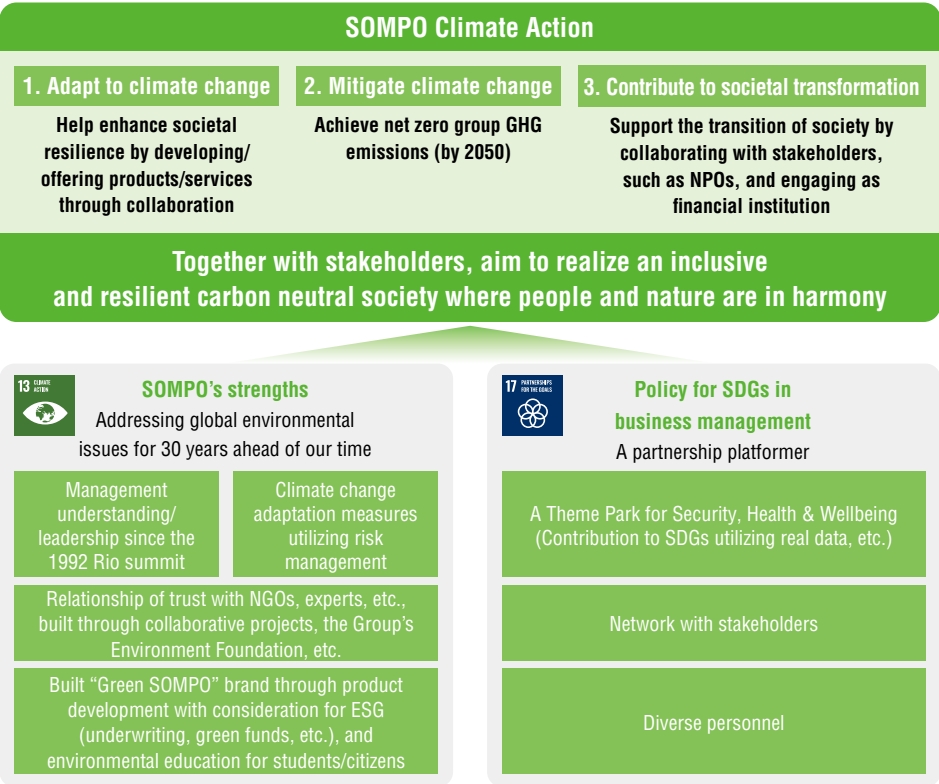
Action Guidelines

- 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.

SOMPO Climate Action

Concept and Policy

The Sompo Group has identified “contributing to the creation of a green society in which economy, society, and environment are in harmony” as a material issue. To achieve this, our Mid-Term Management Plan launched in FY2021 establishes “SOMPO Climate Action,” which includes climate change adaptation and mitigation along with contributing to social transformation, as the banner under which we will pursue strategic initiatives throughout the Group.



Since the 1990s, the Group has been tackling global environmental issues in collaboration with a wide range of stakeholders. To implement SOMPO Climate Action, we will combine these environmental initiatives, which have been ahead of their time for more than 30 years and represent a unique strength of the Group, with the partnership strategy outlined in the Mid-Term Management Plan.

PDF For initiatives, please refer to [Implementation of SOMPO Climate Action](#) (P.24-28).

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Leadership on Global Environmental Issues

Activity and Result

Partnership

Keiji Nishizawa, Director-Chairman of Sompo Japan Insurance, plays two main roles in the Japan Business Federation (“Keidanren”), the nation’s largest economic organization. One role is as Vice Chairman of the Board of Councillors, which discusses Keidanren’s policy proposals in advance, and the other role is his leadership of policy committees, which are project promotion bodies, in the social and environmental fields. Specifically, he serves as Chairman of the Keidanren Committee on Responsible Business Conduct & SDGs Promotion of the Keidanren Committee on Nature Conservation. He represents the Japanese business community in its activities in areas such as the SDGs, biodiversity, and human rights, and actively communicates messages on its behalf both in Japan and internationally.

Achieving the SDGs

Representing the private sector in his capacity as Chairman of the Keidanren Corporate Behavior and SDGs Committee, Chairman Nishizawa exchanges opinions on initiatives to achieve the SDGs with a wide range of stakeholders, including the government, NGOs, and experts, at the SDGs Promotion Roundtable held under the SDGs Promotion Headquarters established in the Cabinet Office in May 2016. The Roundtable makes policy recommendations to promote SDG initiatives in Japan, including making revisions to the SDGs Implementation Guidelines, which set out the national strategy, formulating individual measures (action plans), and judging the Japan SDGs Awards, an award system for companies and organizations. In addition, as part of the activities of the Council for Better Corporate Citizenship (CBCC), an affiliated organization of the Committee on Corporate Behavior and SDGs, he met with 18 organizations in the EU as the head of a mission to Belgium and Denmark in February 2023. There he discussed the latest trends in the EU, which has been strengthening policy leadership to implement the “European Green Deal” and individual issues in the field of environment and human rights, and communicated Keidanren’s latest initiatives such as the revision of its “Charter of Corporate Behavior.”



Spreading a nature positive economy

In December 2022, the Keidanren Committee on Nature Conservation sent a mission of 35 people from 18 companies to the United Nations Conference of the Parties to the UN Convention on Biological Diversity (COP15) in Montreal. Chairman Nishizawa participated as the head of the delegation and, on behalf of the business community, expressed their unified commitment to green transformation, a circular economy, and a nature positive approach to the realization of “sustainable capitalism” promoted by Keidanren, and exchanged views with top government officials, heads of international organizations, and other key figures. In his role as a member of the National Strategy

Subcommittee, he also participated in the discussions and reflected the voices of the business community in the “National Biodiversity Strategy 2023-2030” adopted by the Cabinet in March 2023 in response to the Kunming-Montreal Global Biodiversity Framework adopted at COP15.

At COP15, Sompo Japan Insurance also shared information about its nature positive initiatives that contribute to regional resilience by taking the stage at related events and participating in dialogues with international organizations, corporations, NGOs, and others.

Other international activities of the Keidanren Committee on Nature Conservation included the inaugural Leaders Forum held by the International Union for Conservation of Nature (IUCN), the world’s largest network for nature conservation, on Jeju Island in October 2022, and the centennial meeting of BirdLife International, one of the world’s oldest environmental NGOs, in London. Here, Chairman Nishizawa communicated to the world the desire of the Japanese business community to contribute to a new international framework for biodiversity through the promotion of NbS (Nature-based Solutions) initiatives, which are solutions to social issues rooted in nature. In June 2023, Keidanren announced that it would seek to spread nature positive management and establish an environment for nature positive management as part of its “The Action Plan for Nature Positive in 2030,” which it prepared based on these international goals and national strategies. In addition, as Chairman of the Green Infrastructure Public-Private Partnership Platform of the Ministry of Land, Infrastructure, Transport and Tourism, Chairman Nishizawa is promoting measures to address social issues such as the intensification of natural disasters by spreading methods that utilize the diverse functions of nature in infrastructure development.



Producing the next generation of environmentally friendly human resources

Based on the philosophy of “Fostering People Who Plant Trees,” the SOMPO Environment Foundation has been operating its CSO Learning Program, which provides internship experiences at a CSO (Civil Society Organization: a concept that encompasses NPOs and NGOs) in the environmental field for university students and graduate students, since 2000. As Chairman of the SOMPO Environment Foundation, Chairman Nishizawa spoke to students from across Japan at the program’s training camp about trends in the international community in the field of biodiversity and the role of the business community, and expressed his hope that the students would spread their wings as leaders of nature positive in Japan.



PDF For further details, please refer to [CSO Learning Program](#) (P.39).

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Governance

Structure

(1) Role of Board of Directors

The Board of Directors is responsible for setting groupwide strategies and policies as well as supervising the execution of operations by senior vice presidents and executive officers toward the realization of SOMPO's Purpose.

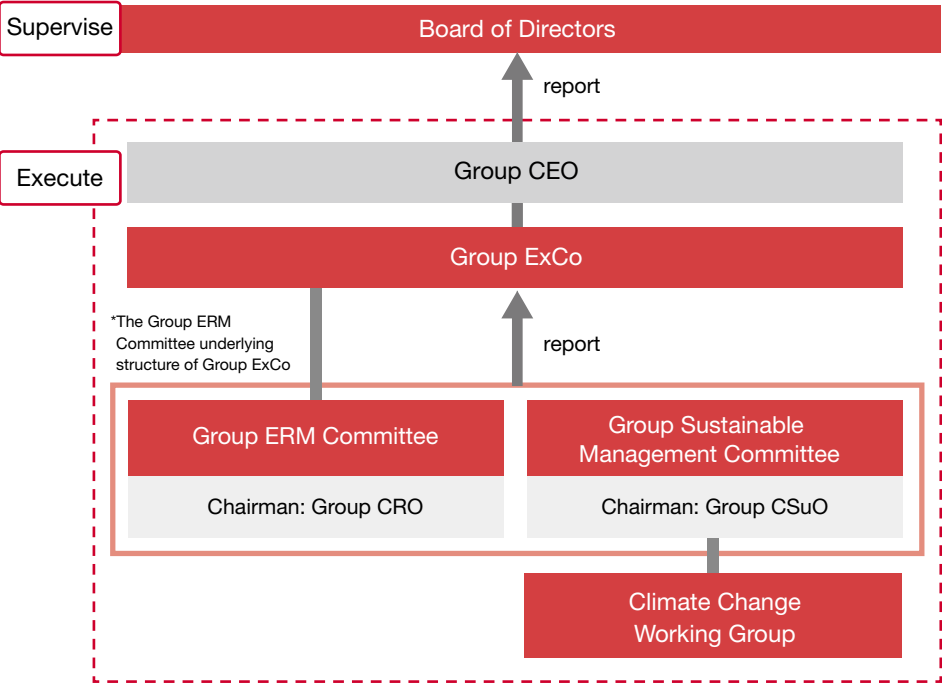
(2) Role of senior vice presidents and executive officers

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.

The Group Sustainable Management Committee, which is chaired by the Group CSuO and consists of the CSuOs and CSOs of the four major businesses, discusses responses to climate change-related risks and opportunities, thereby forming a group-wide sustainability promotion structure, including supporting the decision-making of the Group CSuO. In addition, a Sustainable Management Office has been established as a support function for the Group CSuO's business execution. Climate change strategies and their implementation are discussed by 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.

Regarding risk management, we have developed a risk control system based on the Sompo Group Basic Policy on ERM established by the Board of Directors, and through the Group ERM Committee, which is a subordinate body of the Global Executive Committee*, an advisory body to the Group CEO, the Group CRO (Chief Risk Officer) comprehensively identifies and evaluates risks in each business, designates risks that could have a significant impact on the Group as "material risks," whereby the status of risk management is periodically reported to the Board of Directors and the Managerial Administrative Committee* to verify the effectiveness of the measures, etc.

*Group ExCo (after April 2024)



Note: Structure after April 2024 (as of February 29, 2024)

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Strategy

Concept and Policy

Our Mid-term Management Plan, which started in FY2021, identifies the three actions of “adaptation,” “mitigation,” and “contribution to societal transformation” as part of “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.

PDF For initiatives, please refer to [Implementation of SOMPO Climate Action](#) (P.24-28).

(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 the social structure may bring business opportunities such as the creation of new service demands and technological innovations.

We have identified the risks and opportunities coverage of the entire value chain 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 Network of Central Banks and Supervisors for Greening the Financial System (NGFS), 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 and are continuously reviewed in light of changes in the internal and external environment.

