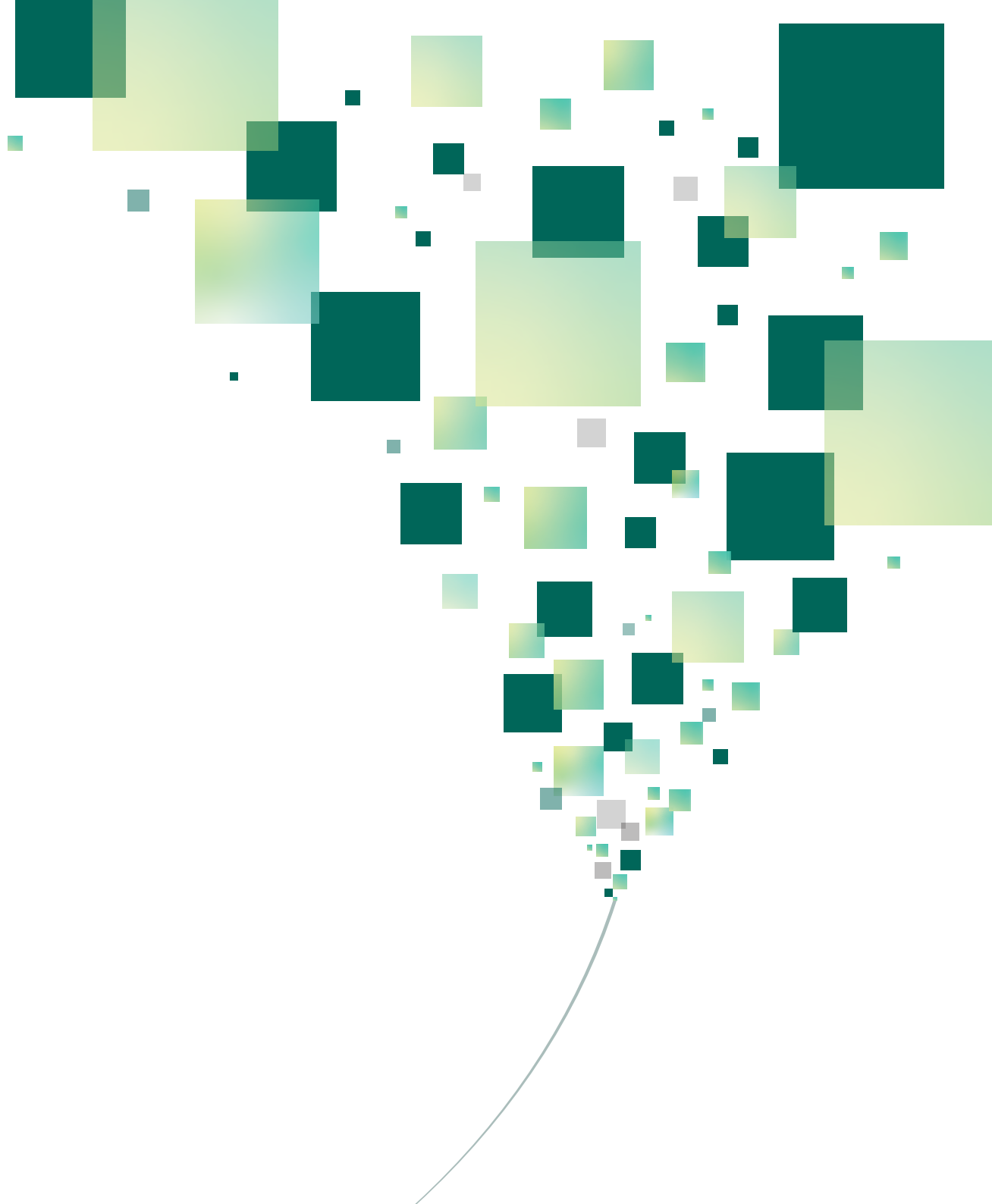


MS & AD

SUSTAINABILITY BOOKLET

MS&AD SUSTAINABILITY BOOKLET 2024



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Editorial Policy

We issue a Sustainability Report to clearly communicate the MS&AD Insurance Group's philosophy and initiatives to our stakeholders, along with our objectives and progress in achieving a "resilient and sustainable society." This Sustainability Booklet offers a streamlined overview of these essential points.

Target period

Fiscal 2023 (April 2023 through March 2024)

* Also includes some activities in and after April 2024.

Target organizations and abbreviations

The Company and Group companies are abbreviated as follows.

(The Group's domestic insurance companies are indicated with a star symbol.)

- MS&AD Insurance Group Holdings, Inc. ⇒ "MS&AD Holdings" or "HD"
- Mitsui Sumitomo Insurance Co., Ltd. (★) ⇒ "Mitsui Sumitomo Insurance" or "MSI"
- Aioi Nissay Dowa Insurance Co., Ltd. (★) ⇒ "Aioi Nissay Dowa Insurance" or "ADI"
- Mitsui Direct General Insurance Co., Ltd. (★) ⇒ "Mitsui Direct General Insurance" or "Mitsui Direct General"
- Mitsui Sumitomo Aioi Life Insurance Co., Ltd. (★) ⇒ "Mitsui Sumitomo Aioi Life" or "MSI Aioi Life"
- Mitsui Sumitomo Primary Life Insurance Co., Ltd. (★) ⇒ "Mitsui Sumitomo Primary Life" or "MSI Primary Life"
- MS&AD InterRisk Research & Consulting, Inc. ⇒ "MS&AD InterRisk Research" or "InterRisk"

Publication date

January 2025

Please refer to our website for detailed ESG data related to our group's initiatives, as well as specific information on the unique efforts of each group companies.

- [MS&AD Insurance Group Sustainability](#)

Our Mission

Our Mission

The Group's Raison d'être

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

Our Vision

The Group's aspirations for the medium term

To create a world-leading insurance and financial services group that consistently pursues sustainable growth and enhances corporate value

Our Values

The credo for all employees aimed at realizing the Group's mission

CUSTOMER FOCUS

Striving to provide security and satisfaction to our customers

INTEGRITY

Being sincere, kind, and fair in our dealings with people

TEAMWORK

Growing together as a team by respecting one another's individuality and opinions and sharing knowledge and ideas

INNOVATION

Always improving the way we work while responding to stakeholders' interests

PROFESSIONALISM

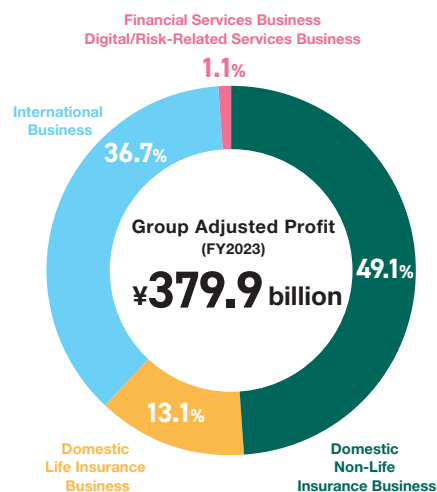
Providing high-quality services by constantly enhancing our skills and proficiency

About the MS&AD Group

The MS&AD Insurance Group is an insurance and financial group with two core companies, Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance.

We operate non-life and life insurance businesses in Japan and overseas, offering various products and services to address the diverse risks of our customers. We aim to become a “world-leading insurance and financial services group” by leveraging the strengths of each Group company to meet the needs of our customers.

Five Business Domains Comprising the Group



Domestic Non-Life Insurance Business	MS&AD Mitsui Sumitomo Insurance
	MS&AD Aioi Nissay Dowa Insurance
	MS&AD Mitsui Direct General Insurance
Domestic Life Insurance Business	MS&AD Mitsui Sumitomo Aioi Life Insurance
	MS&AD Mitsui Sumitomo Primary Life Insurance
International Business	MSIG
	MS Reinsurance
	MS FirstCapital
	MS Transverse
Financial Services Business	MS&AD MITSUI SUMITOMO INSURANCE Venture Capital Co., Ltd.
	MS&AD MS&AD VENTURES
	MSI Guaranteed Weather
Digital/Risk-Related Services Business	MS&AD MS&AD InterRisk Research & Consulting, Inc.

Numeric data representing the current status of the Group*

*Data as of the end of FY2023, except where noted

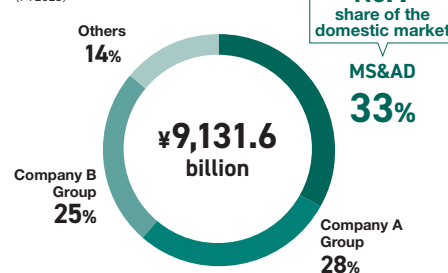
Financial base	Consolidated total assets	¥26,960.2 billion	Market capitalization	¥5,749.3 billion (as of June 30, 2024)
				*Source: Bloomberg
Profitability	Consolidated net premiums written	¥4,261.7 billion	Rate of growth in earnings per share (EPS)*	17%
				*Average growth rate from FY2013 to FY2023
Soundness	Group Adjusted Profit	¥379.9 billion	Group Adjusted ROE	9.0%
	ESR (Economic Solvency Ratio)*	229%	Consolidated solvency margin ratio	771.8%
				*An indicator of whether the company is adequately capitalized for risk
Rating information	Standard & Poor's	A+	Moody's	A1
	Rating and Investment Information, Inc. (R&I)			AA
				*Credit ratings for domestic insurance companies
Growth foundation	Consolidated number of employees	38,391 persons	Ratio of global employees	24.9%
	ESG evaluation	MSCI ESG Rating AA CDP A- Selected for inclusion in the Dow Jones Sustainability Asia Pacific Index		

Position in domestic business and overseas expansion

Domestic Non-Life Insurance Business

The non-life insurance group most chosen by customers in Japan

Share of net premiums written* (FY2023)

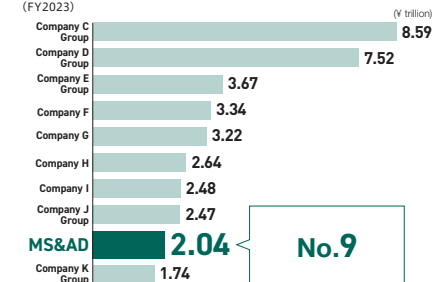


Source: Prepared by MS&AD based on publicly announced information from each insurance company and data from the General Insurance Association of Japan
*The figures for MS&AD are the simple sum of the non-consolidated figures for Mitsui Sumitomo Insurance, Aioi Nissay Dowa Insurance, and Mitsui Direct General Insurance.

Domestic Life Insurance Business

No. 9 in premiums income among domestic life insurance companies/groups

Domestic life insurance companies/groups** premiums ranking (FY2023)

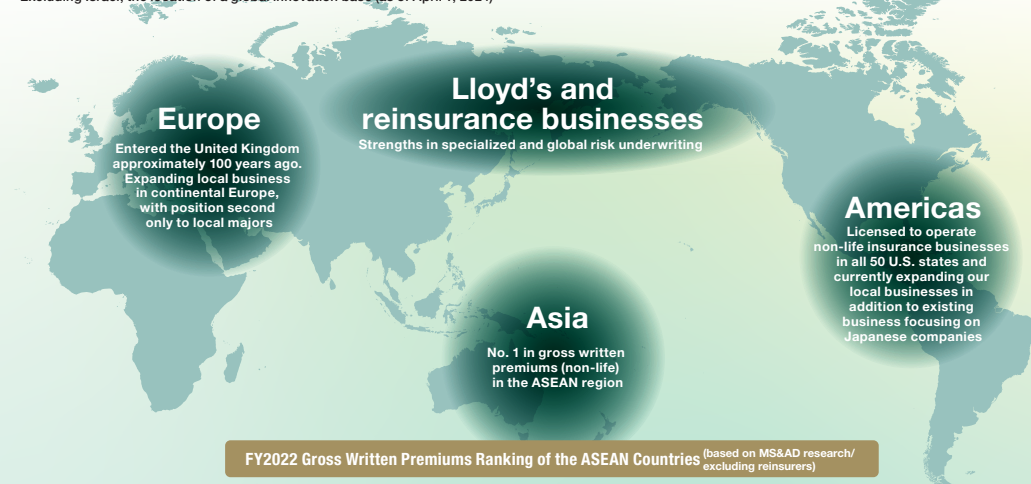


Source: Prepared by MS&AD based on publicly announced information from each insurance company

International Business

Overseas network in 48 countries* and regions around the world

*Excluding Israel, the location of a global innovation base (as of April 1, 2024)



FY2022 Gross Written Premiums Ranking of the ASEAN Countries (based on MS&AD research/excluding reinsurers)



Figures in <> are GWP totals for the following countries: Singapore, Malaysia, Thailand, Indonesia, Philippines, and Vietnam

Value Co-Creation with Stakeholders

In co-creation with diverse stakeholders, the MS&AD Group will drive sustainable growth and corporate value enhancement by addressing a wide range of social issues while promoting environmental and social sustainability.



