



Towards Symbiosis with Global Environment

Planetary Health

Transition to
2050 Net Zero

November, 2023

Interim Targets for Greenhouse Gas (GHG) Emissions from Insurance Underwriting and Investments

	Interim Targets	FY2022 result
Newly Set Target GHG emission reduction rate associated with our business with key Japanese domestic corporate clients * 1	Target ▲37%*2 by FY2030 (Base year: FY2019)	[Reference Information] ● GHG emissions of domestic investment (Scope 1 and 2 / kt-CO2e) *3 [Stocks] 2,124 [Corporate bonds] 1,589 [Business loans] 247 ● Investee companies engaged 361 (July 2022 to June 2023)
	Action We, through engagement with clients, share challenges they have in reducing GHG emissions. We work together with them towards reduction of GHG emissions with solution proposals.	
Premium growth rate of products which contribute to decarbonization and circular economy	FY2025 Annual average of 18%	17.9%
GHG emissions reduction rate (Scope 1+2)	▲ 50% by FY2030 (Base year: FY2019)	▲26.8%
GHG emissions reduction rate (Scope 3)	▲ 50% by FY2030 (Base year: FY2019) Category: 1, 3, 5, 6, 7, 13	▲26.9%
Renewable energy usage rate	FY2030 60%	21.1%

*1 GHG emissions associated with our insurance underwriting and investments with key Japanese domestic corporate clients (approximately 3,300 companies) selected based on insurance premiums

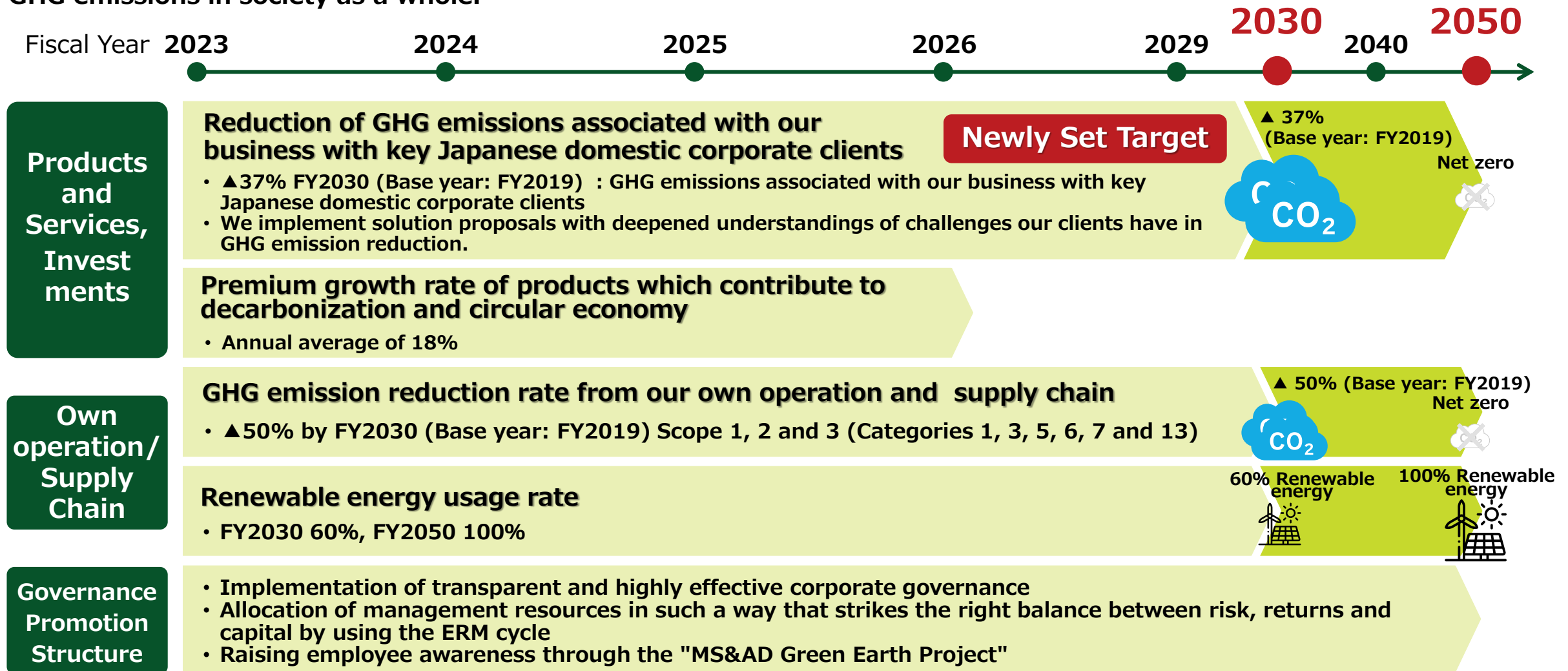
*2 Calculated from Japan NDC's GHG emission target 2030 and actual result of FY2019.