Risks and opportunities due to climate change that impact the Group

Environmental change		Impact on our company	Risk	Opportunities
Physical	Acute	• Heat waves, extreme humidity • Frequency of floods, typhoons and hurricanes, change in intensity • Drought, increased wildfires	Increased insurance payments due to weather disasters	● —
			Deterioration in the agricultural insurance balance	● ●
	Chronic	• Sea level rise • Increase in average temperature • Ocean acidification • Desertification • Deforestation, biodiversity impacts • Increased immigration, market instability, populism and the collapse of the state	Increased insurance payments due to flooding caused by rising sea levels	● —
			A decline in the real estate market (a decline in asset prices)	● —
			Political instability and conflict	● —
			A new pandemic	● —
	Policy	• Renewable energy and energy conservation promotion of association • Subsidies (EV purchases, energy efficiency improvement etc.)	Price fluctuations of stocks and bonds	● ●
			Higher energy prices	● —
Transition	Law	• Reparations, changes in laws, new a legal interpretation	Legal risks such as climate litigation	● ●
	Technology	• Advances in storage technology and infrastructure • Renewable energy and energy conservation development of new technologies	Decarbonization through the spread of new technologies	● ●
	Market	• Investors in environmentally friendly companies and consumer preferences	Reputation	● ●
			Changes in consumer behavior	● ●



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(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 understand the long-term impacts of a climate with higher average temperatures 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 analyzing and evaluating the medium-term impact over the next five to ten years and incorporating this 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 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

To understand the medium- to long-term impact of the transition to a decarbonized society on our company, we analyzed the impact on our Group's assets using the Climate Value-at-Risk (CVaR)*³ provided by MSCI for policy risks arising from tighter laws and regulations and global economic changes that will affect companies in the transition to a decarbonized society and technology opportunity arising from climate change mitigation and adaptation initiatives, based on the NGFS scenarios*⁴ in the table below.

In addition, since it is important to encourage companies that have not yet made progress in decarbonization efforts to reduce transition risk, we use the Implied Temperature Rise (ITR)*⁵ provided by MSCI to quantitatively analyze whether our portfolio companies have set GHG emission reduction targets consistent with the goal of limiting global warming to 2°C by FY2100.

Category	Scenario	Summary
(1) Disorderly	Delayed transition	Assumes annual emissions do not decrease until 2030. Strong policies are needed to limit warming to below 2°C. Negative emissions are limited.
(2) Orderly	Net Zero 2050	Limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero CO ₂ emissions around 2050. Some jurisdictions such as the US, EU, UK, Canada, Australia and Japan reach net zero for all GHGs.
(3) Hot House World	Current Policies	Assumes that only currently implemented policies are preserved, leading to high physical risks.

*3 Climate Value-at-Risk (CVaR)
• One method to measure the impact on corporate value associated with climate change-related policy changes and disasters.
• The future costs and profits arising from climate change-related risks and opportunities are discounted to their present value, and the impact is calculated as of March 31, 2022, taking into account the market value weighting of each security in the Group's asset management portfolio.

*4 NGFS (Network for Greening the Financial System) scenarios
• Analyzed three climate change scenarios published by the NGFS: Delayed transition, Net Zero 2050, and Current Policies

*5 Implied Temperature Rise (ITR)
• One of the forward-looking assessment methods that evaluates the degree of likelihood of 2°C of global warming by 2100.
• The contribution to temperature rise is based on the difference between the projected GHG emissions of portfolio companies (calculated based on current emissions and reduction targets set by the companies) and the carbon budget, and is calculated as of March 31, 2022, taking into account the market value weight of each stock in the Group's asset management portfolio.

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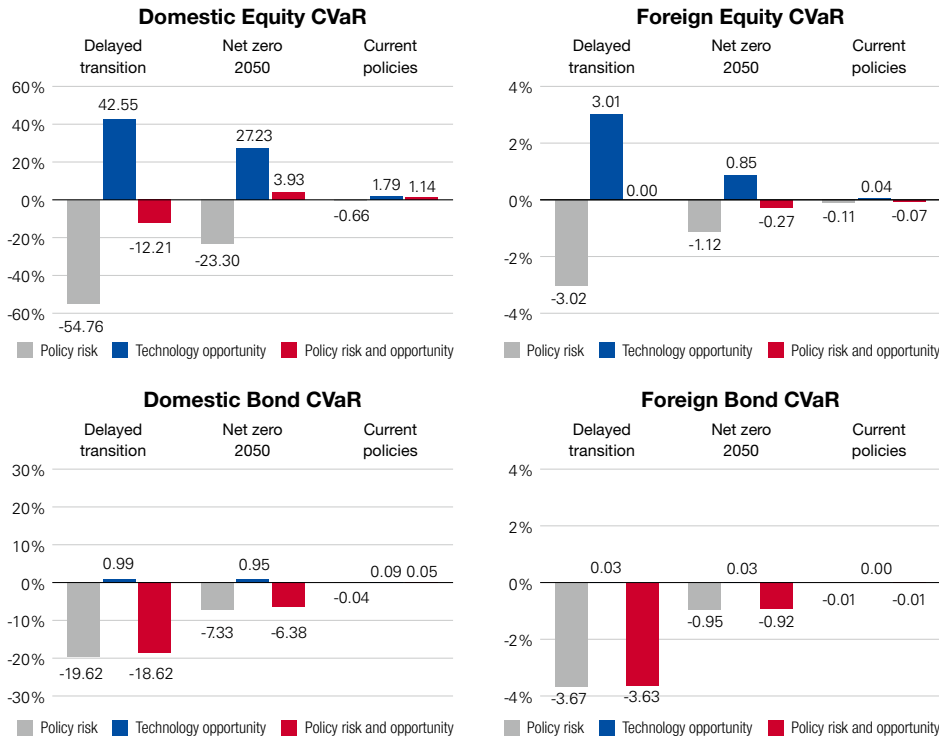
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Climate Change (Information Disclosure Based on TCFD Recommendations)

a. Climate Value-at-Risk (CVaR)

For each asset, the impact of the Delayed Transition (Disorderly: rapid transition to decarbonization) scenario is the largest. In the comparison by asset type, the impact of policy risk and technology opportunity is the largest for domestic equity, at -54.76% and 42.55% under the Delayed Transition, respectively. However, since policy risk and technology opportunity offset each other, the overall impact of policy risk and technology opportunities combined is -18.62% for domestic bond, which is the largest result. This is because bonds are never redeemed above par, so the opportunity impact is limited.

SOMPO Group CVaR analysis of policy risk and technology opportunity by asset and NGFS scenario



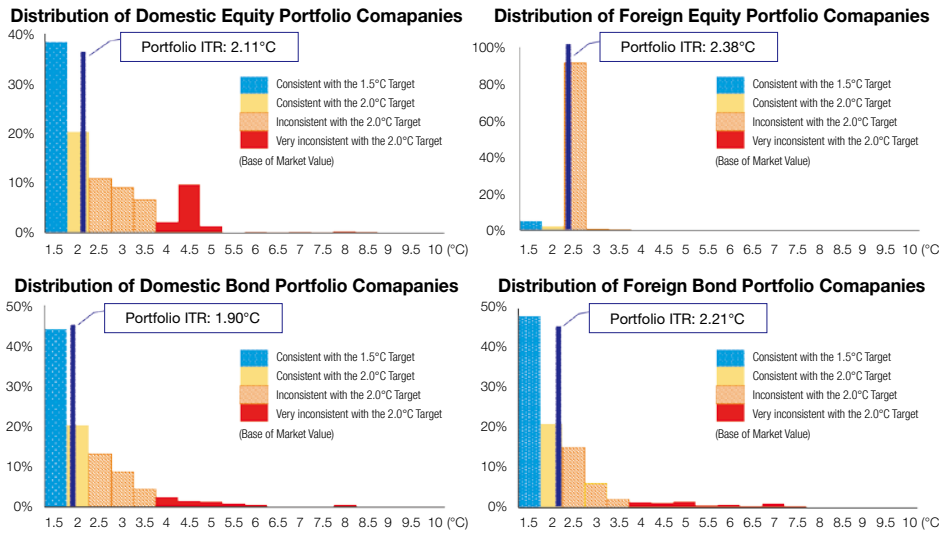
- Policy Risk: Figures calculated for each level of Scope 1, 2, and 3 for the cost required to achieve the GHG reduction targets.
- Technology opportunity: Figures calculated for the potential business opportunities created by environment-related technologies owned by companies against the back-drop of the transition to a low-carbon economy.

Source: Prepared by Sompo Holdings using MSCI Climate Value-at-Risk, Implied Temperature Rise

b. Implied Temperature Rise (ITR)

The percentages of companies with ITRs below 2°C are 58% for domestic equity, 8% for foreign equity, 65% for domestic corporate bond, and 69% for foreign corporate bond portfolios on a market value basis. With the exception of foreign equity, for which our holdings are small and heavily affected by some stocks, the majority of companies have set GHG emission reduction targets that are consistent with the 2°C target set by the Paris Agreement. On the other hand, for the portfolio as a whole, the ITRs for domestic equity, foreign equity, domestic bond, and foreign bond are 2.11°C, 2.38°C, 1.90°C, and 2.21°C, respectively, exceeding 2°C for all but domestic corporate bond. We will use the results of our analysis to reduce transition risk by engaging with our portfolio companies.

SOMPO Group ITR analysis by asset



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(3) Resilience improvement initiatives

A. Responding to risks

Physical risks

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.

Transition risks

The Sompo Group is working to enhance corporate resilience to social change by providing green transition support to underwriters and investee and borrower companies, while at the same time working to mitigate transition risk by managing its asset management portfolio and other measures.

For investees, we are promoting green transition by strengthening our engagement with the top 20 high greenhouse gas (GHG) emitting companies among our equity holdings. For public and corporate bonds, we are aiming to reduce transition risks and capture opportunities by setting a target of 25% reduction in GHG emissions in our asset management portfolio by 2025 (compared to FY2019, based on total GHG emissions for stocks and bonds) by promoting the replacement of high GHG emitting sectors with low emitting sectors at the time of maturity. In addition, the Group has adopted a policy of suspending new insurance underwriting for new and existing coal-fired power generation and coal mine development (thermal coal), and suspending new insurance policies for energy mining projects in tar sands and the Arctic National Wildlife Refuge to help support the transition to a net zero society. However, we may carefully consider and respond to cases where reduction effects that contribute to the realization of the Paris Agreement are recognized, such as innovative technologies including carbon dioxide capture, utilization, and storage (CCS, CCUS) and ammonia co-firing.

With regard to our own GHG emission reductions, we have set a goal of 60% reduction by 2030 compared to FY2017 levels. To achieve this goal, we are steadily advancing initiatives in accordance with our roadmap for achieving the goal, such as switching to renewable energy sources for power generation in buildings we own.

B. Responding to opportunities

The Group is working to improve natural disaster resilience through its products and services, such as contributing to a stable food supply through the global development of agricultural insurance through AgriSompo as well as developing and providing climate risk consulting services.

With regard to energy sources, we will develop products and services that contribute to the dissemination of renewable energy, such as ONE SOMPO WIND Service (insurance and risk management service for offshore wind power generation business), while also developing new products and services that contribute to net zero (CO₂) emissions by collaborating with our business partners and other means.