Customers

Quality improvement and provision of products and services utilizing customer feedback

All employees implement the “Customer Focus” attitude expressed in the code of conduct (Our Values), listen to customer feedback broadly, and provide high-quality products and services to solve social issues and achieve the “security and satisfaction of our customers.”

Communication channel

- Customer surveys
- Annual report on the status of “Customer-Focused Management Policy” initiatives
- Contact center
- Official website
- Communication with agents and employees (e.g., inquiries, consultations, requests, complaints)
- Disaster prevention and reduction information is made available to the public, and alerts are notified via an app.

Examples of initiatives

We release social media posts related to the number of damaged buildings and disasters on cmap, a real-time damage forecasting website. We also made a hail and torrential rain alert service available via the app from 2024.



Shareholders

Our Group's sustainable growth and medium- to long-term improvement in shareholder value

We make highly transparent information disclosure, actively engage in constructive dialogue with shareholders, and reflect outcomes of these activities in managing our Group, thereby striving to create more value and improve corporate value.

Communication channel

- FY2023 dialogue results
- Strategy briefings for institutional investors and analysts: 2 sessions
 - Results briefing conference calls: 4 sessions
 - ESG briefings: 1 session
 - Thematic meetings: 1 session
 - Briefings for individual investors: 4 sessions
 - Japanese and overseas analyst/investor interviews: 223 sessions

Examples of initiatives

Held theme meetings for institutional investors and analysts in December 2023. Provided an opportunity for an exchange of views with the CEOs of two subsidiaries concerning the performance and strategy of the Lloyd's and reinsurance businesses, etc.



Agents

Mutual growth as business partners

By communicating smoothly, and thinking and acting together with our agents, we will provide high-quality services and optimal insurance products to customers and mutually pursue the growth of agents and our Group.

Communication channel

- Agent meetings
- Agent study sessions
- Provision of “CO₂ emission calculation service” for motor channel agents

Examples of initiatives

We enhanced the “MS1 Brain,” an AI-powered agent sales support system, and combined agent knowledge and AI-based data analysis to provide optimal proposals that meet the needs of each individual customer, including pre- and post-compensation solutions.



Business
Partners

Value creation across the entire supply chain

We, together with our supply chain, meet the expectations of society with stronger compliance, respect for human rights, and consideration of the environment.

Communication channel

- Communication with outside vendors
- Periodic inspections of outside vendors
- Human rights risk management support, etc.

Examples of initiatives

We provided information on the MS&AD Insurance Group Basic Human Rights Policy to all vendors and encouraged them to prevent or mitigate any negative impact on human rights in their business activities. In addition, a common Group relief counter was established to redress human rights violations by employees of vendors.



Employees



Improvement of employees' satisfaction and motivation, which are a driver of the MS&AD Group's growth

We create a working environment where employees can work with a sense of feeling motivated and job satisfaction and provide opportunities for everyone to play an active role. We foster a corporate culture that respects a diverse sense of values, thereby generating innovation.

Communication channel

- Conducting an employee awareness survey
- Speak-up system for whistleblowing and consulting on breaches of laws, company rules, and inappropriate behavior
- Based on improvement proposals, each head office department submits the results of feedback to the departments

Examples of initiatives

We conducted awareness surveys of employees in Japan and overseas and implemented training for national staff to further disseminate and implement MS&AD's mission, vision, and values.

Local Communities/
International Society

Solving social issues through collaboration with diverse partners

We work together with diverse partners such as cooperating with domestic and overseas industrial organizations and local governments and collaborating among industries, academia, and government, thereby protecting the Earth's environment and social sustainability and contributing to developing a vibrant society.

Communication channel

- Collaboration agreements with local governments
- Collaborative research with universities and other organizations on disaster prevention and mitigation and the local environment
- Dialogue with NPOs and NGOs
- Communication/exchanges with local communities
- Holding of seminars/symposiums

Examples of initiatives

In collaboration with universities, local NPOs, and municipal governments, the MS&AD Green Earth Project has launched initiatives for disaster prevention and reduction, decarbonization, and regional co-creation through conservation and restoration of the natural environment in the Kuma River basin (Kumamoto Prefecture), Minamisanriku Town (Miyagi Prefecture), and the Inba marshlands (Chiba Prefecture).



Environment



Improving the sustainability of the Earth

To live in harmony with the global environment, we consider sustainability in all of our business activities and are working to address climate change and improve the sustainability of natural capital.

Communication channel

- Dialogue with experts and NPOs/NGOs
- Collaborative research with universities on climate change and natural capital
- Participation in initiatives and international conferences
- Employee participation in environmental and social contribution activities
- Holding of seminars/symposiums

Examples of initiatives

We held a launch event attended by the Taskforce on Nature-related Financial Disclosures' (TNFD) Co-Chair David Craig, Executive Director Tony Goldner, and other key TNFD members as convener of the TNFD Japan Council, following the release of the TNFD Disclosure Framework in September 2023.



Message from the President

The MS&AD Insurance Group was founded in 2010 with the 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 our global insurance and financial services businesses.” To realize this mission, we have established our 2030 vision to become a corporate group that supports a resilient and sustainable society, and have achieved steady growth while prioritizing our relationship with the communities we serve.

In our view, a resilient and sustainable society is one that can minimize the impact of unexpected events, adapt to new environments, and continuously rebuild and develop. This also involves maintaining a balance among the economy, the environment, and society, ensuring that the global environment and social systems can be sustained well into the future. Guided by our management principle of Creating Shared Value (CSV), our Group aims to reach a new stage of growth in collaboration with society, addressing social issues such as climate change.

Turning to social conditions, global inflation has peaked and monetary policy has been shifted from a tightening phase. However global economic growth has been damaged by factors such as turmoil in financial markets, resurgent inflation, and heightened geopolitical risks due to escalating conflicts in various regions. Meanwhile, the rise in the frequency and severity of natural catastrophes caused by global warming is having a severe impact on people's lives and business operations.

In this era of uncertainty, we believe our role is not only to provide compensation for economic losses but also to contribute to social infrastructure by offering services such as disaster prevention and mitigation. Concurrently, we will also swiftly transform our operations, viewing this as a major turning point in our business.

In Stage 2 of our Medium-Term Management Plan (2022-2025), which began in 2024, we are earnestly addressing the issues of price-fixing and our agents' fraudulent insurance claims. We will undertake a comprehensive review of our business practices to make every effort to restore customer trust. Additionally, we will promote a comprehensive transformation of our business style through three key reforms: transformation of value provision, transformation

of business structure, and transformation of productivity and profitability. Building on this foundation, we aim to innovate our products and services to offer new value both before and after compensation, invest in growth areas and digital and human assets, promote operational efficiency and quality improvement, and evolve into a risk solution platform provider that transcends the traditional insurance framework.

The MS&AD Insurance Group will continue to work with our stakeholders to help realize a society that is resilient and sustainable by creating shared value with society. We look forward to your continued support.



Shinichiro Funabiki
President & CEO

CSuO Message

Using the challenge of solving social issues to provide insurance value

Insurance value and sustainability

The MS&AD Insurance Group believes that the role of insurance is “not only to compensate for economic losses but also to find and prevent risks and to reduce the impact of risks,” and we support the safe and secure lives and business activities of our customers accordingly. Accompanying customers in resolving the challenges they face today and in the future is the most important pillar of this effort.

In addition, the sustainability of the insurance business comes from the sustainability of society. This is because the need for insurance arises from the desire to “continue current lifestyles and businesses tomorrow and to make them better tomorrow.” Our key sustainability issues of “Symbiosis with the global environment,” “Safe and secure society,” and “Happiness of diverse people” are social issues, and at the same time, they are the foundation on which our business depends.

Working together with customers to solve social issues they face, I am convinced that this is the proper role of insurance and the only solution that will enable the sustainable growth of the Group. I also believe that these efforts come from the heartfelt feeling of all officers and employees that their “day-to-day work is connected to solving social issues.”

Incorporating sustainability into our work and making it into “earning power”

Since FY2024, we have incorporated sustainability into organizational and individual plans and targets to ensure that we put into practice the sharing of connections between the work of all officers and employees and sustainability. Then, in line with our plans and targets, we implement a cycle of working together with customers to resolve issues such as climate change, natural capital, biodiversity, and respect for human rights, then reviewing such efforts.

We position the annual “MS&AD Sustainability Contest” as one opportunity to review our efforts. This fiscal year, the purpose of the contest was to create “earning power” for the Group, and it was an opportunity to encourage employees to take on the challenge of solving our customers’ issues.



Naomi Motojima
Managing Executive Officer
Group Chief Sustainability
Officer (CSuO)

Working together for “Green Resilience”

In November 2023, we set and announced an interim target**1 for 2030 for the reduction of greenhouse gas (“GHG”) emissions by our major business partners in Japan. As part of efforts to address climate change, which is the most important issue, it should be a mission of insurance and financial service providers to reduce the GHG emissions of their business partners through insurance underwriting, investment, and loans, while also working to reduce their own GHG emissions, of course. By confronting this difficult issue head-on together with our many business partners, we hope to increase our contribution to solving the issue, while at the same time capturing business opportunities for the Group. With this in mind, we determined that our targets will apply to all business partners for which premiums income exceeds a certain size, regardless of industry.

We have also been engaged in activities to preserve and restore the natural environment, under our approach of creating a virtuous cycle that mitigates damage from natural disasters and revitalizes communities, while making the most of nature's bounty and protecting biodiversity, which we call "Green Resilience." We intend to use the slogan "Green Resilience" as a new value that we offer to customers through the development of our products and services, as it will make it easy for our employees to feel the close connection with our Mission.

Specifically, in collaboration with a start-up company capable of analyzing river and groundwater flows, we have begun providing services to help companies assess and disclose their water-related risks, and we are developing tools to assess how the environmental and biodiversity impacts of corporate activities such as urban and agricultural land development affect companies' financial position.

We are also taking on the challenge of investing in and fostering start-ups with promising solutions through an alliance of four financial companies*² formed in February 2023, as well as establishing a "water positive system"*³ in areas where groundwater resources might be depleted owing to the presence of large industries.

Furthermore, we intend for our "environmental and social risk assessment,"*⁴ which checks the risk of damage to biodiversity associated with large-scale development and the status of certification in the supply chain, to also cover some renewable energy power plants where there is large-scale development, from the perspective of preserving natural capital and disaster prevention and reduction. Addressing climate change requires a balance between both the preservation of natural capital and disaster prevention and reduction, and at the same time, the introduction of renewable energy has been expanding rapidly in recent years, and the increasing burden on the natural environment has become an issue.

We will use the "environmental and social risk assessment" more proactively in our dialogues with business partners, as an effective means of reducing our impact on the environment and local communities.

*1 We will reduce GHG emissions across approximately 3,300 major domestic business partners by 37% compared with FY2019 by FY2030.

*2 "Finance Alliance for Nature Positive Solutions (FANPS)" launched with Sumitomo Mitsui Financial Group, Inc., Development Bank of Japan Inc., and Norinchukin Bank

*3 A system in which businesses that have reduced stormwater infiltration capacity through land use, alteration, etc., pay at least the equivalent amount for restoration to businesses that have increased groundwater recharge capacity through nature-based solutions.

