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# Corporate Governance

## Basic concept

### Concept and Policy

Based on its Management Philosophy, the Sompo Group has positioned SOMPO's Purpose at the core of its management strategy as it tackles a wide range of social issues from a medium- to long-term perspective.

Sompo Holdings, as the holding company of all Group companies, considers continuous improvement of transparency and fairness of the Group's corporate governance and fulfillment of corporate social responsibility through business as essential for maintaining strong relations of trust with stakeholders. The Board of Directors has accordingly established this Policy to clarify basic policies regarding the overall vision for the governance structure and the development of governance framework. We continue to make efforts to enhance corporate governance in pursuit of the best corporate governance.

**Web** For further details, please visit the website: [Corporate Governance Policy](#)

Sompo Holdings, Inc. (hereinafter "the Company") has changed its governance structure to "Company with committees," effective June 2019, as part of efforts to strengthen corporate governance structure by separating management supervision from business execution in order to reinforce the supervisory function of the Board of Directors and to accelerate business execution by delegating substantial authorities from the Board of Directors to executive functions. The Company also established three committees – Nomination Committee, Audit Committee, and Compensation Committee – and established governance structure that works to improve transparency and fairness. In addition, executive officers make executive decisions and perform duties on the matters delegated from the Board of Directors under the comprehensive supervision by the Group CEO, while Business Segment System and Group Chief Officer (hereinafter "Group CxO") system are in place to ensure agile and flexible decision-making and business execution, with clearly defined authorities and responsibilities.

The Board of Directors sets the basic policy and the basic policies for Group management and for internal control which forms the foundation of Group management, appoints Executive Officers, and supervises the performance of duties by Directors and Executive Officers. Additionally, the Board of Directors delegates executive decisions to Executive Officers in principle, as far as the laws permit, to further strengthen the supervisory function of the Board of Directors and accelerate business execution.

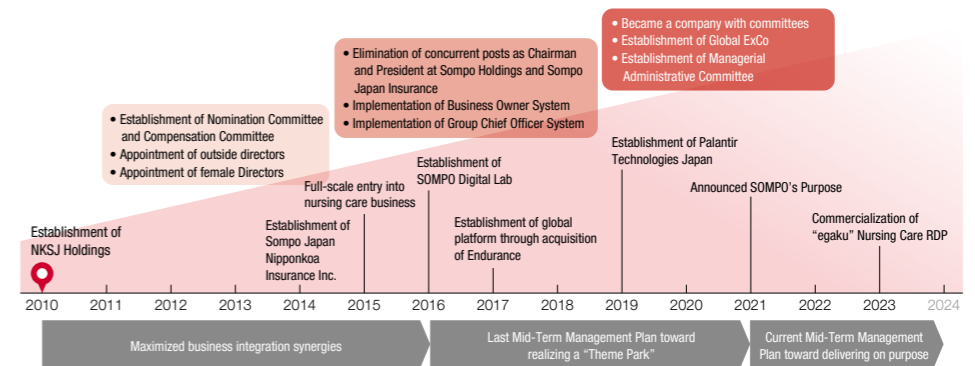


9.b 16.6, 16.7

## History of governance

### Concept and Policy Structure

Sompo Holdings was established in 2010 as a holdings company and decided to transform to realize "A Theme Park for Security, Health & Wellbeing" to address the challenge of realizing sustainable growth as a Group that conducts business mainly in Japan which faces population decline, population aging, and low economic growth. In 2021, we officially proclaimed our 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. Our Purpose identifies what kind of value we will provide to society. Again and again, it is SOMPO's governance that has clearly indicated the direction in which the Group should move and has led the transformations to achieve this.



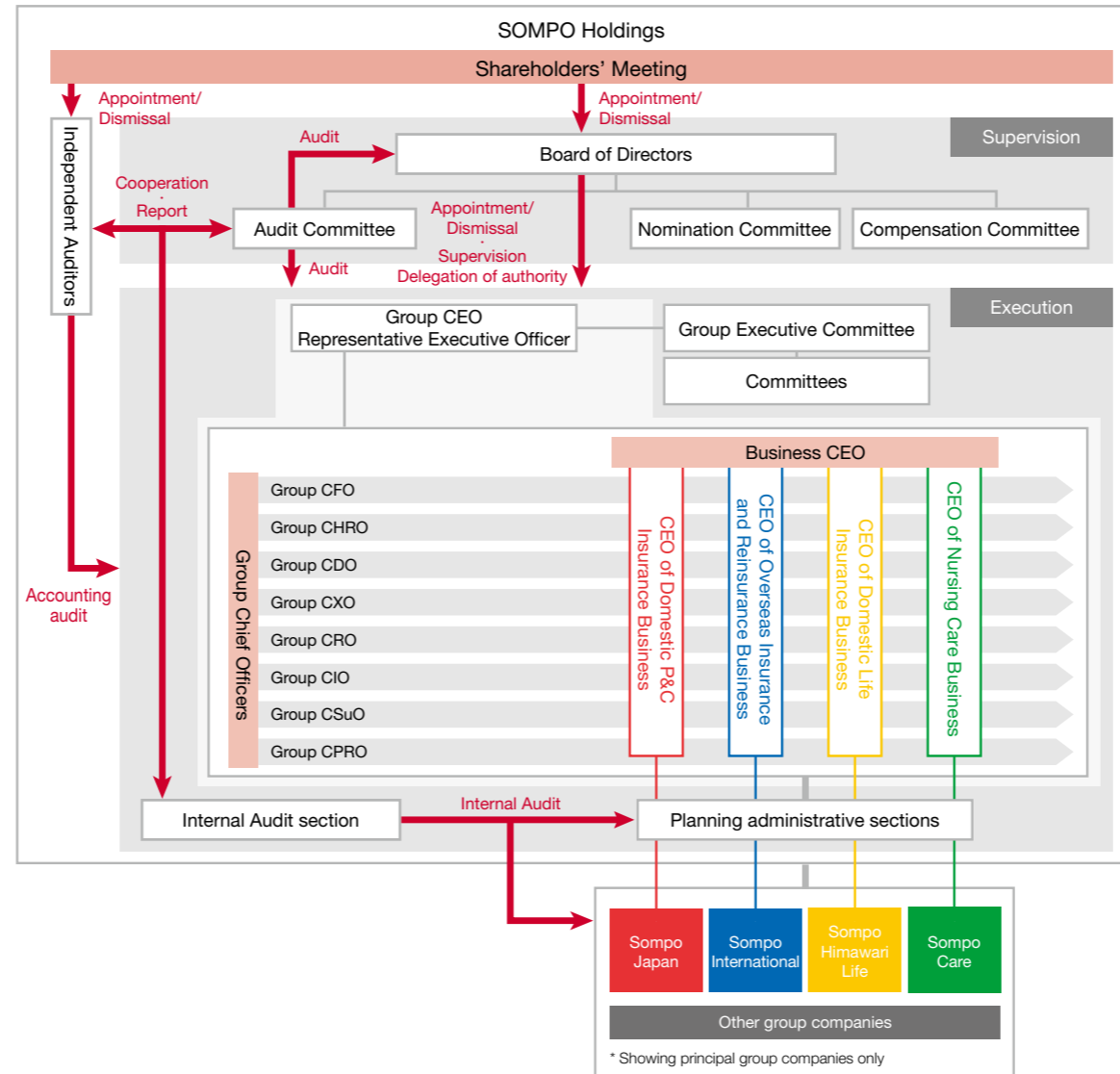
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## Overview of corporate governance structure (After April 2024)

\*As of February 29, 2024

### Structure



Group CEO and other abbreviated titles represent the following positions:  
 Group ExCo : Group Executive Committee  
 Group CEO : Group Chief Executive Officer  
 Group CFO : Group Chief Financial Officer  
 Group CHRO : Group Chief Human Resource Officer  
 Group CDO : Group Chief Digital Officer  
 Group CXO : Group Chief Transformation Officer  
 Group CRO : Group Chief Risk Officer  
 Group CIO : Group Chief Information Officer  
 Group CSuO : Group Chief Sustainability Officer  
 Group CPRO : Group Chief Public Relations Officer



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## Characteristics of the Board of Directors

\*As of February 29, 2024

Structure Activity and Result

### Function and role of the Board of Directors

The Board of Directors fulfills its responsibilities as stipulated by laws and regulations and the Articles of Incorporation. It also makes decisions on important business matters as set forth in the Rules of Board of Directors, whilst also aiming to exercise its supervisory function regarding business execution.

To enhance its supervisory function, the Board has a majority of independent directors, and to ensure a considerable degree of diversity among its members, gender, nationality, and other factors are also taken into consideration. The governance structure is designed to enhance transparency and fairness by appointing company managers, academics, and those with specialized knowledge of law, finance, and accounting.

### Efforts to ensure and improve the effectiveness of the Board of Directors

To guarantee and improve the effectiveness of the Board, we have established a cycle of constantly engaging in discussions and utilizing opinions to share timely and appropriate information about the Company's business over the course of the year with the following specific initiatives.

#### Preliminary briefing sessions for the Board of Directors

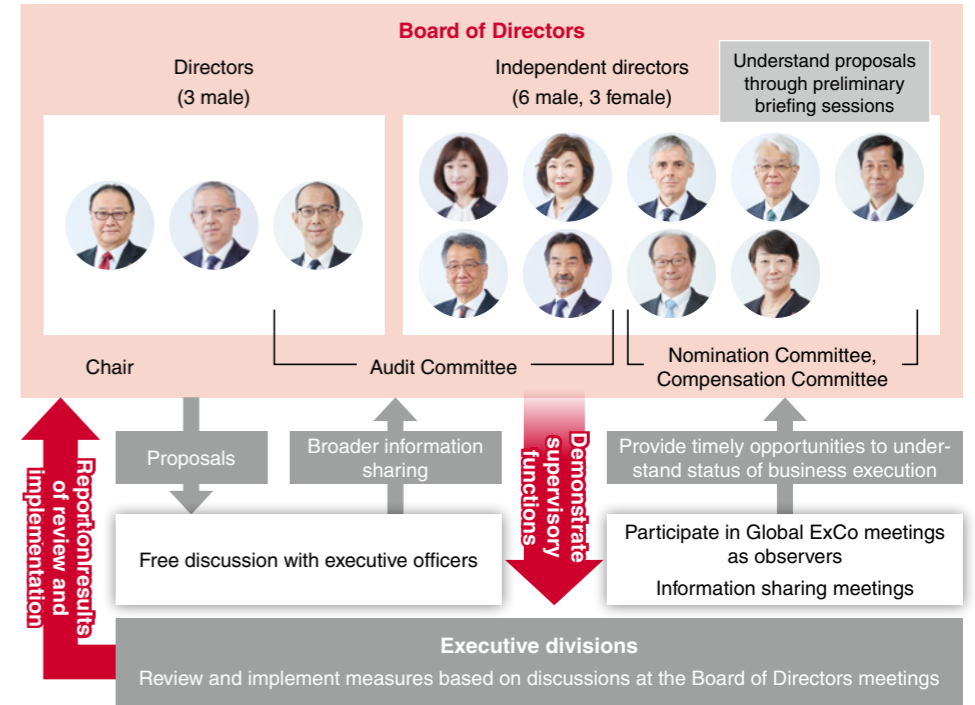
In order to ensure that the discussions of the Board of Directors are constructive and productive, preliminary briefing sessions are held for all outside directors before every meeting of the Board. During the Board meetings, discussions are informed by the opinions and questions raised at these sessions.

Integrating preliminary briefings and Board meetings in this way allows for discussions to be both efficient and substantial, and ensures that the knowledge and perspectives of outside directors are also directly reflected in how the Board operates.

#### Giving scope to the supervisory function of the Board of Directors

We actively undertake initiatives that help the Board demonstrate its supervisory function, such as by strengthening information sharing so that the directors can better understand how business is being executed. This ensures sufficient communication is maintained without creating a sense of distance between the Board of Directors and the executive divisions.

## A virtuous cycle created by demonstrating the supervisory function of the Board of Directors



### Specific initiatives

- Business execution reports made by business CEOs and Group CxOs at the Board of Directors
- Providing observer access to directors to sit in on various committee meetings, such as the Global Executive Committee and the Managerial Administrative Committee
- Holding information-sharing meetings to provide timely updates to outside directors regarding items of business execution, without restricting the discussions solely to Board agenda items
- Holding free discussions about information concerning business operations
- Having outside directors and representative executive officers exchange opinions etc.

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# Corporate Governance

## Board of Directors performance

In fiscal 2022, the Board of Directors met a total of 14 times (attendance rate: 100%). The main agenda items of the Board of Directors in fiscal 2022 are outlined below.

Topic	Details
Evaluating and increasing the value of non-visible assets such as branding and engagement	Reviewed the progress of work-style reform initiatives, performance appraisal indicators, the grand design for the realization of human resources and organizational reform, and the Group's brand strategy.
Policies for handling ESG-related issues	Reviewed the progress and structure of initiatives in SDGs management, such as Value Creation Cycle efforts aimed at realizing our Purpose, and materiality KPIs including climate change response.
New value creation through DX and RDP	Reviewed the Nursing Care Real Data Platform (RDP) and initiatives to create new value utilizing digital and data in each business.
Policy on constructive communication with the capital markets	Reviewed the summary of IR activities for fiscal 2021 and the IR implementation plan for fiscal 2022, including further expansion of investor communication to enhance corporate value.
Business portfolio and policy on synergies between businesses	Decided on the business plan for fiscal 2023 and reviewed initiatives to build a Conglomerate Premium and the Group's capital policy.
Policy on measuring the benefits of purpose management	Reviewed the progress of the Mid-Term Management Plan and the status of efforts to visualize unrealized financial value including human capital in order to enhance corporate value.
Risk management policy, including a cybersecurity framework	Reviewed the status of the Group's cybersecurity system and risk control.

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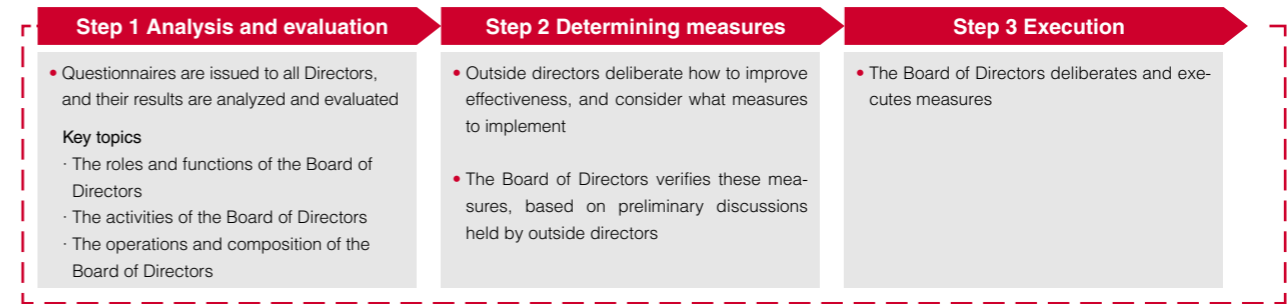
## Evaluating the effectiveness of the Board of Directors

### Activity and Result

### Improving the effectiveness of the Board of Directors through PDCA cycles

As part of its efforts to improve the effectiveness of the Board of Directors, every year the Company issues a questionnaire, which includes a self-evaluation section, to each Director. We use the results of these questionnaires to analyze and evaluate the effectiveness of the Board of Directors as a whole. We also work to improve the functionality of the Board of Directors, and strengthen corporate governance. To this end, we actively incorporate the opinions of Directors, verify measures for any identified issues and for the further evolution of the Company, and carry out PDCA cycles for the execution of concrete initiatives that enhance the functionality of the Board of Directors.

### PDCA cycles to improve the effectiveness of the Board of Directors



### FY2022 evaluation results and FY2023 initiatives

<p>Main assessments of FY2022 initiatives</p>	<ul style="list-style-type: none"> <li>Opinions were actively exchanged during the preliminary briefings held in conjunction with Board meetings, and as such, the sessions were assessed to be extremely valuable.</li> <li>Discussions during the Board meetings were assessed to have become more substantial than before, but at the same time, there was feedback suggesting that additional information and insights from other directors who did not attend the preliminary session would have been useful and that more clarification is needed regarding which points are to be discussed during the board meeting.</li> </ul>	<ul style="list-style-type: none"> <li>Alongside the continued practice of expanded free discussions introduced in the previous fiscal year and the executive division reports and continual Board discussions, the on-site visits to each business were assessed to be useful in better understanding how business is being carried out.</li> <li>The balance between in-person and online Board meetings in the post-COVID era, as well as efforts to go paperless, were assessed to be contributing to really effective Board management.</li> <li>To allocate enough time for discussions on important future topics, it was suggested that free discussion time be further utilized and that the timely sharing of information needs to be continued going forward.</li> </ul>
<p>Response to the assessments in FY2023 (As of June 2023)</p>	<p>The following are the topics that the Company's directors believe management ought to start or continue, discussing in more depth, as well as initiatives that might be effective in enabling the Board to function better.</p> <p>The Company will bear these items in mind and continue to take measures to enhance the Board's effectiveness.</p> <p><b>Topics that ought to be discussed in more depth by management:</b></p> <ul style="list-style-type: none"> <li>Evaluating and increasing the value of non-visible assets such as branding and engagement</li> <li>Policies for handling ESG-related issues</li> <li>Policy on constructive communication with the capital markets</li> <li>New value creation through DX and RDP</li> </ul> <p><b>Key initiatives to enable the Board of Directors to function better</b></p> <ul style="list-style-type: none"> <li>Issue-driven, focused discussions dedicated to important topics</li> <li>Clarifying what matters should be deliberated at Board meetings and using preliminary briefing sessions effectively</li> </ul>	<ul style="list-style-type: none"> <li>Business portfolio and policy on synergies between businesses</li> <li>Policy on measuring the benefits of purpose management</li> <li>Risk management policy, including a cybersecurity framework</li> </ul> <p>Establishing mechanisms to help the Board understand the Company's operations, including on-site visits</p> <p>Ensuring communication and information sharing between outside directors and statutory committees</p>



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# Corporate Governance

## Nomination Committee

### Activity and Result

The Nomination Committee aims to improve transparency and fairness in the Group's governance by introducing a third-party perspective to deliberations concerning the appointment and dismissal of Directors and Executive Officers at all Group companies. The Group is currently promoting transformation – or qualitative change – with the goal of achieving our Purpose. Improving diversity among Group officers is critical both to realizing our Purpose and to developing our global business – not just in insurance but in wide-ranging sectors, including Nursing Care & Seniors, and Digital. The Nomination Committee works to improve diversity among Group officers both when appointing individual directors and executive officers and when formulating the Succession Plan.

In fiscal 2022, based on the reorganization of the composition of the Board of Directors (reducing the total number of directors by 2 and the number of outside directors by 1), we selected candidates for the Board of Directors and the head of the Sompo International Tokyo Office. In addition, for the purpose of more effectively implementing the business strategy of the entire Group, we set up opportunities for the direct exchange of opinions between the Nomination Committee and each Business CEO in appointing Directors and Executive Officers of the major Group companies. Through its deliberations, the Nomination Committee intends to establish a diverse portfolio of Group officers, and contribute to realizing our Purpose and to improving corporate value.

## Nomination Committee performance

In fiscal 2022, the Nomination Committee met a total of 10 times (attendance rate: 100%). Its main agenda items are listed below.

Topic	Details
Formulating the Succession Plan	<ul style="list-style-type: none"> <li>• Certain key positions are critical for bringing about the further transformation and growth of the Sompo Group; in the Succession Plan, the Committee has established a system that will produce high-quality individuals from diverse backgrounds in a stable and effective way.</li> <li>• A total of 86 key positions in the Group, including the position of Group CEO, are governed by the Succession Plan.</li> <li>• When selecting succession candidates, the Committee draws up various criteria for consideration, such as the proportion of positions held by women, to ensure a diverse pool of talented personnel.</li> </ul>
Appointing Director candidates	<ul style="list-style-type: none"> <li>• After considering the criteria for the appointment of Directors and the balance of the Board of Directors as a whole, the Committee resolved an issue related to the appointment of Director candidates to be submitted to the Annual General Meeting of Shareholders.</li> </ul>
Appointing Executive Officers	<ul style="list-style-type: none"> <li>• The Committee resolved an issue related to the appointment of Executive Officers.</li> </ul>
Appointing Directors at Sompo Japan Insurance and Sompo Himawari Life Insurance	<ul style="list-style-type: none"> <li>• The Committee resolved an issue related to the appointment of Director candidates at Sompo Japan Insurance and Sompo Himawari Life Insurance.</li> </ul>

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## Audit Committee

### Activity and Result

The Audit Committee consists of five directors, four of whom are independent directors. Under our highly independent and objective structure consisting mainly of them, we conduct audit activities with the mission of protecting stakeholders' interests through information sharing and active exchange of opinions among the Audit Committee and cooperation with the Internal Audit Department. Audits are conducted mainly through meetings with executive officers and other members of the Board of Directors. In fiscal 2022, we visited several Group companies to gain a deeper understanding of the actual business conditions through direct interviews with on-site staff members, thereby ensuring highly effective audits.

Under the Mid-Term Management Plan launched in fiscal 2021, the Company is aggressively pushing new initiatives – such as solutions that utilize real data – to achieve its goal of becoming “A Theme Park for Security, Health & Wellbeing,” and our audits have therefore become broader in scope. In this fiscal year, the final year of the Mid-Term Management Plan, I believe we can contribute to the enhancement of corporate value by drawing on the knowledge, expertise, and diverse backgrounds of each Member of the Audit Committee to conduct effective and high-level audits in a wide range of business areas in accordance with our auditing objectives in order to ensure the appropriateness of our efforts to achieve our Purpose.

Going forward, the Audit Committee will work to improve appropriate communication with the executive divisions and streamline its auditing methods based on timely and accurate information gathering and active discussions among the committee members, and will continue its efforts to meet stakeholder expectations by conducting audits of the highest quality.

## Audit Committee performance

The Audit Committee formulates basic policies for audits and auditing plans, carries out audits year-round in accordance with these plans, and provides audit reports and a summary of its auditing activities at the end of each fiscal year. A report is provided to the Audit Committee following the completion of each audit activity, enabling the Committee to regularly verify the progress of the auditing plan. The Committee's year-round auditing activities include: attending important meetings and verifying important decisions; collecting information through meetings with Representative Executive Officers, through meetings with Business CEOs and Group CxOs, through meetings with general managers of departments and offices, and through site visits to Group companies in Japan and overseas; and providing feedback and suggestions regarding management operations.

In fiscal 2022, the Audit Committee met a total of 13 times (attendance rate: 97.6%). Our auditing activities for fiscal 2022 are outlined below.