In addition, various organizations and groups around the world are actively discussing the formulation of regulations and guidance toward achieving a net-zero society. The Group will contribute to the transformation of society by actively participating in and leading these rulemaking efforts, and will also seek to create and expand business opportunities for the Group, such as through attracting partners by accumulating knowledge and enhancing reputation through these initiatives.



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— Implementation of SOMPO Climate Action

Action1 Adapt to climate change

Activity and Result Partnership

Initiatives in the agricultural insurance sector

Sompo International, our core company in the overseas insurance and reinsurance business, is working to contribute to a sustainable food supply system by expanding to South America and Asia in addition to Europe and the United States through the platform of AgriSompo, an integrated brand in the agricultural insurance field that it launched in 2017.

In addition, the Group's local subsidiary in India, Universal Sompo General Insurance (USGI), provides microinsurance (small-scale insurance services) to lower income groups who lack the ability to repay loans and lack medical and health care. USGI sells products such as livestock insurance, packaged insurance for farmers, and personnel accident insurance for economically vulnerable farmers, mainly in rural areas, and provides medical insurance covering the five major illnesses in combination with microfinance loans (finance for low-income people) from banks and other institutions. All of these insurance products feature low premiums.

USGI contributes to supporting self-reliance and sustainable development by extending the insurance system, which is one of the basic social security services, to low-income groups in Indian society.

Initiatives through products and services

SOMPO SUSTAINA, a service that helps companies solve problems such as responding to climate change

Sompo Risk Management Inc. is accumulating knowledge to address corporate challenges and risks, such as adapting to climate change and improving resilience to natural disasters, which is knowledge that the Sompo Group has long cultivated in the insurance business. To help more customers make effective use of this knowledge in their climate change countermeasures, we are offering SOMPO SUSTAINA, a web-based platform that allows users to easily quantify and visualize the future impact of climate change physical risks such as floods and typhoons on their property and corporate activities.

Climate change is causing an increase and intensification of natural disasters, such as rising sea levels and increased torrential rains, and is affecting human life and natural ecosystems in a wide range of ways. Therefore, accelerating efforts to achieve net zero CO₂ emissions has become an urgent issue shared throughout the world. In many countries, efforts are underway to promote the decarbonization of companies and industries and to enhance their competitiveness, and in Japan, various initiatives are underway to achieve carbon neutrality by 2050. Furthermore, technological innovation is needed not only to mitigate climate change but also to adapt, and the values of consumers and investors are also changing. To keep up with these changes, companies are required to implement countermeasures and radical innovations to achieve sustainable business growth.

To address the social problem of climate change, as all companies should do, Sompo Risk Management Inc. and Sompo Japan Insurance Inc., in cooperation with other financial institutions and other collaborative partners, are promoting SOMPO SUSTAINA for the enterprise. SOMPO SUSTAINA will contribute to the realization of a sustainable society by helping to resolve various issues that must be addressed in order for companies to achieve sustainable growth.



SOMPO SUSTAINA visualizations of the physical risks of climate change

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Action2 Mitigate climate change

Activity and Result Partnership

Group initiatives to achieve net zero greenhouse gas (GHG) emissions

In fiscal 2021, we set targets of 60% reduction by 2030 (vs. 2017) and net zero GHG emissions by 2050. To achieve these targets, we are implementing measures such as switching to renewable energy for the electricity used by the Sompo Group.

*Scope 1, 2, 3 (excluding investments and loans) are covered

Initiative to achieve interim 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.

As specific measures, we are promoting a green transition by strengthening engagement with the top 20 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.

Initiatives through products and services

“ONE SOMPO WIND Service” for offshore wind power operators

In July 2020, Sompo Japan and SOMPO Risk Management began selling “ONE SOMPO WIND service” to offshore wind power operators, which provide risk assessment from construction work through business operation and comprehensive insurance covering risks.

By promoting the spread of offshore wind power projects with very little carbon dioxide emissions, we will contribute to the realization of sustainable society.

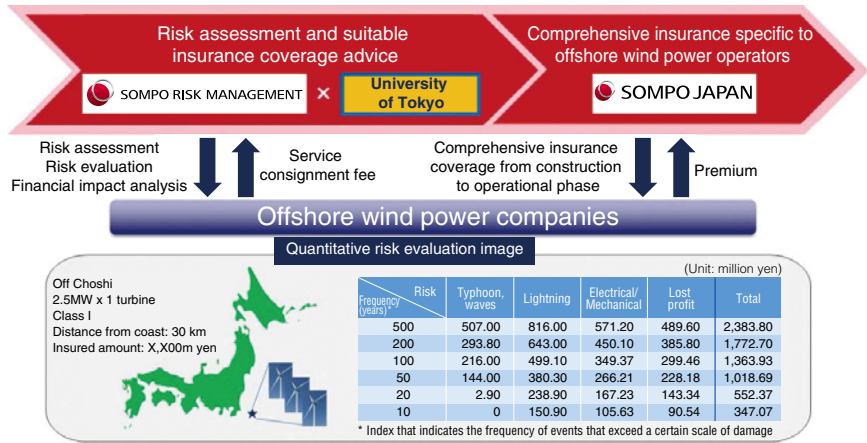
Risk Assessment

SOMPO risk management has developed a risk assessment model in collaboration with the University of Tokyo to assess the inherent risks of offshore wind power in Japan. This risk assessment model combines the latest research results from the University of Tokyo and data collected by research institutes in Japan and overseas with risk analysis technology developed as an insurance company, thus enabling risk assessment specific to offshore wind power in Japan, which has been difficult to evaluate.

Comprehensive Insurance

Sompo Japan comprehensively compensates for the risks surrounding domestic offshore wind power operators.

This insurance covers the risks associated with the construction of offshore wind power generation facilities and the operation of the business after completion, and compensates for the repair costs of facilities due to accidents or breakdowns during construction or operation of the business.



Note: Entrusted to Sompo Risk Management, the University of Tokyo collaborated in joint research on risk assessment models.

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— Implementation of SOMPO Climate Action

Contributing to the popularization of EVs to achieve net zero CO2 emissions

In 2023, Sompo Japan Insurance Inc. and Prime Assistance Inc. launched EV-One, a user support platform for battery-powered electric vehicles (EVs).

In recent years, reducing GHG emissions from automobiles has become a major theme in the trend toward achieving carbon neutrality. In Japan, CO2 emissions from the transportation sector (automobiles, railways, aviation, and ships) account for 17.4% of the total, of which about 80% is from automobiles*1. However, Japan's EV ownership rate is only about 0.16%*2, so contributing to the spread of EVs has become an important theme for the Sompo Group.

According to the survey data*3 on EVs conducted by Sompo Japan Insurance Inc., the anxieties faced by EV users include concerns about running out of charge, uncertainty about the location of charging stations, and uncertainty about where to maintain and repair EVs. To eliminate these concerns and support a safe and secure EV transition, EV-One was launched as a dedicated user support platform for EVs that can be used by anyone regardless of vehicle or manufacturer.



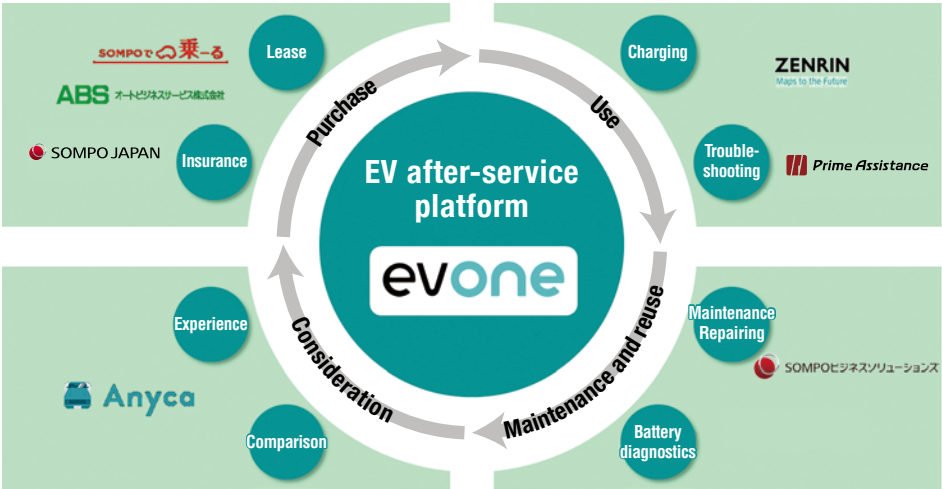
Dedicated app images

*1 See "CO2 Emissions in the Transportation Sector" (in Japanese) published by Japan's Ministry of Land, Infrastructure, Transport and Tourism.
*2 Calculated by dividing the number of EVs owned at the end of fiscal 2020 (according to the Next Generation Vehicle Promotion Center) by the number of vehicles owned as of the end of March 2020 (according to the Automobile Inspection & Registration Information Association).
*3 Based on an online survey and interviews conducted by Sompo Japan Insurance Inc. in July and August 2022.

As of July 2023, EV-One offers four functions:

- (1) A repair shop search and reservation function that allows you to locate a nearby repair shop when a problem occurs at home (or work) or while traveling.
- (2) A charging station search function that allows you to search for a nearby charging station for your vehicle.
- (3) A function that provides contact information and guides you through countermeasures in the event of an accident or breakdown.
- (4) EV-One road service (quick charging, towing, etc.) for troubleshooting problems.

In the future, the plan is to extend EV-One services to other phases of the EV consumer lifecycle including consideration, purchase, use, and maintenance/reuse. Up to now, the Sompo Group has provided a variety of mobility services centered on automobile insurance, but in the future, we aim to move beyond that framework and provide multifaceted services for the EV transition with the goal of realizing a carbon-neutral society.



Providing a platform for EV-related businesses

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Initiatives through collaboration with stakeholders

Business partners

Sompo Japan is working on environmental and sustainability efforts with the entire value chain, in collaboration with all of our business partners.

They communicate and ask for cooperation with our stances toward action by sharing the Group Sustainability Vision, Environmental Policy, and Sustainable Procurement Policy with business partners, including contractors that provide waste collection, transport and disposal, as well as printing, logistics, and food services. They also communicate to business partners about our efforts to consider the environment, including proper waste management and a ban on hazardous materials being brought into our buildings, as well as a ban on the use of products of international concern, such as products manufactured through child labor or forced labor, or the use of conflict minerals.

Also, in the selection and purchasing of paper, they select suppliers from the perspective of promoting recycled paper, and have established green procurement routes.

Agencies

Cooperating with its agencies nationwide, Sompo Japan is working to reduce environmental impacts throughout the entire value chain through continuous awareness raising and organizational promotion of environmental protection initiatives in communities.

AIR Autoclub, the company's nationwide association of auto repair shop insurance agencies, provides support including assistance for the agencies to acquire ISO 14001 and Eco-Action 21 certifications by introducing environmental management systems, and offers a recycled parts search system to encourage the repair shops to use recycled parts. The voluntary chain group, known as Air e-Shop 21, is making progress in reducing CO₂ emissions, and in fiscal year 2022 achieved a reduction of about 139.01 tons.

This is equivalent to the amount of CO₂ absorbed by 12,637 beech trees in one year. Meanwhile, the national pro agencies' organization, JSA Chukakukai, in partnership with the AIR Autoclub, is promoting green procurement using an Internet-based centralized purchasing system. The organizations have a combined membership of 3,900 registered members (as of March 2023).

Through social contribution activities rooted at the local level, the agency organizations are acting as points for information dissemination and spreading our efforts to customers nationwide.