*4 This applies to new projects in agriculture, forestry, fisheries, and hydroelectric power generation that involve large-scale development in currently undeveloped areas.

Taking pride in changing society

We expect the Group to secure a strong reputation among customers when all officers and employees believe and act on the belief that our role is to work with customers to solve the social issues they face and that this is the value we should provide to them. Through our strong reputation among customers, we will reaffirm the value of insurance and the pride we take in our work and again ensure that this is a core part of our approach. We intend to involve various stakeholders in this spiral and make it a significant movement that changes society.

That is the Group's aspiration.

Roundtable Discussion with Outside Directors



Jun Suzuki

Outside Director

Held prominent positions including as the Chief Representative in Europe of the TEIJIN Group and CEO of TEIJIN LIMITED, etc. He has extensive knowledge of international business and a perspective as a manager. While adapting to the changing business environment, he provides advice and leadership from a wide range of perspectives as an opinion leader, particularly in terms of management that is conscious of increasing corporate value and the stock price.

Akemi Ishiwata

Outside Director

Through her service as an Executive Officer of Kao Corporation, she has a wealth of knowledge on sustainability, public relations, and corporate branding, and has contributed to the promotion of ESG activities. Furthermore, through her experience in consumer counseling and interaction with consumers, she has a perspective from the consumers' standpoint, and has shown the way forward based on a broad perspective in sustainability management to achieve both MS&AD's growth and social development.

Junichi Tobimatsu

Outside Director

He has a wealth of knowledge and experience concerning overall corporate legal affairs including those of overseas companies as an attorney at law. In particular, he contributes to improving governance from a specialist perspective. Now in his seventh year as an Outside Director of MS&AD, he actively contributes at meetings of the Board of Directors, thereby playing an important role in the Company's decision-making process.

Evolution of Group governance and efforts to practice sustainability management

At the MS&AD Insurance Group ("MS&AD"), we aim to achieve sustainable growth by strengthening the governance of the Group as a whole, while also undertaking major reforms of business style. The three Outside Directors exchanged opinions on the evaluation and issues in the Group's sustainability management while charting a new growth story.

Evaluation and issues in the Group's sustainability management

Contributing to the sustainability of society through our businesses

Tobimatsu Insurance companies are unique in that their core business itself has an affinity with sustainability. For example, for non-life insurance, if reductions in carbon dioxide emissions lead to a reduction in extreme weather events, then there will be fewer related insurance accidents, which will be positive for the business side for non-life insurance companies. In this sense, I believe that employees of insurance companies are likely to have an awareness of sustainability.

Ishiwata Since 2018, MS&AD has been holding the "MS&AD Sustainability Contest," in which awards are given to initiatives that contribute to solving social issues. I think this is a wonderful initiative for sharing MS&AD's value creation story with the Group, thereby spreading MS&AD's Mission to approximately 40,000 Group employees and encouraging the expansion of the circle of empathy. On the other hand, if we look only at emissions of carbon dioxide and other greenhouse gases, they might be limited compared to the toiletries and manufacturing industries that I have been involved in. Still, if we look at Scope 3 emissions, there are a diverse range of non-life insurance policyholders, and our influence is not small. I believe that MS&AD can be a leader in Japan because it has set targets for reducing emissions ahead of its competitors and is actively working on them.

Suzuki Insurance companies hold the choke point for sustainability. If we decide not to underwrite insurance, financial institutions might stop providing financing. I feel that the range of industries that could be considered customers is broader than that of the manufacturing industry. In addition, the more we can envision the foreseeable future, the more stable our insurance business will be, of course. Accordingly, our activities aimed at achieving a sustainable society should also benefit our own company.

Tobimatsu In corporate finance, there is a tendency to focus more on transitions than divestments. In addition to not taking on specific new projects, such as coal-fired power generation, I think we can also choose, for example, to be involved in transitions in cooperation with financial institutions that are active in transition financing.



Ishiwata As human assets are the cornerstone of the insurance business, I believe that increasing employee engagement will be fundamental to sustainability management. MS&AD has identified “Symbiosis with the Global Environment (Planetary Health),” “Safe and secure society (Resilience),” and “Happiness of a diverse people (Well-being)” as three key issues. First, it is important to focus on “Well-being” and to work toward “Resilience” to control social risks and catastrophe risk, based on our unique perspective as an insurance company. As these are fields in which we have knowledge, it should be easy to obtain an understanding of society in this regard.



Tobimatsu An increasing number of investors are focusing on KPIs related to human capital as evaluation criteria, and I feel it is important that we are aware of this. The disclosure of information such as the ratio of female managers and duration of male childcare leave are, so to speak, a kind of compulsory exercise, and investors might consider these disclosures alone as insufficient. When setting nonfinancial KPIs for voluntary disclosure based on independent action, it will also be necessary to endeavor to organize and externally communicate information concerning MS&AD’s own efforts related to human assets. I think the time has come for us to show that we are willing to improve engagement and to use specific numbers to demonstrate this point.

Suzuki How well a company’s brand is loved by people is a major factor in determining its corporate value. To achieve this, we must further strengthen employee engagement. The MS&AD brand has become very established in society as a whole. I intend to make every effort to promote our potential as a group with multiple growth drivers.

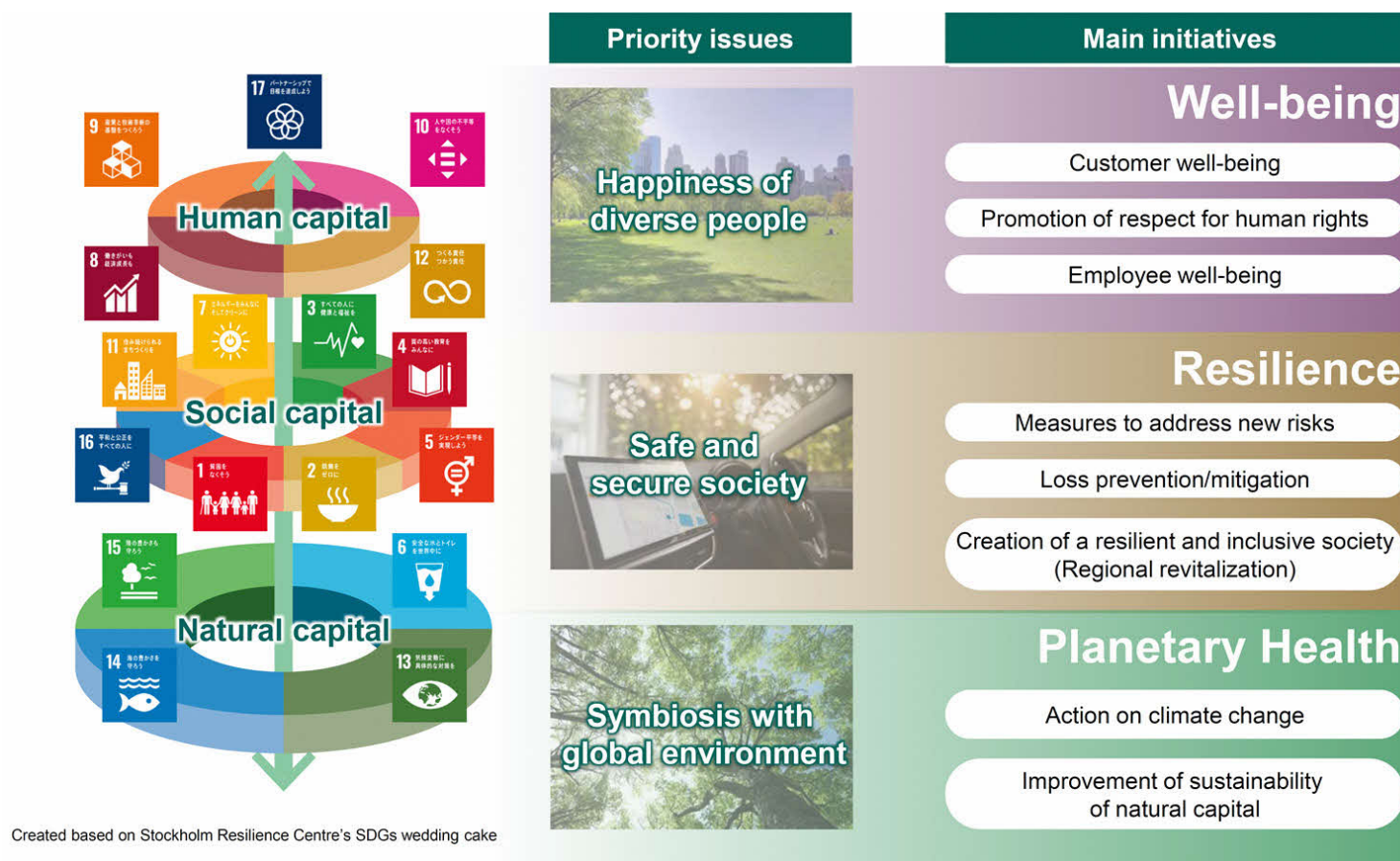
Ishiwata Yes, that’s right. Recently, I feel that I see the “MS&AD” logo more often. We naturally associate this logo with safety and security, and I feel this is true for many people. We should take care of the corporate brand to ensure that more people will know and love MS&AD. This will contribute to the growth of our businesses and enrich society.

Sustainability Priority Issues

The MS&AD Insurance Group has determined “Planetary Health (Symbiosis with the global environment),” “Resilience (Safe and secure society),” and “Well-being (Happiness of diverse people)” as three key areas of focus among various social issues.

Obviously, “Happiness of diverse people” is supported by “Safe and secure society” and “Safe and secure society” are dependent on “Symbiosis with the global environment,” as indicated by the Wedding Cake Model, in which 17 SDGs are organized into three layers: “Nature,” “Society,” and “People.” As the three goals are closely related, we need to work on them in an integrated manner.

We believe that there is still much that insurance companies, including ours, can do in cooperation with the various parties concerned, such as establishing a nature-positive, safe and secure society that is conscious of coexistence with the global environment and the happiness of people that is generated from such a society.



Happiness of Diverse People (Well-being)

Japan's birthrate is declining, society is aging, and total population is declining. According to the Population Projections for Japan (2023) by the National Institute of Population and Social Security Research, the country's population will drop below 92 million by 2065, with the elderly population rate — the percentage of the population aged 65 and older — exceeding 40%. The rising elderly population necessitates an environment in which the elderly can live with peace of mind. This living environment must give consideration to an urban structure that makes it easy to get about, supports access to information on health and preventive medical care, and is adapted to the decline of bodily functions that comes with age and nursing care. At the same time, urban structures need to facilitate the slowing of population decline by creating an Environment in which pregnant women, children, and people with children can live safely and with confidence. We believe that a state of well-being is one in which all kinds of people are able to accept one another's social, ethnic and cultural differences etc. for what as they are and live contented lives with peace of mind.

The MS&AD Insurance Group provides not only insurance coverage but also a range of health care services, free of charge or at preferential prices, to support the total health of customers who promote well-being, thereby helping not only individuals but also corporate customers to manage their health-related endeavors and secure human resources.

The 100-year-life span era also brings about new risks to our lives. In addition to extending healthy life expectancy, it is important to increase the so-called "asset life span," which allows us to live without financial concerns. We provide asset-building means to support a fulfilling "second life," and helps to develop business activities that lay the foundations for a super-aging society and thereby promote customer well-being.

The Group is strengthening its efforts to respect human rights, which is at the heart of well-being. The "MS&AD Insurance Group Basic Policy on Human Rights" covers also to other stakeholders in the Group's value chain, including suppliers related to the procurement of services and business partners such as agents. We are engaging with these stakeholders in order to prevent and mitigate any adverse impacts on human rights arising out of businesses activities. Our group encourages these parties to prevent and mitigate negative impacts on human rights in their business activities. Based on the UN Guiding Principles on Business and Human Rights, we aim to enhance our corporate value by establishing and implementing a human rights due diligence system, a management system for respecting human rights, and by developing value chains and internal environments that are free from human rights violations. In addition, as human rights initiatives in the insurance and financial services group, we support the concept of "financial inclusion," in which access to insurance and financial services is not limited by poverty or social status, and everyone can utilize these services to improve their economic stability. We have activated our efforts in local subsidiaries, especially in developing countries. We are working to revitalize our efforts, especially in our overseas subsidiaries in developing countries. Expanding business with diverse markets also leads to business opportunities for us, and we are promoting services such as micro-insurance.