Topic	Details
Audit Committee Responsibility System	<ul style="list-style-type: none"> <li>The Audit Committee Responsibility System, which is continuing from the preceding fiscal year, was introduced with the aim of conducting audits of greater depth. Each Business CEO and Group CxO is assigned a primary auditor from among the members of the Audit Committee. Audit Committee members other than the primary auditor also actively participate, and after the audit, the committee has a lively exchange of opinions.</li> </ul>
Collaborating with the Internal Audit Department	<ul style="list-style-type: none"> <li>In order to strengthen collaboration with the Internal Audit Department, as in the preceding fiscal year, the General Manager of the Internal Audit Department attends meetings between Audit Committee members and officers, and is present at site visits to Group companies both in Japan and overseas. The Internal Audit Department also discusses the results of internal audits with Audit Committee members and participates in the lively exchange of opinions as described above.</li> </ul>
Collaborating with Independent Accounting Auditors	<ul style="list-style-type: none"> <li>We established a plan for year-round meetings with Ernst &amp; Young ShinNihon LLC on the Overseas Insurance and Reinsurance Business and other businesses, and we work to mutually improve audit quality by ensuring frequent communications and engaging in lively exchanges of opinion, including requesting the provision of information from the viewpoint of an independent accounting auditor.</li> </ul>
Measures to improve audit activities	<ul style="list-style-type: none"> <li>The Audit Committee and other meetings were held both face-to-face and using video conferencing as appropriate to increase efficiency and ensure sufficient time for discussion.</li> <li>We visited several Group companies to gain a deep understanding of the actual business conditions through direct interviews with on-site staff members.</li> </ul>

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## Compensation Committee

### Activity and Result

The Compensation Committee aims to improve transparency and fairness in the Group's governance by introducing a third-party perspective to deliberations about compensation for Directors and Executive Officers at all Group companies. It is imperative that the executive compensation structure not only imparts positive effects on governance, but also provides real incentives for Group officers to contribute to the enhancement of corporate value. From this perspective, we discussed revisions to Sompo Holdings' executive compensation system, and the following specific measures were taken effective April 2023: 1. Revision of the compensation levels; 2. A decrease in the fixed compensation ratio (increase in the variable compensation ratio); 3. Use of metrics for brand value and engagement as evaluation metrics in the strategic targets for performance-linked compensation; 4. Revision of long-term incentive program (changed from stock trust method to phantom stock method). These revisions will be implemented in the executive compensation plans of the major Group companies in fiscal 2024.

Two of the key questions concerning our Group's executive compensation structure are: "what compensation package should we award to the Group CEO?" and "how can we properly evaluate this?" In fiscal 2022, the Compensation Committee carefully deliberated the Group CEO's strategic goals and initiatives, and assessed the Group CEO's overall compensation, fixed compensation, and performance-linked compensation. The Committee will continue to discuss the Sompo Group's executive compensation structure, with a view to increasing its incentivizing effects to contribute to the enhancement of corporate value.

## Compensation Committee performance

In fiscal 2022, the Compensation Committee met a total of 11 times (attendance rate: 100%). Its main agenda items are listed below.

Topic	Details
Revising executive compensation structures at Sompo Holdings	<ul style="list-style-type: none"> <li>• Discussions were held to increase the incentivizing effects of the executive compensation structure of the Company, and the following revisions were implemented as of April 2023:               <ol style="list-style-type: none"> <li>1. Revision of the compensation levels</li> <li>2. A decrease in the fixed compensation ratio (increase in the variable compensation ratio)</li> <li>3. Use of metrics for brand value and engagement as evaluation metrics in the strategic targets for performance-linked compensation</li> <li>4. Revision of long-term incentive program (changed from stock trust method to phantom stock method)</li> </ol> </li> </ul>
Policy for handling differences in executive compensation between Japan and overseas	<ul style="list-style-type: none"> <li>• Regarding differences in executive compensation between Japan and overseas, we conducted a study of our attractiveness to Directors and Executive Officers using assessments from an outside consulting firm and other sources.</li> <li>• We confirmed that going forward, we will make efforts to raise our attractiveness to Directors and Executive Officers outside of the Group to form a more competitive Director and Executive Officer portfolio.</li> </ul>
Performance-linked compensation of the Group CEO	<ul style="list-style-type: none"> <li>• The Committee assessed the Group CEO's initiatives in fiscal 2022, and determined the payment rates and payment amounts for performance-linked compensation.</li> </ul>
Strategic goals and base amount of compensation of the Group CEO	<ul style="list-style-type: none"> <li>• The Committee approved the Group CEO's fiscal 2023 strategic goals of 1. Business portfolio transformation; 2. Engagement, and Diversity &amp; Inclusion; and 3. Improving corporate value.               <ol style="list-style-type: none"> <li>1. Promote the transformation of the Sompo Group's business portfolio with the aim of realizing SOMPO's Purpose.</li> <li>2. Engagement, and Diversity &amp; Inclusion: Accelerate inclusion and diversity efforts with the aim of "creating innovation" and "improving employee happiness and job satisfaction," and realize an organizational and corporate culture in which diverse employees accept each other, respect each others' "My Purpose," and are able to fully demonstrate their individual strengths.</li> <li>3. Improving corporate value: Enhance brand value by globally disseminating SOMPO's Purpose, Real Data Platform, and promotion of sustainability management, and enhance corporate value by increasing recognition amongst stakeholders.</li> </ol> </li> <li>• The base amount of compensation for fiscal 2023 was determined based on the above strategic goals.</li> </ul>
Performance-linked compensation of Executive Officers	<ul style="list-style-type: none"> <li>• The Committee assessed the fiscal 2022 initiatives of Executive Officers.</li> <li>• It determined the performance-linked compensation payment rates and payment amounts.</li> </ul>
Strategic goals and base amount of compensation of Executive Officers	<ul style="list-style-type: none"> <li>• The Committee approved the fiscal 2023 strategic goals of all Executive Officers at Sompo Holdings and, based on these strategic goals, determined the base amount of compensation for fiscal 2023.</li> </ul>

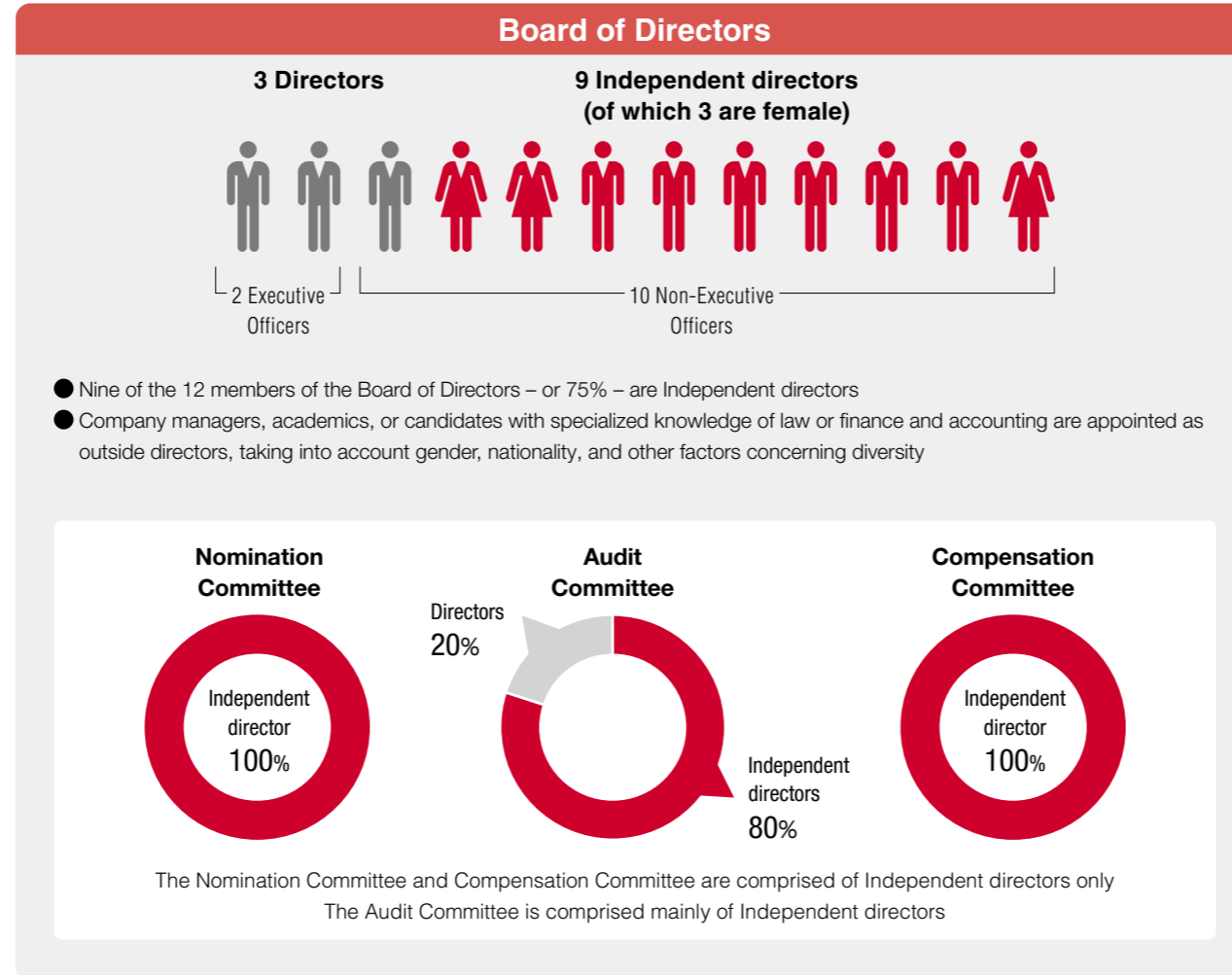


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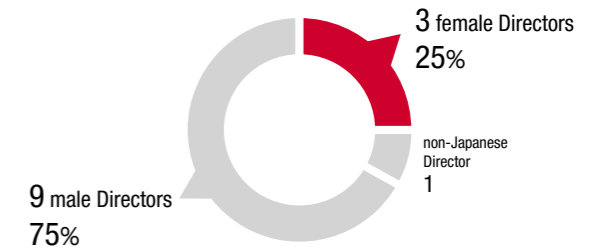
## Structure of the Board of Directors and Various Committees

### Structure



### Director diversity

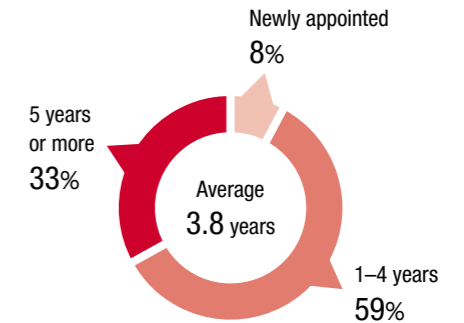
Of the 12 members of the Board of Directors, 3 are female and 9 are male; 1 of the male Directors is non-Japanese



### Director tenure

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

\* When the tenure of the outside director exceeds 8 years, the existence of a strong reason for reappointment is carefully assessed and reappointment is not prevented if such reason exists.



\* As of July 1, 2023

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## Director structure

### Structure

Name	Reappointment/ new appointment	Positions	Tenure	Nomination Committee	Audit Committee	Compensation Committee	Expected roles, skills and areas of expertise								
							1) Business strategy	2) Global management	3) ESG, SDGs	4) Transformation strategies	5) Digital	6) HR strategy	7) Finance, accounting	8) Corporate governance	9) Legal, risk management
Kengo Sakurada	Reappointment	Director	13 years	—	—	—	●	●	●	●	●	●	●	●	●
Mikio Okumura	Reappointment	Director	1 year	—	—	—	●	●	●	●	●	●	●	●	●
Scott Trevor Davis	Reappointment	Independent Director	9 years	● (Chairman)	—	●	●	●	●	●	—	●	—	●	—
Kazuhiro Higashi	Reappointment	Independent Director	3 years	●	—	● (Chairman)	●	●	●	●	—	●	●	●	●
Isao Endo	Reappointment	Independent Director	9 years	●	—	●	●	●	—	●	●	●	●	—	—
Takashi Nawa	Reappointment	Independent Director	3 years	●	—	●	●	●	●	●	●	●	—	●	—
Meyumi Yamada	Reappointment	Independent Director	2 years	●	—	●	●	●	●	●	—	●	●	●	—
Misuzu Shibata	Reappointment	Independent Director	3 years	—	● (Chairman)	—	●	●	●	—	—	—	—	●	●
Kumi Ito	Reappointment	Independent Director	2 years	—	●	—	●	●	—	●	●	●	●	—	—
Masayuki Waga	Reappointment	Independent Director	1 year	—	●	—	●	●	●	—	●	●	●	●	●
Toru Kajikawa	New appointment	Independent Director	—	—	●	—	●	●	—	—	—	●	●	●	●
Satoshi Kasai	Reappointment	Director	1 year	—	●	—	●	●	—	●	—	●	—	●	—

\*Details of each skill and area of expertise are as follows.

Items 1) and 2): Skills and areas of expertise where all Directors are expected to provide useful advice and supervision to the executive sector

Items 3) through 9): Skills and areas of expertise where each Director is expected to provide useful advice and supervision to the executive sector based on professional knowledge gained through his or her specific insight and experience

The above tables show skills and areas of expertise particularly expected for each director and do not indicate all of the skills and areas of expertise possessed by each director.

\*As of July 1, 2023

# Corporate Governance

## Policies for appointment of Directors and Executive Officers

### Concept and Policy

The Company appoints Directors and Executive Officers in accordance with the Policies for Appointment of Directors and Executive Officers outlined below. Candidates Directors are selected by the Nomination Committee and approved at the General Shareholders Meeting. Candidate Executive Officers are selected by the Nomination Committee and approved by the Board of Directors.

### Policies for the appointment of Directors

The Company not only supervises and guides its subsidiaries, but also formulates a Group-wide management strategy that encompasses the business strategies of subsidiaries engaged in P&C insurance and various other businesses. The Company is responsible for ensuring the execution and realization of these strategies. The Board of Directors is comprised primarily of outside directors, so that it can draw on diverse and independent viewpoints and carry out objective evaluations of management issues. When appointing outside directors, nationality, gender, and other forms of diversity are considered.

Additionally, Directors are appointed according to criteria outlined in the Comprehensive Guidelines for Supervision of Insurance Companies. Outside directors are appointed according to 1) "Competency Requirements," 2) "Criteria for the Independence of Outside directors," and 3) "Requirements for Terms of Office." For the purpose of carrying out substantive discussions, the number of Directors is limited to 15, in accordance with the Articles of Incorporation.

\*In this policy, "gender" refers to all gender-related events, knowledge, and values, including the existence of the gendered division of labor and LGBTQ.

#### 1) Competency Requirements

The Company appoints outside directors who have a wide range of knowledge and experience in various fields. They may include corporate executives, academic experts, and professionals who have expert knowledge of law, or of finance and accounting. Outside directors are required to be able to devote the time and effort necessary to properly fulfill the role and responsibilities of Director.

#### 2) Criteria for the Independence of Outside directors

The Company will assess the independence of outside directors from the Company based on the criteria below.

- a) Personal Relationships: kinship between the candidate and any officer or employee of the Group; status of mutual appointments of Directors and Executive Officers between the Company and the company which the candidate is originally from.
- b) Capital Relationships: the holding by the candidate of shares in the Company, and the status of shareholding by the Group.
- c) Business Relationships: business transactions or donations between the Group and the candidate.
- d) Significant interests other than the above.

#### 3) Requirements for Terms of Office

If the total terms of office as the outside director or Audit & Supervisory Board Member of the Company exceeds eight years, the Company will carefully consider whether there are any positive reasons for reappointment. Reappointment is not prevented if such reasons are found.

## Policies for the composition of Executive Officers and criteria for their appointment

### 1) Policies for the composition of Executive Officers

The Company systematically develops managerial talent based on the Succession Plan. Regarding the composition of Executive Officers as a whole, the Company places importance on the diversity – including gender, age, experience, and nationality – and the balance of the management team.

### 2) Criteria for appointing Executive Officers

The Company appoints Executive Officers in accordance with the following criteria:

- The candidate is able to realize transformation based on the Group Management Philosophy and purpose.
- The candidate is able to develop the next generation of leaders who will drive the Group's transformation.
- The candidate is able to foster a Group culture that fills employees with confidence and pride, and encourages them to boldly take on challenges with high aspirations.
- The candidate is driven by their own mission and able to take action accordingly.
- The candidate has a high level of expertise and insight regarding the mission and roles they are tasked with.
- The candidate has experience and a track record regarding the mission and roles they are tasked with.
- The candidate understands the importance of diversity and is able to leverage it to create value.
- The candidate has the ability to make fair and impartial judgments and to achieve goals.
- The candidate has a fair and honest personality.

## Outside director support system

### Structure

Prior to meetings of the Board of Directors, outside directors are provided with explanations by the Corporate Legal Department of the Secretariat of the Board of Directors, and by the departments in charge of each agenda item. Additionally, the Human Capital Department provides assistance to outside directors as the Secretariat of the Nomination Committee and the Compensation Committee, and the Audit Committee Office provides assistance to outside directors as the Secretariat of the Audit Committee.

The Company also makes efforts to provide outside directors with various types of information, including the Integrated Annual Report, Annual Securities Report, and IR presentation materials.

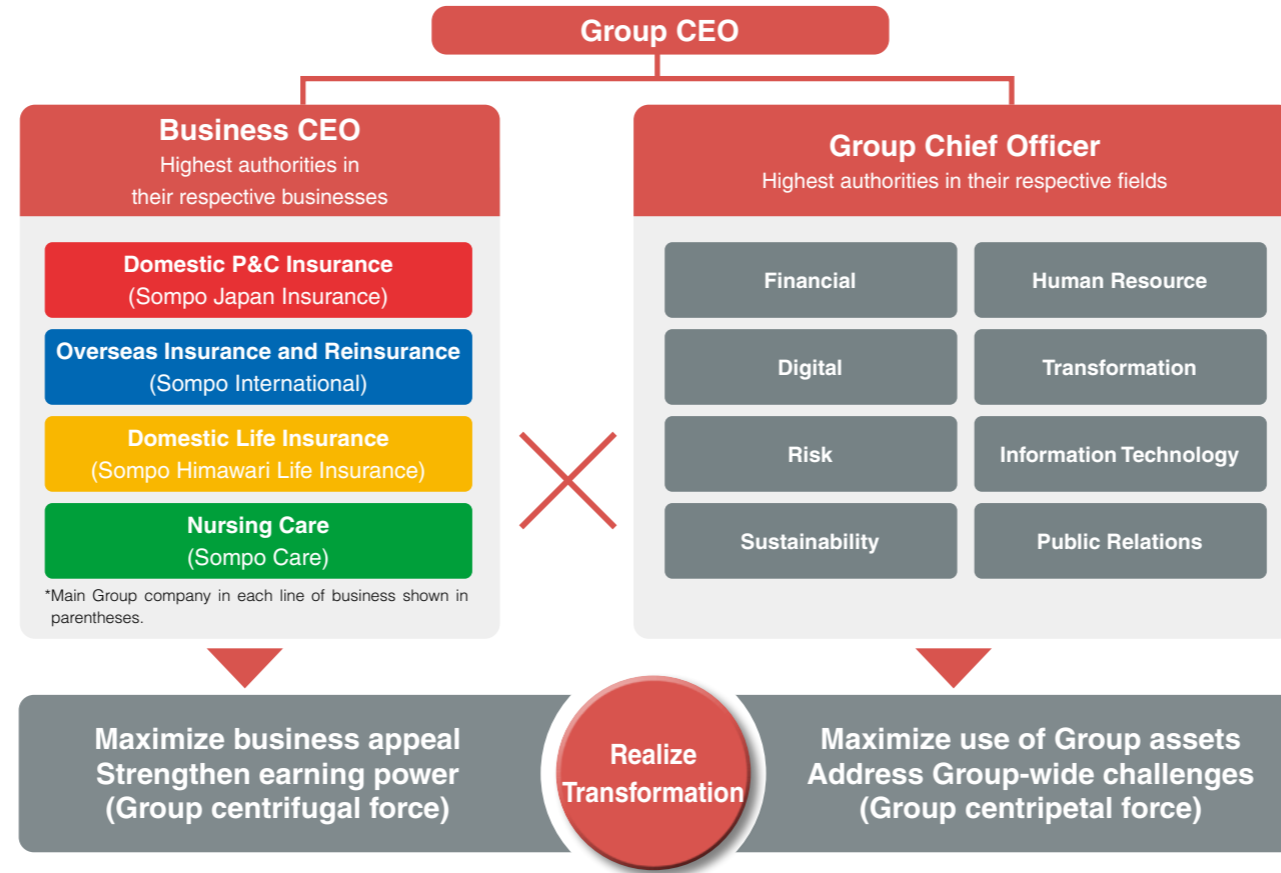
# Corporate Governance

## Executive structure (After April 2024)

\*As of February 29, 2024

### Structure

We employ a matrix-style executive framework that is a combination of the Business Segment System and Group Chief Officer (CxO) systems. It enables the Company to make agile and flexible decisions and conduct business even in such rapidly changing times.



### Business Segment System

With this system, the business CEOs drive the Group's growth and expansion by formulating business policies, accomplishing business plans, and improving the quality of business operations as the managers of each business.

### Group CxO system

This system enables the Group CxOs – all of whom possess a high degree of expertise in their respective business domains – to exert as much influence required throughout the Group to help realize SOMPO's Purpose and enhance corporate value.

### Directors and executive officers with diverse array of backgrounds

The directors and executive officers hailing from diverse backgrounds keep their respective missions in mind when engaging in discussions and making high-quality decisions for the purpose of achieving the transformation of the Group. To that end, we strongly emphasize diversity in our human resources portfolio when formulating a succession plan and appointing directors and executive officers.

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## Business execution structure

### Executive Officers

Executive officers are responsible for making decisions and executing business operations delegated by the Board of Directors. They execute business operations in accordance with the Group's management strategies within the scope of their duties in accordance with laws and regulations, the Articles of Incorporation, and internal rules. Senior Vice Presidents, having received a partial delegation of business execution authority from the executive officers, are in charge of the execution of business operations.

### Group CEO

Group CEO oversees overall operation of the Group as a Chief Executive Officer of the Group by strategically assigning business CEO that are the heads of each business segment and Group CxOs that are the heads of each function of the Group to realize agile and flexible business operation under discontinuous changes in business environment.

### Business CEO

The Group adopts the business segment system where the heads of each business segment (domestic P&C insurance, overseas insurance, domestic life insurance, and nursing care) are delegated authority as business CEO for business strategy proposals, investment decisions, and personnel deployment to enable agile and flexible decision-making and business execution in each business segment that is close to customers.

### Group CxO

Under the Group CxO system, each Group CxO oversees group-wide operation of each function (Group CFO (finance), Group CHRO (human resource), Group CDO (digital), Group CXO (transformation), Group CRO (risk management), Group CIO (IT), Group CSuO (sustainability), and Group CPRO (public relation)) as a head of each function in the Group to enable agile and flexible decision-making, and group-wide business execution in the Group's best interest.

## Group ExCo

Global ExCo and the Managerial Administrative Committee (MAC) will be restructured to Group ExCo (chaired by Group CEO) April 2024.

## (Reference) Committees until the end of FY2023

### Global ExCo

Global ExCo is the advisory board for the Group CEO and the highest level of the executive committee. It meets six times a year in principle to discuss topics that have a significant impact on management, including Group-wide management strategies and business operation policies.

Global ExCo is chaired by the Group CEO and its membership also includes the Group COO, Business CEOs, Chairman of Overseas M&A, the Group CFO, Group CSO, and Group CHRO.

### Managerial Administrative Committee (MAC)

As an advisory body to the Group COO, the Managerial Administrative Committee (MAC) deliberates on the execution of business strategies and important matters related to the management of the Company and Group companies.

It is chaired by the Group COO and its membership also includes the Group CxOs and Business CEOs.