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— Implementation of SOMPO Climate Action

Action3 Contribute to societal transformation

Various organizations and groups around the world are actively discussing the formulation of regulations and guidance to realize a net-zero society. In 2022, we became the member of the Glasgow Financial Alliance for Net Zero (GFANZ), a global alliance of financial institutions aiming to achieve net zero GHG emissions by 2050. 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.

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.

Policy for ESG-related Underwriting, Investment and Loan (Overview)

- 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 cease insuring or making 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 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.

Identifying businesses and sectors that have a negative impact on the environment and society and utilizing this information in insurance underwriting and investment and financing

The Sompo Group identifies businesses and sectors that may have a negative impact on the environment and society, for example through destruction of nature or violation of human rights, and has built a database through dialogue with stakeholders and independent analysis, which we use to make decisions on insurance underwriting and investment and financing.

PDF For further details, please refer to [ESG Risk Management](#) (P.121-122).

Engagement with investee companies

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.

Active involvement in rule-making through membership in net-zero organizations

Since 2021, the Sompo Group has been a member of 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, and since 2022, we have been a member of two organizations (NZAOA and NZAM) under the Glasgow Financial Alliance for Net Zero (GFANZ), a global alliance of financial institutions aiming to achieve net zero GHG emissions by 2050.

Initiatives for fostering environmental personnel

- Continued implementation of Public Seminars on the Environment by the SOMPO Environment Foundation, and the CSO Learning Program, which provides an eight-month internship experience at a CSO (Civil Society Organization: a concept that encompasses NPOs and NGOs) 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.

PDF For further details, please refer to [Encouraging People to Develop Skills Needed for Environmental Protection](#) (P.38-40) and [Corporate Citizenship Activities](#) (P.84-86).



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Risk management

Structure

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 multifaceted 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.

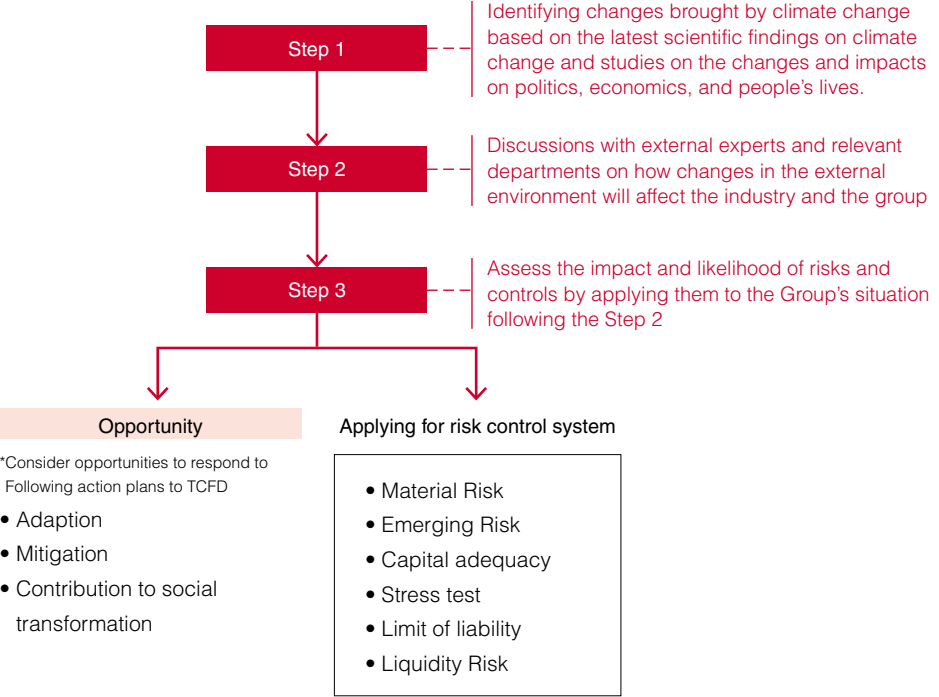
With the goal of realizing the material issue of "contributing to a greener society where the economy, society, and environment are in harmony," we are implementing SOMPO Climate Action to assess medium-term and long-term climate-related risks and opportunities through the Climate Change Risk Framework, conducting scenario analysis (physical risks and transition risks) based on the Framework, as well as various initiatives to improve our resilience to these risks and opportunities.

(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 earlier.

Risk Framework for Climate Change



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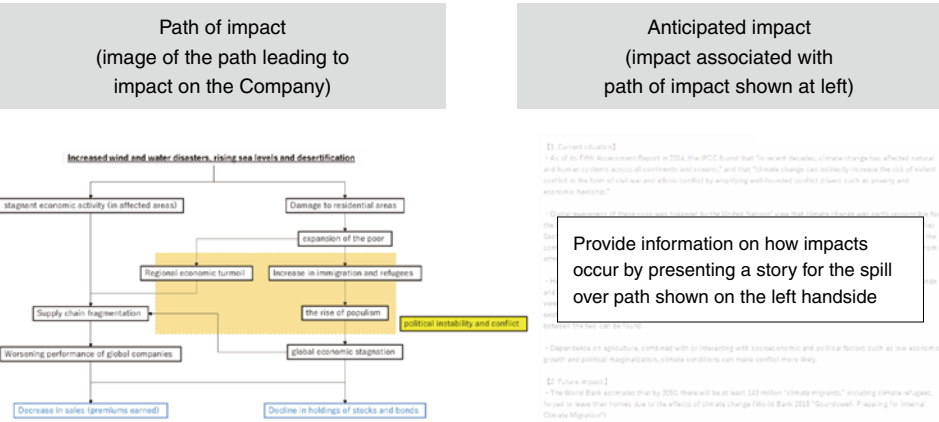
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In assessing risk, we have assumed low, medium, and high environmental change scenarios, which are a combination of IPCC scenarios showing changes in average temperature and NGFS scenarios showing possible policy transition patterns (see “Scenarios of Risk Spillover and Impacts (Example)” below), and have assessed risks for each pattern.

Patterns of environmental change (low, medium, high)

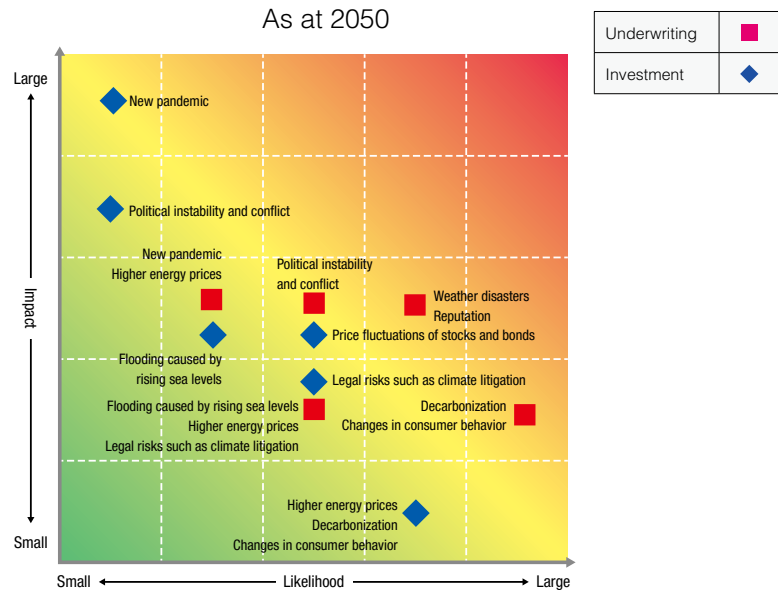
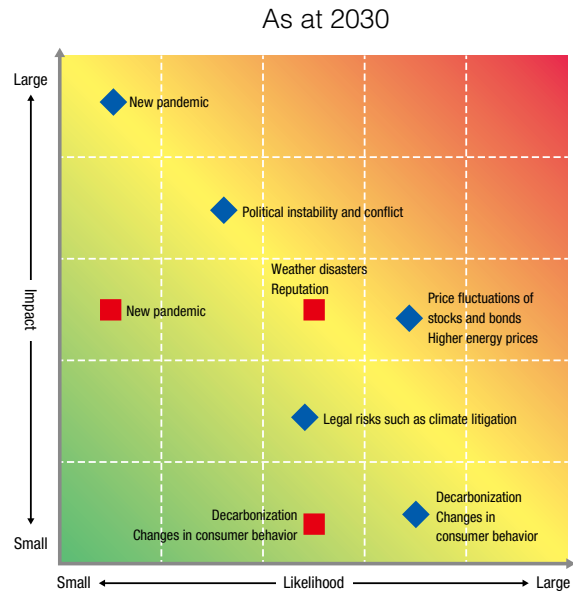
	IPCC	NGFS
Low	SSP1-1.9	Orderly/Net Zero 2050
Medium	SSP2-4.5	Disorderly/Delayed Transition
High	SSP5-8.5	Hot House World/Current Policy

Scenarios of Risk Spillover and Impacts (Example)



Based on the assessment results, risks that require continuous monitoring are visualized as a climate change risk map, which provides a bird's-eye view of the impact, likelihood, timing of occurrence, and trends of risks that primarily affect insurance underwriting and asset management, thereby stimulating discussion of climate change at the Board of Directors and other executive bodies.

Risk map based on assessment results Climate Change Risk Map Medium-Pattern (SSP 2-4.5/Disorderly)



Underwriting	■
Investment	◆

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(2) Other risks

The scenarios used in the assessment were conducted for insurance underwriting and asset management, but we believe that the legal impact of lawsuits has the potential to affect our business activities other than insurance underwriting and asset management. We believe that the impact and likelihood of each scenario in the risk assessment are moderate, and will continue to collect and analyze information to understand the risks.

	Cause	Impact
Risk of lawsuits	Delays in climate change initiatives and inadequate information disclosure	Lawsuits for compensation filed against the company

*Risks to our business excluding insurance underwriting and asset management. Note that we conducted an assessment of the impact on insurance underwriting and asset management.

(3) 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.

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Metrics and targets

Activity and Result

Metrics for assessing risks and opportunities

Item	Results		
GHG emissions	Total GHG emissions (FY2022)* ¹		
	Category		Total Emissions
	Scope 1, 2 and 3 (excluding investments and loans) [unit: t-CO ₂ e]		239,554
	Total GHG emissions at investees (FY2021)* ²		
	Category	Equity	Bonds
	Scope 3 (investments and loans) [unit: t-CO ₂ e]	931,821	909,893
	Weighted Average Carbon Intensity (WACI) at investees* ^{2,3}		
	Category	Equity	Bonds
	Scope 3 (investments and loans) [unit: t-CO ₂ e/million US dollars]	125.05	167.04
Renewable energy introduction rate	End of FY2022: 5.1%		
Other environmental metrics	Electricity consumption (FY2022): 269.39 million kWh Paper consumption (FY2022): 6,157 tons No. of participants in environmental education programs (FY2022): 9,472 People		
Participation and activities in sustainability-related initiatives and rule-making	Participation in and presentations to the Conference of the Parties (COP)		

*1 Total Scope 1 (direct emissions from use of gasoline, etc.), Scope 2 (indirect emissions from energy sources, such as electricity), and Scope 3 (indirect emissions across the entire value chain, including transportation, business travel, etc.) GHG emissions. This total covers the emissions of the Company itself and of its key consolidated subsidiaries.

*2 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: 86%, bond coverage rate: 82%, 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.

*3 The WACI calculation method has been changed starting with FY2021 figures.