In order to help our stakeholders, including customers, realize well-being, it is also essential to realize the well-being of our employees. We believe that this consists of three elements: good physical and mental health, an amenable work environment, and a sense of fulfillment in one's work. It is important that the diversity of our employees is respected and that opportunities are provided for each individual to fulfill their potential, skills and motivation. We believe that the growth of our employees realized through this process will lead to an increase in our corporate values. Our medium-term management plan calls for securing and developing the human resources to support the implementation of strategies, as well as creating an environment in which employees can flourish. We will create an environment in which our employees feel fulfilled and can work independently and enthusiastically, and foster a climate in which they are challenged to transform and create new value. In addition, we will promote the diversification of the decision-making layer and promote the spread of inclusive organizational management that draws on the knowledge, experience, and values of diverse human resources to inform organizational decision-making.



Happiness of diverse people

Well-being



Safe and Secure Society (Resilience)

In recent years, due to the effects of climate change, natural disasters such as extreme rain, floods, and cyclones have become more severe, causing a greater damage throughout the world. As a result, there is an urgent need to promote disaster-resilient community development in terms of both physical and policy-based measures, to reduce the damage and economic losses caused by disasters. For disaster prevention and mitigation, we are working to realize a safe and secure society by promoting DX utilizing various data accumulated through its insurance business. Group will focus not only natural disasters but also focus on various risks faced by society, such as automobile accidents and infectious disease counter-measures with data analysis, risk visualization using AI, and provide solutions. In addition to these sudden events such as accidents and disasters, there is also gradual progress of issues such as declining birthrates and aging populations with declining regional vitality in Japan and in many other developed countries. To sustain long-term employment in regional communities, revitalizing local industries is also essential.

The Group's goal of creating resilient and inclusive communities is to create safe, resilient, and sustainable living spaces in communities where everyone can live with peace of mind. In order to support the safety and security of people's lives, it is important to anticipate the risks that may arise in the event of an emergency and to prepare for an emergency. It is also important to revitalize local industries in order to continue working in the community. Local revitalization is one of the important measures of the government. We are also advancing similar initiatives in collaboration with local governments and a range of regional stakeholders. These efforts include promoting industry tailored to local characteristics and supporting disaster-resilient community development. Among these initiatives, the Group's Green Resilience efforts leverage natural resources for disaster prevention and mitigation while fostering local industry, such as promoting organic agriculture. By making the most of the benefits nature provides, we aim to help realize an inclusive society where everyone can live with peace of mind, no matter where they reside.

The global pandemic has spurred significant changes in society and economic lifestyle patterns. As a result, industries and societies have rapidly digitized, giving rise to a surge in online exchanges, e-commerce, online education, and a shift to remote work. Since the release of ChatGPT in the fall of 2022, society has continued to change, marking further transformation. As technologies like generative AI advance, addressing the emerging risks associated with these advancements remains a critical focus for society. The MS&AD Insurance Group believes that anticipating, preventing, and effectively managing new risks associated with the advancement of innovation and changes in the industrial structure are vital to ensuring stable livelihoods and healthy business activities. By conducting research into new risks and offering products and services to address them, we aim to help maintain a safe, secure society while also creating growth opportunities for the Group.



Symbiosis with the Global Environment (Planetary Health)

With the adoption of the 2015 Paris Agreement, a framework agreement on climate change, governments around the world agreed to restrict the increase in the global average temperature to well below 2°C from pre-Industrial Revolution levels, and to pursue measures to limit that increase to 1.5°C., and to the transition to a net-zero society based on a substantial reduction in greenhouse gas emissions. Extreme weather events, which appear to be an effect of global warming, are occurring frequently, and adaptation to the climate change is required.

At Convention on Biological Diversity COP15 held in December 2022, a new global goal, the Kunming Montreal Biodiversity Framework, was established, clearly indicating the direction of “to halt and reverse biodiversity loss by 2030” or “nature positive.” Achieving nature positive also requires the transformation of the entire social economy, and companies as well as national and local governments are expected to play an important role.

Our society and economy are also supported by natural capital including water resources, and terrestrial and aquatic life, in addition to the climate system. Global warming leads to severe natural disasters and physical changes, such as forest fires and desertification that undermine natural capital. The decline of forests leads to less CO₂ absorption which further accelerates global warming. Rising average temperatures increase the frequency of forest fires due to hot and dry conditions, creating a worsening cycle. Climate change and natural capital issues are interconnected and affect society and the economy. The transition to net-zero and nature-positive society will bring about drastic social and economic changes.

The MS&AD Insurance Group has identified “Symbiosis with the Global Environment — Planetary Health” as one of its priority sustainability issues (materiality) in its Medium-Term Management Plan, and is promoting CSV initiatives to create common value with society by positioning responses to climate change and the improvement of the sustainability of natural capital as issues to be addressed in an integrated manner. The Group recognizes that climate-related risks and opportunities, such as large-scale natural disasters, can affect the bottom line in a single fiscal year, while others can emerge over the medium and long term. As an insurance company, we are taking steps to address the risk of large-scale accumulated damage caused by natural disasters, and are upgrading our risk management. In line with the 1.5°C target of the Paris Agreement, we set a GHG emission reduction goal of Net Zero by 2050, and established interim targets to achieve the goal. The Group is committed to promoting the transition to a net-zero society in cooperation with its stakeholders, and is advancing the necessary initiatives. We support the establishment and social implementation of next-generation energy such as renewable energy and hydrogen, as well as innovative technologies for a net-zero society. We also accelerate the assessment of climate change impacts and the provision of services to eliminate or mitigate damage and loss from natural disasters. For example, flood damage has occurred worldwide due to rainfall exceeding expectations. Against this background, nature-based solutions are attracting attention. The Group refers to this concept as “Green Resilience” and is committed to decarbonization as well as disaster prevention and mitigation through environmental restoration and conservation, along with promoting adaptation to climate change.

Rapid social and economic changes resulting from transition to a net-zero society will bring opportunities for the Group's growth, such as stimulated demand for new insurance products and services, and improved performance of our clients along with new industries emerge or technological changes take place.

In the field of natural capital, we are working to provide new products and services that contribute to the conservation and restoration of nature and biodiversity. Some of these products mitigate negative impacts on nature, such as the oceans, forests, soil, and animals, which are also important in responding to climate change. Because it is important for society as a whole to realize nature positivity, the Group has been disseminating the latest information, conducting research, and developing solutions through the development of the TNFD (since October 2021) disclosure framework, initiatives, and partnerships with other companies, governments and academia.

In the transition to a nature-positive society, the burden on companies may increase to avoid the risk of negative impacts. It is important for companies to understand the nature-related risks involved in their business activities and prepare for the increased burden by taking measures in advance. The Group believes that its business model of “identify and inform on risks” provides an opportunity to prepare for these new risks and lead to the Group's growth.



Symbiosis with the global environment

Planetary Health



Special Feature Green Resilience Report (Excerpt)

The average global temperature in 2023 was 1.45°C above pre-industrial levels, making it the hottest year in recorded history. Average temperatures have been rising steadily because of climate change, while large-scale floods, forest fires, and other natural disasters have occurred frequently and caused serious damage in many parts of the world. MS&AD Insurance Group is making integrated efforts to address climate change and preserve and restore natural capital.

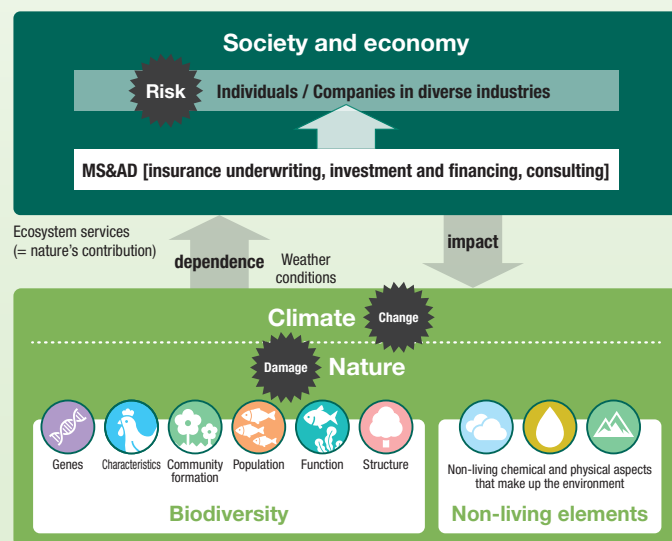
Climate and nature are closely interrelated. Forests are an important CO₂ sink, and at the same time, they prevent downstream flooding and landslides by storing large amounts of rainwater and slowly discharging it into rivers. Rising temperatures and droughts, however, have increased the risk of forest fires, and there is an increased risk of landslides when forests are left densely packed. Accordingly, to limit the damage caused by extreme weather events, we believe it is important to take the climate-nature nexus approach.

Natural capital acts as a foundation of society that provides us with diverse blessings, and it is essential for the development of a vibrant society and a healthy future. The Group has been focusing on an approach that aims for a safe and secure society and the well-being of diverse people by protecting nature and using its power to mitigate and adapt to climate change, which we call “Green Resilience.”

Based on this belief, the Group has been taking a multifaceted and integrated view of climate/nature-related risks and opportunities, and we will disclose information based on the disclosure recommendations of the Task Force on Climate-related Financial Disclosure (“TCFD”) and disclosure recommendations of the Taskforce on Nature-related Financial Disclosures (“TNFD”), as the “MS&AD Green Resilience™ Report” starting from this fiscal year.

Strategy

Dependence and Impact on Climate and Nature



Our society and economy depend on various contributions from nature (ecosystem services). According to the World Economic Forum, half or more of the world's GDP is dependent on nature.

On the other hand, we place a heavy burden on nature through our daily lives and business activities. Damage to natural capital and changes in climate systems cause various negative social and economic impacts.

The Group supports the business activities of customers in all industries through the provision of insurance products and services, as well as investment and financing, and other services. Therefore, we believe it is important to understand on a medium- to long-term time frame how our business partners' activities depend on and impact the climate and nature, and how they will affect society and the economy in the future, leading to risks to our customers' business activities.

Source: Modified by the Company from Dasgupta, P. (2021), *The Economics of Biodiversity: The Dasgupta Review* (London: HM Treasury) (2021.2)

Risk at the MS&AD Insurance Group ~ Capturing changes in climate, nature, and society in underwriting/investment and financing ~

Climate/nature-related risks include the direct impact of climate change and damage to nature (physical risk), as well as the impact of rapid social change toward net zero or nature positive (transition risk). As an insurance and financial group focused on the non-life insurance business, the Group must assess physical and transition risks from both underwriting/investment and financing (asset management) perspectives to analyze climate/nature-related risks and opportunities.

Climate/nature-related physical risks

Within the Group, our underwriting has already been financially impacted by increased catastrophe risk related to climate change, including forest fires and hailstorms, as well as wind and flood disasters caused by typhoons and torrential rains. In addition to climate change, the impact of the depletion of water resources and various other risks on society and business activities is expected to increase over the medium to long term.