## Committees

### Group ERM Committee

Established as a subcommittee of the Global ExCo\*, the Group ERM Committee holds cross-group management discussions on important issues in the Group's strategic risk management and major risks surrounding the Group.

### Global Transaction Committee

Established as a subcommittee of the Global ExCo\*, the Global Transaction Committee conducts flexible and substantive discussions regarding investment considerations in the Overseas Insurance and Reinsurance Business and integrated management of acquired companies.

### Investment Committee

The Investment Committee evaluates investment activities undertaken by the Group for business expansion, new business development, and other purposes from a professional and impartial perspective.

\*Group ExCo (after April 2024)

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## Corporate Governance

Name	Current title
Mikio Okumura	Group CEO, Director, President and Representative Executive Officer
Koji Ishikawa	CEO, Domestic P&C Insurance Business Senior Vice President and Executive Officer
James Shea	CEO, Overseas Insurance and Reinsurance Business Senior Vice President
Yasuhiro Oba	CEO, Domestic Life Insurance Business Senior Vice President and Executive Officer
Takamitsu Washimi	CEO, Nursing Care Business Senior Vice President and Executive Officer
Masahiro Hamada	Group CFO Senior Executive Vice President and Executive Officer
Shinichi Hara	Group CHRO Senior Executive Vice President and Executive Officer in charge of Legal Affairs and Internal Audit
Koichi Narasaki	Group CDO Senior Executive Vice President and Executive Officer
Katsuyuki Tajiri	Senior Executive Vice President in charge of Corporate Strategy and Overseas M&A General Manager, Office of Group CEO General Manager, Global Strategy Office
Kazufumi Watanabe	Group CXO, Executive Vice President and Executive Officer
Yoshihiro Uotani	Group CRO, Executive Vice President and Executive Officer

\*The official name of each position is as follows

Group CEO : Group Chief Executive Officer

Group CFO : Group Chief Financial Officer

Group CHRO : Group Chief Human Resource Officer

Group CDO : Group Chief Digital Officer

Group CXO : Group Chief Transformation Officer

Group CRO : Group Chief Risk Officer

Group CIO : Group Chief Information Officer

Group CSuO : Group Chief Sustainability Officer

Group CPRO : Group Chief Public Relations Officer

\*Executive structure and the officers are as of April 1, 2024

Name	Current title
Albert Chu	Group Co-CDO, Senior Vice President
Yoshiyasu Suzuki	Group CIO, Senior Vice President and Executive Officer General Manager, IT Strategy Planning Department
Ryoko Shimokawa	Group CSuO, Senior Vice President and Executive Officer
Hirofumi Shinjin	Group CPRO, Senior Vice President and Executive Officer
Kenneth Reilly	Executive Vice President, General Manager, Global Business Department
Hiroshi Horie	Executive Vice President in charge of Compliance
Yuji Kawauchi	Executive Vice President in charge of Overseas Business, Wellbeing
Yasuki Kume	Executive Vice President, Deputy Head of Wellbeing
Tsutomu Yamaguchi	Senior Vice President, Group Deputy CFO
Yohei Namiki	Senior Vice President in charge of Wellbeing General Manager, Wellbeing Business Department
Yuko Nakagawa	Senior Vice President in charge of Wellbeing



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# Corporate Governance

## Executive compensation structure

\*As of February 29, 2024

### Structure

The Company regards its executive compensation structure as an important aspect of corporate governance. The goal of the executive compensation structure is to increase corporate value and to share interests with shareholders. The executive compensation structure is formulated by the Compensation Committee, which is chaired by the independent director, and incorporates objective points of view. It is based on the basic policies outlined below. The Company's Policies on Decisions Pertaining to Executive Compensation describes the Basic Policies on Executive Compensation, the composition of executive compensation, how compensation is determined for each position, and the details of each type of compensation.

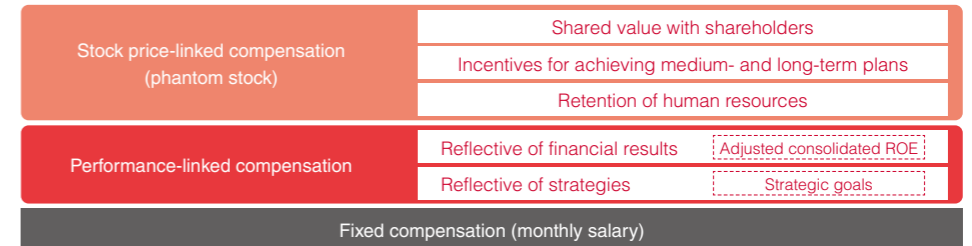
### Basic Policies on Executive Compensation (applicable to all Group companies)

- a. The level and system of compensation shall ensure that top talent can be acquired and retained for the senior management of the Sompo Group.
- b. The executive compensation structure shall be consistent with the Group business strategy. It shall incentivize Directors and Executive Officers to improve their performance with the goal of achieving Group growth.
- c. Compensation shall reflect not just single-fiscal-year performance, but also reflect medium- to long-term results and the initiatives of Directors and Executive Officers.
- d. Compensation shall be determined in accordance with the scale of future-oriented missions undertaken by Directors and Executive Officers, and with the results of these missions. Compensation may take fixed factors associated with specific job titles or positions into consideration.
- e. The Company's Compensation Committee shall deliberate the compensation structures of the Company and its key subsidiaries, to ensure they have the objectivity, transparency, and fairness to fulfill accountability to stakeholders.

## Overview of executive compensation structure

The Company considers the current Mid-Term Management Plan to be a period for realizing the transformation of the entire Group and each of its businesses. The Company regards performance-linked compensation for officers, the scale of the mission for realizing this transformation, and related initiatives as important elements of corporate governance, which underpins this transformation.

### Scale of mission and approach to realizing a transformation and earnings-linked executive compensation structure



The Company believes that all officers should demonstrate and act in accordance with their own duties and mission, based on the principles of being mission-driven (having a sense of mission and job satisfaction, and working with a sense of personal involvement) and of being results-oriented. The executive compensation structure is not designed to award officers a fixed compensation amount based only on their duties or position; instead, compensation is determined in accordance with the scale of the future-oriented mission they are undertaking, and with the results of these missions.

The Company assigns a grade to each position according to its responsibilities, with Group CEO being the position with the highest grade. The standard amount of total compensation packages for each position are determined according to these grades. The base amount of the total compensation package for each officer is determined every fiscal year, and reflects the scale of the mission assigned to the officer in question.

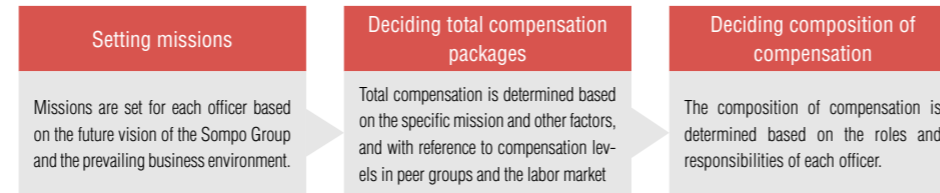
The Compensation Committee deliberates and determines the amount and composition of compensation for each Director and Executive Officer at the Company, in accordance with the decision-making process and calculation methods described below.

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# Corporate Governance

## (1) Decision-making process for total compensation packages

The Company sets compensation levels for each officer on an individual basis, according to the scale of the mission assigned to each officer and their own personal performance. The Company does not adopt the conventional approach of determining compensation according to a table that assigns different amounts of compensation for each officer rank.



## (2) Composition of compensation for officers

Compensation for officers consists of: fixed compensation (monthly salary), which is based on the duties and responsibilities of each officer; and variable compensation, which is linked to performance. Variable compensation comprises: performance-linked cash compensation, which is compensation linked to short-term performance paid out every fiscal year in accordance with fiscal-year performance; and performance-linked stock compensation, which is compensation linked to long-term performance, and whose goal is to increase the association between compensation and medium- to long-term growth in corporate value. The composition of compensation is designed to incentivize officers to make decisions based not only from a single-fiscal-year perspective but from medium- and long-term perspectives, and to take Company performance and share price into consideration.

### Overview of executive compensation system

	Type of compensation	% of total		Comments
		Group CEO	Other officers	
Fixed compensation	Monthly salary	33.4%	50-70%	<ul style="list-style-type: none"> <li>Set for each officer in accordance with the roles and duties of their position</li> <li>Cash compensation paid monthly</li> </ul>
Variable compensation	Performance-linked cash compensation	33.3%	15-25%	<ul style="list-style-type: none"> <li>A base amount is set; actual payment is determined based on annual performance</li> <li>Based on an assessment of each officer's level of achievement for financial and strategic goals</li> <li>Paid in cash in June after the conclusion of the fiscal year</li> </ul>
	Stock price-linked compensation	33.3%	15-25%	<ul style="list-style-type: none"> <li>Payment amount is determined in accordance with the share price in order to share value with shareholders and promote medium- and long-term growth of the Group</li> <li>Payment in cash at any time after a certain period has elapsed since the granting of units up until retirement and also upon retirement</li> </ul>
	Subtotal	66.6%	30%-50%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	

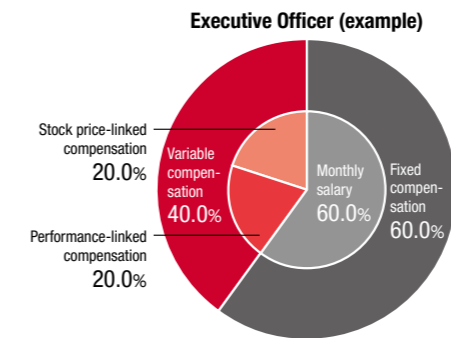
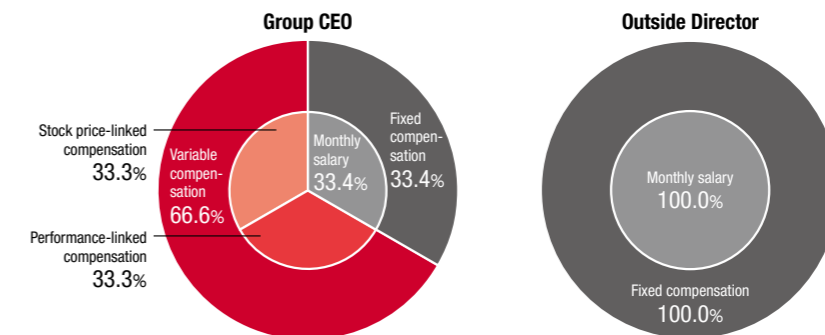
## (3) Approaches and calculation methods for each of type of compensation

### 1) Fixed compensation (monthly salary)

The Company sets fixed compensation (monthly salary) in accordance with the responsibilities of each officer's position. In principle, an equal amount is paid each month.

An appropriate level of fixed compensation (monthly salary) is set according to the following parameters: the standard amount of fixed compensation is based on the total compensation package for the grade assigned to the officer's position; the base amount takes into consideration the mission of the individual officer, and the nature of the officer's roles and responsibilities. Reference is also made to market compensation levels, as quantified by officer compensation surveys conducted by third-party compensation consulting firms.

### Examples of compensation structure by position





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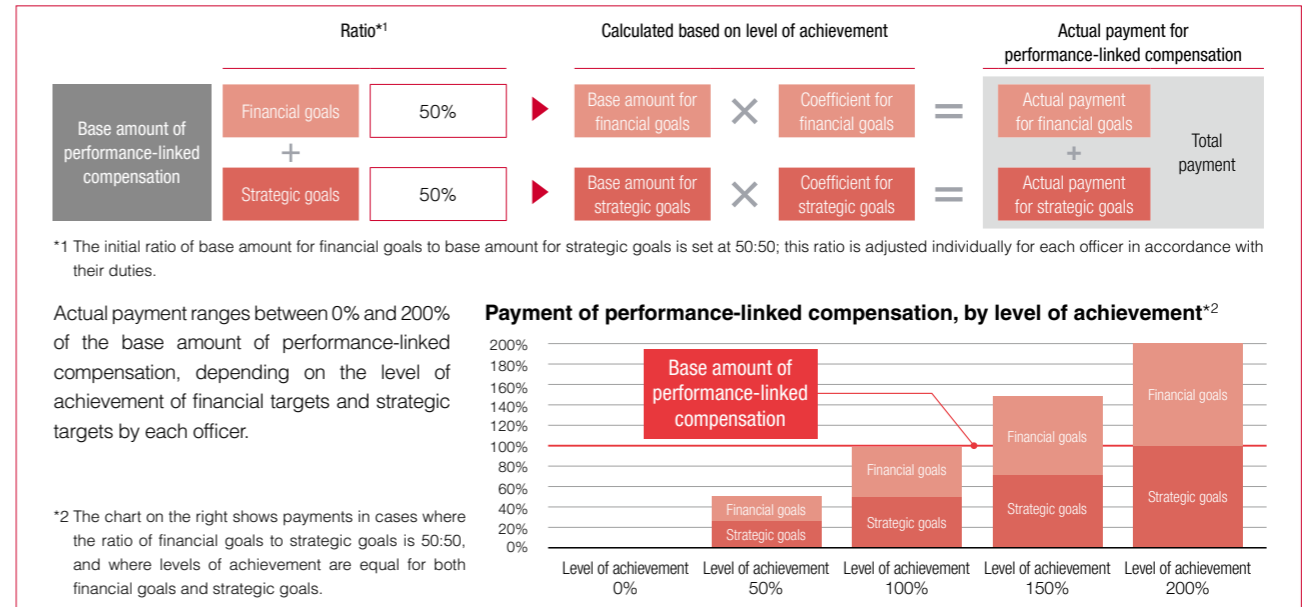
# Corporate Governance

## 2) Performance-linked compensation

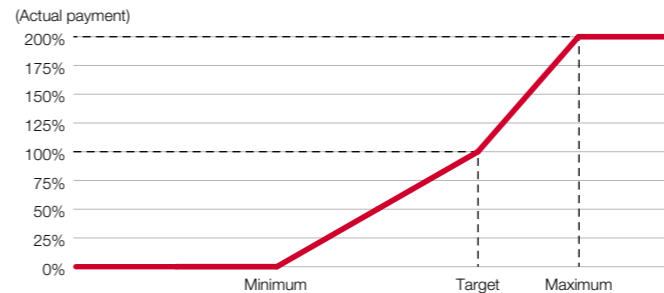
The Company operates a performance-linked compensation system that rewards officers for the contributions they made to each business's single-fiscal-year performance.

In order to ensure that performance-linked compensation reflects both the financial performance and the strategic performance goals associated with management plans in a balanced manner, the Company adopts a performance-linked compensation system that comprises "financial performance-linked compensation" and "strategic performance-linked compensation." To provide stronger incentives, the Company applies a coefficient to the base amounts of performance-linked compensation. This coefficient varies according to the level of achievement of strategic goals set for the mission assigned to each officer, ranging from 0% to 200%.

- To determine performance-linked compensation, the Company first sets a base amount of performance-linked compensation. This base amount is then multiplied by a coefficient that reflects the level of achievement of single-fiscal-year financial goals and strategic goals.
- The base amount of performance-linked compensation is defined as the amount to be paid if financial goals and strategic goals are fully achieved. The base amount is determined individually for each officer.
- Performance-linked compensation comprises financial performance-linked compensation and strategic performance-linked compensation. The allocation ratio of these two compensations is determined by the Compensation Committee in accordance with the nature of the mission assigned to each officer.
- The performance indicators adopted as the financial goals include adjusted consolidated ROE, among others, for the fiscal year, and the coefficient is determined according to the actual results versus the targets in the business plan.
- The performance indicators adopted as the strategic goals are the metrics agreed on by the Group CEO, business CEO, or other director or executive officer responsible for their evaluation in accordance with the mission of each director and executive officer, and the coefficient is determined according to the level of achievement.
- Of the performance indicators adopted as the strategic goals, an engagement indicator for all directors and executive officers and a brand value indicator for some directors and executive officers have been set as mandatory components for measuring Unrealized Financial Value.



### Financial goals



The financial goal coefficient is 100% when the targeted financial performance is achieved; in this case, the base amount of compensation will be paid. Depending on the level of achievement of financial goals, actual payment will range from 0% to 200% of the base amount.  
\*The graph above indicates the relationship between level of achievement and actual payment.

### Strategic goals

Description	Level of achievement
Results better than expected	200%
	175%
	150%
Results as expected	125%
	100%
Results worse than expected	75%
	50%
	25%
	0%

The coefficient is determined in accordance with the level of achievement of strategic goals established for each officer; this coefficient is then multiplied with the base amount. A coefficient of 100% is used when strategic targets have been fully met; 200% is the maximum and 0% the minimum.

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## Indicators used for performance-linked compensation

The table on the right summarizes the financial indicators used to determine performance-linked compensation. Financial indicators are set for each business; strategic goals are set for each officer.

Business domain	Financial indicators for FY2023
Entire Group	Adjusted profit, Adjusted consolidated ROE
Domestic P&C Insurance Business	Adjusted profit, Net income
Overseas Insurance and Reinsurance Business	Adjusted profit
Domestic Life Insurance Business	Adjusted profit, Increase in adjusted EV
Nursing Care & Seniors Business	Adjusted profit
Digital Business	Adjusted profit, Revenue

\*1 Net income for the Domestic P&C Insurance Business is the standalone figure for Sompo Japan Insurance.  
 \*2 In the Nursing Care & Seniors Business, the financial indicator adopted for the president of Sompo Care is adjusted profit at Sompo Care (standalone basis).  
 \*3 Adjusted profit and sales in the digital business are for Palantir Technologies Japan (standalone basis).

## 3) Stock price-linked compensation

The Company believes it is vital that the Group as a whole grows sustainably over the long term. For the purpose of maintaining the link between compensation for directors and executive officers and stock value, as well as further raising the awareness and talent retention that contributes to stronger earnings and greater corporate value over the medium-to-long term, we discontinued the previous performance-linked stock compensation plan and introduced a new stock price-linked compensation (phantom stock, or PS), effective from April 1, 2023.

For this compensation, PS offering the same economic value as cash stock is issued to the directors and executive officers. An overview of this system is as follows.

- The number of units granted is determined by multiplying the stock price-linked compensation base amount, which varies depending on the magnitude of the mission of each director and executive officer, by the previous year's strategic goal evaluation coefficient and dividing it by the Company's share price.

$$\left[ \text{Stock price-linked compensation base amount} \times \text{Strategic goal evaluation coefficient from previous FY} \right] \div \text{Company's closing share price on the grant date} = \text{Number of units granted}$$

- The units granted will vest at the end of the fiscal year three years after the grant date. Once vested, they will be categorized into PS 1 and PS 2. If the director or executive officer resigns voluntarily before the vesting date, the units will not be eligible for vesting.
- PS 1 and PS 2 units will be divided evenly (50% each) and be subject to the following.
  - PS 1: After vesting, an amount based on the current share price at any time up until retirement, along with an equivalent cumulative dividend amount, will be paid in cash.
  - PS 2: Upon retirement, an amount based on the share price calculated with a prescribed method, along with an equivalent cumulative dividend amount, will be paid in cash.
- The payment amount will be determined as follows.

### Payment based on the exercise of rights for PS 1 at any time

$$\left[ \text{Number of PS 1 units designated by the director or executive officer} \times \text{Closing share price on the day the director or executive officer indicated their intention to receive PS 1} \right] + \text{Equivalent cumulative dividend amount}$$

### Payment based on the exercise of rights for PS 1 and PS 2 upon retirement

$$\left[ \text{Number of unexercised PS 1 and PS 2 units up until the day of retirement} \times \text{Share price at the time of retirement (calculated based on a prescribed method)} \right] + \text{Equivalent cumulative dividend amount}$$

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## Corporate Governance

### Total compensation, total compensation by type, and number of eligible officers for each officer category, in FY2022

The total compensation, total compensation by type, and the number of eligible officers for each officer classification in the current fiscal year are outlined below.

Officer category	Total compensation (million yen)	Compensation by type (million yen)				No. of eligible executives
		Fixed compensation (monthly compensation)	Retirement benefits, etc.	Performance-linked compensation		
				Cash compensation	Non-cash compensation	
				Performance-linked cash compensation	Performance-linked stock compensation	
Directors (excluding outside directors)	78	73	—	2	2	5
Outside directors	187	187	—	—	—	10
Executive Officers	1,725	779	—	642	302	19
<b>Total</b>	<b>1,990</b>	<b>1,040</b>	<b>—</b>	<b>645</b>	<b>305</b>	<b>31</b>

\*1 The amounts for total compensation, total compensation by type, and the number of eligible directors and executive officers include: one executive officer who resigned on March 31, 2021; six executive officers who resigned on March 31, 2022, and one director who resigned at the end of the 12th Annual General Meeting of Shareholders held on June 27, 2022.

\*2 Compensation for the two directors who concurrently serve as executive officers and the one director who concurrently served as executive officer up until March 31, 2022, is separated into director compensation and executive officer compensation; the compensation for each position is included in the applicable total compensation amount. For this reason, the total number of eligible directors and executive officers differs from the combined number for each classification.

\*3 Performance-linked cash compensation is paid in cash, and is the total of: compensation based on performance in the previous fiscal year and provisions to reserves for compensation based on performance in the current fiscal year. It excludes provisions to reserves for the previous fiscal year. Performance-linked stock compensation prior to revisions to the Company's Policies on Decisions Pertaining to Executive Compensation is non-cash compensation, and is the total of: the amount of provisions to reserves for stock benefits recorded for the current fiscal year, based on performance in the previous fiscal year.

\*4. All compensation for Directors and Executive Officers is compensation from the insurance holding company. There is no compensation from the parent of the insurance holding company.

### Total consolidated compensation for each officer in FY2022

Executives who received compensation totaling 100 million yen or more are listed below.

Name	Total compensation from the Company and its consolidated subsidiaries (million yen)	Officer category	Company category	Total compensation by type from the Company and its consolidated subsidiaries (million yen)			
				Fixed compensation (monthly compensation)	Retirement benefits, etc.	Performance-linked compensation	
						Cash compensation	Non-cash compensation
				Performance-linked cash compensation	Performance-linked stock compensation		
Kengo Sakurada	477	Director	Sompo Holdings, Inc.	6	—	2	1
		Executive Officer		127	—	209	130
Mikio Okumura	308	Director	Sompo Japan Insurance Inc.	—	—	—	—
		Director	Sompo Holdings, Inc.	4	—	—	1
		Executive Officer		99	—	127	75
James Shea	721	Director	Sompo International Holdings Ltd.	—	—	—	—
		Executive Officer	Sompo Holdings, Inc.	267	—	—	—
John R. Charman	915	Director	Sompo International Holdings Ltd.	160	—	293	—
		Executive Officer	Sompo Holdings, Inc.	—	—	278	—
		Director	Sompo International Holdings Ltd.	—	—	636	—

\*1 The amounts of performance-linked compensation show compensation paid in the current fiscal year; provisions to reserves in the current fiscal year are not included.

\*2 For compensation paid in foreign currencies, the amounts show yen equivalents.

\*3 James Shea resigned as Executive Officer on March 31, 2023 and was appointed Senior Vice President on April 1, 2023.

\*4 John R. Charman resigned as Executive Officer on March 31, 2022.