Targets for managing risks and opportunities

Item	Target
SOMPO GHG reduction rate	60% reduction by 2030 (vs. 2017), net zero emissions by 2050 *Scope 1, 2, 3 (excluding investments and loans) are covered
Investment and loan 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)
Renewable energy introduction rate	2030 adoption rate 70% 2050 adoption rate 100%
Number of engagements with investee and borrower companies	Increase from previous year
No. of participants in environmental education programs	10,500 in FY2023
Participation and activities in sustainability-related initiatives and rule-making	Publication of activity results as needed

PDF For progress in achieving targets, please refer to [Materiality KPIs](#) (P.10-11).



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— Status of climate change-related business initiatives

Action1 Adapt to climate change

Activity and Result Partnership

Expansion of AgriSompo

We contribute to a stable food supply through the continued delivery of risk management tools through AgriSompo, a global integrated platform for agricultural insurance (No. 3 market share in U.S.). AgriSompo offers a number of insurance and risk management products designed to help close the protection gap, including:

- (1) Parametric Crop Insurance, which involves structured weather risk management solutions for the agricultural industry
- (2) Global Reinsurance of existing and emerging crop insurance programs
- (3) Growing U.S. platform including Micro Farm, a new U.S. Federal agricultural program that guarantees whole farm revenue for small farms
- (4) Expansion of product offerings and scale of business through capacity in Brazil

Launch of “evacuation supporters’ insurance” for local governments and “Connected Disaster Prevention Project” to support people requiring special care

Sompo Japan Insurance is selling “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.

Development and deployment of SORA Resilience, a supply chain risk visualization tool

SORA Resilience is a collaborative web service that combines Weathernews’s wealth of weather-related data and knowledge, Sompo Japan Insurance’s insurance data and knowledge, and Sompo Risk Management’s risk control know-how. We named the service “SORA Resilience” because its purpose is to enhance customers’ resilience in the face of damage to their supply chains and to help them continue their business operations as climate change brings about more frequent natural disasters.

Launch of SOMPO SUSTAINA

In January 2023, Sompo Japan Insurance and Sompo Risk Management began offering SOMPO SUSTAINA, a service designed to help companies solve problems such as responding to climate change. This service, offered in cooperation with other financial institutions and other collaborative partners, is intended to provide knowledge to small and medium-sized enterprises on how to address corporate challenges and risks, such as adapting to climate change and improving resilience to natural disasters, which is knowledge that the Sompo Group has long cultivated in the insurance business.

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Action2 Mitigate climate change

Activity and Result Partnership

Contribution to energy transition, which is an essential part of the transition to a green society

Launch of ONE SOMPO WIND Service for offshore wind power companies

Sompo Japan Insurance and Sompo Risk Management 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.

Provision of comprehensive insurance for tidal current (ocean current) power generation to support the spread of offshore renewable energy

Sompo Japan Insurance and Sompo Risk Management 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.).

Launch of SOMPO-ZELO*, a series of risk solutions to support the construction of supply chains for hydrogen, ammonia, and other next-generation energies

Sompo Japan Insurance and Sompo Risk Management 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. 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.

*The "ZELO" in SOMPO-ZELO stands for "Zero carbon × 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)



Insurance for virtual power plants (VPPs)

In cooperation with TEPCO Ventures, Sompo Japan Insurance is offering dedicated insurance to support the spread of VPPs (virtual power plants)*.

*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).

Stabilization support insurance for municipal renewable energy supply

To support stable power procurement for retail electric utilities funded by local governments, Sompo Japan Insurance has developed "relative power supply disruption cost insurance" which covers alternative procurement costs when procuring electricity from the power wholesale market in the event that power generation facilities such as waste power generation are disrupted due to fire or natural disaster, and "electric power procurement cost stabilization insurance" which covers additional procurement costs when increased demand for electricity in severe weather drives up electricity wholesale market prices to higher than anticipated levels.

Launch of a rider for rebuilding expenses to compensates for cost of rebuilding damaged home

Sompo Japan Insurance, 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.

Launch of new service (first in P&C insurance industry*) to promote reuse of solar panels damaged by natural disasters

Sompo Japan Insurance and Sompo Risk Management 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.

*According to research by Sompo Japan Insurance in October 2021

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— Status of climate change-related business initiatives

Action3 Contribute to societal transformation

Activity and Result Partnership

Compensation for forest-derived carbon credits (first in Japan)

Sompo Japan Insurance 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.

*1 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.

*2 A credit that certifies reductions in carbon dioxide or other greenhouse gases through forest protection, afforestation, and similar activities.

Contributions to societal transition through collaboration between SOMPO Group and its stakeholders

- Joint research agreement between the University of Tsukuba and Sompo Risk Management on climate change risk assessment
 - Partnership agreement with Weathernews to create new value and businesses to solve social issues related to climate change and global warming
 - Establishment of “Disaster Risk Finance-Industry-Academia Joint Research Division” in collaboration with Disaster Prevention Research Institute, Kyoto University
 - Joint research agreement with Gifu University to study flood risk prediction and social impacts due to climate change
- And so on



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Biodiversity

SAVE JAPAN Project

Activity and Result Partnership

Overview of the project

Since 2011, Sompo Japan Insurance Inc. has been engaged in a project to conserve biodiversity based on citizen participation in partnership with the Japan NPO Center, the NPO Support Center, which supports local citizens' activities, and environmental NPOs.

This project is funded by a portion of the cost savings when customers select a web-based insurance policy or web-based terms and conditions when purchasing an insurance policy from Sompo Japan Insurance Inc.

The aim is to “create a good environment for living things” by providing citizens with opportunities to become interested in the natural environment around them and by conducting environmental conservation activities in collaboration with NPOs based on citizen participation.

Results so far

We have been conducting biodiversity conservation activities across Japan for more than 10 years. To date, we have carried out conservation activities for over 300 endangered species, and have also created value by raising awareness among participants, strengthening environmental organizations, and building local networks, among other contributions. As of March 31, 2023, more than 62,000 people have participated in a total of 1,015 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.

*Social Return on Investment (SROI) is a method of quantifying the effectiveness of a project by converting social value into monetary value using proxy indicators.



Horseshoe crab conservation and Eco-DRR experience at Nakatsu Tidal Flat, Oita Prefecture



Implementation of the 5th phase (growth and expansion period) for the FY 2023 (2023-2024)

At the United Nations Conference of the Parties to the Convention on Biological Diversity (COP15) held in Montreal in December 2022, Kunming-Montreal Global Biodiversity Framework (GBF) was adopted, which is the successor to the Aichi Targets, and set new global targets. In March 2023, Japan adopted its National Biodiversity Strategy 2023-2030, which incorporates the Kunming-Montreal framework, including the target of “30 by 30” – preserving more than 30% of land and sea by 2030. These developments mark a major milestone the biodiversity field, and momentum is building to achieve nature positive, which means halt and reverse the loss of biodiversity.

Therefore, in the SAVE JAPAN Project, which represents the next evolution of our efforts to date, we are proceeding the following initiatives to realize nature positive, including contributing to the “30 by 30” target.

- (1) Support for activities that contribute to the dissemination and promotion of ecosystem-based disaster risk reduction (Eco-DRR), which represents an integrated response to biodiversity loss and climate change
- (2) Support for the certification process for “nature symbiosis sites” that contribute to the promotion of “other effective area-based conservation measures” (OECMs), which include areas other than protected areas such as national parks that are conducive to biodiversity

Future prospects

The biodiversity conservation activities and fields that the SAVE JAPAN Project has been involved in so far are consistent with the direction of the GBF and the National Biodiversity Strategy 2023-2030. By implementing more advanced initiatives with all of our stakeholders, we will work to spread understanding of the issues and solutions in the field of biodiversity to civil society.

Comments from a co-sponsoring partner



In promoting biodiversity conservation, it is important to tailor initiatives to each region. This project was realized through cooperation among Sompo Japan Insurance Inc., local environmental NPOs, and the NPO Support Center. A large number of employees and stakeholders from each site also participated and worked together on planning and operation. Getting many different stakeholders to work together is not something that can be achieved overnight. This program is characterized by the fact that everyone involved engaged in regular dialogue to overcome differences in organizational culture and build a relationship of trust, thereby steadily expanding the circle of activities.

We look forward to continuing to work with NPOs as partners in creating new value for the community through partnership and collaboration.

Kenji Yoshida, Managing Director, Japan NPO Center (JNPOC)

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Biodiversity

Sompo’s forest

Activity and Result Partnership

The Sompo Group has concluded forestry agreements with local governments in eight locations across Japan to support forest maintenance activities, and is conducting volunteer forest maintenance activities and environmental education together with local residents, Group employees, agents, and their families. Through these activities, we work together with local residents to convey the importance of biodiversity and gratitude for the blessings of nature. In addition, because forest conservation contributes to strengthening the disaster preparedness of the community, we will continue to call for cooperation in environmental improvement within the Group to build disaster resilient communities.



Forest custodian project in Nagano Prefecture

The initiatives of Sompo Japan Insurance Inc. are showcased on the website of the Business for GBF Project (Keidanren and Ministry of the Environment), under the sections “Target 3: 30 by 30” and “Target 20: Capacity Building and Technology Transfer.”

Web For further details, please visit the Ministry of the Environment website: [Business for GBF Project](#)

The initiatives of Sompo Japan Insurance Inc. are showcased on the website of the Keidanren Initiative for Biodiversity Conservation (Keidanren and Keidanren Committee on Nature Conservation).

Web For further details, please visit the Keidanren Committee on Nature Conservation website: [Keidanren Initiative for Biodiversity Conservation](#)

Launch of TNFD Disclosure Support Service (Nature-related Risk Analysis)

Activity and Result

The trend toward corporate disclosure of information on nature is progressing, and in September 2023, the Taskforce on Nature-related Financial Disclosures (TNFD) recommendation on nature related issues was released. To support corporate disclosure of information on nature, in September 2023 Sompo Risk Management Inc. launched its TNFD Disclosure Support Service.

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Encouraging People to Develop Skills Needed for Environmental Protection

Sompo Environment Foundation

Activity and Result Partnership

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.

Public Seminars on the Environment

The Foundation, together with Sompo Holdings and the Japan Environmental Education Forum, has been holding Public Seminars on the Environment for the general public for 31 years since 1993. Lectures are held on the themes of SDGs and sustainability to help citizens understand and recognize environmental issues and implement specific activities from their own standpoints. Since FY2020, the lectures have been held online due to the COVID-19 pandemic, allowing participation from all over Japan, and a total of 36,400 people have participated to date (as of March 2023). Videos of the lectures are also available for those unable to attend on the day of the event and for those who wish to deepen their learning through repeated viewings. The overall theme for 2023 is “Re-Style: Nine Perspectives to Create a New Prosperous Lifestyle.” In the midst of the dynamic changes required to realize a sustainable society, we held a special opening lecture and nine regular lectures to consider new “prosperous” lifestyles from a variety of perspectives.

Comments from a co-sponsoring partner



I am proud of our work together as co-hosting partners of this pioneering corporate-NGO partnership project since 1993. There is no doubt that the environmental activities of all three of our organizations have grown along with this lecture series. In addition, based on what they learn in the lectures, participants are taking concrete actions to solve environmental problems. That's why I believe these lectures play an important role from the perspective of human resource development. I hope to contribute to the realization of a sustainable society by continuing these lectures into the future as well.