*3 Calculated in FY2022 based on the balance at the end of FY2021

Roadmap

We have set targets and metrics to achieve Net Zero by 2050.

We will continue to engage with our clients, suppliers and business partners and work through partnerships to reduce GHG emissions in society as a whole.



Overview

MS&AD Insurance Group is working to solve social issues, priority issues, which both important to stakeholders and ourselves in order to realize our mission to support our clients in enjoying life and conducting business with peace of mind.

Our Mission

To contribute to the development of a vibrant society and help secure a sound future for the planet, by enabling safety and peace of mind through the global insurance and financial services business

Priority Issues

Symbiosis with global environment(Planetary Health)
 Safe and secure society(Resilience)
 Happiness of diverse people (Well-being)

“Symbiosis with global environment” is the fundamental to “Safe and secure society” and “Happiness of diverse people”.

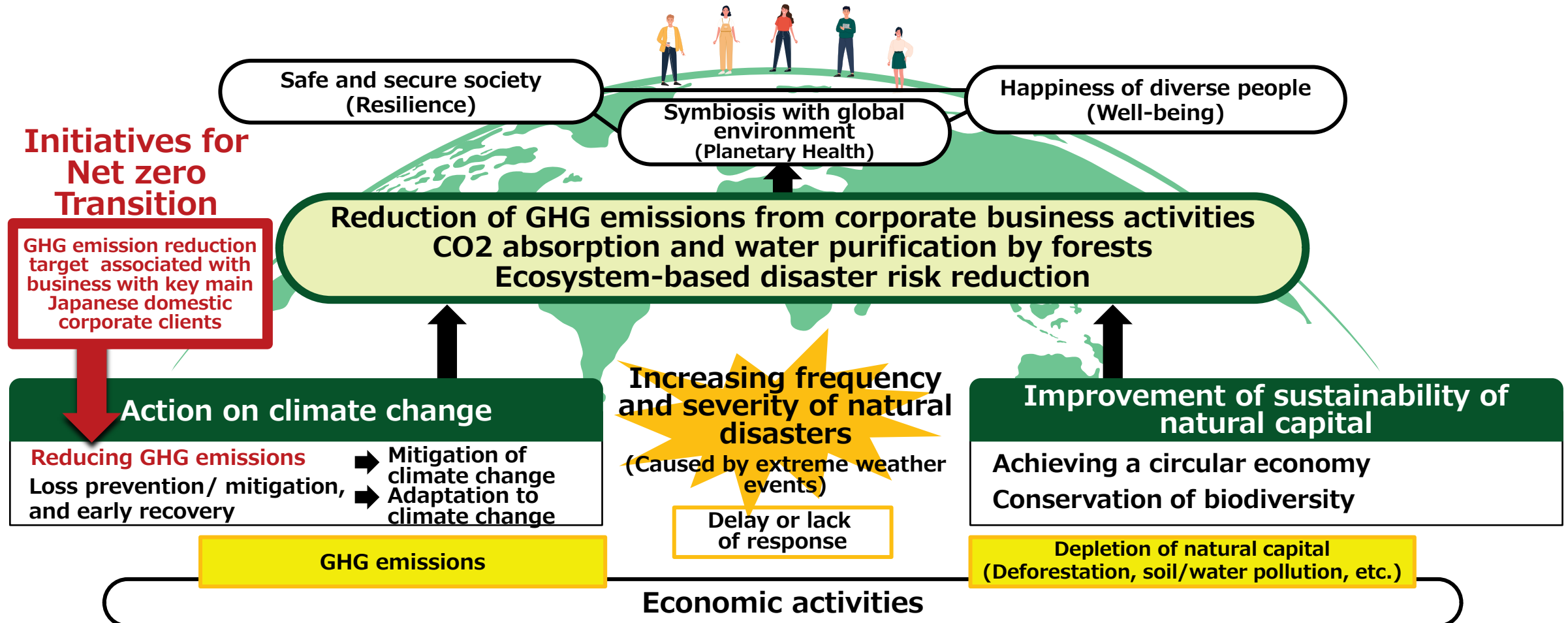
We have set **2030 interim targets for GHG emissions from underwriting and investments** for keep the sound global environment to facilitate the transition to net zero.