# Compliance

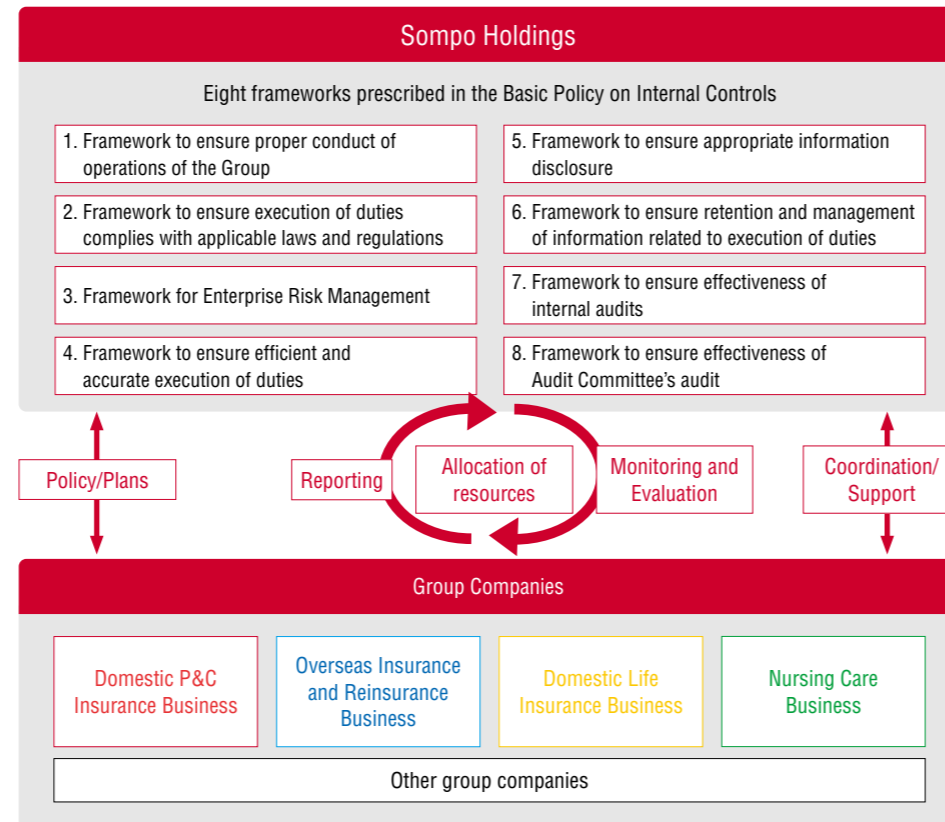
## Group internal controls to support corporate governance

### Concept and Policy

The Board of Directors has established eight frameworks in the Basic Policy on Internal Controls as a foundation for improving corporate value and for ensuring the proper conduct of operations within the Group.

In addition, to ensure that the Group's controls function both effectively and efficiently, the Company enters into management contracts with each Group company, properly understands and checks the situation at each company, and continuously works to enhance and strengthen internal control systems at a Group level.

### Group internal controls systems



**Web** For further details, please visit the website: [Basic Policy on Internal Controls](#)



16.1, 16.5, 16.6

## Basic concept and policy

### Concept and Policy

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

### Basic Policy on Compliance

The Company Group shall comply with laws and regulations in accordance with the following policy and realize corporate activities that are in conformity with social norms and corporate ethics.

#### Basic Policy on Compliance (Overview)

##### 1. Compliance as the major premise for business operations

With the deep awareness that profits gained by disregarding compliance is not sustainable, we will set compliance as the precondition for our business operations.

##### 2. Nurturing and enhancing compliance awareness of officers and employees

We will nurture and enhance the awareness that compliance must be taken seriously so that officers and employees will comply with laws and regulations and act in conformity with social norms and corporate ethics.

##### 3. Systematic efforts to ensure compliance

With the deep awareness that continuous and perpetual efforts are needed to ensure compliance, we will systematically work toward the realization of it.

##### 4. Early detection of issues and prompt actions

We will establish an early detection system in order to be prepared for any occurrence of compliance issues in association with business operations, and take prompt and appropriate actions if any issue occurs.

**Web** For specific compliance-related policies, please visit the website (in Japanese): [Management of Conflict of Interest Transactions](#), [Protection of Customer Information](#), and [Response to Anti-social Forces](#)

# Compliance

## Sompo Group Compliance Code of Conduct

The Group has established the Sompo Group Basic Policy on Compliance (collectively, “Basic Policy”) with the aim of being a corporate group trusted by society by remaining constantly aware of the important public mission and social responsibility of its businesses and providing customers with the highest-quality services and sense of security through appropriate corporate activities that comply with laws and regulations, societal norms, and corporate ethics.

The Sompo Group Compliance Code of Conduct (collectively, “the Code of Conduct”) clearly shows the actions required to ensure that all officers and employees (“Employees”) of the Sompo Group understand the importance of compliance and act in ways that consider compliance seriously. All Employees must act in compliance with the Code of Conduct.

**Web** For further details, see the following: [Sompo Group Compliance Code of Conduct](#)

## Sompo Group Compliance Code of Conduct

### 1. Compliance with Laws, Regulations and Internal Rules

We will act with integrity and good sense in compliance with laws, regulations and internal rules, and based on social norms and corporate ethics.

### 2. Respect for Human Rights

We will respect human rights in every aspect of our business activities.

### 3. Maintain and Promote a Healthy and Safe Working Environment

We will aim to maintain and promote a healthy and safe working environment in which Employees can have peace of mind and demonstrate their abilities fully without any concerns that threaten their mental or physical safety.

### 4. Protection of Company Assets

We will only use the assets of the Group for the Group’s business activities and properly protect them.

### 5. Proper Document Creation and Management

We will properly create and manage documents, emails, and data, etc. related to our transactions and operations in accordance with laws, regulations and internal rules.

### 6. Fair and Free Competition

We will construct and maintain a sincere relationship with customers, competitors, and outsourcing partners, etc., and pursue fair and free competition.

### 7. Prohibition of Bribery

To contribute to the maintenance and development of an orderly free competitive market, we will promote fair business activities with high ethical sense and will not engage in bribery.

### 8. Prohibition of Conflict of Interest

Under situations where the interests of Employees conflict with the interests of the company, we will take actions with preference to the interests of the company in accordance with related laws, regulations and internal rules.

### 9. Protection and Management of Personal and Confidential Information

We will properly deal with personal information, confidential information that we obtain and data, etc. that we create in connection with our business in accordance with laws, regulations and internal rules.

### 10. Protection of Intellectual Property

We will protect intellectual property possessed by the Group, and will not infringe it possessed by third parties.

### 11. Prohibition of Insider Trading

By strictly prohibiting insider trading by Employees, we will ensure investors’ trust in the securities market.

### 12. Elimination of Relationships with Organized Crime Forces

We will strive not to have any relationship with organized crime forces, maintain public confidence, and realize a safe society and sound corporate management.

### 13. Prevention of Money Laundering and Terrorist Financing

We will strive to ensure that the Group’s products and services are not used to transfer proceeds from crime, to finance terrorists, or to proliferate weapons of mass destruction.

### 14. Appropriate Political Activities

As a corporation, we will conduct fair business activities while maintaining an appropriate relationship with politics. In addition, we will clarify the distinction between public and private regarding personal political activities of Employees.

### 15. Appropriate Financial Reporting, Tax Processing Based on Laws and Regulations

We will accurately record financial information and appropriately report and disclose such information in a timely and appropriate manner so that shareholders, investors, and other stakeholders can make decisions fairly and equitably, and also aim to maintain and improve tax compliance in accordance with tax related laws and regulations.

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# Compliance

## Initiatives

### Structure Activity and Result

We coordinate with Group companies so that they can increase the effectiveness of their compliance initiatives, and we have been working to evolve our compliance frameworks based on Group strategies and external environments. In response to increased social awareness of data protection, for example, we are implementing measures to address privacy risks and working on improving the early detection of warning signs, such as screening potential conduct risks.

In addition, in our internal reporting and consultation (whistleblowing) system, which is an important mechanism for early detection of problem events, we are working to strengthen protections for whistleblowers and those seeking consultation. In addition to enforcing confidentiality, we have established a system based on the relevant laws and regulations of each country. This provides a system for internal reporting and consultation that can be used promptly in the event of problems that are difficult to resolve in the workplace. In fiscal 2022, there were 261 internal reports or consultations, and we are working to revitalize the system so that users can seek consultation with confidence.

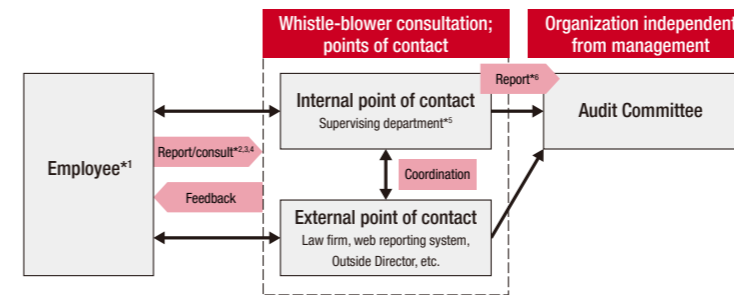
While the Group has insurance business at its core, it has expanded into new business areas such as the Nursing Care Business and Digital Business. We have also been working to create new businesses and transform existing businesses through partnerships and the use of new digital technologies and data.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

## Whistle-blowing and consultation system

- With the aim of preventing misconduct, including violations of laws and regulations, as well as harassment and other problematic behavior, and maintaining and enhancing corporate value through self-regulation, the Sompo Group maintains a whistle-blowing system for internal reporting and consultation by establishing external hotlines in addition to internal hotlines at each Group company, and by continuously informing employees of these hotlines.
- Each Group company has a system in place in accordance with the relevant laws and regulations of each country. In Japan, we have a system in place in accordance with the revised Whistleblower Protection Act (effective June 2022), and overseas, we have a system in place based on both local laws and Group system development standards.

System for receiving reports and consultations	<ul style="list-style-type: none"> <li>• Reports and consultations are handled by a specific person in charge (“Response Person”), who is obliged to maintain confidentiality.</li> <li>• Reports and consultations received through external hotlines will be appropriately forwarded to the supervisory division, taking into consideration the intentions of the whistle-blowing or consulter.</li> <li>• The results of the investigation will be reported back to the whistleblower or consulter by the internal or external hotlines as appropriate.</li> </ul>
Protection of reports and consulters	<p>We are working to strengthen protections for whistleblowers and those seeking consultation, and we have prepared an internal reporting and consultation system that can be used quickly and safely when problems that are difficult to resolve at work occur.</p> <ul style="list-style-type: none"> <li>• We require our Response Person to maintain strict confidentiality.</li> <li>• We prohibit any attempt to identify the whistleblower or person seeking consultation, or any disadvantageous treatment of them, and clearly stipulate the disciplinary measures to be taken against those who violate the rules.</li> </ul>

### Flow of procedures after receiving reports or consultations



\*1 This includes persons who have resigned from their jobs within one year, and persons who are employed by other companies and engaged in work for SOMPO in Japan (eligibility varies depending on circumstances in each country).  
 \*2 Anonymous reporting is also accepted.  
 \*3 Email, telephone, and other reporting and consultation methods are available (available methods vary depending on circumstances in each country).  
 \*4 Consultations regarding how to use the system and how whistleblowers and consulters are protected are also available (scope of consultation available varies depending on circumstances in each country).  
 \*5 The supervisory department is responsible for leading investigations and corrective actions in cases, as well as analyzing trends and formulating countermeasures.  
 \*6 Significant reports (including reports in which directors and executive officers are suspected to be involved) shall be reported to the Audit Committee which is an independent body from the management, and response policies shall be determined by the Audit Committee.

### Examples of receiving reports and consultations

- Work environment
- Harassment
- Violation of human rights
- Violation of laws and rules
- etc.

Information on how to contact customers and stakeholders is available on each company's website.

### Number of whistle-blowing cases

Item	FY2021	FY2022	Companies covered		
			Consolidated companies in Japan		Overseas consolidated companies
			Sompo Japan	Other group companies	
Number of whistle-blowing cases	256	261	●	●	●
Number of reports and consultations regarding human rights violations, including harassment	175	180	●	●	●



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## Compliance

### Compliance training

The Sompo Group systematically implements compliance-related education and training to ensure that officers and employees comply with laws and regulations and act in accordance with social norms and corporate ethics.

Item	FY2019	FY2020	FY2021	FY2022	Companies covered		
					Consolidated companies in Japan		Overseas consolidated companies
					Sompo Japan	Other group companies	
Ratio of employees who received compliance training	90.7%	93.9%	94.2%	92.8%	●	●*	●

\*Excluding the data of Sompo Care Inc.

### Developing the Group's internal audit framework

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

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

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# Compliance

## Establishment of Group Tax Policy

### Concept and Policy

In recent years, the environment surrounding taxation has been characterized as follows;

1. The progress of the BEPS project by the OECD has brought tax compliance into the spotlight on a global scale.
2. In Japan, there are calls for large companies to enhance and improve their corporate governance with respect to taxation, and the importance and necessity of active involvement and guidance by top management and the formulation of a "global transfer pricing policy (transfer pricing strategy for the entire group)" are pointed out as examples of such efforts.

Against these backgrounds, we established the Group Tax Policy in August 2018 as a practical guideline for the entire SOMPO Group, including overseas Group companies.

### Group Tax Policy

#### 1. Regulatory Compliance

The Sompo Group sets out a basic principle of "Compliance with applicable laws and regulations relevant to its business activities in each country." The Group aims to maintain and improve its tax compliance in accordance with tax related laws, regulations and standards published by international organizations, such as OECD, EU and UN guidelines, as well as the domestic laws, regulations and standards of each country and region, and fulfills its corporate social responsibility by properly paying its taxes.

#### 2. Approach to International Taxation

The Sompo Group strives to mitigate any risk of damaging corporate value by exposing the Group to tax penalties and/or double taxation, based on understanding the purpose of the BEPS initiative led by the OECD.

International transactions between intra-group entities are conducted at an arm's length price. The Sompo Group also ensures international income is allocated between parties on an appropriate basis.

#### 3. Optimization of Tax Burden

In order to maximize corporate value, the Sompo Group aims to minimize tax risks and to make appropriate and effective use of tax mitigation measures in accordance with each jurisdiction's laws and morals. The Sompo Group does not perform tax avoidance by, for example, utilizing excessive tax saving practices based on interpretations and/or applications that deviate from the actual content, meaning and/or intention of the relevant laws and regulations.

#### 4. Relationship with the Tax Authorities

The Sompo Group seeks to maintain a positive relationship with the tax authorities of each country by ensuring that its explanations of its positions are always sincere, transparent and based on true facts.

The tax filing and payment practices of the Sompo Group will be timely and appropriate, and tax-related information will be submitted to the tax authorities when it is requested. On this basis, in cases where it is agreed with the tax authorities that there is a need for corrective and remedial measures, such measures will be appropriately taken by the Sompo Group.

## Tax Management System of SOMPO Group

### Structure

In principle, the head of each region's domestic tax department is responsible for managing tax issues in each region. However, since global transactions within the group affect multilateral, tax management is conducted to consider the tax systems of multiple countries and examine tax issues from multiple perspectives.

Specifically, the global tax sections in Japan, US and UK handle any tax issues on a global basis, and regular meetings by the three sections are held to exchange information closely and discuss various global tax-related issues. The appropriate solutions are then presented to the CFOs and/or each business unit as necessary.



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# ERM

## Our basic approach to ERM

### Concept and Policy

Through the practice of Enterprise Risk Management (ERM), which is a framework for risk management, the Sompo Group aims to minimize unexpected losses, improve profits by effectively utilizing capital, and maximize corporate value, based on the Sompo Group Basic Policy on ERM established by the Board of Directors.

To ensure the effectiveness of its ERM, the Company has established the Sompo Group Risk Appetite Statement, which serves as a guideline for risk taking, and has put in place systems for capital allocation and other ERM functions. Furthermore, to support ERM, the Group integrates and manages various risks of the Group, and to keep up with changes in the business environment, the Group constantly monitors and develops responses to ERM-related issues.

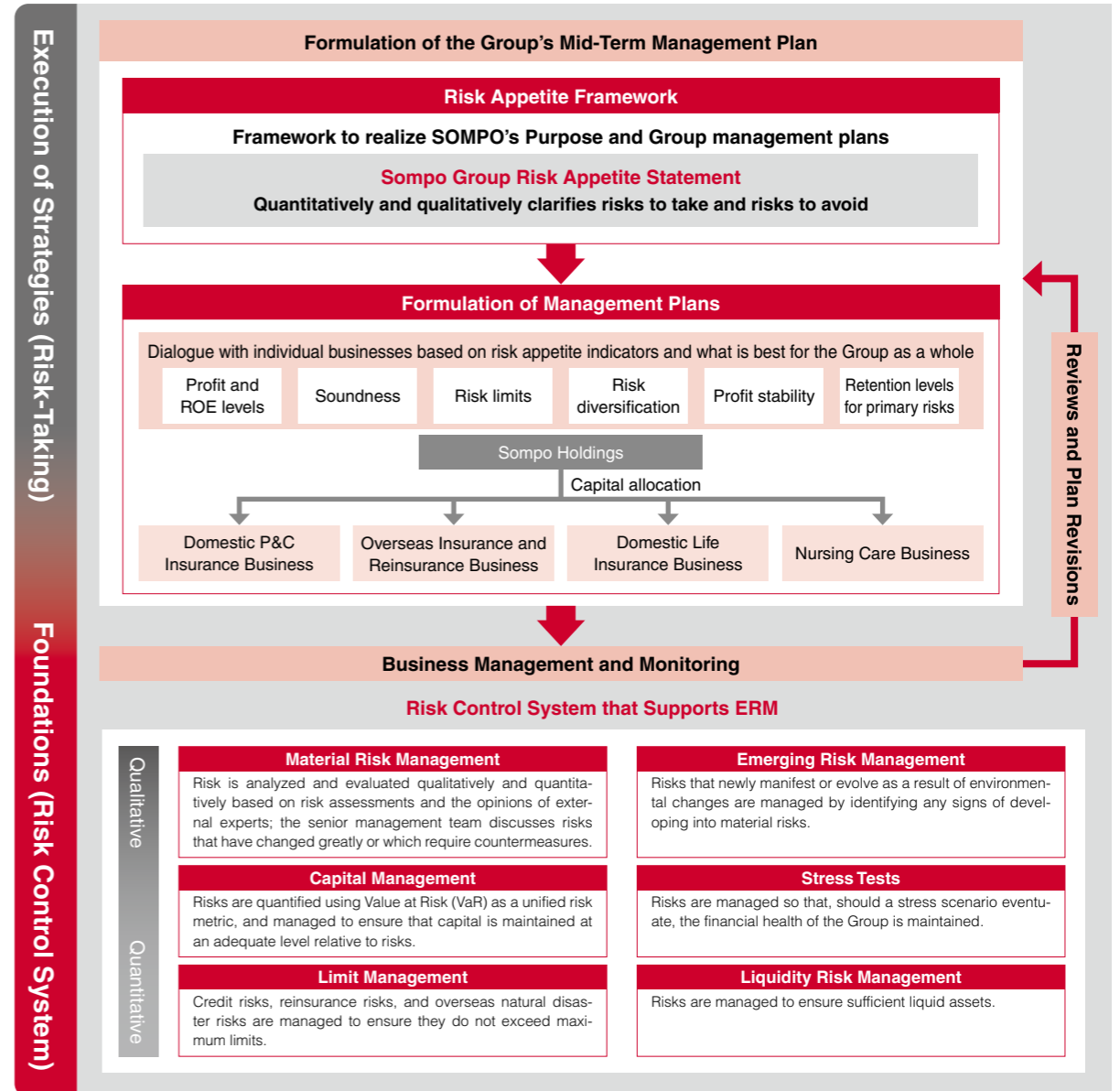
## ERM as the “Compass of Management”

### Structure

The increased severity and frequency of natural disasters caused by climate change, heightened geopolitical risks, the threat of cyberattacks, and the rapid advancement of AI and other digital technologies, among other factors, are increasing uncertainty in our business environment.

As we accelerate scale and diversification initiatives centering on the insurance business, we are also committed to creating new customer value in order to contribute to addressing issues in society and improving prospects for profit growth over the long-term. To achieve this, we make use of the ERM framework, also known as the “compass of management,” to guide the Group in the best direction by not only avoiding losses before they happen, but by reducing opportunity losses, such as missed investments in new businesses. We make sure of this by (1) accurately analyzing and grasping the Group’s current position (multifaceted analysis), (2) sensitively detecting potential future risks (accurately understanding and addressing key risks), and (3) clearly indicating which course the Group ought to take (recommendation of an optimal business portfolio).

## Overview of the Sompo Group’s Enterprise Risk Management



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# ERM

## Pursuing resilience from two aspects

### Structure

The COVID-19 pandemic that emerged in 2019 served as a valuable lesson for companies about the importance of resilience in the face of operational disruptions and interruptions. Even in the wake of the pandemic, with geopolitical divisions widening and cyberattacks becoming more sophisticated due to emerging technologies, our ERM will require “resilience” from two aspects: risk portfolio and operations.

The first aspect involves the building of a resilient portfolio that is supportive of management discussions to continually review risks that should be taken and the risks to be avoided by quantifying the impacts on financial soundness, profitability, and capital efficiency, taking into account the rapidly changing internal and external business environment.

The second aspect is the establishment of resilient operations, which involves visualizing how increasingly diverse and complex risks will affect the Group and establishing operations to ensure that our businesses and services can continue even when risks materialize.

Pursuing these two aspects of resilience in our ERM will contribute to the sustained growth of the Group.

## ERM of the Sompo Group

### Activity and Result

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

### 1. Risk appetite framework

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

### 2. Risk control system

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

We define risks that could have a significant impact on business as “material risks” and we comprehensively identify and evaluate these risks based on risk assessments and the insights of experts. We use concrete scenarios to form assumptions of how we might be impacted by a material risk, evaluate the probability of occurrence and the degree of impact (in three categories: economic loss, business continuity, and reputational damage) from both qualitative and quantitative points of view, and then discuss the adequacy of our countermeasures.

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

Through Capital Adequacy Management, Stress Testing, Risk Limit Management, and Liquidity Risk Management, we strive to minimize unexpected losses and stabilize profits.

**Web** For further details on the Risk Appetite Framework and the Risk Control System, please visit the website: [ERM Framework](#)

## Initiatives to foster and embed a risk culture

### Activity and Result

To respond quickly to changes in a highly uncertain business environment, it is essential for every executive and employee to accurately identify risks and opportunities, which are becoming increasingly diverse and complex, and then take appropriate action. To address this, the Group is working to foster and embed a sound “risk culture” that supports the Enterprise Risk Management (ERM) framework.

Specifically, the CRO regularly communicates the Group’s vision and the latest risk information to ensure that each employee has an ERM mindset. We also promote understanding and dialogue on ERM through training and other means so that appropriate risk assessment can be conducted at each workplace, thereby enhancing corporate value and resolving social issues.

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# ERM

## — Risk management and business continuity

### Basic concept

#### Concept and Policy

The Sompo Group recognizes that, in order to fulfill its social mission and role in times of crisis, continuous and unremitting efforts are required to ensure the continuation and early recovery of important operations in each line of business, and we are working to systematically improve our systems in a manner designed to achieve this.