Tatsuhiko Kato, Secretary General, Japan Environmental Education Forum (JEEF)



Comments from participants in 2023

- It is a very good series and I look forward to it every time. It has always been very informative and also a catalyst for me to change my own behavior.
- I am happy to learn about environmental issues. I don't think people will take action unless they understand the issues themselves.
- Since I live in a rural area, and I'm often unable to attend on the day of the lecture, it's really helpful to have the video available to watch at a later date. It's very valuable to be able to hear talks on topics you don't usually get to hear.
- It's very meaningful to be able to listen to interesting talks gathered from experience for free. I enjoyed learning new things. Thank you very much.
- The lecturer presented a wide range of information on biodiversity and international conferences in a compact format. That said, there was so much information in each presentation that I watched it about five times. It was something I wanted to share with my friends.
- Talking about the environment is often difficult, and there are many things I don't understand even if it's only an hour-long talk, but the lecturer really explained everything in detail, so it was very easy to grasp and my understanding deepened.

Grant program for environmental protection projects

Since 1999 the foundation has awarded grants for environmental conservation projects to support groups working on environmental issues.

These grants support projects that carry out practical activities and awareness-raising activities in a wide range of environment-related fields, including nature conservation, ecosystem conservation, waste problems, and climate and energy.

Grant program for doctoral course students

Since 2001 the foundation has provided academic research funding for graduate students' costs of writing PhD theses in the humanities and social sciences to support outstanding young researchers who are inspired to write on environmental themes. To date, 112 of these students have received their doctoral degrees.

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Encouraging People to Develop Skills Needed for Environmental Protection

CSO Learning Program

The foundation operates the CSO Learning Program, which provides an eight-month internship experience at a CSO (Civil Society Organization: a concept that encompasses NPOs and NGOs) in the environmental field for university students and graduate students. Since the program was launched in 2000, we have worked together with CSOs to develop human resources who can contribute to the creation of a sustainable society. Even during the COVID-19 pandemic, online meetings and remote work were adopted to ensure the program continued without interruption, and the program has now run for over 20 years. So far, 1,276 students have completed the program (as of March 2023). Reflecting the foundation's philosophy of "Fostering People Who Plant Trees," graduates are now active as "those who plant trees" in a wide range of fields, including government offices, private companies, and CSOs. In 2019, the program was launched in Jakarta, Indonesia, and to date, five sessions have been held in Jakarta with a total of 103 students completing the program. Local governments and NGOs have high expectations for this program as a training program for new leaders.



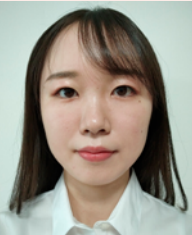
FY2023 CSO Learning Program summer camp



Completion ceremony for the fifth batch in Indonesia

Comments from people involved in the CSO Learning Program

Sayuki Mizokami
(FY2023 intern at the Nature Conservation Society of Japan (NACS-J))



The value of the CSO Learning Program is not only learning about environmental issues through the internship experience, but also learning about the position of CSOs in civil society. When I heard that the organization where I did my internship was having a hard time increasing donations to fund its activities, I was surprised to learn that donations to CSOs are so low in Japan. I want to do what I can to help CSOs, which are carrying out important activities to protect our nature, continue their work, such as letting the public know about their activities.

Shunichiro Toya
Deputy Director/Office for Mainstreaming Biodiversity, Biodiversity Policy Division,
Nature Conservation Bureau, Ministry of the Environment, Japan (FY2011 internship graduate)



As a staff member of Japan's Ministry of the Environment, I have been engaged in work such as conservation of rare wildlife, protection and management of birds and animals, and mainstreaming of biodiversity. I participated in the CSO Learning Program when I was a senior at university and learned the importance and difficulties of carrying out various environmental initiatives from the perspective of an NGO or NPO. I feel that this was a very important experience for me in my current job as an administrative officer, in which I have to build consensus among stakeholders. I'm still in contact with my peers whom I met through the program more than a decade ago, and we remain close colleagues who continue to take on new challenges together.

Tomonori Watanabe
Head of the Brand Communication Office, WWF Japan (CSO where interns are placed)



Our interns gain experience on the frontlines of environmental conservation activities, and it's actually an exciting and valuable opportunity for the staff of WWF Japan as well. I am always amazed by the students' dedication and energy, such as the spirit with which they carry out even the humblest tasks, such as data analysis, with precision, the creation of excellent ideas that our staff would never have thought of, and the sense of responsibility they feel in taking on everything from planning to running a seminar. It is a truly wonderful program that also provides a training opportunity for the organization.

Ms. Jo Kumala Dewi
Director, Environmental Partnership, Ministry of Environment and Forest, Indonesia



The SOMPO NGO Learning Internships Program, now in its fifth year, shows a commitment to environmental conservation and societal betterment. Its social significance lies in nurturing over 100 graduates, who are already contributing to environmental initiatives, indicating its success as more than just an educational program but a trigger for real-world environmental action. Through this program, the SOMPO group is playing a vital role in fostering young talent. We look forward to the continued success of this program, hoping it will produce many more leaders in the future.

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Encouraging People to Develop Skills Needed for Environmental Protection

External recognition

Awarded the Minister of the Environment Awards for Climate Action 2023

Sponsored by the Ministry of the Environment, this award recognizes organizations that have made outstanding achievements in mitigating and adapting to climate change. The Sompo Environment Foundation received the award in the dissemination and promotion category for two initiatives addressing climate change: Public Seminars on the Environment and the CSO Learning Program in Indonesia.



Awarded the ESD* Activity Award for activities to create a sustainable society in FY2023

Under the auspices of the Ministry of the Environment, the Ecological Life and Culture Organization recognizes outstanding organizations that are engaged in environmental education, biodiversity conservation, and other activities that nurture the leaders of a sustainable society. The Sompo Environment Foundation was awarded the ESD Activity Award for its efforts to foster environmental talent in the youth generation through the CSO Learning Program.

*ESD: Education for Sustainable Development

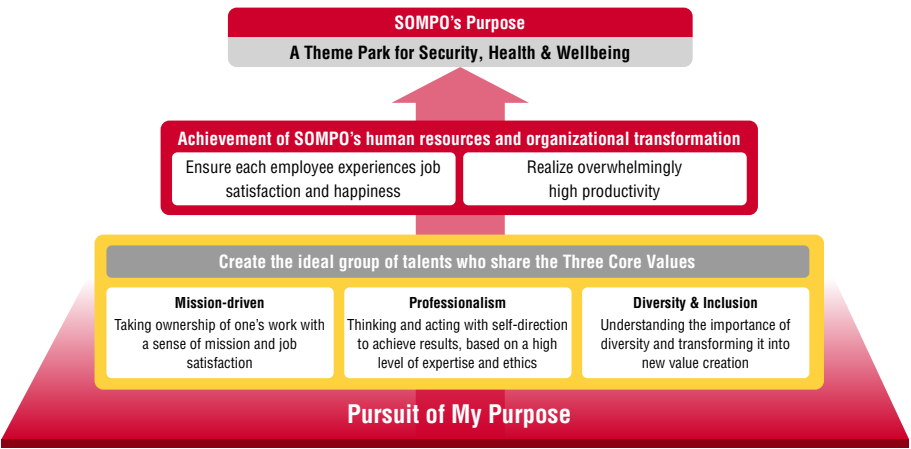
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Overview of Human Capital Management

Story of Sompo Group’s “Human Capital Management”

Concept and Policy

In order to position every employee's My Purpose as the foundation of human capital management to ultimately achieve SOMPO's Purpose, we aim to realize a workforce in which all employees share the following three core values: (1) Mission-driven, (2) Professionalism, (3) Diversity & Inclusion



Pursuit of My Purpose

Concept and Policy

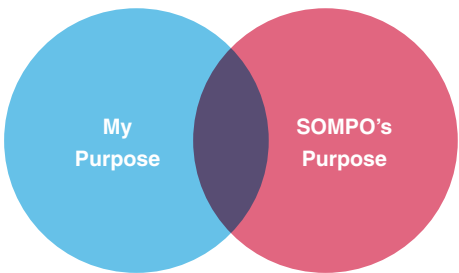
The foundation of the Group's human capital management is every employee's My Purpose. The My Purpose concept represents the things that stimulate oneself in life and encapsulates one's vision, aspirations, and mission. We consider My Purpose to be the intersection of three areas: (1) intrinsic motivation (the “Want”); (2) social responsibility (the “Must”); and (3) capabilities (the “Can”). By having every employee define their own My Purpose and superimposing it on SOMPO's Purpose, we can create autonomy and self-drive, which boosts employee motivation and productivity, thus contributing to the realization of SOMPO's Purpose.

Web For an overview of the My Purpose concept and details about the initiatives being implemented, please refer to the section about [SOMPO's Purpose Management in Sompo Holdings Annual Report 2023](#).

My Purpose = The passion and feelings that drive oneself



Overlapping My Purpose and SOMPO's Purpose



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Overview of Human Capital Management

Creating an ideal talent pool that shares the “Three Core Values”

Concept and Policy

We are currently implementing numerous Group-wide initiatives with a view to achieving the three core values.

Mission-driven

We aim to work with a sense of mission and job satisfaction, thereby fostering a sense of ownership. To that end, we believe it is key for every employee to align their My Purpose with SOMPO's Purpose as they go about their day-to-day work. Measures to support these efforts include discussion and consideration of a company-led review of transfers and reassignments and expansion of our self-driven career development schemes.

Professionalism

We aim to have employees take action autonomously to deliver results based on a high level of expertise and ethical standards. To foster a culture of learning, challenging oneself, and teaching and learning about each other in a diverse workforce, we aim to establish selective training programs and build a Group-wide learning platform for the purpose of nurturing the human resources capable of leading the future management team.

Diversity & Inclusion

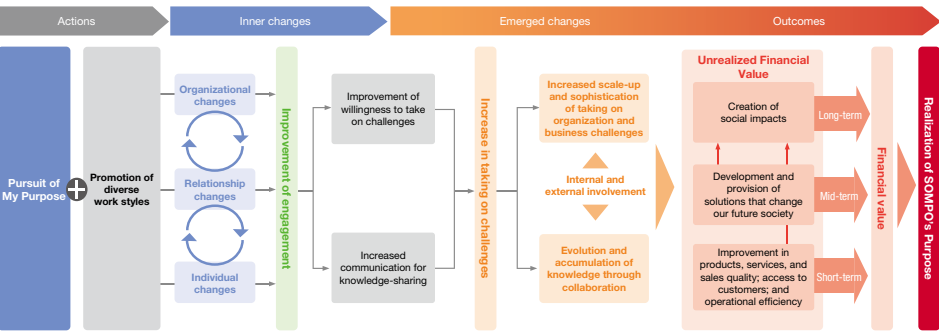
We aim to have employees understand the importance of diversity and turn it into the creation of new value. We are pressing ahead with various initiatives, such as measures aimed at eliminating the gender gap and supporting the active participation of people with disabilities, to ensure that each and every employee can harness their talents and strengths to deliver innovation.

PDF For the strategies and policies for realizing these core values, please refer to the sections about [Diversity & Inclusion and Talent Development](#) (P.44-50).

The “Impact Path” of human capital

Concept and Policy

The value generated from initiatives geared towards enhancing human capital, including raising awareness of SOMPO's Purpose, that leads to medium- to long-term financial and corporate value, is what we call “Unrealized Financial Value.” We are currently visualizing a roadmap to ultimately achieve SOMPO's Purpose in the form of an impact path of human capital. In this impact path, we have demonstrated there to be a correlation between initiatives for improving human capital and the enhancement of corporate value by utilizing and analyzing all kinds of data, including the results of engagement surveys. Going forward, we will continue to set and analyze KPIs that substantiate each correlation based on this impact path, thereby demonstrating progress and sustainability towards realizing SOMPO's Purpose.