H+: Very High H: High M: Medium L: Low

Classification	Event	Examples of main impacts on policyholders and investment and financing recipients	Examples of main impacts on the Group and degree of impact ◆ Underwriting ◇ Investment and financing	Period of manifestation		
				Short term	Medium term	Long term
Acute risks	Typhoons, hurricanes, storm surges 	Stronger tropical cyclones cause significant damage to homes and businesses. Depending on their course, such cyclones could cause damage over a wide area. Storm surges also cause significant damage to coastal areas	◆ Insurance claims payouts occur, particularly concerning many homes, businesses, vehicles, and other property ◇ Asset management returns deteriorate owing to large-scale damage affecting important business sites at the recipients of investment and financing	H+	●	●
	Torrential rain, flooding 	Increased temperatures increase the amount of water vapor in the atmosphere, causing torrential rainfall. Extensive flooding caused by improper land use or flood control conditions cause significant damage. Lack of soil stability due to deforestation and vegetation removal, or cutting and reclamation of slopes, causes landslides triggered by torrential rainfall		H	●	●
	Hail and snow damage 	Hailstorms are caused by active convective activity due to warm, moist air currents in the updrafts generated by strong solar radiation and cold air inflows into the sky. Falling hail damages vehicles and buildings. Many facilities of non-heavy snowfall areas are not strong enough to withstand, and heavy snowfall damages facilities	◆ Insurance claims payouts occur for damage to vehicles and facilities ◇ Not likely to lead to a significant deterioration in asset management returns	H	●	●
	Forest fires 	Heat waves and extreme heat cause forest fires. Insufficient tending to forests, such as the neglect of dead trees and underbrush, increases the risk of fire. Fire spreading to surrounding urban areas, etc., will lead to significant damage	◆ Insurance claims payouts occur for forests, as well as homes and businesses in the event of fires spreading ◇ Asset management returns deteriorate owing to large-scale damage affecting important business sites at the recipients of investment and financing	M	●	●
	Heat wave, cold wave 	Severe heat and cold waves cause human suffering, sudden strains on energy and water resources, and logistical disruptions such as traffic paralysis	◆ Not likely to result in large insurance claims payouts ◇ Not likely to lead to a significant deterioration in asset management returns	M	●	●
Chronic risks	Dry spells and droughts 	Agriculture, food, and water-intensive businesses experience increased costs and losses owing to difficulties in procuring materials and interruptions in manufacturing. In addition, the interruption of water transportation and the shortage of cooling water could affect a wide variety of industries	◆ Not likely to result in large insurance claims payouts ◇ Asset management returns deteriorate as performance worsens at companies dependent on water resources	L	●	●
	High temperatures (heat) 	Disruptions due to rapid increases in energy demand could occur. Data centers, power plants, and other facilities face an increased burden for cooling. Labor efficiency falls as outdoor activities, such as construction sites are restricted, and there is an impact on health, such as increased stress due to heat and the spread of infectious diseases	◆ Not likely to result in large insurance claims payouts ◇ Asset management returns deteriorate as performance worsens at companies for which high temperatures can be a risk	L	●	●
	Depletion of water resources 	The depletion of water resources, such as excessive groundwater pumping and development in groundwater recharge areas, significantly impacts the business activities of companies that use a lot of water for raw materials and manufacturing processes	◆ Not likely to result in large insurance claims payouts ◇ Asset management returns deteriorate as performance worsens at companies dependent on water resources	L	●	●
	Degradation of other ecosystem services 	Serious losses might occur when ecosystem services on which livelihoods and business activities depend, such as pollination for agriculture, are degraded or destroyed owing to damage to natural capital	◆ Not likely to result in large insurance claims payouts ◇ Asset management returns deteriorate as performance worsens at companies overly dependent on ecosystem services where natural capital is severely damaged	L		●

◇ Physical risk analysis in underwriting

The Group believes that our social mission is to continue to provide compensation, even in a society where natural disasters are increasing because of climate change. We have formulated a basic policy on net exposure to catastrophe risk as a Group, and each Group company procures reinsurance (ceding and receiving reinsurance) based on this policy, as part of our efforts to control catastrophe risk across the Group as a whole. In addition, we conduct scenario analysis to identify changes in catastrophe risk caused by the progression of climate change, and we endeavor to refine future risk assessments.

Analysis of impact of typhoons based on temperature rise scenarios

With respect to the impact on underwriting of damage caused by typhoons in Japan (physical risk), the Group analyzed changes in insurance claim payments due to typhoons for which the force and frequency have changed by global warming, based on the RCP8.5 scenario. We confirmed that insurance claim payments might increase, as shown in the table on the right.

Examples of typhoons in 2050

Scenario used	Changes in typhoon "force"	Changes in typhoon "frequency"
RCP8.5 (4°C scenario)	Approx. +5% to +50%	Approx. -30% to +28%

◇ Analysis of physical risk, etc., in insurance and financing

As an institutional investor, the Group invests in and lends to many companies, and we believe that an increase in flood damage at key sites of investment and financing entities because of climate change could lead to a deterioration in our return. Therefore, we analyze the physical risk of our major investee assets to identify climate change risks in our asset management. We also analyze the relationship between the business sites of our investment and financing entities and nature-related sensitive locations.

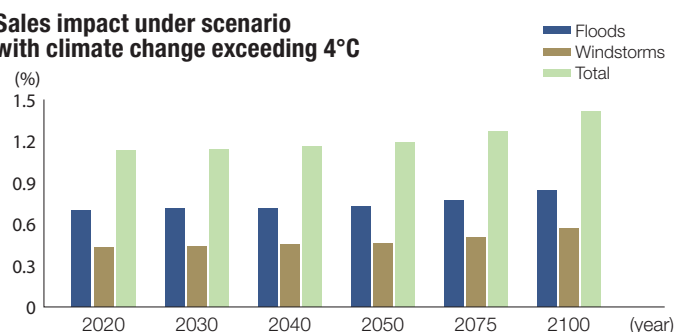
Climate change physical risk assessment at investment and financing entities and nature-related sensitive locations

We used data of direct operating sites (108,600 sites) from the top 500 companies in our investment and loan portfolio to quantitatively assess the financial impact of climate change and analyze sensitive locations, which is one of the TNFD's sector disclosure metrics for financial institutions.

We analyzed the impact of flooding and windstorm risks attributable to climate change on the sales of the relevant entities and found that the impact of lost sales (flooding and windstorms combined) could increase by 5.2% by 2050 compared with 2020 under the 4°C scenario.

Our analysis of sensitive location was based on the criteria presented in the TNFD's LEAP approach, conducting the assessment from four perspectives: importance of biodiversity, ecological integrity, importance of ecosystem services (including indigenous peoples, etc.), and water-related physical risk. We rated all sites on a 5-point scale and calculated the ratio of sites rated 4 (High) or 5 (Very High) for each entity, then calculated the total ratio for all entities. We then calculated the total ratio for each industry sector, confirming the level of sites in sensitive locations for each sector. For details of these analyses, please refer to the MS&AD Green Resilience Report 2024.

Sales impact under scenario with climate change exceeding 4°C



Ecological integrity × importance assessment



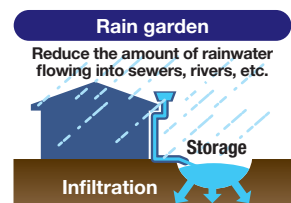
◇ Analysis of the effectiveness of “rain gardens” for reducing damage from flooding

In Japan, the frequency of torrential rain (50 mm or more of rainfall per hour) increased approximately 1.5 times*¹ in 2014–2023 compared with 1976–1985, and flood disasters have become more frequent in this regard. In recent years, the damage caused by inland flooding in urban areas has accounted for approximately 40% of all disasters, and in Tokyo, it amounts to approximately 70%.*² In addition to the increased frequency of torrential rainfall, the increase in paved surfaces due to urbanization is preventing rainwater infiltration, resulting in an increase in inland flooding as rainwater that exceeds the capacity of drainage flows out into rivers and sewers at once, which has created a need for urban planning adapted to climate change.

To prevent natural disasters and mitigate damage, the Group is committed to “Green Resilience,” which means protecting nature and using its function to mitigate disasters. As one measure, we are focusing on “rain gardens,” which reduce the rapid runoff of rainwater into rivers, etc. “Rain gardens” provide multifaceted value to the community, including improving biodiversity and preserving water resources while mitigating the risks caused by flood disaster, and we consider them a typical example of an integrated approach to addressing climate change and restoring natural capital. To clarify the effect of a “rain garden” in reducing the damage caused by flooding, the Group conducted a quantitative analysis using actual locations and confirmed its effect. In the future, we will accelerate efforts to spread awareness in cooperation with local governments and research institutions, thereby supporting the creation of safe and secure communities.

Quantitative analysis of the effect of “rain gardens” on flood disaster risk reduction in urban river basins

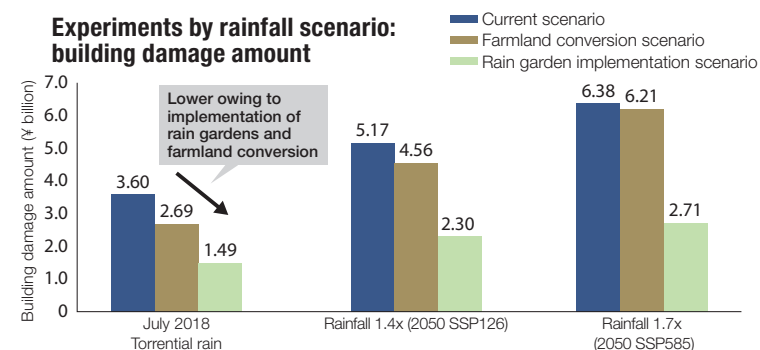
In northern Kyushu, the annual frequency of extreme heavy rainfall of 50 mm or more per hour is trending upward, and there has been much flood damage. We set scenarios where “rain gardens” and “park water storage” were implemented for rainwater retention infiltration within the basins (7.8 km²) of small rivers in cities that have been affected by continuous flooding in recent years (see table below for details), and analyzed the effect on reducing the amount of damage to buildings. As a result, the amount of damage was reduced by nearly 60% in torrential rain in July 2018, and we confirmed that the reduction effect would be further enhanced in scenarios where temperatures rise in the future.



Target	Case setting
Public facilities, commercial facilities, residential	<ul style="list-style-type: none"> • Rainwater is collected from the roof in a rain garden (20 cm deep) with a base area 1/5 that of the roof area • Infiltration capacity from base layer: 100 mm/hr
Park	<ul style="list-style-type: none"> • Storage facility with the area of the base of the park (20 cm depth) • No infiltration is expected from the park

This calculation result is a partial modification of the Rainfall-Runoff-Inundation (RRI) model program of the Public Works Research Institute.

Experiments by rainfall scenario: building damage amount



Regarding the amount of building damage, we calculated asset values by multiplying the total floor area (3D urban model data) by the house asset table value per unit area for 2018, and then applied the house damage function from the Manual for Economic Evaluation of Flood Control Investment (2020) of the Ministry of Land, Infrastructure, Transport and Tourism

*1 Japan Meteorological Agency website, “Past Changes in Heavy Rainfall and Extreme Heat Days (Extreme Phenomena)”

*2 Ministry of Land, Infrastructure, Transport and Tourism, “Status of Recent Rainfall and Inland Water Damage, and Current Status of Sewerage System Development”

Climate/nature-related transition risks

As we transition to a net zero and nature-positive society, rapid changes in various areas, such as laws and regulations, technology, and markets, pose a risk (transition risk) to business activities. The Group believes that these risks could lead to a deterioration in underwriting and investment returns. We believe, however, that the impact will be limited because, except for a few products, we have few directly underwritten products that provide compensation for transition risk. Technological innovation and the introduction of new laws and regulations will provide new opportunities for insurance provision but also pose risks if we are unable to address these needs.