The most recent damage estimates for an earthquake directly hitting the Tokyo metropolitan area announced by the Tokyo Metropolitan Disaster Prevention Council in May 2022 predict that major infrastructure will be shut down or severely restricted for a longer period than previously expected. The Group is therefore working to improve the reliability of business continuity by establishing alternate bases outside the Tokyo metropolitan area and strengthening infrastructure such as communications and emergency power supplies to key locations.

We are constantly updating our countermeasures based on the latest information on potential threats. These threats include weather disasters (typhoons, torrential rain, floods, etc.), which are expected to become more severe due to climate change, earthquakes in the Nankai Trough, and eruptions of Mt. Fuji.

### Initiatives

#### Activity and Result

#### Preparing alternate business continuity bases: Establishment of an interim alternate base in the Kansai region

The headquarters and other important offices of Group companies are concentrated in the Tokyo metropolitan area. Believing that the suspension of functions in Tokyo could have a significant impact on business continuity, no matter how well we have prepared, the Group is preparing alternate business continuity bases, mainly in the Kansai region.

For example, in the case of Sompo Japan Insurance Inc., if a major earthquake in the Tokyo metropolitan area forces a shutdown of the head office functions, a system and manuals are in place at the interim base in Osaka to take over crisis response and critical operations, and annual drills are held to prepare for this.

In addition, the Group has established a system in which crisis response personnel are stationed at all times in the Kansai region to oversee the Group's crisis response.

#### Occurrence of a major earthquake, etc.



#### Strengthening communication countermeasures: Introduction of Starlink satellite communications

In the event of a large-scale earthquake, communications may stop or become severely overloaded, rendering not only telephone calls but also the Internet unusable. The Sompo Group has therefore deployed the Starlink satellite communications system, which became a hot topic at the start of the conflict in Ukraine, at the Group's alternate base in Nishitokyo City, which will enable the Group to carry out some of its important operations.

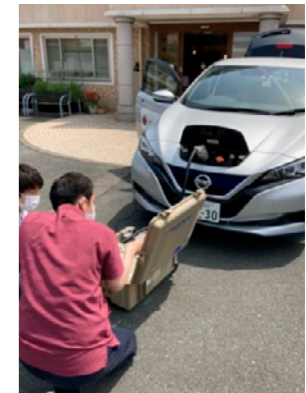


Starlink kit

#### Deployment of emergency power sources: Deployment of EVs at Sompo Care's nursing care facilities

Anticipating that power may not be supplied to its nursing care facilities in the event of a disaster, Sompo Care is proceeding with the deployment of electric vehicles (EVs) and hybrid vehicles (PHVs) that can be used as emergency power sources. (50 vehicles as of November 2023)

This will ensure the minimum amount of electricity required to operate the facilities and protect the precious lives of the residents.



Deployment of emergency power supply

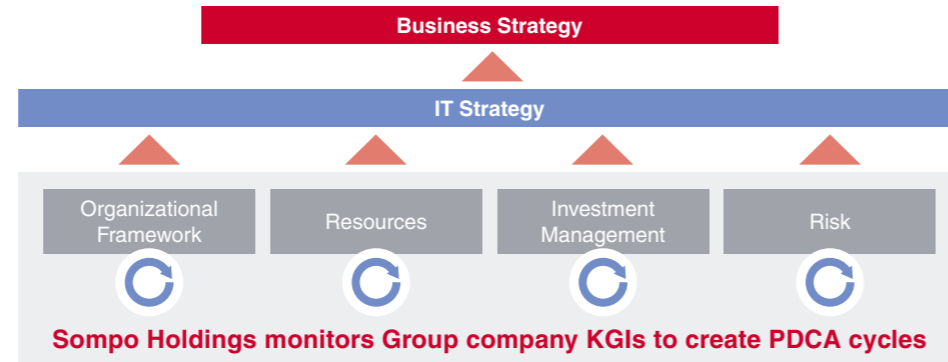
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## IT Governance/Cybersecurity

### Basic approach to IT Governance

#### Concept and Policy Structure

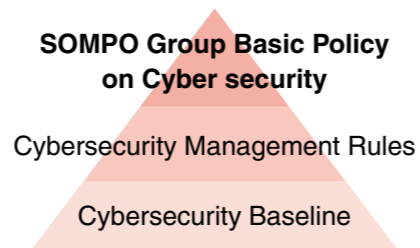
Each entity's system implementation, operation processes are aligned in accordance with each country and industry regulations. By continuously improving the PDCA cycle via KGI monitoring and aligning to international standards, we strive to optimize the IT processes to support the Group-wide business and IT strategy.



### Basic approach to cybersecurity

#### Concept and Policy

Recognizing that it is the social responsibility of enterprises to build a safe and secure society by devoting themselves to cybersecurity, the Sompo Group has established the "SOMPO Group Basic Policy on Cyber security" as the cornerstone to continuously improve the efficiency and effectiveness of its cyber risk management. The risk related to cyberattacks is positioned as an important risk to be managed in the Group, and under the leadership of management, we are promoting Group-wide cybersecurity measures.

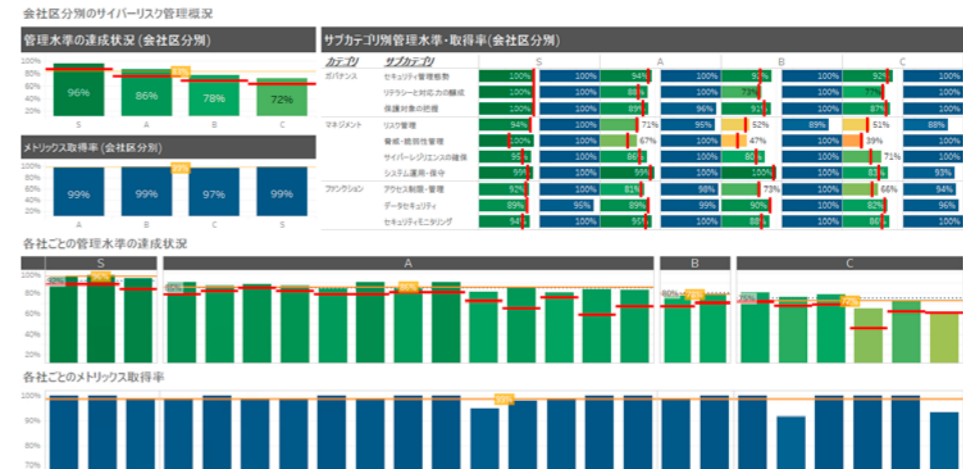


### Visualizing the status of cybersecurity measures

Recognizing that it is of the utmost importance to establish a corporate culture that respects cybersecurity and to continuously improve our ability to respond to cyberattacks, which are becoming increasingly sophisticated and ingenious every day, the Group is working together to improve and maintain its cybersecurity management system. We have formulated basic concepts and standards for cybersecurity based on global standard frameworks such as the NIST\* CSF (Cyber Security Framework), and each Group company is working to strengthen its cybersecurity and resilience measures and systems under their respective roles and responsibilities. To ensure the continuous improvement of these initiatives in a PDCA cycle, we have built a "Cyber Metrics" tool to quantitatively monitor and visualize the status of cybersecurity measures at Group companies, and we use it to ascertain and manage the status of measures at each company. Through a series of these ongoing initiatives, we aim to turn security into a competitive advantage in Group management by linking it not only with Group defense and operational risk mitigation, but also with various strategies such as cyber insurance and the promotion of digital transformation.

\*NIST: National Institute of Standards and Technology

### Image of visualization of cybersecurity countermeasures by Cyber Metrics



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# Cybersecurity

## Promotion structure

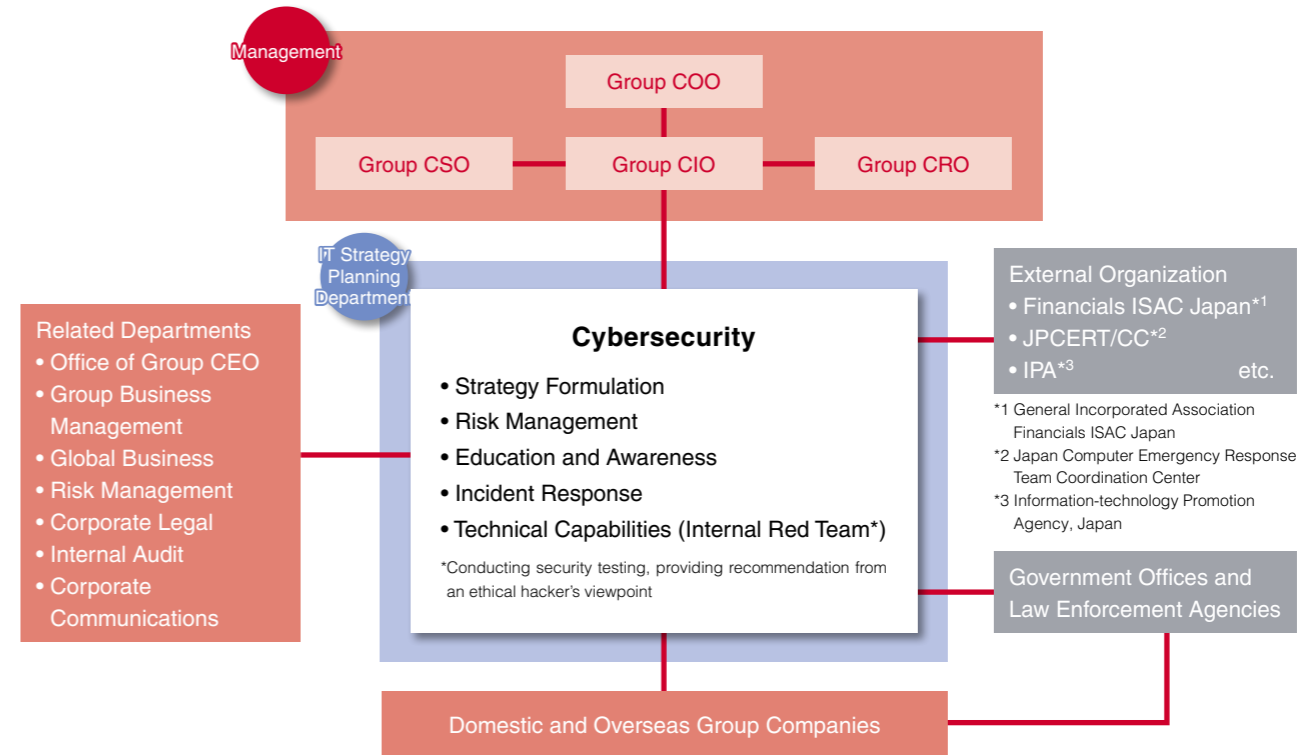
### Structure

### A team of cyber experts that transcends departmental boundaries

Cybersecurity is a domain in which the environment is constantly changing, and knowledge and application of cutting-edge technologies are required. We have therefore established a Cyber Center of Excellence (COE) structure within SOMPO Holdings, and this specialized team is playing a central role in promoting effective enhancement of the structure based on a division of roles among the companies. The policy and direction have been decided based on discussions by relevant executives, led by the Group CIO. In particular, in addition to the IT departments, the Office of Group CEO, Group Business Management Department, Risk Management Department, and other related departments are working together to strengthen resilience, which requires action that transcends departmental boundaries. Similarly, in preparation for the occurrence of security incidents, we have established HD-CSIRT (Computer Security Incident Response Team) within Sompo Holdings. In this way, we have an organizational structure in place that enables quick and timely actions, including information sharing, decision-making, and forensic investigations, in response to a variety of emergencies. HD-CSIRT also collaborates with other companies in the industry and security-related organizations to improve the level of maturity not only of the Group but also of the entire security community.

### Global risk response framework

Cyber risk knows no borders. To address this global risk, we have established cybersecurity response centers overseas as well as in Tokyo. These cyber units at overseas bases are staffed by highly knowledgeable and skilled “white hat hackers” who conduct various security tests, train each company’s security personnel, and conduct research and investigations of cyber technology. We also conduct cyber patrol activities to monitor Internet assets regardless of country or region. During normal (non-emergency) times, security personnel monitor the safety of assets within the Group to find urgent vulnerabilities and identify suspected information leaks, monitor the behavior of attackers, and raise awareness and provide technical support to the entire Group.



\*Structure for FY2023



Monitoring work by the SOC (Security Operation Center) team

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# Cybersecurity

## Initiatives

### Activity and Result

#### Nurturing cybersecurity personnel

Cybersecurity measures sometimes require expertise. For this reason, we have established the Cyber Lab, a cybersecurity R&D center, within Sompo Holdings to support and train each company's cybersecurity personnel through cybersecurity-related technical research and hands-on training. The Cyber Lab hosts regular "Cyber Tech Talks" to share knowledge about cybersecurity. At these events, our global network of cybersecurity personnel shares its knowledge and expertise and promotes the cultivation of future talent while learning from each other in a spirit of mutual encouragement. This Cyber Tech Talk initiative is based on the idea that in order to respond to cyber risks that are spreading on a global scale, it is necessary to have a network where the Group's cybersecurity personnel can connect and interact with each other. The goal is to create an environment where information can be exchanged beyond the boundaries of one's organization, country, region, or language.



Cyber Tech Talk at the Cyber Lab

#### Adapting to new technologies

The Group is also actively researching new technologies, such as AI and Web 3.0, in order to incorporate and utilize them. Similarly, with regard to security, we work with the relevant departments to formulate procedures, rules, and guidelines for the safe use of new technologies and take the necessary measures to introduce innovations in a safe manner. New technologies can be applied not only to business applications but also to security. In addition to researching how new technologies can be used in cyberattacks and other threats, we conduct research and investigation on a daily basis so that we can stay alert to changes in various IT environments and always adopt the latest security measures. The Cyber Lab is also used as a base for this research and investigation. The Cyber Lab has a dedicated network environment that is isolated from the normal business environment, making it possible to conduct technical verification and similar activities safely.



Cyber Lab set up at the headquarters in Shinjuku

#### Fostering a culture of security and security education

To ensure cybersecurity, it is essential to foster a "security culture" in which each employee understands the importance of cybersecurity and is aware of how to use IT assets safely.

The Group implements educational programs at multiple levels, from employees to management. We are also working to acquire knowledge related to cyberattacks and raise awareness at Group companies through e-learning, phishing email training, cyber incident drills, and newsletters. In recent years, we have been focusing on strengthening resilience across the entire business and in management; for example, in our cyber incident exercises, we have introduced ransomware attack scenarios that incorporate more hands-on elements.



Security newsletter distributed to Group company personnel

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# ESG Risk Management



## Basic concept and policy

### Concept and Policy

By providing services and products that contribute to security, health, and wellbeing, the Sompo Group aims to promote the realization of a resilient and sustainable society as a solutions provider. As stated in our Group Sustainability Vision and other policies, we incorporate considerations for climate change, human rights, and local communities into our business processes, and engage in underwriting, investments, and loans in a way that takes into account the environment, society, and governance.

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

### Policy for ESG-related Underwriting, Investment and Loan

#### 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\*<sup>1</sup>. 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\*<sup>2</sup>, or oil and gas extraction projects in the ANWR, unless they establish a GHG reduction plan by January 2025\*<sup>3</sup>.

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.

# ESG Risk Management

## Sensitive projects and sectors

### Concept and Policy

When considering underwriting, investments, and loans, we identify businesses that require attention because of their potential negative impact on the environment and society as shown in the table below. In identifying specific project within the target businesses, we conduct assessments based on dialogue with stakeholders and in collaboration with Sompo Risk Management.

### Underwriting

With respect to insurance underwriting projects that may have a negative impact on the environment and society, in addition to anti-social forces, to which underwriting is prohibited, we identify businesses to be targeted as shown in the table below, evaluate their negative impact on the environment and society, and carefully respond; for example, when necessary, the Sustainability Department will discuss countermeasures from an ESG perspective with the Sales Department and Underwriting Department.

### Investment and loans

With respect to investment and loan projects that may have a negative impact on the environment and society, in addition to cluster bomb manufacturers, to which investment and loans are prohibited, we identify projects to be targeted as shown in the table below, evaluate their negative impact on the environment and society, and carefully respond.

### List of sensitive projects/sectors

Category	Related to
Environmental	<ul style="list-style-type: none"> <li>■ Projects with negative impact on UNESCO World Heritage Sites</li> <li>■ Projects with negative impact on Ramsar-listed wetlands</li> </ul>
Social	<ul style="list-style-type: none"> <li>■ Human rights violations Projects on Child labor and Forced labor</li> <li>■ Inhumane weapons Nuclear, biological or chemical weapons, anti-personnel mines and other inhumane weapons</li> </ul>

## ESG risk response structure

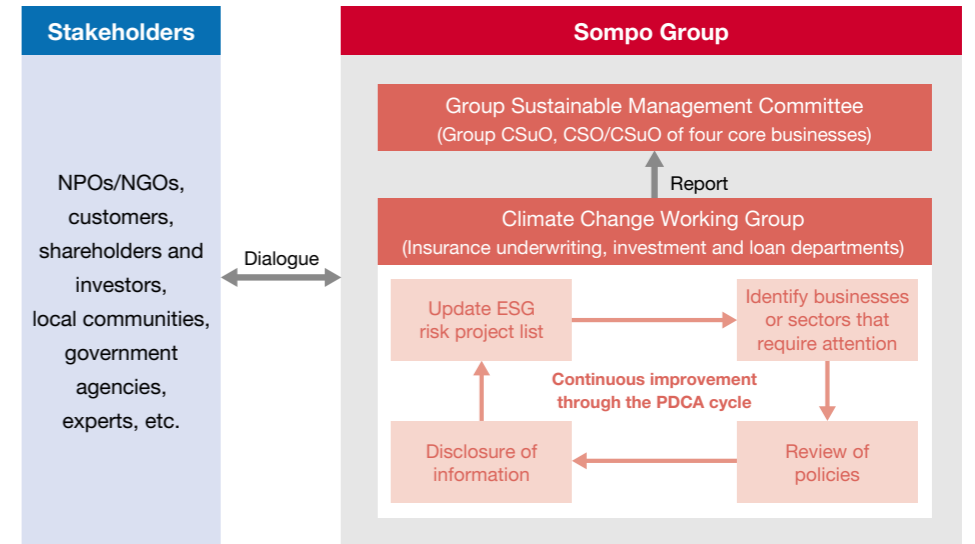
### Structure

### ESG risk management through the ERM framework

The Sompo Group considers ESG-related risk to be one of its material sustainability risks, with the potential to exert a significant impact on the Group, and manages it within its ERM framework.

### Incorporating ESG factors into business processes

When there are concerns recognized as highly important in businesses such as underwriting, investments, and loans, after collecting information from and exchanging opinions with stakeholders, the Group Sustainable Management Committee and its subordinate organizations hold discussions and regularly update the list of projects that pose an ESG risk, identify businesses and sectors that require attention, and revise various relevant policies. In fiscal 2022, the list of projects that pose an ESG risk was updated to 67 projects.





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## Sustainability Data

### General information on data

To identify our ESG-related issues, we have conducted ESG surveys targeting our Group companies since fiscal year 2011. The tables below show our major ESG data, as obtained from the survey results. The survey is conducted on Sompo Holdings and its consolidated companies in and outside Japan.

#### Organizations surveyed in FY2022

- |  |  |
|--|--|
| <p>&lt;Company Name&gt;</p> <ul style="list-style-type: none"> <li>• Sompo Holdings, Inc.</li> <li>• Sompo Japan Insurance Inc.</li> <li>• SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED</li> <li>• Sompo Japan Partners Inc.</li> <li>• Mysurance Inc.</li> <li>• Sompo International Holdings Ltd.</li> <li>• Endurance Specialty Insurance Ltd.</li> <li>• Endurance Assurance Corporation</li> <li>• Endurance Worldwide Insurance Limited</li> <li>• SI Insurance (Europe), SA</li> <li>• Sompo Sigorta Anonim Sirketi</li> </ul> | <ul style="list-style-type: none"> <li>• Sompo Holdings (Asia) Pte. Ltd.</li> <li>• Berjaya Sompo Insurance Berhad</li> <li>• Sompo Seguros S.A.</li> <li>• Sompo Himawari Life Insurance Inc.</li> <li>• Sompo Care Inc.</li> <li>• ND Software Co.,Ltd.</li> <li>• Sompo Warranty Inc.</li> <li>• SOMPO Light Vortex Inc.</li> <li>• Sompo Asset Management Co.,Ltd.</li> <li>• Sompo Japan DC Securities Inc.</li> <li>• Sompo Risk Management Inc.</li> <li>• Sompo Health Support Inc.</li> <li>• Other 52 companies</li> </ul> |
|--|--|

#### Scope of the report and coverage ratio

Scope of the report by category		Coverage ratio based on sales revenue*1		
Consolidated companies in Japan	Sompo Japan	67.1%	52.9%	100%
	Other group companies		14.2%	
Overseas consolidated companies		32.9%	32.9%	

\*1 Formula for coverage ratio

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

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

#### Reporting period

- [1] Companies with head office in Japan  
Unless otherwise stated, data reported are for fiscal year 2022 (April 2022 to March 2023).
- [2] Companies other than [1]  
Unless otherwise stated, data reported are for calendar year 2022 (January to December 2022).

#### Changes in the scope of data acquisition

- FY2021: Expansion of the scope of data acquisition through the acquisition of Diversified Crop Insurance Services (2020)
- FY2022: Expansion of the scope of data acquisition through establishment of SOMPO Light Vortex (2021) and acquisition of ND Software (2022)

### Group employee data

#### Number of employees (by employment status)

Item	Unit	Male	Female	Total
Regular employees	People	20,651	28,406	49,057
Temporary employees	People	1,501	12,717	14,218
Total	People	22,152	41,123	63,275

#### Number of employees (by region)

Item	Unit	Japan	Asia & Middle East	Europe & North/South America	Total
Regular employees	People	41,590	1,586	5,881	49,057
Temporary employees	People	14,159	13	46	14,218
Total	People	55,749	1,599	5,927	63,275

\*1 Number of employees by region (except Japan) is calculated based on the locations of consolidated companies under Sompo International.  
\*2 Employees of Sompo Holdings, Sompo Japan, Sompo Himawari Life, and Sompo Care of which 99.54% are Japanese nationals, 0.43% are Asian nationals, and 0.03% are U.S. or European nationals.

### Reporting of greenhouse gas (GHG)

- Since fiscal year 2012 we have been receiving annual third-party verification by a certification body.
- Although maximum attention is paid to accuracy and validity, calculation methods that are considered to be reasonable and versatile are adopted for activities for which quantification is difficult.
- The scope of calculation is as indicated by the coverage ratio and the list of reporting companies for each data item.
- Scope 1 emissions, as appearing in the data below, are direct GHG emissions from sources owned or controlled by the Group, such as emissions from the use of gas and gasoline. Scope 2 emissions are indirect GHG emissions resulting from the generation at power stations and other external sites of electricity and heat that are purchased by the Group. Scope 3 emissions are indirect GHG emissions other than Scope 2 emissions that are generated in any part of the value chain of the Group.
- The table below shows activity items subject to calculation.