Web For further details, please refer to the section about [SOMPO's Purpose Management in Sompo Holdings Annual Report 2023](#).

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Overview of Human Capital Management

Column Purpose-driven management that originates from My Purpose (Sompo Systems Inc.)

Purpose-driven management of Sompo Systems

Sompo Systems established its own purpose in April 2022 based on the thinking that as an IT company in the Sompo Group, its reason for existence and vision should be to support the realization of SOMPO's Purpose.

Purpose of Sompo Systems

As a cast member in a Theme Park for Security, Health & Wellbeing, we seek to realize a comfortable park experience for our customers with proactive planning and proposals, along with a high level of IT know-how and IT solution capabilities.

Accordingly, we have formulated a roadmap with a view to achieving the future vision of Purpose-driven management in which all actions and decisions of the company, organizations, and individuals are based on purpose.

Roadmap of Purpose-driven management

STEP 1 FY2022

- Having employees correctly understand (and internalize) the purpose of Sompo Systems (the company)

STEP 2 FY2023

- Having every employee realize and resonate with the overlap between My Purpose and the purpose of the company
- Having employees in resonance with the overlap be driven by My Purpose and actively engaged in their work to achieve their purpose, thus improving employee engagement

STEP 3 Future vision

- Having all actions and decisions of the company, organizations, and individuals be driven by the purpose

Web For further details, please visit Sompo Systems official website (in Japanese): [Purpose management](#)

Initiatives for generating awareness of the purpose

After every employee had correctly understood (and internalized) the company's purpose, in FY2022 we implemented the following initiatives so they could set about formulating their own My Purpose.

• My Purpose training

Directors and executive officers, general managers, and section managers (approximately 140 in total) attended four training sessions totaling six hours with the objective of understanding the significance of My Purpose and the importance of regular dialogue with their subordinates regarding the topic of My Purpose. Following these training sessions, each individual formulated their own My Purpose.

• Town hall meetings

Town hall meetings were held on 29 occasions with approximately 280 participants in order to facilitate the exchange of opinions regarding "purpose" between the management team, including the president, and employees. Many of the participants said that it was good to directly hear the thoughts of the management team.

• Formulation of My Purpose by all employees

Organization leaders supported the process through one-on-one meetings and all employees began working on the formulation of their My Purpose. In terms of the support provided by the leaders, they provided a manual with some tips and concrete examples to help employees create their My Purpose.



Town hall meeting in progress

As a result of these initiatives, in the FY2022 employee survey, roughly 97% of about 1,300 employees (excluding those seconded to other companies) answered that they had formulated their My Purpose, while around 85% said that they had confirmed how it overlaps with the company's purpose.

Items	Results (timing)
Confirmation of the company's purpose via internal notices and the like	97.8% (November 2022)
Formulation of My Purpose	97.3% (March 2023)
Confirmation of the overlap between My Purpose and the company's purpose	85.0% (March 2023)

Continuation of activities to create resonance between My Purpose and the company's purpose

In FY2023 we have implemented the following initiatives with the aim of improving employee engagement and having employees work with enthusiasm to achieve the company's purpose through resonance between My Purpose and the company's purpose.

• Messages from the management team

Messages from the management team, including a video message from the president, continue to be sent out to all employees.

• Ongoing town hall meetings

Following on from FY2022, management-led town hall meetings continue to be held on the topic of the overlap between employee and company purposes.

• Meetings to share My Purpose

Meetings for the sharing of My Purposes are being held during which employees themselves become panelists to discuss how their My Purpose overlaps with the company's purpose.

• Seminars led by external lecturers

Seminars featuring external lecturers are being held on various topics thought to be indispensable to Purpose-driven management, such as psychological safety.

• Provision of manual to employees

A manual has been provided to employees as a supplementary tool to help them consider how their My Purpose can overlap with the company's purpose. The manual uses some concrete examples so that the reader can imagine how the two purposes might overlap.

• Posters

Posters have been created and displayed in the office so that employees can visually imagine the purpose of Sompo Systems and how it might overlap with their own My Purpose.



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Diversity & Inclusion

— HR strategies and measures for realizing the “Core Values”

The Sompo Group’s vision of Diversity & Inclusion

Concept and Policy

We have positioned Diversity & Inclusion (D&I) as one of the key core values indispensable to the growth of the Sompo Group. Since establishing a department dedicated to promoting the participation of women – the first of its kind for a major Japanese financial institution – we have been committed to promoting D&I with the aim of driving sustained growth of the Group and enhancing corporate value by generating innovation and improving the happiness level and job satisfaction of employees.

The aforementioned My Purpose concept holds the key to increased awareness of D&I. Respecting and acknowledging each other’s My Purpose reinforces the psychological safety of the organization and functions as the foundation for fostering an inclusive culture in which people with diverse backgrounds and values with respect to gender, disabilities, nationality, age, and work history, can coexist. Each and every employee in all of our workplaces will aspire to realize genuine D&I and deliver innovation by drawing on their respective talents and strengths to anticipate change and create new value, and ultimately, aim to achieve SOMPO’s Purpose.

Initiatives to promote Diversity & Inclusion

Activity and Result Partnership

Closing the gender gap

We believe that the adoption of a healthy gender balance and a mix of personnel with different backgrounds in corporate management contributes not only to the elimination of tokenism and the strengthening of corporate governance, but also to sustained growth through innovation.

We have set a goal of achieving at least 30% female management throughout the Group by the end of fiscal year 2023. In addition to implementing Group-wide female training programs to improve the knowledge and skills of our employees and to change their mindset and attitudes, each group company also has its own program. Through these and other programs, as of July 1, 2023, SOMPO Holdings had 5 female directors (3 outside directors, 1 executive officer, and 1 corporate officer) and Sompo Japan had 5 (1 director, 1 corporate auditor, and 3 corporate officers).

As a result of the above initiatives, the percentage of women in management positions in the Group overall has increased to 28.1% as of April 1, 2023, compared to only 5.0% in July 2013 when the goal was initially established.



Also, so that we can achieve further transformation and growth in each line of business with a view to realizing SOMPO’s Purpose, we are formulating succession plans for a total of 86 key posts in the Group, including key positions in our line of businesses in Japan and overseas, such as Group CEO, Group COO, Group CxO, and business CEOs. At present, the ratio of female candidates in these succession plans stands at 41.9% (as of end-March 2023). Our aim is to lift this percentage to 50% in the future.

Employment of people with disabilities

The Sompo Holdings Group employs people with disabilities throughout Japan and is focusing on creating inclusive work environments to stabilize their employment. As of April 1, 2023 Our Group’s employment rate for people with disabilities is 2.36%.

Sompo Japan has a support system in place to create an inclusive workplace for employees with disabilities. For example, it provides a guidebook for managers and arranges disability consultants across the country who provide support to employees with disabilities.

SOMPO Challenged Inc. to boost jobs for people with disabilities

Our Group is promoting the employment of people with disabilities aiming to provide them with stable opportunities to realize their talents and gain a sense of fulfillment through work and to harness their diversity in innovation that is essential to the growth of the Group. We established SOMPO Challenged in April 2018 as a certified special-purpose subsidiary* to further promote the stable employment of people with disabilities throughout the Group and to create an environment in which they can work with vitality. SOMPO Challenged plays a leading role in boosting jobs for people with disabilities in our Group.



*A company approved by the Japanese Minister of Health, Labour and Welfare as satisfying certain conditions stipulated in the Act to Facilitate the Employment of Persons with Disabilities, that gives special consideration to the employment of people with disabilities.

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— HR strategies and measures for realizing the “Core Values”

Sompo Holdings joins “The Valuable 500” to promote disability inclusion

The Valuable 500 is an international network founded by social entrepreneur Caroline Casey at the World Economic Forum Annual Meeting in January 2019 in Davos, Switzerland, based on the belief that inclusive businesses can build inclusive societies. The Valuable 500 aims to encourage business leaders to achieve innovation so that people with disabilities can demonstrate their potential to add value to businesses, society and the economy.

As a member organization of this initiative, we have declared the Group’s commitment and will work to drive change.

Web For further details, please visit The Valuable 500 website: [Sompo Group Commitment](#)

Universal Manners Test training held for Group directors and executive officers

The Universal Manners Test is a certification for enabling participants to systematically learn and acquire the practice of universal manners, or in other words, interacting with different kinds of people with an appropriate mindset and actions. We believe one of the Group’s missions is to not only have a correct understanding of our customers and provide reasonable considerations and products and services of value, but to also create a deeper understanding of, and respect for, people with disabilities among colleagues.

Based on this thinking, in June 2023, Sompo Holdings and its major operating companies held training sessions for directors and executive officers for the purpose of raising awareness and understanding of diversity throughout the Group and so the participants could prepare themselves with the aim of passing level 3 of the Universal Manners Test.



LGBTQ+ activities

Initiatives in the workplace

With the primary goal of building an employee network centered around Sompo Japan Insurance, we have established the LGBT-Ally Community. It engages in such activities as information sharing, exchanging of opinions, organizing internal networking events, and participating in external events, all with the unified aim of fostering a workplace culture and environment where everyone, including LGBTQ+ individuals, can work comfortably and with a sense of job satisfaction. In addition, we have taken steps to improve workplace facilities by providing gender-free toilets at the head office and training center, as well as a changing room that can be used by anyone at the head office health clinic.

At Sompo Japan Insurance, we are continuously implementing initiatives, including the hosting of study sessions for all employees, e-learning programs, and educating employees by providing educational materials and workbooks to all workplaces. We are also a member of the LGBT Finance initiative and have sponsored Tokyo Rainbow Pride and other LGBTQ+ events since fiscal 2019. In 2022, in response to a suggestion by the LGBT-Ally community, we sponsored the Nagoya Rainbow Pride event, with approximately 40 employees and their families taking part.



Tokyo Rainbow Pride event

In addition, we carried out a review of our policy to allow same-sex partners to be recognized as spouses for the purpose of receiving allowances, condolence payments, taking congratulatory and condolence leave, and accessing various welfare facilities.

Initiatives in products and services

At Sompo Japan Insurance, we have updated the definition of “spouse” in policies for automobile insurance, fire and allied insurance, and personal accident insurance and the like so that same-sex partners are eligible for coverage as spouses.

At Sompo Himawari Life, we have simplified the verification process for customers nominating a same-sex partner as a beneficiary by requesting the submission of a copy of their partnership certificate.

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Diversity & Inclusion

— HR strategies and measures for realizing the “Core Values”

Personnel systems promoting diverse workstyles

Balancing work with private life is currently a key topic for all employees irrespective of gender or age. It is imperative that we facilitate different work styles depending on the individual circumstances of every employee so that they can continue to work with enthusiasm for many years to come. To that end, the Group is committed to establishing an environment that supports an optimal balance between work and various life events.

Career Transfer Program

Sompo Japan and other group companies have a career transfer program in which an employee can change his/her work place to a difference branch when there is a compelling reasons and when certain conditions are met. This program can be used by those who are in the positions that would not require job relocations but need to relocate their residence due to unavoidable circumstances.

System supporting employees during pregnancy, post-childbirth and childcare

With the aim of supporting the balance between work and one's responsibilities to home and children, we have established systems related to vacations, leaves of absence, and work styles, including maternity leave, a postnatal childcare leave system (colloquially known as “paternity leave”), a childcare leave system, and reduced working hours for childcare.