H+: Very High H: High M: Medium

Classification	Event	Examples of main impacts on policyholders and investment and financing entities	Examples of main impacts on the Group and degree of impact ◆ Insurance underwriting ◇ Investment and financing	Period of manifestation		
				Short term	Medium term	Long term
Technology	Advances in net zero and nature-positive technologies and changes in industrial structure	As technologies that contribute to net zero and nature positive, such as decarbonization, recycling, and pollution removal technologies, spread rapidly, could render existing technologies and infrastructure obsolete and result in loss of our share of the traditional market	◆ Loss of opportunities to offer insurance ◇ Decline in investment returns	M	●	●
Market	Changes in demand for products and services that contribute to net zero and nature positivity	Increased demand to net zero and nature positivity among consumers and clients could reduce demand for products and services that lead to global warming and excessive impacts on nature		M	●	●
Policies, laws, and regulations	Rising carbon prices, emission regulations, and changes in the energy mix	Additional carbon price-related costs incurred by businesses that emit large amounts of GHGs, like the imposition of carbon prices by governments, and responses to requests from customers to introduce renewable energy could lead to a loss of earnings and a decline in competitiveness		M	●	●
	Strengthening of environment-related regulations and standards	The strengthening of laws and regulations, etc., as part of efforts to achieve net zero and nature positivity might not only increase regulatory compliance costs but also lead to business downsizing and suspensions, and difficulties in procuring raw materials, resulting in a loss in profitability. In addition, the burden of disclosure could increase costs, and inadequate disclosure might have a negative impact on management		M	●	●
	Increase in climate/nature-related litigation	Errors in climate/nature-related measures have resulted in significant business losses, and there is a risk that such errors in management strategy could lead to high costs, including officer lawsuits and compensation, as well as a decline in corporate value due to brand damage		M	●	●
Reputation	Criticism due to errors or delays in climate/nature-related measures	Risk that the discovery of involvement in businesses that have significant adverse effects on global warming and nature could lead to consumer boycotts and suspension of business with clients, resulting in reduced sales, brand damage, a decline in corporate value, and worsening financing costs	◆ Possibility of high insurance claims payments in D&O insurance ¹ ◇ Decline in investment returns ◆ Possibility of insurance claims payments for brand image insurance ² ◇ Decline in investment returns	H+	●	●

¹ D&O: Directors & Officers' liability insurance. Compensation for damages, litigation expenses, etc., incurred by corporate officers because of claims for damages arising from acts (including omissions) committed by corporate officers in their capacity as officers

² Compensation for expenses incurred for measures necessary to restore brand image in the event of an accident requiring compensation, etc.

◇ Analysis of transition risk in insurance and financing

The Group conducts scenario analysis of the impact of transition risk on investments and loans. We have checked the impact of the mounting burden of carbon prices on the investment portfolio if carbon pricing is implemented. This analysis is based on the current greenhouse gas emissions of investee companies. As investee companies move forward with decarbonization efforts, the carbon costs they will bear in the future will decrease, and the impact on their management will be reduced. We will continue taking steps to mitigate the impact on our investment portfolio through engagement with investee companies.

Analysis of impact of carbon cost on investments

Using analysis tools from S&P Global Trucost, we calculated the current ability of investee companies to pay for future carbon costs they will incur (Carbon Earnings at Risk).

Impact of carbon costs on the Group's investee companies

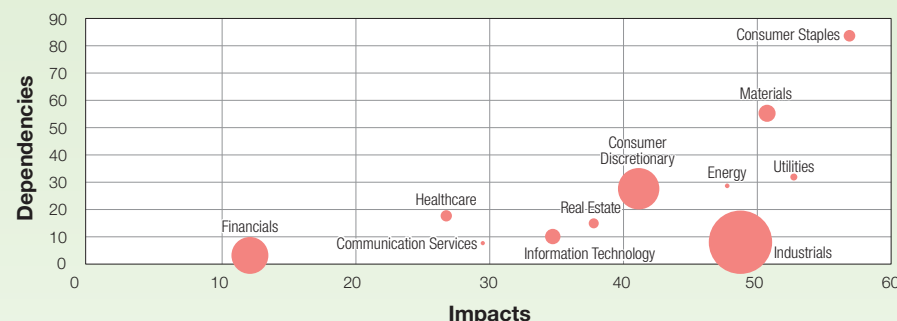
Example of stocks: 2030
Low scenario: 4.5%
Medium scenario: 13.2%
High scenario: 18.2%

Trucost's high, medium, and low scenarios based on Nationally Determined Contributions (NDCs) and the OECD and IEA scenarios

Identification of key industry sector relating to climate- and nature

The impact of climate/nature-related physical risks, such as heat waves and depletion of water resources, varies greatly from industry to industry. Regarding transition risks, there are many industry-specific changes in the social environment, such as technological innovation and changes in policies, laws, and regulations, and industry-specific considerations are important for properly analyzing climate/nature-related risks. To this end, we have identified six key industries based on the extent of the dependencies and impacts of our client companies on climate and nature, as well as our Group's ownership ratio of underwriting and investments and loans, and analyzed associated risks and opportunities. In this section, we analyze risks and opportunities in the "automotive and parts industry" and the "transportation industry," two of the six key industries.


Dependencies, impacts, and exposure by industry




Explanation of table

- We identified business activities that depend on ecosystem services and those that have a large impact on natural capital, and arranged them in a table by adding up the ratings for each item of dependence and impact (within the impact, greenhouse gas emissions are calculated with double the weighting).
- The size of the bubble shows the total percentage of insurance (coverage for 10% of premiums income as of March 31, 2024) and investments and loans for both domestic and foreign listed stocks, corporate bonds, and corporate loans as of March 31, 2023.

Climate/nature-related risks in key industries

	Automotive and parts industry 	MS&AD Group
	Risks: ◆ Upstream ■ Own operation ◇ Downstream Opportunities: ◆ Upstream ■ Own operation ◇ Downstream	Risks: ● Underwriting ○ Investment and financing ◎ Consulting services, etc. Opportunities: ● Underwriting ○ Investment and financing ◎ Consulting services, etc.
Physical Risks	<ul style="list-style-type: none"> ◆ Disruptions in the supply chain, such as damage to suppliers and contract manufacturers and suspension of logistics functions due to natural disasters ◆ Increased raw material costs due to lower yields and deteriorating quality of raw material caused by rising temperatures, drought, and ecosystem degradation ■ Damage to facilities and equipment due to natural disasters, losses incurred because of manufacturing stoppages, and sales declines ■ Deterioration in quality and operating rates due to temperature increases, increased energy costs, and employee health risks due to the deteriorating efficiency of air-conditioning and reduced productivity ◇ Damage to suppliers and delivery destinations, suspension of operations, disruption of store operations, and customer outflow because of natural disasters ■ Strengthen BCP measures for large-scale disasters caused by extreme weather conditions to win customer trust and increase orders ■ Increase added value by enhancing product durability in response to rising temperatures, precipitation, and changing weather patterns 	<ul style="list-style-type: none"> ● Increase in insurance payments due to natural disasters ● Decline in premiums income due to business downturn of client companies ○ Decrease in asset value and business downturn at investee companies due to damage from natural disasters ◎ Support for the development of business continuity plans to prepare for natural disasters, extreme temperature increases, water shortages, etc. ◎ Increased income from the provision of services related to adaptation measures, disaster prevention and reduction, and nature conservation
Transition Risks	<ul style="list-style-type: none"> ◆ Increased costs due to the introduction of a carbon tax ■ Decrease in demand for ICE cars due to growing awareness among consumers ■ Increased costs due to stricter regulations, such as emission regulations, fuel efficiency GHG emissions, water resources and waste management, and investment for energy efficiency and renewable energy ■ Loss of revenue due to negative reputation from air pollution, water pollution, plastic pollution, and waste from business operations ■ Decrease in reputation among stakeholders and investors and decline in sales due to delays in climate change measures and response to ESG disclosure ■ Increased sales due to growing demand for EVs and FCVs ■ Gain market share through the successful introduction of environmentally friendly technologies, such as the use of renewable energy, and the reduction of water and plastics usage ■ Reduce costs by using recycled materials or resources and increase sales by promoting associated value ◇ Reduce costs and GHG emissions by efficient logistics (joint transportation, modal shift) 	<ul style="list-style-type: none"> ● Decline in premiums due to business downturn in companies and markets concerned ● Decrease in premiums due to stricter underwriting standards and conditions resulting from stricter environmental regulations ○ Lower investment returns due to business downturn in companies and markets with insufficient responses to climate/nature-related issues ● Negative reputation due to involvement in businesses that lead to global warming and the destruction of nature ● Increase sales by providing insurance that support new technologies such as EVs and FCVs, establish related value chains, introduce business models such as recycling ○ Business leap of such companies and markets which make progress in responding to climate/nature-related issues ◎ Increased income from credit intermediation to offset GHG emissions ◎ Develop and provide new services to mitigate negative impacts on nature related raw material procurement, etc. ◎ Increase in income from services supporting disclosure and business strategies considering climate/nature-related risks

	Transportation industry 	MS&AD Group
	Risks: ◆ Upstream ■ Own operation ◇ Downstream Opportunities: ◆ Upstream ■ Own operation ◇ Downstream	Risks: ● Underwriting ○ Investment and financing ◎ Consulting services Opportunities: ● Underwriting ○ Investment and financing ◎ Consulting services
Physical Risks	<ul style="list-style-type: none"> ◆ ■ Severe impact on transportation infrastructure or flight schedules and increased risk of accidents due to natural disasters and weather changes ◆ ■ Decline in labor productivity under high temperatures, and an increase in costs due to a shortage of laborers ■ Reduced durability of vehicles and infrastructure, increased maintenance, and energy costs due to a deterioration in efficiency of air-conditioning because of extreme temperatures ■ Increased transportation costs due to the depletion of fossil fuels and other natural resources ■ Increased risk of accidents due to collisions with cetaceans, deer, bears, and other large animals ◇ Increased costs for alternative logistics and lost business opportunities due to damage and suspension of business partners caused by natural disasters ◇ Decrease in passengers due to degradation of natural tourism resources ■ Increase in income associated with services to meet increased transportation demand for responding rapidly to natural disasters 	<ul style="list-style-type: none"> ● Increase in insurance payments due to natural disasters ● Decline in premiums income due to business downturn of client companies ○ Decrease in asset value and business downturn at investee companies due to damage from natural disasters ◎ Increased income from provision of services related to adaptation measures, disaster prevention and reduction, and nature conservation
Transition Risks	<ul style="list-style-type: none"> ■ Increase in operating and technological costs due to stricter emission regulations and fuel efficiency ■ Decrease in demand for conventional means of transportation due to a rise in environmental awareness ■ Increase in costs with the introduction of a carbon tax, credits, and the shift to biomass and SAF fuels ■ Loss of market share due to the failure to introduce environmentally friendly technologies, such as the use of renewable energy and the reduction of GHG emissions ■ Negative reputation from air pollution, water pollution, and waste from business operations ■ Accidents during transportation resulting in fines, compensation, pollution removal and habitat restoration expenses, etc., and reputation damage ■ Decrease in reputation among stakeholders and investors and decline in sales due to delays in climate change measures and response to ESG disclosure ■ Increase in sales due to introduction of EVs, FCVs, and other decarbonized energy-based transportation ■ Reduction in costs and creation of a new market for environmentally and nature-friendly transportation services or joint transportation ■ Reduce costs by using recycled materials and resources, and increase sales by promoting associated value ■ Reduce transportation costs and GHG by efficient logistics (joint transportation, modal shift) 	<ul style="list-style-type: none"> ● Decline in premiums income due to business downturn in the companies and markets concerned ● Decrease in premiums due to stricter underwriting standards and conditions resulting from stricter environmental regulations ○ Lower investment returns due to business downturn in companies and markets with insufficient responses to climate/nature-related issues ● ○ Negative reputation due to involvement in businesses that lead to global warming and the destruction of nature ● Increased demand for new compensation due to support for innovation in areas such as new energy and transportation means ○ Dramatic business progress of companies and markets that successfully respond to climate/nature-related issues ◎ Increased income from mediation in areas such as credits to offset GHG emissions ◎ Increase in income from the provision of services related to information disclosure and business strategies considering climate/nature-related risks

Opportunities within the MS&AD Insurance Group

The Group aims to contribute to solving social issues and grow together with society to realize a resilient and sustainable society. Our business model, “Value Creation Story,” is centered on the highly public nature of the insurance business, where we provide value to society by solving social issues, and at the same time, we achieve value in terms of sales and profits.

Based on the “Perspective of Sustainability of the MS&AD Insurance Group,” the MS&AD Insurance Group, as an operator of insurance and financial service businesses, underwrites various risks including accidents and disasters, and provides compensation in case of emergency. In addition to reducing the occurrence of risks, we focus on solving social issues that cause risks. Through our efforts to “identify and inform on risks,” “prevent risks from occurring/minimize the impact,” and “reduce the economic burden,” we are creating shared value with society through our activities.