Scope	Category	Activity items subject to calculation
Scope 1	Direct emissions	City gas consumption, class A heavy oil consumption, kerosene consumption, LPG consumption, fuel consumption by company fleets
Scope 2	Indirect emissions from energy sources	Electricity consumption, heat (steam) consumption
Scope 3	Category1	Purchased goods & services
	Category3	Fuel- and energy-related activities not included in Scope 1 and 2
	Category4	Upstream transportation & distribution
	Category5	Waste generated in operations
	Category6	Business travel
	Category7	Employee commuting
Category15	Investments (Equities)	Listed equity
	Investments (Bonds)	Publicly traded corporate bonds

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## Environmental performance data

Environmental data										
Item	Unit	FY2019	FY2020	FY2021	FY2022	Companies covered			Third-Party Assurance	
						Consolidated companies in Japan		Overseas consolidated companies		
						Sompo Japan	Other group companies			
GHG (Scope 1-3) Total (excluding Scope 3 Category 15)	t-CO <sub>2</sub> e	297,974	265,156	233,962	239,554	●	●	●	✓	
GHG (Scope 1)	t-CO <sub>2</sub> e	34,763	30,354	26,663	28,209	●	●	●	✓	
GHG (Scope 2)	t-CO <sub>2</sub> e	148,343	141,274	120,251	116,611	●	●	●	✓	
Total (excluding Category 15)	t-CO <sub>2</sub> e	114,868	93,527	87,048	94,734	●	●	●	✓	
Category1	t-CO <sub>2</sub> e	15,198	12,975	11,151	12,893	●	●	●	✓	
Category3	t-CO <sub>2</sub> e	32,057	30,467	27,935	27,741	●	●	●	✓	
Category4	t-CO <sub>2</sub> e	16,097	15,096	11,810	11,207	●	●	●	✓	
Category5	t-CO <sub>2</sub> e	14,335	13,351	13,247	15,192	●	●	●	✓	
Category6	t-CO <sub>2</sub> e	21,960	6,514	7,457	15,305	●	●	●	✓	
Category7	t-CO <sub>2</sub> e	15,220	15,124	15,448	12,395	●	●	●	✓	
Category15	Equities	t-CO <sub>2</sub> e	1,013,157	948,530	931,821	—	●	●	●	✓
	Bonds	t-CO <sub>2</sub> e	1,059,379	906,207	909,893	—	●	●	●	✓
Total GHG emissions per employee	t-CO <sub>2</sub> e	4.66	4.22	3.78	3.79	●	●	●	✓	
City gas consumption	m <sup>3</sup> -N	3,540,788	3,308,645	3,533,791	3,587,303	●	●	●	✓	
Class A heavy oil consumption	kℓ	195	193	161	21	●	●	●	✓	
Kerosene consumption	kℓ	243	229	274	223	●	●	●	✓	
LPG consumption	t	1,730	1,649	259	258	●	●	●	✓	
Fuel consumption by company fleets	kℓ	8,571	7,050	7,069	7,400	●	●	●	✓	
Electricity consumption	kWh	304,203,466	297,620,074	276,342,950	269,387,782	●	●	●	✓	
Heat (steam) consumption	MJ	92,018,627	91,529,224	89,600,884	93,542,484	●	●	●	✓	
Paper consumption	t	8,129	6,821	5,771	6,157	●	●	●	✓	
Clean water usage	kℓ	349,465	247,222	1,727,914	3,089,640	●	●	●	✓	
Wastewater discharge	kℓ	326,872	223,481	1,747,207	3,064,254	●	●	●	✓	
Total amount of waste generated	t	16,958	13,916	13,378	14,689	●	●	●	✓	
Amount of waste recycled	t	4,816	3,253	3,496	3,423	●	●	●	✓	
Amount of non-recycled waste (total amount disposed)	t	12,142	10,663	9,883	11,266	●	●	●	✓	
Breakdown by disposal method	landfill	t	14	25	313	13	●	●	●	✓
	Incineration (with thermal)	t	12,128	10,638	9,491	11,002	●	●	●	✓
	Incineration (without thermal)	t	0	0	75	10	●	●	●	✓
	Other Dispositions	t	0	0	4	240	●	●	●	✓
Disposal method unknown	t	0	0	0	0	●	●	●	✓	
	t	0	0	0	0	●	●	●	✓	
Total floor space	m <sup>2</sup>	1,517,474	1,499,409	1,465,009	1,398,415	●	●	●	✓	
Share of green purchasing	%	52.2	52.3	47.0	45.9	●	●	●	✓	
Human development of environmental field	Attendees of Public Seminars on the Environment	Persons	1,173	7,176	5,610	7,146	—	—	—	✓
	Participants of CSO Learning Program	Persons	55	43	78	75	—	—	—	✓
	Participants of SAVE JAPAN Project	Persons	2,652	1,502	907	2,517	—	—	—	✓

\*1 The Group has been received an annual Assurance Statement by a third-party certification organization. The coverage of the survey is Sompo Holdings, Inc., and main consolidated subsidiaries, and in the process of data collection in FY2022, we reviewed and recalculated the data collected and calculated prior to FY2021.

\*2 Total floor space includes the results of Sompo Holding and its domestic and overseas consolidated subsidiaries, excluding Sompo Care.

\*3 The "Public Seminars on the Environment" has shifted from a traditional face-to-face format to an online program from FY2020 onward.

\*4 The number of participants in the "SAVE JAPAN Project" includes participants in online-type events.

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

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

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

Asset class		Unit	FY2019	FY2020	FY2021
Equities	Total GHG emission	t-CO <sub>2</sub> e	1,013,157	948,530	931,821
	Weighted average carbon intensity of investee (WACI)	t-CO <sub>2</sub> e/Million USD	119.60	100.58	125.05
Bonds	Total GHG emission	t-CO <sub>2</sub> e	1,059,379	906,207	909,893
	Weighted average carbon intensity of investee (WACI)	t-CO <sub>2</sub> e/Million USD	121.07	133.77	167.04

\*1 WACI stands for Weighted Average Carbon Intensity. The WACI calculation method has changed from the 2021 figures.

\*2 Calculated using data provided by MSCI ESG Research for Scope 1 and Scope 2 listed equities and corporate bonds in Japan and overseas (Coverage: 86.4% of listed equities and 81.6% of corporate bonds in FY2021 on a market value basis.).

\*3 GHG emissions are our company's share of the investee's EVIC (Enterprise Value Including Cash) base, and WACI is the weighted average of GHG emissions per unit of sales for each investee's portfolio holdings.

\*4 This report contains information (the "Information") sourced from MSCI Inc., its affiliates or information providers (the "MSCI Parties") and may have been used to calculate scores, ratings or other indicators. The Information is for internal use only, and may not be reproduced/redisseminated in any form, or used as a basis for or a component of any financial instruments or products or indices. The MSCI Parties do not warrant or guarantee the originality, accuracy and/or completeness of any data or Information herein and expressly disclaim all express or implied warranties, including of merchantability and fitness for a particular purpose. The Information is not intended to constitute investment advice or a recommendation to make (or refrain from making) any investment decision and may not be relied on as such, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the MSCI Parties shall have any liability for any errors or omissions in connection with any data or Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

\*5 Numerical data may be adjusted retroactively.

### Environmental accounting (FY2022 GHG reduction investment cost and effect)

Item	Amount Invested (JPY)	Investment Effect (JPY)	Reduction in GHG (t-CO <sub>2</sub> e)
Scope1 and 2	853,146,900	19,806,077	464.7

\*The amount invested in FY2022 is mainly the total cost of energy-saving construction work, such as work to upgrade air conditioning equipment in our Group-owned buildings. The investment effect is calculated based mainly on the reduction in the consumption of electricity as a result of energy-saving construction work on our Group-owned buildings. Note that although the investment amount for one fiscal year is shown, the CO<sub>2</sub> reduction effects will continue over the long term.

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## Social performance data

Item		Unit	FY2019	FY2020	FY2021	FY2022	Companies covered			Third-Party Assurance
							Consolidated companies in Japan		Overseas consolidated companies	
							Sompo Japan	Other group companies		
Executive or higher	Male	Persons	214	188	355	348				
	Female	Persons	16	19	35	45	●	●	●	
	Total	Persons	230	207	390	393				
Department manager level or higher but lower than executive	Male	Persons	837	821	1,103	1,075				
	Female	Persons	164	178	229	244	●	●	●	
	Total	Persons	1,001	999	1,332	1,319				
Section manager level or higher but lower than department manager level	Male	Persons	2,642	3,014	3,926	4,015				
	Female	Persons	794	1,060	1,614	1,748	●	●	●	
	Total	Persons	3,436	4,074	5,540	5,763				
Ratio of female employees in managerial positions		%	23.8	24.2	26.8	28.1	●	●	●	
Share of female in management positions in revenue-generating functions		%	18.0	22.0	24.1	25.5	●	●	●	
Share of female in STEM-related positions		%	36.9	32.2	41.0	33.8	●	●	●	
Ratio of employees with disabilities		%	2.29	2.42	2.45	2.41	●	●	●	
Union membership rate		%	98.0	98.0	97.9	97.9	●	●		
Total number of new employee hires	Male	Persons	1,590	1,243	1,641	1,943				
	Female	Persons	4,504	3,720	3,896	4,631				
	Total	Persons	6,094	4,963	5,537	6,574	●	●	●	
	Managerial position	Persons	60	41	149	190				
	Non-managerial position	Persons	6,034	4,922	5,388	6,384				
Total		Persons	6,094	4,963	5,537	6,574				
Percentage of job openings filled by internal candidates		%	100	100	100	100		●		
Rate of internal promotion to management		%	—	—	—	93.8		●		
Number of employees who took childcare leave	Male	Persons	377	443	516	472				
	Female	Persons	2,045	2,090	2,005	2,035	●	●	●	
	Total	Persons	2,422	2,533	2,521	2,507				
Average number of days taken off work for childcare leave by employees	Male	Days	5.6	6.8	8.6	18.6				
	Female	Days	183.0	183.6	178.8	183.3	●	●	●	
	Total	Days	155.4	152.7	144.0	152.3				
Number of employees who took childcare support system (Shorter work hour system +Earlier/later work hour system)		Persons	2,724	2,839	2,900	2,965	●	●	●	
Number of employees who took family care leave	Male	Persons	50	22	32	36				
	Female	Persons	90	70	71	74	●	●	●	
	Total	Persons	140	92	103	110				
Gender wage gap (Average female wage/average male wage)	All employees	%	—	—	—	45.5				
	Regular employment	%	—	—	—	52.0	●	●	●	
	Non-regular employment	%	—	—	—	50.8				
Number of employees using telecommuting system		Persons	13,241	31,008	28,769	26,036	●	●	●	
Number of employees who used flextime work system		Persons	2,354	4,333	3,941	3,889	●	●	●	
Ratio of flextime work system use		%	6.8	12.3	11.6	11.5	●	●	●	
Ratio of paid vacation use		%	67.0	70.8	72.9	76.0	●	●	●	
Occupational accident frequency rate		—	5.71	6.07	5.44	5.22	●	●	●	

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Item	Unit	FY2019	FY2020	FY2021	FY2022	Companies covered			Third-Party Assurance
						Consolidated companies in Japan		Overseas consolidated companies	
						Sompo Japan	Other group companies		
Total days lost due to absenteeism	Days	63,690	59,980	59,037	79,569	●	●	●	✓
Absentee Rate	%	0.42	0.39	0.39	0.51	●	●	●	
Ratio of overtime work	%	10.9	10.4	11.2	11.3	●	●	●	
Employee turnover rate (all)	Total	%	11.2	10.5	11.5	12.0			
	Of these, voluntary	%	8.3	7.8	8.0	9.3			
Employee turnover rate (excluding Nursing Care Business)	Total	%	7.9	6.8	9.1	9.7	●	●	●
	Of these, voluntary	%	4.0	3.0	4.0	5.5			
Employee turnover rate (Nursing Care Business only)	Total	%	18.0	17.3	15.7	15.9			
	Of these, voluntary	%	17.2	16.5	15.0	15.4			
Ratio between CEO compensation and employee average compensation	Total CEO compensation	Million JPY	326	400	432	477			
	Employee compensation (average amount)	JPY	11,069,985	11,090,287	11,284,115	12,319,899		●	
	Ratio	Times	29.4	36.1	38.3	38.7			
Employee Engagement	Japan	Point	3.27	3.34	3.46	3.50			
		Response Rate	—	52.0	76.0	72.0			
	Overseas	Point	3.81	4.02	4.02	4.12			
		Response Rate	—	—	91.1	98.0	●	●	●
Percentage of respondents reporting high employee engagement	Japan	%	—	11.0	15.0	17.0			
	Overseas	%	—	—	36.0	48.0			
	Total	%	—	11.0	17.8	19.4			
Customer Satisfaction Rate	%	89.1	89.1	89.2	88.7	●			
Number of volunteers from employees	Persons	39,297	29,730	5,814	5,958	●	●		
Social Contribution	JPY	2,031,288,146	1,830,737,862	1,467,676,195	1,676,276,065	●			

\*1 We count the number of male and female employees by position, in FY2019 and FY2020 the number of employees in domestic consolidated companies and overseas consolidated companies, and from FY2021 onwards the number of employees in domestic group companies and overseas consolidated companies.  
 \*2 We count the share of women in management positions responsible for revenue-generating functions among managers in departments involved in the output of products and services, such as sales, with the exception of support departments such as HR, legal, and IT.  
 \*3 We count STEM (Science, Technology, Engineering, or Mathematics) related employees who have skills on mathematic or IoT such as actuaries, web developer, etc.  
 \*4 We calculate the gender wage gap based on the provisions of the "Act on the Promotion of Women's Active Engagement in Professional Life" (Law No. 64, 2015).  
 \*5 We have a provision for paid maternity and paternity leave over and above the legal requirement.  
 \*6 We use Q12 provided by Gallup in our engagement surveys.  
 \*7 Sompo Japan conducts customer satisfaction survey to customers who were involved in car accidents by sending them questionnaire upon insurance payment.  
 \*8 In FY2020, the total number of Group employees and agency employees participating was counted; In FY2021 and FY2022, due to a change in data aggregation methods, only the number of Group employees participating was counted.  
 \*9 Absentee Rate is a Total number of days lost due to absenteeism ÷ Number of scheduled working days per year ÷ Total number of employees × 100 at SOMPO Holdings and major domestic and overseas consolidated companies.

## Amount of contributions to initiatives in FY2022

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

(Currency: JPY)

Purpose	Addressing social issues by cooperating with below initiatives				
	WBCSD	UNGC	Council for Better Corporate Citizenship	UNEP FI	UN PRI
Amount of Contribution	11,314,000	1,110,000	220,000	3,057,901	1,481,266

Contributions to trade associations or tax-exempt trade associations are as follows.  
 FY2019: JPY 243,869,052; FY2020: JPY 156,266,712; FY2021: JPY 147,841,122; FY2022: JPY 133,798,540

## Training & development inputs

Item	Unit	FY2021	FY2022	Companies covered		
				Consolidated companies in Japan		Overseas consolidated companies
				Sompo Japan	Other group companies	
Average hours per person of training and development	Hours	5.38	9.48	●	●	
Average amount spent per person on training and development	JPY	7,591	20,088	●	●	

\*Data covers the amount of Sompo Japan and Himawari Life for FY2021, and for Sompo Holdings, Sompo Japan, Himawari Life, and Sompo Care for FY2022.



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**Sustainability Data**

# Sustainability Data

## Wage ratio by gender (by position)

Wages are determined in accordance with role-based ranks which reflect the role and responsibility of each employee. Ranking system is structured so employees will be promoted based on their roles, responsibilities and how much they have contributed to the Group's performance.

The main reason for the difference in wages between men and women among regular workers is the relatively high wage levels of occupations (IT, digital, etc.) and the high ratio of men in managerial positions. If they are the same, we have a wage system in which there is no difference in wages due to gender.

Item	Unit	FY2022	Companies covered		
			Consolidated companies in Japan		Overseas consolidated companies
			Sompo Japan	Other group companies	
Officers	base salary only	%	112.7	●	
	base salary + other cash incentives	%	90.1		
Managers	base salary only	%	84.3	●	
	base salary + other cash incentives	%	83.3		
Non-managerial positions	base salary only	%	55.3	●	

\*The wage ratio is the ratio of the average wage for women to the average wage for men.

## Third-party assurance

### About third-party assurance

To ensure the reliability of reported numbers, Sompo Holdings has received third-party assurance from British Standards Institution (BSI) for some of the environmental and social performance data for fiscal year 2022.

The relevant data is indicated with a checkmark (✓) in the below link "Environmental and Social Data."

**Web** [Assurance Statement \(Environment Performance Data FY2022\)](#)  
[Assurance Statement \(Social Performance Data FY2022\)](#)

## Independent Evaluation

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

### Recognition

#### Recognized with prestigious A score for Climate Action by CDP

Sompo Holdings

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



(February 2024)

#### Regarding the certification of "Information Technology Federation of Japan (IT-renmei) Cyber Index Enterprise Survey 2023"

Sompo Holdings

In December 2023, Sompo Holdings was awarded a one-star rating as an outstanding company in the Information Technology Federation of Japan (IT-renmei)'s survey on corporate cybersecurity initiatives and information disclosure.

Sompo Holdings, Inc. was highly commended for its proactive disclosure of information on cyber security in annual securities reports and other documents, active dissemination of information at external seminars, implementation of comprehensive and cross-sectional cyber security measures across the SOMPO Group, and establishment of specialized security bases overseas.



(December 2023)

[Web Information Technology Federation of Japan \(IT-renmei\)](#)

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

Sompo Risk Management

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

(March 2023)

### Certification

#### Certified as a 2023 Health & Productivity Management Outstanding Organization (White 500)

For the seventh consecutive year, we have been selected as one of the 2023 Health & Productivity Management Outstanding Organizations (White), which is jointly awarded by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) in recognition of companies that excel in health and productivity management\*. In addition, 22 SOMPO Group companies were certified as 2023 Health & Productivity Management Outstanding Organizations in the Large Enterprise Category and Small and Medium Enterprise Category by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council), with eight of these companies being certified as 2023 Health & Productivity Management Outstanding Organizations in the Large Enterprise Category (White 500).

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

#### [Certified Group Companies]

##### ■ Health & Productivity Management Outstanding Organization (White 500)

- Sompo Holdings, Inc. (seven consecutive years)
- Sompo Japan Insurance Inc. (seven consecutive years)
- Sompo Himawari Life Insurance Inc. (seven consecutive years)
- Sompo Health Support Inc. (seven consecutive years)
- Prime Assistance Inc. (five consecutive years)
- Sompo Japan Partners Inc. (four consecutive years)
- Sompo Corporate Service Inc. (three consecutive years)
- SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (first recognition)

##### ■ Health & Productivity Management Outstanding Organizations (Large Enterprise Category)

- Sompo Risk Management Inc. (seven consecutive years)
- Sompo Business Services, Inc. (seven consecutive years)
- Sompo Communications Inc. (five consecutive years)
- Sompo Japan Career Bureau, Inc. (five consecutive years)
- Sompo Systems, Inc. (four consecutive years)
- Sompo Care, Inc. (two consecutive years)

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

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



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# Independent Evaluation

## Inclusion in ESG Related Indices

The Sompo Holdings is included in the following ESG Related Indices (as of February 1, 2024).

### Dow Jones Sustainability Indices

Sompo Holdings

Dow Jones Sustainability Indices (DJSI) is a stock index developed by S&P Dow Jones Indices, Inc. in the U.S. It is a leading global ESG index that evaluates corporate sustainability from three aspects: economic, environmental, and social, and selects companies that are making progressive efforts. The index is the world's leading ESG index, which evaluates corporate sustainability from three perspectives: economic, environmental, and social. We have been selected for inclusion in DJSI Asia Pacific, which covers the Asia-Pacific region, since 2020.



\*We had selected for inclusion in DJSI World for a total of 21 times until 2021, since Sompo Japan Insurance Inc. was first included in 2000.

### FTSE4Good Index Series

Sompo Holdings

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



### FTSE Blossom Japan Index/ FTSE Blossom Japan Sector Relative Index

Sompo Holdings

The FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index are created by the global index provider FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) and are used by a wide variety of market participants to create and assess responsible investment funds and other products.

The FTSE Blossom Japan Index is designed to measure the performance of Japanese companies demonstrating strong Environmental, Social and Governance (ESG) practices.

The FTSE Blossom Japan Sector Relative Index reflects the performance of Japanese companies that demonstrate outstanding Environmental, Social and Governance (ESG) practices relative to their respective sectors and is designed to be sector neutral. To promote the transition to a low-carbon economy, it also features an assessment of corporate climate change initiatives and governance.



### MSCI ESG Leaders Indexes

Sompo Holdings

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



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

### MSCI Japan ESG Select Leaders Index

Sompo Holdings

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



### MSCI Japan Empowering Women Index (WIN)

Sompo Holdings

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



### S&P/JPX Carbon Efficient Index

Sompo Holdings

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



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## Comparative Table of Stakeholder Capitalism Metrics

Sompo Holdings endorses the Stakeholder Capitalism Metrics (hereinafter referred to as "the metrics") developed under the leadership of the International Business Council (IBC) of the World Economic Forum.

The metrics define universal and comparable disclosures by companies across countries and industries in order to render stakeholder capitalism measurable.

The metrics consist of four categories – Principles of Governance, Planet, People, and Prosperity – and corresponding sets of 21 core metrics and 34 extended metrics. The table below shows the status of disclosure for each standard relevant to the Sompo Group's businesses.