We work with clients deepening understanding of GHG emission reduction challenges through engagement with clients.



Our Approach

Climate change and the depletion of natural capital cause natural disasters. MS&AD Insurance Group is committed to addressing climate change and improving the sustainability of natural capital. We will promote the reduction of damage caused by natural disasters and the realization of early recovery from disasters. We aim to achieve “Symbiosis with global environment(Planetary health)” that supports “Safe and secure society(Resilience)” and “Happiness of diverse people(Well-being)”

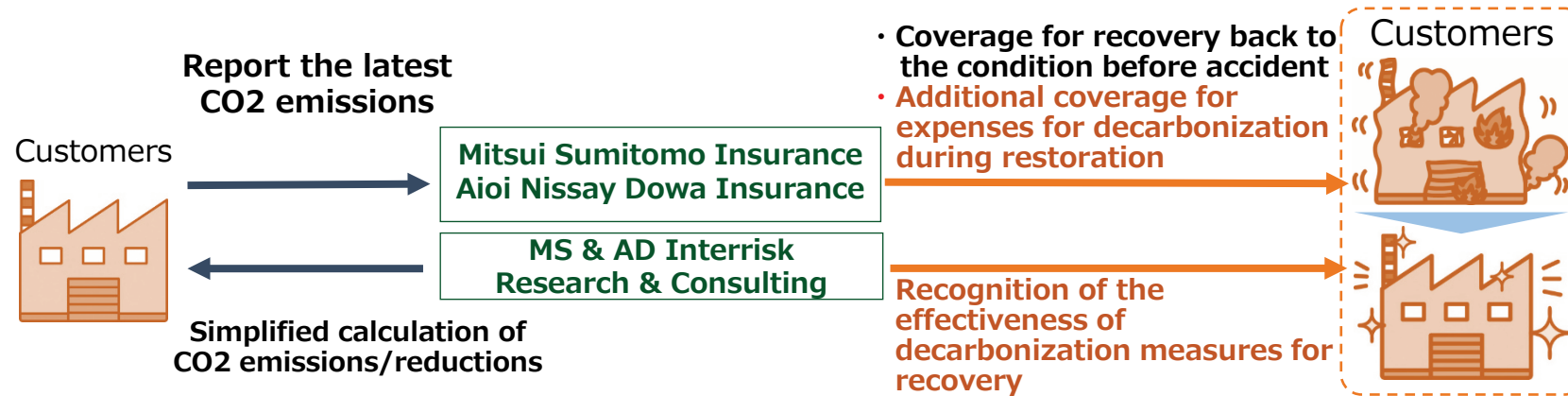


Case ①

[Corporate property insurance] Carbon Neutral Support Clause

- In terms of commercial property insurance, we provide the Carbon Neutral Support Clause (decarbonization measures cost compensation endorsement). While standard insurance coverage is up to restoration cost, this clause provides additional coverage and support companies' decarbonization.

https://www.ms-ins.com/english/news/FY2021/pdf/0916_1.pdf



Commercial Liability Policy [SME]

- Coverage for SME for additional "Carbon Offset" expenses
- We will cover the cost when our insured is charged by his client claiming that he needs to buy additional carbon credit because of less performance of GHG reduction of his facilities due to damages caused by our insured.



Reduction of own GHG Emissions

- We are promoting the introduction of energy-saving equipment, installation of solar power generation facilities, replacement of company vehicles with low-fuel consumption vehicles, and green purchasing.