◇ Initiatives to “identify and inform on risks” ~ Business Activities with Consideration for Sustainability ~

Based on our “Perspective of Sustainability,” the Group practices business activities with consideration for sustainability, aiming to solve social issues together with our stakeholders. When underwriting and making investments and loans, we evaluate and analyze risks that could pose a negative impact on the environment and society and work with our business partners to reduce these risks. In addition to climate/nature-related physical and transition risks, assessments also cover risks related to the impact on nature and local communities, as well as risks related to indigenous peoples’ rights; associated with renewable energy projects, which are rapidly spreading as part of efforts to achieve decarbonization; and new agriculture, forestry, and fisheries projects that involve large-scale development in unexplored areas. We support net zero and nature positive through the provision of products and risk consulting services that contribute to the prevention and reduction of discovered risks and the resolution of issues.

“Perspective of Sustainability” (<https://www.ms-ad-hd.com/en/csr/summary/materiality.html>)

Expand efforts for before and after compensation and protection for natural disasters

In response to the frequent occurrence of natural disasters, the Group supports local disaster prevention and reduction activities through services such as the “Cmap Real-Time Damage Forecasting Website and App” and the “Disaster Prevention Dashboard” disaster prevention and reduction system.” Japan’s first alert service that notifies users of information on hailstorm forecasts helps to avoid and mitigate damage by delivering push alerts to users in areas where the probability is increasing. In addition, our “Inland Flooding Forecast System,” which is currently undergoing verification experiments, predicts inland flooding, which is frequent in urban areas, thus fulfilling a useful purpose in helping residents evacuate and take countermeasures, with the aim of mitigating damage.

In addition, to help disaster victims rebuild their lives as quickly as possible, we support the prompt issuance of disaster damage certificates as a post-compensation service, as well as more efficient administrative work for their delivery.

To implement these various services and local disaster prevention and reduction activities, we have launched the “Disaster Prevention Partner” system in cooperation with agents and other organizations. With the Group playing a central role, we will work together to conduct disaster prevention activities suited to local characteristics and build frameworks for cooperation with local governments and disaster relief organizations. In this way, we will improve local disaster preparedness while also creating business opportunities by strengthening our points of contact with customers.

Check hail fall area, etc.

Push alert delivery



Actions to mitigate damage



Development and provision of products and services that contribute to climate change adaptation

“Flood compensation,” which is attached to fire insurance for homes and businesses, covers damage to buildings, household goods, and equipment caused by floods. Prompt compensation for damages is extremely important for supporting disaster victims in rebuilding their lives. “Weather derivatives” are designed to stabilize earnings by avoiding or mitigating losses, such as reduced sales or increased costs, caused by extreme or unfavorable weather conditions. Their effect is particularly noticeable in industries that depend heavily on the weather, such as agriculture and tourism. In Australia, the “Weather Index Insurance Platform for Farmers” enables online, real-time insurance quotes. We leverage insurtech technology to provide this service, making it possible to obtain coverage quickly and conveniently. In addition, in countries where insurance markets are not fully developed, recovery and reconstruction can be extremely difficult if natural disasters of a certain scale occur, which could lead to further poverty and political instability. Accordingly, we work with the World Bank and other international institutions to endeavor to promptly provide funds to such countries, through participation in public natural disaster compensation programs.



Collective action to encourage the transition to nature positive

Unlike net zero, the transition to nature positive requires different initiatives depending on the state of the local nature and ecosystem. It is important to share clear targets for nature positive based on the details and degree of dependence on nature and the impact of land use change, as we work to solve local social issues. Then, we must formulate effective measures and promote collective action by various stakeholders. In the MS&AD Green Earth Project, we engage in collective action to encourage a shift to nature positive through activities to preserve and restore nature in three locations across Japan, in collaboration with research institutions and involving local businesses, NPOs, etc. As part of our efforts to achieve Green Resilience in local communities, we aim to build safe, secure, and vibrant regional models, such as mitigating flood damage through preservation and restoration of wetlands across entire basins, and the formation of alliances for groundwater preservation and use.



“Green Basin Flood Control Project” for the Kuma River in Kumamoto Prefecture: In the Kuma River basin, which suffered serious flood damage in July 2020, we are focusing on disaster prevention and reduction and local regeneration by protecting and utilizing nature, including the preservation of wetlands. We are also focusing on developing “rain garden partnerships” within the prefecture, in which both citizens and businesses participate.

Support for net zero and nature positivity through insurance products and services

The Group provides insurance and services to support businesses as they transition to net zero and nature positivity, including analysis of risks associated with renewable energy projects and compensation for such risks. We provide insurance for reduced earnings if equipment expected to generate J-Credits is affected by natural disaster. "RoofPlus" is a scheme to support the introduction of solar power generation for in-house consumption by SMEs through a leasing system in cooperation with solar O&M companies. The installation of power generation on rooftops was previously mainly performed by large companies, but this scheme makes it easy for SMEs to do so.

To support decarbonization, we have also developed a special policy to compensate for additional costs. With a conventional insurance policy, we could only pay insurance claims to restore a property to its original condition, but based on the concept of "Build Back Better,"* we are supporting the transition to a net-zero society. The "Carbon Neutral Support Agreement" provides compensation associated with the installation to reduce CO₂ emissions when restoring damaged buildings, and the "EV Replacement Expense Clause" provides compensation to replace an ICE vehicle with an EV after major damage due to an accident.

Reducing resource use is a key element in the transition to nature positivity, and the promotion of a circular economy is thus essential. In response to the social issue of mass disposal in the apparel industry, "Clothing Recycling Expense Compensation (No-burn Insurance)" supports the recycling of clothing by providing compensation associated with recycling when apparel manufacturers and retailers suffer damage. In addition, we are working with customers to utilize recycled parts in automobile repairs, thus contributing to a circular economy.

In terms of products and services that contribute to the preservation and restoration of natural capital and biodiversity, the "Marine Pollution Response Additional Expense Compensation Clause" covers the cost of preservation and restoration activities for damage to nature to complement the social responsibilities of ship operators, which were previously not subject to compensation. The "Reforestation Expense Compensation Clause (Forest Keeper)" covers the cost of reforestation of damaged forests. We also offer an insurance program that provides compensation for the risk of fire spread from "noyaki (open burning)," which is essential for maintaining grasslands in the Aso region of Kumamoto Prefecture. In some cases, noyaki had to be suspended owing to lack of allowance for the risk of fire spread, but thanks to the provision of "noyaki insurance" by the Group, traditions closely tied to the nature and history of Aso have been maintained, contributing to the nurturing of agricultural and livestock products, as well as preserving abundant water resources, among other ecosystem services.

* A concept advocated in the field of disaster prevention, based on the idea of achieving community development with more resilient measures, in addition to restoring communities to their original state during the reconstruction phase after a disaster occurs.



Support for analysis, assessment, and disclosure of climate/nature-related risks and opportunities

MS&AD InterRisk Research & Consulting provides services to analyze and assess climate/nature-related physical and transition risks and support disclosure. We have focused on quantitative assessment of physical risks related to climate change in collaboration with external organizations with advanced knowledge. In 2020, we collaborated with U.S. start-up Jupiter Intelligence to launch a service that quantitatively assesses various forms of catastrophe risk in the future to within 90 m² accuracy for the entire world, leveraging AI-based climate change impact assessments. In our "Large-scale risk assessment of Climate change for Flood (LaRC-Flood®)" project in collaboration with the University of Tokyo and Shibaura Institute of Technology, launched in 2018, we estimate changes in future flood frequency and inundation depth distribution with a high degree of accuracy worldwide, and we utilize the results in consulting. In addition, in FY2023, we began offering "Flood Risk Finder," a SaaS-type platform that enables global flood risk assessment, as a new business.

For nature-related risks, the entire value chain, including raw material procurement, as well as direct business activities, should be subject to assessment. It is important to conduct scientific analysis and assessment on a regional basis, as risks differ depending on the state of nature and ecosystems in each region that businesses have contact with and the details of the business. With the evolution of AI and DX technologies, "naturetech" start-ups, which understand and analyze complex nature, are emerging in Japan and abroad. The Group has performed a series of demonstrations with companies with groundbreaking technologies, including a partnership with Think Nature Inc., which possesses big data related to natural capital, in 2022. While engaging in these demonstrations, we provide support focused on industries with particularly strong connections to nature, such as TNFD disclosure support focused on the urban real estate industry and freshwater resources, in addition to general support.



Flood Risk Finder screen image

Our Sustainability Approach

The MS&AD Insurance Group has set Mission, Vision, and Values in order to clarify how the Group should be. Furthermore, we have accelerated initiatives based on our sustainability approach to achieve our mission.

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

Our Vision

To create a world-leading insurance and financial services group that consistently pursues sustainable growth and enhances corporate value

Our Values

Customer focus, integrity, teamwork, innovation, professionalism

Perspective of Sustainability of the MS&AD Insurance Group

The MS&AD Insurance Group will create shared value and aim toward a resilient and sustainable society through corporate activities that implement “Story of Value Creation,” in order to realize our Corporate Philosophy (Mission).

We will consistently strive for supreme quality that lives up to the trust and expectations upon us, and together with our stakeholders, continue to contribute to the creation of society where everyone can pursue a stable life and take on dynamic business activities, while preserving the sustainability of the global environment and society.

(Basic Policies on Corporate Governance, Chapter 2 Section 2)

Business Activities with Consideration for Sustainability

The MS&AD Insurance Group, as insurance and financial services group which provides safety and peace of mind conduct business activities with consideration for sustainability.

We aim to enhance corporate value by contributing to solutions for sustainability issues (also known as environmental, social and governance (ESG) issues) with profound understanding through stakeholder engagement.

- Our underwriting considers issues and risks that would have a negative impact on society and the global environment. In addition, we provide products and services that respond to the demand of society.
- Our investments consider ESG factors in pursuit of long-term returns and contribution to solutions for sustainability issues.

“Action on Climate Change”, “Improving Sustainability of Natural Capital” and “Respect for Human Rights” that require urgent actions are the Group’s priorities.

We will disclose our initiatives, in line with global disclosure standards.

[Action on Climate Change]

- We contribute to climate change mitigation and adaptation as climate change may bring material impacts on our lives and ecosystems and pose substantial risks to the insurance industry.
- The establishment and implementation of innovative technologies to reduce greenhouse gas emissions, as well as next-generation energy (renewable energy, hydrogen, etc.) and the carbon recycle, are essential to achieving the goals of the Paris Agreement. We will promote engagement with our business partners and other stakeholders, and actively work to provide new risk solutions and make investments to support the transition to a net-zero society.
- We will not newly provide insurance for, nor make investments in coal-fired power plants or thermal coal mines*¹.

- We will not newly provide insurance for oil and gas extraction and coal-mining projects*³ by companies whose primary business is coal*². We will not newly provide insurance for, nor make investments in oil sands mining and oil and gas extraction projects in the Arctic*³.
- We have established medium- and long-term targets for the green house gas emissions reduction from our business processes and the renewable energy usage ratio, and are working to reduce green house gas emissions.

< Greenhouse gas Emission Reduction >

Scope		FY2030	FY2050
Scope 1, 2		–50% (Base year: FY2019)	Net Zero
Scope 3	Category 1, 3, 5, 6, 7, 13	–50% (Base year: FY2019)	
	Underwriting/Investments	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.	
		–37% (Base year: FY2019) (Key Japanese domestic corporate clients)	

*1 Scope 1 is for direct emissions from our group, such as gasoline from company-owned vehicles.

*2 Scope 2 is for indirect emissions from the use of electricity and gas.

*3 Scope 3 is for indirect emissions by our group's operations other than those in Scope 2.