Principle of Governance		
Theme	Core metrics and disclosures	Page References
Governing purpose	<p><b>Setting purpose</b> The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.</p>	<p><a href="#">Toward the Realization of SOMPO's Purpose</a> <a href="#">The Group Management Philosophy, Purpose, Materiality Integrated Annual Report 2023</a> (P.44-45 Value Creation Cycle)</p>
Quality of governing body	<p><b>Governance body composition</b> Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.</p>	<p><a href="#">Integrated Annual Report 2023</a> (P.94-121 Governance) <a href="#">Corporate Governance Management System</a> <a href="#">ESG Data (Governance Data)</a></p>
Stakeholder engagement	<p><b>Material issues impacting stakeholders</b> A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.</p>	<p><a href="#">Stakeholder Engagement</a> <a href="#">SDG-Based Management</a> <a href="#">Progress Towards our Materiality and KPIs</a> <a href="#">Building ESG Considerations Into Our Operations</a></p>
Ethical behavior	<p><b>Anti-corruption</b> 1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.</p> <p><b>Protected ethics advice and reporting mechanisms</b> A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organizational integrity; and 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.</p>	<p><a href="#">Compliance System</a> <a href="#">Overview of the Status of Internal Control System</a> <a href="#">ESG Data (Governance Data)</a></p> <p><a href="#">Overview of the Status of Internal Control System</a> <a href="#">Stakeholder Engagement</a> <a href="#">Building ESG Considerations Into Our Operations</a></p>
Risk and opportunity oversight	<p><b>Integrating risk and opportunity into business process</b> Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.</p>	<p><a href="#">Integrated Annual Report 2023</a> (P.112-113 Enterprise Risk Management (ERM)) <a href="#">Response to Recommendations of the Task Force on Climate-related Financial Disclosures</a> <a href="#">SDG-Based Management</a> <a href="#">Progress Towards our Materiality and KPIs</a></p>



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Theme	Expanded metrics and disclosures	Page References
Governing purpose	<b>Purpose-led management</b> How the company's stated purpose is embedded in company strategies, policies and goals.	<a href="#">SDG-Based Management</a> <a href="#">Progress Towards our Materiality and KPIs</a> <a href="#">Integrated Annual Report 2023</a> (P.44-45 Value Creation Cycle)
Quality of governing body	<b>Progress against strategic milestones</b> Disclosure of the material strategic economic, environmental and social milestones expected to be achieved in the following year, such milestones achieved from the previous year, and how those milestones are expected to or have contributed to long-term value.	<a href="#">Progress Towards our Materiality and KPIs</a>
	<b>Remuneration</b> 1. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental and social topics, as connected to the company's stated purpose, strategy and long-term value. 2. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: <ul style="list-style-type: none"> <li>• Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses and deferred or vested shares</li> <li>• Sign-on bonuses or recruitment incentive payments</li> <li>• Termination payments</li> <li>• Clawbacks</li> <li>• Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives and all other employees</li> </ul>	<a href="#">Integrated Annual Report 2023</a> (P.108-111 Executive compensation structure) <a href="#">ESG Data (Governance Data)</a> <a href="#">Remuneration, etc., for Officers</a>
Risk and opportunity oversight	<b>Economic, environmental and social topics in capital allocation framework</b> How the highest governance body considers economic, environmental and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments	<a href="#">Corporate Governance Policy</a> <a href="#">Management Structure of Corporate Governance</a> <a href="#">Management System</a> <a href="#">SDG-Based Management</a>
<b>Planet</b>		
Theme	Core metrics and disclosures	Page References
Climate change	<b>Greenhouse gas (GHG) emissions</b> For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO <sub>2</sub> e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	<a href="#">ESG Data (Environmental Performance Data)</a>
	<b>TCFD implementation</b> Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	<a href="#">Response to Recommendations of the Task Force on Climate-related Financial Disclosures</a>
Nature loss	<b>Land use and ecological sensitivity</b> Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	Information unavailable. Will collect/ analyze information and work toward its disclosure.
Freshwater availability	<b>Water consumption and withdrawal in water-stressed areas</b> Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	<a href="#">ESG Data (Environmental Performance Data)</a>

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Theme	Expanded metrics and disclosures	Page References
Climate change	<p><b>Paris-aligned GHG emissions targets</b> Define and report progress against time-bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. This should include defining a date before 2050 by which you will achieve net-zero greenhouse gas emissions, and interim reduction targets based on the methodologies provided by the Science Based Targets initiative, if applicable. If an alternative approach is taken, disclose the methodology used to calculate the targets and the basis on which they deliver on the goals of the Paris Agreement.</p>	<p><a href="#">Response to Recommendations of the Task Force on Climate-related Financial Disclosures</a> <a href="#">SOMPO Climate Action</a> <a href="#">Integrated Annual Report 2023</a> (P.88-93 Climate Action)</p>
	<p><b>Impact of GHG emissions</b> Report wherever material along the value chain (GHG Protocol Scope 1, 2 &amp; 3) the valued impact of greenhouse gas emissions. Disclose the estimate of the societal cost of carbon used and the source or basis for this estimate.</p>	<p><a href="#">ESG Data (Reporting of Greenhouse Gases (GHGs))</a></p>
<b>People</b>		
Theme	Core metrics and disclosures	Page References
Dignity and equality	<p><b>Diversity and inclusion</b> Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).</p>	<p><a href="#">Key Initiatives (Employees - Diversity &amp; Inclusion)</a> <a href="#">ESG Data (Social Performance Data)</a></p>
	<p><b>Pay equality</b> Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.</p>	<p><a href="#">ESG Data (Social Performance Data)</a></p>
	<p><b>Wage level</b> 1. Ratios of standard entry level wage by gender compared to local minimum wage. 2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.</p>	<p><a href="#">ESG Data (Social Performance Data)</a></p>
	<p><b>Risk for incidents of child, forced or compulsory labour</b> An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.</p>	<p><a href="#">Key Initiatives (Employees - Respect for Human Dignity and Rights)</a></p>
Health and well-being	<p><b>Health and safety</b> 1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.</p>	<p><a href="#">ESG Data (Social Performance Data)</a> <a href="#">Key Initiatives (Employees - Wellness Management)</a></p>
Skills for the future	<p><b>Training provided</b> Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).</p>	<p><a href="#">ESG Data (Training &amp; Development Inputs)</a></p>

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Theme	Expanded metrics and disclosures	Page References
Dignity and equality	<b>Pay gap</b> 1. Mean pay gap of basic salary and remuneration of full-time relevant employees based on gender (women to men) and indicators of diversity (e.g. BAME to non-BAME) at a company level or by significant location of operation. 2. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	<a href="#">ESG Data (Social Performance Data)</a>
	<b>Discrimination and harassment incidents and the total amount of monetary losses</b> Number of discrimination and harassment incidents, status of the incidents and actions taken, and the total amount of monetary losses as a result of legal proceedings associated with: a) law violations; and b) employment discrimination.	<a href="#">ESG Data (Governance Data)</a>
	<b>Freedom of association and collective bargaining at risk</b> 1. Percentage of active workforce covered under collective bargaining agreements. 2. An explanation of the assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk, including measures taken by the organization to address these risks.	<a href="#">ESG Data (Social Performance Data)</a>
	<b>Human rights review, grievance impact and modern slavery</b> 1. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country	<a href="#">Key Initiatives (Employees - Respect for Human Dignity and Rights)</a>
Health and well-being	<b>Employee well-being</b> 1. The number of fatalities as a result of work-related ill-health, recordable work-related ill-health injuries, and the main types of work-related ill-health for all employees and workers. 2. a) Percentage of employees participating in "best practice" health and well-being programmes, and b) Absentee rate (AR) of all employees.	<a href="#">ESG Data (Social Performance Data)</a>
<b>Prosperity</b>		
Theme	Core metrics and disclosures	Page References
Employment and wealth generation	<b>Absolute number and rate of employment</b> Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	<a href="#">ESG Data (Social Performance Data)</a>
	<b>Economic contribution</b> 1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: <ul style="list-style-type: none"> <li>• Revenues</li> <li>• Operating costs</li> <li>• Employee wages and benefits</li> <li>• Payments to providers of capital</li> <li>• Payments to government</li> <li>• Community investment</li> </ul> 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	<a href="#">Investor Materials</a> <a href="#">ESG Data (Social Performance Data)</a>
	<b>Financial investment contribution</b> Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	<a href="#">Integrated Annual Report 2023</a> (P.145-148 Consolidated Financial Statements)

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Innovation of better products and services	<b>Total R&amp;D expenses</b> Total costs related to research and development.	<a href="#">IR Presentation—Progress of Mid-Term Management Plan (May 2023)</a> (P.14)
Community and social vitality	<b>Total tax paid</b> The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	<a href="#">Investor Materials</a>
Theme	Expanded metrics and disclosures	Page References
Employment and wealth generation	<b>Infrastructure investments and services supported</b> Qualitative disclosure to describe the below components: 1. Extent of development of significant infrastructure investments and services supported. 2. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. 3. Whether these investments and services are commercial, in-kind or pro bono engagements.	<a href="#">Key Initiatives (Stockholders / Investors - Our Response to the Stewardship Code)</a> <a href="#">Key Initiatives (Communities - Socially Beneficial Activity by Our Employees)</a> <a href="#">Key Initiatives (Communities - Contributing to Community through the Arts and Culture)</a> <a href="#">Key Initiatives (Communities - Support for Areas Affected by Major Disasters)</a>
	<b>Significant indirect economic impacts</b> 1. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. 2. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities (e.g. national and international standards, protocols, policy agendas).	<a href="#">SDG-Based Management</a> <a href="#">Key Initiatives (Customers)</a>
Innovation of better products and services	<b>Social value generated</b> Percentage of revenue from products and services designed to deliver specific social benefits or to address specific sustainability challenges	<a href="#">IR Presentation—"egaku" Strategy for Nursing Care and Senior Business (March 2023)</a> <a href="#">Integrated Annual Report 2023</a> (P.19 Key Financial Performance Indicators)
Community and social vitality	<b>Total Social Investment</b> Total Social Investment (TSI) sums up a company's resources used for "S" in ESG efforts defined by CECP Valuation Guidance.	<a href="#">ESG Data (Amount of Contributions to Initiatives in FY2022)</a>
	<b>Total tax paid by country for significant locations</b> Total tax paid and, if reported, additional tax remitted, by country for significant locations.	<a href="#">Key Initiatives (Stockholders / Investors - Our Response to the Stewardship Code)</a>

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**The statement of use;** Sompo Group has reported in accordance with the GRI Standards for the period from 1 April 2022 to 31 March 2023.  
\*It also covers some activities after April 2023.

**The title of GRI 1 used;** GRI 1: Foundation 2021

## General Disclosures 2021

Disclosures No.	Requirements	Page References (or Reasons for Omission)
<b>The organization and its reporting practices</b>		
2-1	a. report its legal name; b. report its nature of ownership and legal form; c. report the location of its headquarters; d. report its countries of operation.	<a href="#">Web Corporate Profile</a> <a href="#">Web Overseas Insurance</a>
2-2	a. list all its entities included in its sustainability reporting; b. if the organization has audited consolidated financial statements or financial information filed on public record, specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting; c. if the organization consists of multiple entities, explain the approach used for consolidating the information, including: i. whether the approach involves adjustments to information for minority interests; ii. how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities; iii. whether and how the approach differs across the disclosures in this Standard and across material topics.	<a href="#">Editorial Policy</a> (P.1) <a href="#">Sustainability Data (General information on data)</a> (P.123) <a href="#">Web Integrated Annual Report 2023</a> (P.222-224 Corporate Data, The Company, Subsidiaries, and Affiliates)
2-3	a. specify the reporting period for, and the frequency of, its sustainability reporting; b. specify the reporting period for its financial reporting and, if it does not align with the period for its sustainability reporting, explain the reason for this; c. report the publication date of the report or reported information; d. specify the contact point for questions about the report or reported information.	<a href="#">Editorial Policy</a> (P.1)
2-4	a. report restatements of information made from previous reporting periods and explain: i. the reasons for the restatements; ii. the effect of the restatements.	Not applicable
2-5	a. describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved; b. if the organization's sustainability reporting has been externally assured: i. provide a link or reference to the external assurance report(s) or assurance statement(s); ii. describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; iii. describe the relationship between the organization and the assurance provider.	<a href="#">Third-party assurance</a> (P.127)

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Activities and workers		
2-6	<p>a. report the sector(s) in which it is active;</p> <p>b. describe its value chain, including:</p> <ul style="list-style-type: none"> <li>i. the organization's activities, products, services, and markets served;</li> <li>ii. the organization's supply chain;</li> <li>iii. the entities downstream from the organization and their activities;</li> </ul> <p>c. report other relevant business relationships;</p> <p>d. describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared to the previous reporting period.</p>	<ul style="list-style-type: none"> <li><a href="#">Web Group Businesses</a></li> <li><a href="#">Web Corporate Profile</a></li> <li><a href="#">Web Financial Highlights</a></li> <li><a href="#">Web Value Chain</a></li> <li><a href="#">Web Announcement of FY2023 1st Quarter Results</a></li> </ul>
2-7	<p>a. report the total number of employees, and a breakdown of this total by gender and by region;</p> <p>b. report the total number of:</p> <ul style="list-style-type: none"> <li>i. permanent employees, and a breakdown by gender and by region;</li> <li>ii. temporary employees, and a breakdown by gender and by region;</li> <li>iii. non-guaranteed hours employees, and a breakdown by gender and by region;</li> <li>iv. full-time employees, and a breakdown by gender and by region;</li> <li>v. part-time employees, and a breakdown by gender and by region;</li> </ul> <p>c. describe the methodologies and assumptions used to compile the data, including whether the numbers are reported:</p> <ul style="list-style-type: none"> <li>i. in head count, full-time equivalent (FTE), or using another methodology;</li> <li>ii. at the end of the reporting period, as an average across the reporting period, or using another methodology;</li> </ul> <p>d. report contextual information necessary to understand the data reported under 2-7-a and 2-7-b;</p> <p>e. describe significant fluctuations in the number of employees during the reporting period and between reporting periods.</p>	<ul style="list-style-type: none"> <li><a href="#">Sustainability Data (Group employee data)</a> (P.123)</li> <li><a href="#">Sustainability Data (Social performance data)</a> (P.125-127)</li> </ul>
2-8	<p>a. report the total number of workers who are not employees and whose work is controlled by the organization and describe:</p> <ul style="list-style-type: none"> <li>i. the most common types of worker and their contractual relationship with the organization;</li> <li>ii. the type of work they perform;</li> </ul> <p>b. describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is reported:</p> <ul style="list-style-type: none"> <li>i. in head count, full-time equivalent (FTE), or using another methodology;</li> <li>ii. at the end of the reporting period, as an average across the reporting period, or using another methodology;</li> </ul> <p>c. describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods.</p>	<ul style="list-style-type: none"> <li><a href="#">Sustainability Data (Group employee data)</a> (P.123)</li> <li><a href="#">Sustainability Data (Social performance data)</a> (P.125-127)</li> </ul>
Governance		
2-9	<p>a. describe its governance structure, including committees of the highest governance body;</p> <p>b. list the committees of the highest governance body that are responsible for decisionmaking on and overseeing the management of the organization's impacts on the economy, environment, and people;</p> <p>c. describe the composition of the highest governance body and its committees by:</p> <ul style="list-style-type: none"> <li>i. executive and non-executive members;</li> <li>ii. independence;</li> <li>iii. tenure of members on the governance body;</li> <li>iv. number of other significant positions and commitments held by each member, and the nature of the commitments;</li> <li>v. gender;</li> <li>vi. under-represented social groups;</li> <li>vii. competencies relevant to the impacts of the organization;</li> <li>viii. stakeholder representation.</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Sustainability Promotion Structure</a> (P.12)</li> <li><a href="#">Corporate Governance</a> (P.91-109)</li> </ul>

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2-10	<p>a. describe the nomination and selection processes for the highest governance body and its committees;</p> <p>b. describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration:</p> <ul style="list-style-type: none"> <li>i. views of stakeholders (including shareholders);</li> <li>ii. diversity;</li> <li>iii. independence;</li> <li>iv. competencies relevant to the impacts of the organization.</li> </ul>	<p><a href="#">Sustainability Promotion Structure</a> (P.12)</p> <p><a href="#">Corporate Governance</a> (P.91-109)</p>
2-11	<p>a. report whether the chair of the highest governance body is also a senior executive in the organization;</p> <p>b. if the chair is also a senior executive, explain their function within the organization's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated.</p>	<p><a href="#">Sustainability Promotion Structure</a> (P.12)</p> <p><a href="#">Corporate Governance</a> (P.91-109)</p>
2-12	<p>a. describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development;</p> <p>b. describe the role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people, including:</p> <ul style="list-style-type: none"> <li>i. whether and how the highest governance body engages with stakeholders to support these processes;</li> <li>ii. how the highest governance body considers the outcomes of these processes;</li> </ul> <p>c. describe the role of the highest governance body in reviewing the effectiveness of the organization's processes as described in 2-12-b, and report the frequency of this review.</p>	<p><a href="#">Purpose, Materiality</a> (P.7-11)</p> <p><a href="#">Sustainability Promotion Structure</a> (P.12)</p> <p><a href="#">Corporate Governance</a> (P.91-109)</p> <p><a href="#">ESG Risk Management</a> (P.121-122)</p>
2-13	<p>a. describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people, including:</p> <ul style="list-style-type: none"> <li>i. whether it has appointed any senior executives with responsibility for the management of impacts;</li> <li>ii. whether it has delegated responsibility for the management of impacts to other employees;</li> </ul> <p>b. describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people.</p>	<p><a href="#">Sustainability Promotion Structure</a> (P.12)</p> <p><a href="#">Corporate Governance</a> (P.91-109)</p>
2-14	<p>a. report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization's material topics, and if so, describe the process for reviewing and approving the information;</p> <p>b. if the highest governance body is not responsible for reviewing and approving the reported information, including the organization's material topics, explain the reason for this.</p>	<p><a href="#">Sustainability Promotion Structure</a> (P.12)</p> <p><a href="#">Corporate Governance</a> (P.91-109)</p>
2-15	<p>a. describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated;</p> <p>b. report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to:</p> <ul style="list-style-type: none"> <li>i. cross-board membership;</li> <li>ii. cross-shareholding with suppliers and other stakeholders;</li> <li>iii. existence of controlling shareholders;</li> <li>iv. related parties, their relationships, transactions, and outstanding balances.</li> </ul>	<p><a href="#">Sustainability Promotion Structure</a> (P.12)</p> <p><a href="#">Corporate Governance</a> (P.91-109)</p>
2-16	<p>a. describe whether and how critical concerns are communicated to the highest governance body;</p> <p>b. report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.</p>	<p><a href="#">Sustainability Promotion Structure</a> (P.12)</p> <p><a href="#">Corporate Governance</a> (P.91-109)</p>
2-17	<p>a. report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.</p>	<p><a href="#">Sustainability Promotion Structure</a> (P.12)</p> <p><a href="#">Corporate Governance</a> (P.91-109)</p>
2-18	<p>a. describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people;</p> <p>b. report whether the evaluations are independent or not, and the frequency of the evaluations;</p> <p>c. describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices.</p>	<p><a href="#">Sustainability Promotion Structure</a> (P.12)</p> <p><a href="#">Corporate Governance</a> (P.91-109)</p>

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2-19	<p>a. describe the remuneration policies for members of the highest governance body and senior executives, including:</p> <ul style="list-style-type: none"> <li>i. fixed pay and variable pay;</li> <li>ii. sign-on bonuses or recruitment incentive payments;</li> <li>iii. termination payments;</li> <li>iv. clawbacks;</li> <li>v. retirement benefits;</li> </ul> <p>b. describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.</p>	<a href="#">Corporate Governance</a> (P.91-109)
2-20	<p>a. describe the process for designing its remuneration policies and for determining remuneration, including:</p> <ul style="list-style-type: none"> <li>i. whether independent highest governance body members or an independent remuneration committee oversees the process for determining remuneration;</li> <li>ii. how the views of stakeholders (including shareholders) regarding remuneration are sought and taken into consideration;</li> <li>iii. whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organization, its highest governance body and senior executives;</li> </ul> <p>b. report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable.</p>	<a href="#">Corporate Governance</a> (P.91-109)
2-21	<p>a. report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual);</p> <p>b. report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual);</p> <p>c. report contextual information necessary to understand the data and how the data has been compiled.</p>	<a href="#">Corporate Governance</a> (P.91-109)
<b>Strategy, policies and practices</b>		
2-22	<p>a. report a statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development.</p>	<a href="#">Group CSuO Message</a> (P.6)
2-23	<p>a. describe its policy commitments for responsible business conduct, including:</p> <ul style="list-style-type: none"> <li>i. the authoritative intergovernmental instruments that the commitments reference;</li> <li>ii. whether the commitments stipulate conducting due diligence;</li> <li>iii. whether the commitments stipulate applying the precautionary principle;</li> <li>iv. whether the commitments stipulate respecting human rights;</li> </ul> <p>b. describe its specific policy commitment to respect human rights, including:</p> <ul style="list-style-type: none"> <li>i. the internationally recognized human rights that the commitment covers;</li> <li>ii. the categories of stakeholders, including at-risk or vulnerable groups, that the organization gives particular attention to in the commitment;</li> </ul> <p>c. provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this;</p> <p>d. report the level at which each of the policy commitments was approved within the organization, including whether this is the most senior level;</p> <p>e. report the extent to which the policy commitments apply to the organization's activities and to its business relationships;</p> <p>f. describe how the policy commitments are communicated to workers, business partners, and other relevant parties.</p>	<p><a href="#">Group CSuO Message</a> (P.6)</p> <p><a href="#">SOMPO Climate Action</a> (P.17)</p> <p><a href="#">Leadership on Global Environmental Issues</a> (P.18)</p> <p><a href="#">Climate Change (Information Disclosure Based on TCFD Recommendations)</a> (P.19-35)</p> <p><a href="#">Human Rights</a> (P.51-57)</p> <p><a href="#">Purpose, Materiality</a> (P.7-11)</p> <p><a href="#">Sustainability Promotion Structure</a> (P.12)</p> <p><a href="#">Stakeholder Engagement</a> (P.14)</p> <p><a href="#">Participation in Sustainability Initiatives</a> (P.15-16)</p> <p><a href="#">ERM</a> (P.115-116)</p> <p><a href="#">Sustainability Vision and Policy</a> (P.3-4)</p>
2-24	<p>a. describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including:</p> <ul style="list-style-type: none"> <li>i. how it allocates responsibility to implement the commitments across different levels within the organization;</li> <li>ii. how it integrates the commitments into organizational strategies, operational policies, and operational procedures;</li> <li>iii. how it implements its commitments with and through its business relationships;</li> <li>iv. training that the organization provides on implementing the commitments.</li> </ul>	<p><a href="#">Human Rights</a> (P.51-57)</p> <p><a href="#">Compliance</a> (P.110-114)</p> <p><a href="#">ERM</a> (P.115-116)</p> <p><a href="#">Web Value Chain</a></p>



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2-25	<ul style="list-style-type: none"> <li>a. describe its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to;</li> <li>b. describe its approach to identify and address grievances, including the grievance mechanisms that the organization has established or participates in;</li> <li>c. describe other processes by which the organization provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to;</li> <li>d. describe how the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms;</li> <li>e. describe how the organization tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback.</li> </ul>	<p><a href="#">Sustainability Vision and Policy</a> (P.3-4)</p> <p><a href="#">Human Rights</a> (P.51-57)</p> <p><a href="#">Compliance</a> (P.110-114)</p>
2-26	<ul style="list-style-type: none"> <li>a. describe the mechanisms for individuals to: <ul style="list-style-type: none"> <li>i. seek advice on implementing the organization's policies and practices for responsible business conduct;</li> <li>ii. raise concerns about the organization's business conduct.</li> </ul> </li> </ul>	<p><a href="#">Stakeholder Engagement</a> (P.14)</p> <p><a href="#">Compliance</a> (P.110-114)</p> <p><a href="#">ESG Risk Management</a> (P.121-122)</p>
2-27	<ul style="list-style-type: none"> <li>a. report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by: <ul style="list-style-type: none"> <li>i. instances for which fines were incurred;</li> <li>ii. instances for which non-monetary sanctions were incurred;</li> </ul> </li> <li>b. report the total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by: <ul style="list-style-type: none"> <li>i. fines for instances of non-compliance with laws and regulations that occurred in the current reporting period;</li> <li>ii. fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods;</li> </ul> </li> <li>c. describe the significant instances of non-compliance;</li> <li>d. describe how it has determined significant instances of non-compliance.</li> </ul>	<p><a href="#">Compliance</a> (P.110-114)</p>
2-28	<ul style="list-style-type: none"> <li>a. report industry associations, other membership associations, and national or international advocacy organizations in which it participates in a significant role.</li> </ul>	<p><a href="#">Participation in Sustainability Initiatives</a> (P.15-16)</p>
<b>Stakeholder engagement</b>		
2-29	<ul style="list-style-type: none"> <li>a. describe its approach to engaging with stakeholders, including: <ul style="list-style-type: none"> <li>i. the categories of stakeholders it engages with, and how they are identified;</li> <li>ii. the purpose of the stakeholder engagement;</li> <li>iii. how the organization seeks to ensure meaningful engagement with stakeholders.</li> </ul> </li> </ul>	<p><a href="#">Stakeholder Engagement</a> (P.14)</p> <p><a href="#">ESG Risk Management</a> (P.121-122)</p>
2-30	<ul style="list-style-type: none"> <li>a. report the percentage of total employees covered by collective bargaining agreements;</li> <li>b. for employees not covered by collective bargaining agreements, report whether the organization determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organizations.</li> </ul>	<p><a href="#">Sustainability Data (Social performance data)</a> (P.125-127)</p>