The childcare leave systems at Sompo Holdings, Sompo Japan and other Group companies are available until the child reaches the age of 2 years and 1 month, and include up to a total of seven days of paid “short-term childcare leave” for both men and women.

In addition, reduced working hours for childcare are available in principle until the child reaches the end of the third year of elementary school, and several different work hour patterns are available. Furthermore, we have established a system that makes it easier for both men and women to take childcare leave and to balance work and childcare. For example, if there are unavoidable circumstances due to a child's illness or disability and the Company deems it necessary, employees may choose to work shortened hours until the end of the fiscal year in which the child reaches the age of 18.

To further promote the participation of men in childcare, including support for balancing work, parenting and childcare leave for men of which we recommend one month or more, we started from FY2023 to hold Group-wide training sessions targeted at those concerned and at the management level.

Forums to support employees on childcare leave

We organize forums to help employees who are on childcare leave smoothly return to work in Tokyo, Nagoya, Osaka, and Fukuoka and via a video conference. In addition to the employees who are on childcare leave, their supervisors and colleagues attend the forum. This helps relieve anxiety about returning to work by creating a more inclusive business environment. (In consideration of the COVID-19 pandemic, in FY2020, the forum was held video and online.)

“Amore Support” for employees on childcare leave

We have extensive support tools to create a workable environment for all employees. For example, we use “guides for pregnancy, childbirth, childcare,” “tips for one-on-one interviews with employees on childcare leave,” and the “guidance for supervisors who have a staff member on childcare leave.” We regularly provide information about the company's important policies.

Support for nursing care

Long-term nursing care has become a common issue due to the rapidly aging population in Japan. To help employees balance their work and care responsibilities, we expanded the options to offer a long-term family care leave (up to 365 days in total), nursing leave, shift work for nursing care and reduced working hours. We also held a seminar for balancing work and care responsibilities.

Related KPIs and results

Activity and Result

KPI items	Unit	FY2020	FY2021	FY2022
Ratio of female managers*1	%	24.2	26.8	28.1
Ratio of female directors and executive officers*2	%	8.6	9.0	11.5
Ratio of female candidates in succession plans	%	25.4	32.4	41.9
Ratio of foreign national directors and executive officers*3	%	12.1	14.7	15.2
Wage gap between men and women*4	%	—	—	67.2
Ratio of male employees who take childcare leave	%	—	71	75
Ratio of employees with disabilities*2	%	2.42	2.41	2.36

*1 FY2020 figure is as of March 31. Figures for FY2021 and FY2022 are as of April 1 of the following fiscal year.

*2 Figures are as of April 1 of the following fiscal year.

*3 Figures are as of July 1 of the following fiscal year.

*4 Standalone figure for Sompo Holdings.



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Diversity & Inclusion

— HR strategies and measures for realizing the “Core Values”

External commendation

Activity and Result

FY2013

- Received Kurumin Certification from the Ministry of Health, Labour and Welfare (Sompo Japan Insurance, seven consecutive years since 2007)
- Received Diversity Management Selection 100 from the Ministry of Economy, Trade and Industry (Sompo Japan Insurance)

FY2014

- Received Kurumin Certification from the Ministry of Health, Labour and Welfare (Sompo Himawari Life Insurance)
- Received Corporate Action Award from the Tokyo Stock Exchange (Sompo Holdings)

FY2015

- Received the Excellence Prize in the Women's Empowerment Power Up Award from the Public Interest Incorporated Foundation, Japan Productivity Center (Sompo Japan Insurance)

FY2016

- Received Silver Award in work with Pride's PRIDE Index (Sompo Japan Insurance)
- Received Prime Minister's Award from the Cabinet Office “Advanced Company Awards for Women to Shine” (Sompo Japan Insurance)
- Received Excellence Award in the Telework Practice Category of the 17th Telework Promotion Awards from the General Incorporated Association, Japan Telework Association (Sompo Japan Insurance)
- Received Runner-up Award in the Advanced Category of the 2017 J-Win Diversity Award from the Non-Profit Organization J-win (Sompo Japan Insurance, the second time since 2015)

FY2018

- Received Grand Prize in the 3rd Women's Empowerment Power Up Award from the Public Interest Incorporated Foundation, Japan Productivity Center (Sompo Japan Insurance)
- Received Time-Differentiated Biz Promotion Award (Work Style Category) from the Tokyo Metropolitan Government (Sompo Japan Insurance, two consecutive years since 2017)

FY2020

- Selected as Nadeshiko Brand for 2020 by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange (Sompo Japan Insurance and Sompo Holdings, four consecutive years since 2017)

FY2021

- Certified as Tomonin by the Ministry of Health, Labour and Welfare (Sompo Himawari Life Insurance)
- Selected as Consortium of 40 Companies by the Ministry of Health, Labour and Welfare and the Cancer Control Promotion Corporate Action Corporate Consortium (Sompo Himawari Life Insurance)
- Selected as Nadeshiko Brand for 2021 by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange (Sompo Japan Insurance and Sompo Holdings)
- Selected as Excellent Companies for Cancer Control Promotion in 2021 by the Ministry of Health, Labour and Welfare and the Cancer Control Promotion Corporate Action Corporate Consortium (Sompo Himawari Life Insurance)

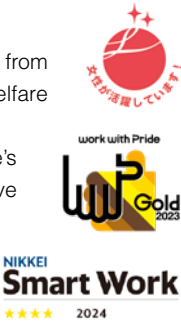
FY2022

- Certified as 5 stars by Nikkei Smart Work Management Survey (Sompo Holdings)
- Recognized as Advance in the D&I Award 2022 by Job Rainbow Corporation (Sompo Himawari Life Insurance)



FY2023

- Received Two-Star Eruboshi Certification from the Ministry of Health, Labour and Welfare (Sompo Himawari Life Insurance)
- Received Gold Award in work with Pride's PRIDE Index (Sompo Japan Insurance, five consecutive years since 2019)
- Certified as 4 stars by Nikkei Smart Work Management Survey (Sompo Holdings)



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Talent Development

— HR strategies and measures for realizing the “Core Values”

Expanding self-driven career development schemes

Concept and Policy Activity and Result

Job-based HR system

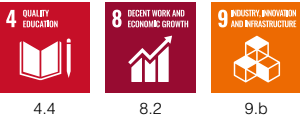
In FY2020 we introduced a job-based HR system at Sompo Holdings to support self-driven career development in areas where My Purpose overlaps with SOMPO’s Purpose and to further enhance the “Three Core Values.” The main feature of the system is that it basically abolishes company-initiated personnel transfers. We will seek to have employees deliver results as professionals by letting them choose their own career path rather than being driven (or led) by the company. Also, unlike typical job-based HR systems, we not only allow employees to forge a career in the same organization or function, but we respect their decision to seek a position beyond their traditional area of expertise by utilizing open recruitment systems and the like that are open to any Group employee. Accordingly, we provide various options to employees in terms of their career path in the Group. For example, (1) continuing to work in the same department or position to enhance their expertise in a specific area, (2) regularly volunteering to switch between compatible job roles in order to broaden the scope of their career, and (3) opting to change jobs by moving to different departments so as not to remain in a specific area for an extended period. The job-based HR system is being rolled out to all Group companies, including Sompo Japan Insurance, with each company adopting a system that aligns with its own characteristics.

Job challenge system

As one opportunity for employees to choose their own career path, we are currently promoting a so-called job challenge system under which employees can voluntarily apply for job postings and seek a transfer to a department of their choosing. This system allows employees to apply for open positions not only at their own company, but at any company in the Sompo Group. In FY2023, a total of 840 available positions across 28 Group companies, along with the descriptions of those job postings, were disclosed to Group employees. Also, in FY2021 we added a remote job challenge component to the system for the purpose of posting fully remote-based job openings. And for employees who are unable to apply for a desired position that requires a relocation because of their nursing care or childcare obligations, we offer a scheme that allows them to take up the challenge of a post of their own choosing without having to change their place of residence.

Himawari My Purpose career system (Sompo Himawari Life Insurance)

Starting in FY2022, we have implemented a system where employees apply for positions by internally disclosing their My Purpose, knowledge, skills, experience, and other information. Departments can offer employees a position if they feel the employee in question is the right fit for the role. The employee can then transfer to that department if they wish to do so. We are supporting the career-building efforts of every employee by having them influence each other, which in turn generates the motivation for them to actively learn new things. And by clearly envisioning their own future, they can achieve personal growth and work towards that vision of their future selves.



Succession planning

Concept and Policy Activity and Result

1. Purpose of formulating succession plans

As the Sompo Group drives transformation towards realizing the concept of a “Theme Park for Security, Health & Wellbeing,” in order to achieve further innovation and growth in our businesses, we are formulating succession plans for key leadership positions with the aim of establishing a system to reliably and effectively produce high-quality personnel with diverse backgrounds.

2. Applicable positions

The succession plans are for a total of 86 key posts in the Group, including key positions in our line of businesses in Japan and overseas, such as Group CEO, Group COO, Group CxO, and business CEOs, based on the importance of, and scarcity of talent for, these positions throughout the Group and in each line of business.

3. Key points in candidate selection

We specify and select successor candidates based on the following categories and have established certain criteria for the selection of candidates for each position from the perspective of increasing diversity in the Group. We also consider systematic training and recruitment from outside of the Group.

NLP (Next Leaders Program)

In this program, we formulate succession plans for mainly Group-wide key posts and select so-called “N” talent (as in the “next” talent) from among our successor candidates in Japan and overseas who we think are capable of assuming these positions within the next five years. To foster management leadership qualities and instill a sense of awareness and determination among the candidates, the Group CEO and outside directors observe the final presentations of the participants in the Action Learning Project (ALP) in order to assess mainly their personality and capabilities.

FLP (Future Leaders Program)

In this program, we select so-called “F” talent (as in “future” talent) in Japan and overseas who we think have the potential to assume Group-wide key posts in 5–10 years’ time. In partnership with world-class business schools, we aim to deepen the understanding of the perspectives required of SOMPO leaders, as well as the key management philosophies and vision of the Group. The purpose of this is to instill in the candidates the right mindset and readiness to set their sights on becoming a director or executive officer.

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Talent Development

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Developing global management personnel

Concept and Policy Activity and Result

We aim to build a system that reliably and effectively produces high-quality management personnel with diverse backgrounds. We are currently developing global management personnel in conjunction with our succession planning program.

SOMPO Global University

SOMPO Global University is comprised of two main components: (1) the acquisition of business knowledge by attending the lectures of a world-class business schools; and (2) practical experience in a global environment for the purpose of gaining practical knowledge. It aims to nurture future business leaders of any nationality who possess knowledge, experience, and broad perspectives.

Global human resources development training (basic and advanced)

In the basic course, participants are provided output opportunities through discussions in both Japanese and English with the aim of developing a global mindset and a foundation in communication skills. In the advanced course, we invite instructors from within the Group to teach the participants practical English language skills and deepen their cross-cultural understanding by informing them about the Group’s overseas business operations and through lecture-based discussions.

Sompo International Global Trainee Program

In this program, trainees are dispatched to Sompo International – a Group company boasting professionals from different fields centered around underwriting – to acquire knowledge and expertise, typically over a period of three years. By having employees embrace the challenge of working in a culturally different business environment overseas, we are developing global human resources armed with considerable expertise to drive further growth of the Group.

Group-wide framework for training and appointing management personnel