Paperless Promotion of procedures

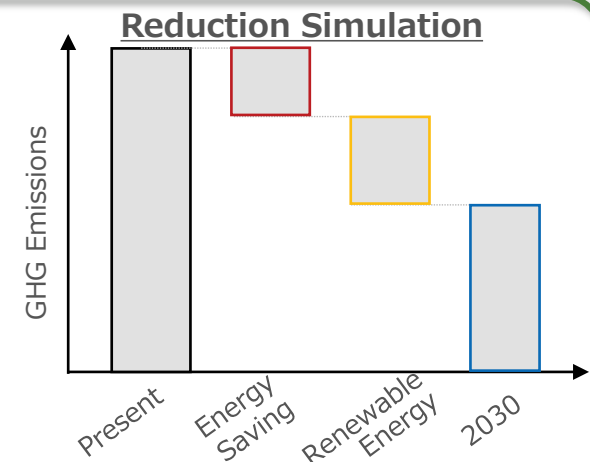
- Improve customer convenience and promote paperless initiatives by digitizing and digitizing insurance policies and terms and conditions



Support for the formulation of GHG calculation and reduction plans (Carbon Neutral Support)

- We provide all kinds of support in a one-stop package for businesses of any size in any industry. This support ranges from introductory seminars on decarbonization, to support for calculating carbon emissions, and developing strategies to cut emissions.

https://www.ms-ad-hd.com/en/csr/community/climate_change.html#multiColumn1-5



Case②

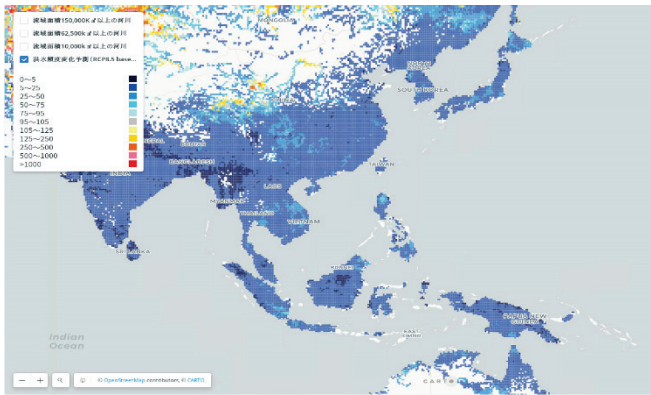
Disaster Prevention Dashboard/Real-Time Damage Prediction "cmap"

- We support disaster prevention and mitigation actions by visualizing disaster risk and damage prediction in real time.
- Loss prevention and reduction system for local governments "Loss Prevention Dashboard" and Real-time loss prediction website, "cmap.dev"

<https://www.ms-ad-hd.com/en/csr/quality/mobility.html>



Flood Frequency Change Prediction Map LaRC-Flood®



- This platform allows users to view changes in flood frequency due to global climate change.
- Released in May 2018 by MS&AD Holdings and InterRisk Research & Consulting have teamed up with the University of Tokyo and Shibaura Institute of Technology. Users can view this map for free or charge by registering.

https://www.ms-ad-hd.com/en/csr/community/climate_change.html#vtable-item-18

Water Disaster Assessment Using AI Drone



- Calculation of flood height by fluid simulation using AI. Prompt payment of insurance claims in case of water disaster.

<https://www.ms-ad-hd.com/en/csr/quality/mobility.html#title3-4>

FANPS (Finance Alliance for Nature Positive Solution)

- Established in February 2023, the alliance of 4 financial institutions, including the SMBC Group.
- Our group is researching solutions and developing financial products in response to nature-positive initiatives for companies.

<https://www.fanps.jp/> (Japanese only)



MS & AD Green Earth Project

- Conservation and restoration of the natural environment, reduction of environmental impact, disaster prevention, Disaster reduction and local revitalization efforts are being made as a group
- Work to conserve natural capital and flood control in the Kuma River watershed in Kumamoto Prefecture Project and promoting regeneration of seaweed beds (blue carbon) in Minamisanriku Town, Miyagi Prefecture

https://www.ms-ad-hd.com/ja/csr/green-earth_project.html
(Japanese only)



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MS&AD Insurance Group