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## Material Topics 2021

Disclosures No.	Requirements	Page References (or Reasons for Omission)
<b>Material Topics</b>		
3-1	<ul style="list-style-type: none"> <li>a. describe the process it has followed to determine its material topics, including:                             <ul style="list-style-type: none"> <li>i. how it has identified actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, across its activities and business relationships;</li> <li>ii. how it has prioritized the impacts for reporting based on their significance;</li> </ul> </li> <li>b. specify the stakeholders and experts whose views have informed the process of determining its material topics.</li> </ul>	<a href="#">Purpose, Materiality</a> (P.7-11)
3-2	<ul style="list-style-type: none"> <li>a. list its material topics;</li> <li>b. report changes to the list of material topics compared to the previous reporting period.</li> </ul>	<a href="#">Purpose, Materiality</a> (P.7-11)
3-3	<ul style="list-style-type: none"> <li>a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights;</li> <li>b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships;</li> <li>c. describe its policies or commitments regarding the material topic;</li> <li>d. describe actions taken to manage the topic and related impacts, including:                             <ul style="list-style-type: none"> <li>i. actions to prevent or mitigate potential negative impacts;</li> <li>ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation;</li> <li>iii. actions to manage actual and potential positive impacts;</li> </ul> </li> <li>e. report the following information about tracking the effectiveness of the actions taken:                             <ul style="list-style-type: none"> <li>i. processes used to track the effectiveness of the actions;</li> <li>ii. goals, targets, and indicators used to evaluate progress;</li> <li>iii. the effectiveness of the actions, including progress toward the goals and targets;</li> <li>iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures;</li> </ul> </li> <li>f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).</li> </ul>	<a href="#">Purpose, Materiality</a> (P.7-11) <a href="#">SOMPO Climate Action</a> (P.17) <a href="#">Leadership on Global Environmental Issues</a> (P.18) <a href="#">Climate Change (Information Disclosure Based on TCFD Recommendations)</a> (P.19-35) <a href="#">Human Rights</a> (P.51-57) <a href="#">Sustainability Promotion Structure</a> (P.12) <a href="#">Stakeholder Engagement</a> (P.14) <a href="#">Participation in Sustainability Initiatives</a> (P.15-16)

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### Economic

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<b>Economic Performance 2016</b>		
201-1	<p>a. Direct economic value generated and distributed (EVG&amp;D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:</p> <ul style="list-style-type: none"> <li>i. Direct economic value generated: revenues;</li> <li>ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;</li> <li>iii. Economic value retained: "direct economic value generated" less "economic value distributed."</li> </ul> <p>b. Where significant, report EVG&amp;D separately at country, regional, or market levels, and the criteria used for defining significance.</p>	<p><a href="#">Sustainability Data (Social performance data)</a> (P.125-127)</p>
201-2	<p>a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:</p> <ul style="list-style-type: none"> <li>i. a description of the risk or opportunity and its classification as either physical, regulatory, or other;</li> <li>ii. a description of the impact associated with the risk or opportunity;</li> <li>iii. the financial implications of the risk or opportunity before action is taken;</li> <li>iv. the methods used to manage the risk or opportunity;</li> <li>v. the costs of actions taken to manage the risk or opportunity.</li> </ul>	<p><a href="#">SOMPO Climate Action</a> (P.17)</p> <p><a href="#">Leadership on Global Environmental Issues</a> (P.18)</p> <p><a href="#">Climate Change (Information Disclosure Based on TCFD Recommendations)</a> (P.19-35)</p>
201-3	<p>a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.</p> <p>b. If a separate fund exists to pay the plan's pension liabilities:</p> <ul style="list-style-type: none"> <li>i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;</li> <li>ii. the basis on which that estimate has been arrived at;</li> <li>iii. when that estimate was made.</li> </ul> <p>c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.</p> <p>d. Percentage of salary contributed by employee or employer.</p> <p>e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.</p>	<p><b>Web</b> <a href="#">Integrated Annual Report 2023</a> (P.180 Retirement Benefits 1. Outline of retirement benefit plans)</p>
201-4	<p>a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including:</p> <ul style="list-style-type: none"> <li>i. tax relief and tax credits;</li> <li>ii. subsidies;</li> <li>iii. investment grants, research and development grants, and other relevant types of grant;</li> <li>iv. awards;</li> <li>v. royalty holidays;</li> <li>vi. financial assistance from Export Credit Agencies (ECAs);</li> <li>vii. financial incentives;</li> <li>viii. other financial benefits received or receivable from any government for any operation.</li> </ul> <p>b. The information in 201-4-a by country.</p> <p>c. Whether, and the extent to which, any government is present in the shareholding structure.</p>	<p>Not applicable</p>

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Indirect Economic impacts 2016		
203-1	<ul style="list-style-type: none"> <li>a. Extent of development of significant infrastructure investments and services supported.</li> <li>b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.</li> <li>c. Whether these investments and services are commercial, in-kind, or pro bono engagements.</li> </ul>	<p><a href="#">Corporate Citizenship Activities</a> (P.83-86)</p> <p><a href="#">Initiatives of Supporting Activities and Researches for Social Welfare</a> (P.87-88)</p> <p><a href="#">Contributing to Community through the Arts and Culture</a> (P.89-90)</p> <p><a href="#">Sustainability Data (Social performance data)</a> (P.125-127)</p>
203-2	<ul style="list-style-type: none"> <li>a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.</li> <li>b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.</li> </ul>	<p><a href="#">Climate Change (Information Disclosure Based on TCFD Recommendations)</a> (P.19-35)</p> <p><a href="#">Financial Inclusion and Promoting Insurance for All Kinds of People and Risks</a> (P.64-65)</p>
Anti-corruption 2016		
205-1	<ul style="list-style-type: none"> <li>a. Total number and percentage of operations assessed for risks related to corruption.</li> <li>b. Significant risks related to corruption identified through the risk assessment.</li> </ul>	<p>Information unavailable. Will collect/ analyze information and work toward its disclosure.</p>
205-2	<ul style="list-style-type: none"> <li>a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.</li> <li>b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.</li> <li>c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.</li> <li>d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.</li> <li>e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.</li> </ul>	<p><a href="#">Compliance</a> (P.110-114)</p>
205-3	<ul style="list-style-type: none"> <li>a. Total number and nature of confirmed incidents of corruption.</li> <li>b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.</li> <li>c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.</li> <li>d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.</li> </ul>	<p>Information unavailable. Will collect/ analyze information and work toward its disclosure.</p>

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Disclosures No.	Requirements	Page References (or Reasons for Omission)
<b>Materials 2016</b>		
301-1	a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by: i. non-renewable materials used; ii. renewable materials used.	<a href="#">Sustainability Data (Environmental performance data)</a> (P.124)
301-2	a. Percentage of recycled input materials used to manufacture the organization's primary products and services.	<a href="#">Sustainability Data (Environmental performance data)</a> (P.124)
301-3	a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected.	<a href="#">Sustainability Data (Environmental performance data)</a> (P.124)
<b>Energy 2016</b>		
302-1	a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used.	<a href="#">Sustainability Data (Environmental performance data)</a> (P.124)
302-2	a. Energy consumption outside of the organization, in joules or multiples. b. Standards, methodologies, assumptions, and/or calculation tools used. c. Source of the conversion factors used.	<a href="#">Sustainability Data (Environmental performance data)</a> (P.124)
302-3	a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both.	<a href="#">Sustainability Data (Environmental performance data)</a> (P.124)
302-4	a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all. c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. d. Standards, methodologies, assumptions, and/or calculation tools used.	<a href="#">Sustainability Data (Environmental performance data)</a> (P.124)
302-5	a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples. b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. c. Standards, methodologies, assumptions, and/or calculation tools used.	<a href="#">Sustainability Data (Environmental performance data)</a> (P.124)

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Biodiversity 2016		
304-1	<p>a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information:</p> <ul style="list-style-type: none"> <li>i. Geographic location;</li> <li>ii. Subsurface and underground land that may be owned, leased, or managed by the organization;</li> <li>iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas;</li> <li>iv. Type of operation (office, manufacturing or production, or extractive);</li> <li>v. Size of operational site in km<sup>2</sup> (or another unit, if appropriate);</li> <li>vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem);</li> <li>vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).</li> </ul>	Not applicable.
304-2	<p>a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:</p> <ul style="list-style-type: none"> <li>i. Construction or use of manufacturing plants, mines, and transport infrastructure;</li> <li>ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources);</li> <li>iii. Introduction of invasive species, pests, and pathogens;</li> <li>iv. Reduction of species;</li> <li>v. Habitat conversion;</li> <li>vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level).</li> </ul> <p>b. Significant direct and indirect positive and negative impacts with reference to the following:</p> <ul style="list-style-type: none"> <li>i. Species affected;</li> <li>ii. Extent of areas impacted;</li> <li>iii. Duration of impacts;</li> <li>iv. Reversibility or irreversibility of the impacts.</li> </ul>	<p><a href="#">Biodiversity</a> (P.36-37)</p> <p><a href="#">Encouraging People to Develop Skills Needed for Environmental Protection</a> (P.38-39)</p>
304-3	<p>a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals.</p> <p>b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.</p> <p>c. Status of each area based on its condition at the close of the reporting period.</p> <p>d. Standards, methodologies, and assumptions used.</p>	<p><a href="#">Biodiversity</a> (P.36-37)</p> <p><a href="#">Encouraging People to Develop Skills Needed for Environmental Protection</a> (P.38-39)</p>
304-4	<p>a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk:</p> <ul style="list-style-type: none"> <li>i. Critically endangered</li> <li>ii. Endangered</li> <li>iii. Vulnerable</li> <li>iv. Near threatened</li> <li>v. Least concern</li> </ul>	Not applicable.

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Emissions 2016		
305-1	<ul style="list-style-type: none"> <li>a. Gross direct (Scope 1) GHG emissions in metric tons of CO<sub>2</sub> equivalent.</li> <li>b. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.</li> <li>c. Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent.</li> <li>d. Base year for the calculation, if applicable, including:                             <ul style="list-style-type: none"> <li>i. the rationale for choosing it;</li> <li>ii. emissions in the base year;</li> <li>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</li> </ul> </li> <li>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</li> <li>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</li> <li>g. Standards, methodologies, assumptions, and/or calculation tools used.</li> </ul>	<p><a href="#">Sustainability Data (Environmental performance data)</a> (P.124)</p> <p><a href="#">Third-party assurance</a> (P.127)</p>
305-2	<ul style="list-style-type: none"> <li>a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.</li> <li>b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.</li> <li>c. If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.</li> <li>d. Base year for the calculation, if applicable, including:                             <ul style="list-style-type: none"> <li>i. the rationale for choosing it;</li> <li>ii. emissions in the base year;</li> <li>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</li> </ul> </li> <li>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</li> <li>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</li> <li>g. Standards, methodologies, assumptions, and/or calculation tools used.</li> </ul>	<p><a href="#">Sustainability Data (Environmental performance data)</a> (P.124)</p> <p><a href="#">Third-party assurance</a> (p.127)</p>
305-3	<ul style="list-style-type: none"> <li>a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO<sub>2</sub> equivalent.</li> <li>b. If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.</li> <li>c. Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent.</li> <li>d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.</li> <li>e. Base year for the calculation, if applicable, including:                             <ul style="list-style-type: none"> <li>i. the rationale for choosing it;</li> <li>ii. emissions in the base year;</li> <li>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</li> </ul> </li> <li>f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</li> <li>g. Standards, methodologies, assumptions, and/or calculation tools used.</li> </ul>	<p><a href="#">Sustainability Data (Environmental performance data)</a> (P.124)</p> <p><a href="#">Third-party assurance</a> (P.127)</p>
305-4	<ul style="list-style-type: none"> <li>a. GHG emissions intensity ratio for the organization.</li> <li>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</li> <li>c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</li> <li>d. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.</li> </ul>	<p><a href="#">Sustainability Data (Environmental performance data)</a> (P.124)</p>
305-5	<ul style="list-style-type: none"> <li>a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO<sub>2</sub> equivalent.</li> <li>b. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.</li> <li>c. Base year or baseline, including the rationale for choosing it.</li> <li>d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</li> <li>e. Standards, methodologies, assumptions, and/or calculation tools used.</li> </ul>	<p><a href="#">Sustainability Data (Environmental performance data)</a> (P.124)</p> <p><a href="#">Third-party assurance</a> (P.127)</p>

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305-6	a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent. b. Substances included in the calculation. c. Source of the emission factors used. d. Standards, methodologies, assumptions, and/or calculation tools used.	Not applicable.
305-7	a. Significant air emissions, in kilograms or multiples, for each of the following: i. NOx ii. SOx iii. Persistent organic pollutants (POP) iv. Volatile organic compounds (VOC) v. Hazardous air pollutants (HAP) vi. Particulate matter (PM) vii. Other standard categories of air emissions identified in relevant regulations b. Source of the emission factors used. c. Standards, methodologies, assumptions, and/or calculation tools used.	Not applicable.

### Social

Disclosures No.	Requirements	Page References (or Reasons for Omission)
<b>Training and Education 2016</b>		
404-1	a. Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender; ii. employee category.	<a href="#">Sustainability Data (Social performance data)</a> (P.125-127)
404-2	a. Type and scope of programs implemented and assistance provided to upgrade employee skills. b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	<a href="#">Talent Development</a> (P.48-50)
404-3	a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	<a href="#">Talent Development</a> (P.48-50)
<b>Diversity and Equal Opportunity 2016</b>		
405-1	a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	<a href="#">Sustainability Data (Social performance data)</a> (P.125-127)
405-2	a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation. b. The definition used for "significant locations of operation."	<a href="#">Sustainability Data (Social performance data)</a> (P.125-127)



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Local Communities 2016		
413-1	<p>a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:</p> <ul style="list-style-type: none"> <li>i. social impact assessments, including gender impact assessments, based on participatory processes;</li> <li>ii. environmental impact assessments and ongoing monitoring;</li> <li>iii. public disclosure of results of environmental and social impact assessments;</li> <li>iv. local community development programs based on local communities' needs;</li> <li>v. stakeholder engagement plans based on stakeholder mapping;</li> <li>vi. broad based local community consultation committees and processes that include vulnerable groups;</li> <li>vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts;</li> <li>viii. formal local community grievance processes.</li> </ul>	<a href="#">Biodiversity (P.36-37)</a>
413-2	<p>a. Operations with significant actual and potential negative impacts on local communities, including:</p> <ul style="list-style-type: none"> <li>i. the location of the operations;</li> <li>ii. the significant actual and potential negative impacts of operations.</li> </ul>	Not applicable.
Customer Privacy 2016		
418-1	<p>a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:</p> <ul style="list-style-type: none"> <li>i. complaints received from outside parties and substantiated by the organization;</li> <li>ii. complaints from regulatory bodies.</li> </ul> <p>b. Total number of identified leaks, thefts, or losses of customer data.</p> <p>c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.</p>	<a href="#">Compliance (P.110-114)</a>

## Third-Party Opinion of the Sompo Group's CSR and Sustainability Initiatives



### Hideto Kawakita

CEO, International Institute for Human,  
Organization and the Earth  
Editor of Socio Management Review

IIHOE: An NPO established in 1994 "for the democratic and balanced development of all life on earth." While its main focus is providing management support to community-based organizations and social workers, IIHOE also offers extensive CSR support to major corporations.

<https://blog.canpan.info/iihoe/>  
(in Japanese)

This third-party opinion is based on the information available in the CSR and sustainability section of the Sompo Holdings website, the Integrated Annual Report released in August 2023, and with reference to interviews with personnel from Sompo Care and the customer service quality, operations, administration, human resources, and CSR/sustainability departments. It concerns activities undertaken through fiscal year 2022 and those ongoing in fiscal year 2023 (up to mid-December 2023).

The Group has continued to implement CSR and sustainability initiatives with a pioneering spirit primarily by participating in global initiatives and establishing policies and systems geared towards addressing medium- and long-term material issues. On the other hand, however, it must be pointed out that there are signs of the Group's culture of respecting customers and social norms being undermined, to some extent, by the string of incidents that came to light recently. Going forward, I strongly urge the Group to return to its roots and reassess and reshare the principles and values outlined in its purpose and expand upon its partnerships with various external stakeholders in an effort to solve social issues and create value, including the development of business models, so that it can establish long-term sustainability in its businesses and in its contributions to society.

#### Initiatives progressing well but requiring further effort

- On the topic of [improving the quality of customer service](#), initiatives are currently being systematically promoted with the aim of enhancing the quality of responses in departments tasked with handling inquiries related to insurance claim services and policies. Whilst I do applaud these measures, going forward, the growing number of households headed by elderly individuals, people with disabilities, and foreign nationals will necessitate the development of services and measures that cater to the diversity of customers. For example, the use of easy-to-understand Japanese and measures to encourage the gradual adoption of smartphone apps. Furthermore, it is expected that the knowledge gained will not only benefit value chain partners, including insurance agents, but will also be utilized in the form of services to other companies.
- On the topic of [mitigating and adapting to climate change](#), I commend the Group for already greatly reducing its paper consumption and the size of its company car fleet, plus efforts to further continue doing so, and for continuing to introduce renewable energy, establishing GHG emission reduction targets for customers to whom it extends investments and loans, responding to climate change risks and opportunities primarily by suspending the underwriting of new insurance contracts for, and investments and loans to, coal-fired power plants and coal mine developments, and continuing long-term programs in collaboration with civil society, such as public seminars on environmental issues and wildlife conservation activities. Going forward, I continue to strongly urge the Group to assist clients in introducing renewable energy and improving business efficiency and insulation so that its Group companies and agencies can benefit from a knock-on effect in order to reduce their GHG emissions in Japan, and to expand its collaboration with business partners with a view to protecting biodiversity and other resources at the Group's paper suppliers and improving energy efficiency, including the adoption of heat insulating materials and cogeneration power systems at nursing care service centers. Also, in Japan and overseas, I would also like to see the Group support, from a financial and insurance perspective, the so-called "eco-driving campaign" and decarbonization investments. With that in mind, in

order to ascertain, in concrete terms, the kind of world, customers, and Group situation it will likely encounter in the 2050s, I think the Group's TCFD scenarios need to be quantitative and more accurate. Furthermore, I still hope to see an evolution in the Group's services by way of active collaboration with agencies, business partners, and NPOs/NGOs, which is one of the Group's major strengths, to meet the requirements of the TNFD and strengthen services that support the formulation of sector-specific assumption scenarios.

- On the topic of [efforts to protect human rights](#), I commend the Group for (1) identifying and working on material issues, including employee health and safety and long working hours, based on the Group's human rights materiality assessments in line with its policy on human rights, for (2) surveying 1,633 investee companies about their ESG measures, for (3) developing consultation-oriented insurance services as a business, and for (4) conducting workplace environment surveys at Sompo Care. In the future, to seriously promote human rights transformation and financial services that contribute to human rights respect and prevention of human rights risks in the P&C insurance sector and at business partners, I hope to see successive developments starting with industries thought to have the biggest impact regarding human rights due diligence, the avoidance of negative impacts, and access to remedy in the event that issues do arise. I also hope to see initiatives in the company established in the form of a management system and more opportunities for the Group's executives and employees, as well as those of its agencies, to receive relevant training, in light of the Group's interaction with society on multiple fronts and the fact that it holds a dominant position in numerous settings.
- On the topic of [maintaining and improving the health of employees and providing a supportive workplace](#), it is positive that more than 4,000 employees of the 62,000-strong workforce now use leave and shorter working hours to fulfill their childcare, elderly care, and nursing care commitments, while more than 26,000 employees are making use of the Group's teleworking arrangements. In the future, I strongly hope that the Group will continue to provide support to young female employees to prevent illness and manage their health in order to reduce the gender gap in the years of service to a more reasonable level. Also, I highly applaud the fact that the weighting of female candidates in the succession plan for 86 key posts in the Group has now reached 41%. I hope the Group will continue to clarify its long-term personnel portfolio targets and I also expect the Group to continue to expand its system for nurturing the next generation of globally active senior management by providing training to validate assumptions in preparation for the market and business environment of the future. I would also like to see the Group encouraging the creation of communities where people with disabilities and other minority employees can share their experience and knowledge and mutually support each other in the context of their stage in life.
- On the topic of [the Group's governance structure](#), it is commendable that there is so much diversity in the management team, especially in terms of gender, nationality, and professional experience. On the other hand, the Group's corporate governance is being put to the test because of the recent series of incidents, so I hope to see the Group adopt a more hands-on approach to governance instead of focusing on the balance of the Board's makeup and perfunctory meetings and structures.

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## Response to Third-Party Opinion



**Ryoko Shimokawa**

Group CSuO, Senior Vice President  
and Executive Officer

I thank Mr. Hideto Kawakita, Chief Executive Officer of the International Institute for Human, Organization and the Earth (IIHOE), once again for his opinions and advice on the Group's initiatives this fiscal year.

In this year's third-party opinion, he draws on his extensive experience and insight from being involved with the Group for many years as one of its stakeholders, to broadly highlight the challenges we face in light of our current situation. As he mentioned in his opening statement, we will look to return to our roots once again and reassess the Group's reason for existence and the value we provide to society. In addition, we will endeavor to rebuild the trust of all our stakeholders by listening closely to the feedback of stakeholders outside the Group, in particular, in an effort to enhance and improve our initiatives.

Of all the different issues the Group is currently addressing, Mr. Kawakita provided numerous comments and advice about climate change. As it stands now, we are aiming to reduce our greenhouse gas (GHG) emissions by 60% compared to 2017 levels by the year 2030. To achieve this target, the Group as a whole is taking steps towards the adoption of renewable energy and a reduction in paper usage, among other measures. Improving energy efficiency at nursing care facilities, in particular, is an issue that will inevitably need addressing and Mr. Kawakita provided some tangible advice on improving the heat insulation capacity of buildings and utilizing cogeneration

power systems. He also expects the Group to support an eco-driving campaign, investments in decarbonization, and other insurance-backed initiatives. To enhance the sustainability of society and properly fulfil our own commitments, we plan to engage in discussions with each Group company and firmly press ahead with these initiatives.

On human rights, Mr. Kawakita commented on the provision of services that encourage a human rights transformation at our business partners. In addition to strengthening our due diligence, we will continue to enhance the training we provide to our own Group officers and employees, and to watch our interactions with agents and distributors, to reinforce our own management system. We hope these efforts will help us further develop our insurance and risk management services.

Given the issues pointed out and advice provided by Mr. Kawakita, we recognize how significant the expectations are for us to address social issues through the Group's insurance, nursing care, and other related businesses. We will continue to focus our core business operations to address these social issues so that we might live up to these expectations.

March 2024

**Ryoko Shimokawa**

Group Chief Sustainability Officer, Senior Vice President and Executive Officer

## **Sompo Holdings, Inc.**

26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku,  
Tokyo 160-8338, Japan

URL: <https://www.sompo-hd.com/en/>