<Renewable Energy Use>

FY2030	FY2050
60%	100%

[Improving Sustainability of Natural Capital]

- Natural capital is the foundation that supports our society and economy. As its conservation and sustainable use is essential to the economic development and prosperity of society, we take initiatives to conserve biodiversity and improve sustainability of natural capital.
- We will carefully determine whether or not to provide insurance or make investments in the following businesses that may have negative impacts on the environment and local communities, while taking into account the businesses' consideration for the environment and society. And, if any issues are identified, we will propose solutions to address them.
 - New construction of coal-fired power plants and coal mines, oil-fired power plants and oil fields, oil sand mining, and gas fields
 - New construction of hydroelectric power plants
 - New construction of solar power plants in Japan
 - New construction of onshore wind power plants in Japan
 - New construction of biomass power plants in Japan
 - New agriculture, forestry and fisheries projects involving large-scale development in unexplored areas
 - Projects that could destroy natural and cultural heritage sites protected under the UNESCO Convention for the Protection of World Heritage Sites and wetlands protected under the Ramsar Convention

[Respect for Human Rights]

- As respecting human rights is the foundation of a safe society where one can enjoy peaceful lives, we conduct our business activities with respect for human rights.
- We will not provide insurance for, nor make investments in cluster munitions that may kill large numbers of people at once and biological and chemical weapons, and anti-personnel mines that may cause indiscriminate mass killing.
- We will carefully determine whether or not to provide insurance or make investments in the businesses which may violate human rights of indigenous people or local communities, while taking into account the businesses' consideration for the environment and society.

The Board of Directors and the Sustainability Committee hold discussions on the policies, plans, and the progress initiatives for the aforementioned Business Activities with Consideration for Sustainability. We keep the highly transparent disclosure and engage in dialogue with stakeholders. Revision and /or modification may be applied when necessary.

MS&AD Insurance Group participates in the following initiatives.

- | | |
|---|--|
| • Paris Pledge for Action | • Taskforce on Nature-related Financial Disclosures (TNFD) |
| • United Nations Global Compact (UNGC) | • Partnership for Carbon Accounting Financials (PCAF) |
| • United Nations Environment Programme – Finance Initiative (UNEP FI) [Principles for Sustainable Insurance (PSI), Natural Capital Finance Alliance (NCFA)] | • Japan Climate Initiative (JCI) |
| • Principles for Responsible Investment (PRI) | • Principles for Finance Action towards a Sustainable Society (Principles for Financial Action for the 21st Century) |
| • Task Force on Climate-related Financial Disclosures (TCFD) | • Japan Business Initiative for Biodiversity (JBIB) |

*1: Existing coal fired power plants and thermal coal mines with technologies and techniques aiming to achieve the goals of the Paris Agreement might be handled after careful consideration.

*2: Companies that derive at least 25% of their revenues from coal-fired power generation, thermal coal mines or companies that generate at least 25% of their energy from coal.

*3: Projects and companies planning to decarbonize to achieve the goals of the Paris Agreement are exempted.

MS&AD's Story of Value Creation and Business Models

The MS & AD Insurance Group's business model, "The Story of Value Creation," is centered on the insurance business, a highly public business that solves social issues and provides value to society. At the same time, we ourselves pursue the value of sales and profits.

As an insurance and financial service provider, the Group anticipates a wide range of risks, including accidents and disasters, and provides coverage in the event of an emergency based on our concept of sustainability. In addition, to lessening the occurrence of risks, we also commit ourselves to solving social issues that cause risks. We will realize the creation of common value with society through our activities by identifying and communicating risks, preventing the emergence of risks and reducing their impact, and reducing economic burdens. This is the Group's business model.

Our Aim: The Group which Supports a Resilient and Sustainable Society

In its medium-term management plan (2022 – 2025), the Group aims to be a "corporate group that supports a resilient and sustainable society" that will grow together with society by contributing to the resolution of social issues based on our story of value creation. To put the Group's management concept into practice, each employee will engage with various social issues and help support a society where customers can live and conduct business activities with peace of mind, by providing products and services based on our company's business model.

Identifying Materiality

To identify the key social issues it needs to address, the Group first selects social issues that need to be resolved, taking into account common global goals and international guidelines and frameworks. It then evaluates impacts on stakeholders and on the Group, and identifies those that are of greater importance to both as the priority issues. In principle, we review the analysis of priority issues when preparing the Group's medium-term management plan, but we also review them as necessary in response to changes in societal expectations.

[STEP 1] Analysis of social issues

Social Issues Covered and 21 Issues Selected

- Issues that must be addressed internationally (Global Risk Report, SDGs, etc.)
- Issues specified by international guidelines requiring companies to respond to and disclose information (ISO 26000, GRI Standard, SASB, DJSI, CDP, etc.)
- Issues identified in reports published by domestic government agencies and national and international organizations (Relevant Ministries, Non-Life Insurance Associations, Swiss Re Sigma Report, etc.)

1	Acceleration of global warming	8	Aging population and declining birthrate	15	Price instability
2	Damage to natural capital (Ecosystem degradation and crisis)	9	Human rights violations and exclusion of diversity	16	Hunger and food crisis
3	Environmental pollution and non-circular economy	10	Increasing poverty and inequality	17	Debt crisis
4	Emergence of new risks	11	Customer Responsibility	18	Frequent and spreading regional conflicts and terrorism
5	Spread of infection	12	Compliance	19	Disillusionment among young people
6	Large-scale earthquake	13	Corporate Governance	20	Commodity-shock
7	Decline of local industry	14	Human Capital	21	Immigration problems

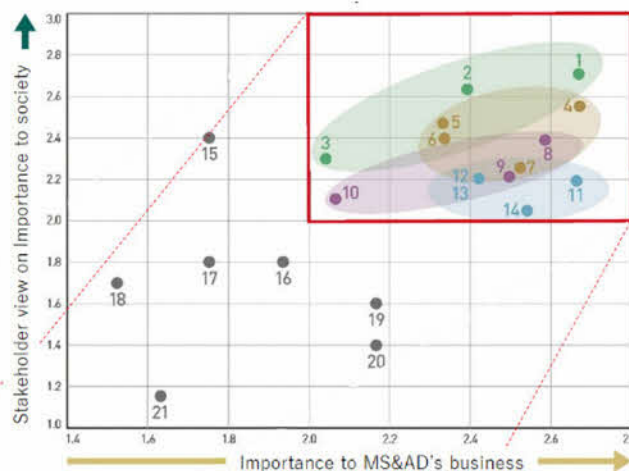


[STEP 2] Identification of sustainability priority issues

The selected social issues were then analyzed from two perspectives: 1) the impact the Group has on society (importance to our stakeholders), and the impact society has on the Group (importance to our company). This allowed us to narrow down the list to 14 social issues deemed important to both our stakeholders and our company. We then established three priority issues: 1) Symbiosis with the Global Environment (Planetary Health), 2) Safe and Secure Society (Resilience), and 3) Happiness of Diverse People (Well-being), as well as fundamental areas of initiatives (quality, human resources, and ERM).

■ We have analyzed social issues from two perspectives: (1) the impact of our company on society (stakeholder view on importance to society); and (2) the impact of society on our company (importance to our business).

■ We have sorted out the issues that are more than 2.0 in importance for stakeholders and our company, and set the materiality.



1	Acceleration of global warming	Planetary Health
2	Damage to natural capital (Ecosystem degradation and crisis)	
3	Environmental pollution and non-circular economy	
4	Emergence of new risks	
5	Spread of infection	Resilience
6	Large-scale earthquake	
7	Decline of local industry	
8	Aging population and declining birthrate	Well being
9	Human rights violations and exclusion of diversity	
10	Increasing poverty and inequality	

Core Initiatives		
11	Customer Responsibility	Quality Human Resources ERM
12	Compliance	
13	Corporate Governance	
14	Human Resources	

[STEP 3] Main initiatives for the priority issues

We are promoting our CSV (Creating Shared Value) initiatives in areas such as climate change, loss prevention and mitigation, and respect for human rights, taking into account risks and opportunities based on our three identified priority issues.

Symbiosis with global environment (Planetary Health)

Action on climate change

— Aiming for net zero greenhouse gas emissions by 2050

Improvement of sustainability of natural capital

- Reduction of greenhouse gas emissions created by Group and its supply chain
- Reduction of greenhouse gas emissions in cooperation with our client companies and investee companies
- Provision of products and services and investment and financing that will support technological innovation and its implementation in society for a transition towards a circular economy which will lead to decarbonization and the control of environmental pollution
- Provision of solutions for adapting to the effects of climate change
- Support for the transition to business based on the restoration and protection of biodiversity and the utilization of sustainable resources

Safe and secure society (Resilience)

Measures to address new risks that emerge with the transformation of society

- Addressing new risks associated with innovation and changes in the industrial structure such as cyber risks

Loss prevention/mitigation through the utilization of data and AI

- Support to prepare for accidents, natural disasters and major earthquakes, including risk visualization and the provision of solution based on data analysis

Creation of a resilient and inclusive society (regional revitalization)

- Social implementation of green resilience, the use of the diverse functions of nature to prevent disasters, disaster mitigation, GHG emissions reduction, regional revitalization and physical and mental health
- Collaboration with local governments, commerce and industry associations and other stakeholders in communities to address social issues
- Regional revitalization through initiatives such as transition to a sustainable infrastructure, activation of regional industries, and realization of diverse mobility services

Happiness of diverse people (Well-being)

Provision of products and services that support customers' well-being

- Support for companies' health & productivity management
- Provision of products and services that will help promote customers' health, adapt to an aging society and improve QOL
- Financial inclusion: improving access to insurance and financial services

Respect for human rights

- Promotion of human rights due diligence (identification and assessment of human rights risks and prevention, mitigation and implementation of corrective activities that impact human rights within business activities) and establishment of remedy system

Employee well-being


- Improvement of mental and physical health, fulfillment and ease of working
- DE&I initiative: Creating a work environment that values diversity, equity and inclusion
- Employees and customers respecting each other's human rights

[STEP 4] Board approval


Under the Medium-term Management Plan (2022–2025), we have adopted the basic strategies of Value (value creation), Transformation (business reforms) and Synergy (demonstration of group synergy), and we consider sustainability to be one of the foundations that support these basic strategies. In order to drive sustainability, the Group has set KPIs for each priority issue, and senior management receives regular reports on the status of relevant initiatives and progress made on KPI achievement.

Risks/Opportunities and KPIs

Three Key Sustainability Issues –Symbiosis with the global environment–

Social issues		Risks and opportunities			Time axis			Examples of major measures and initiatives	◎ Response to risks	
					Short	Medium	Long		★ Response to opportunities	
<div></div> <div>Symbiosis with the global environment</div> <div>(Planetary Health)</div>	1	Acceleration of global warming	Risk	Reduction of earnings due to the inability to achieve a rapid transition to a net zero society		●	●	◎★ Promotion of information disclosure and strategy in line with the TCFD recommendations ◎ Implementation of business activities with sustainability in mind ◎ Introduction of renewable energy ◎ Diversification of the business portfolio ◎ Possession control of natural disasters in the United States		
				Loss of reputation due to insufficient information disclosure and delayed response to climate change	●	●				
				Deterioration of income and expenditure due to intensification of natural catastrophes, etc., and an increase in capital costs due to increased profit volatility	●	●	●			
		Opportunity	Provision of products and services that contribute to reducing greenhouse gas emissions	●	●		★ Provision of products and services to support companies in decarbonization and disclosing climate-related information • Provision of greenhouse gas emission calculation and visualization services ★ Provision of products and services for natural disaster preparedness • Weather derivatives • Related services to assess the impact of climate change			
			Provision of products and services that support corporate decarbonization and climate-related information disclosure	●	●					
	Provision of products and services that prepare for natural disasters	●	●							
	2	Damage to natural capital (ecosystem degradation and crisis)	Risk	Deterioration of earnings due to business partners' stagnation of economic activities caused by the depletion of natural resources			●	◎ Promotion of initiatives on the themes of preservation of the natural environment and reduction of environmental impact (also corresponding to ①) • MS&AD Green Earth Project ◎ Efforts for preservation of biodiversity in Asia and Japan ◎★ Efforts to develop and disseminate the TNFD disclosure framework		
				Decline in earnings caused by the deterioration in business performance of business partners due to tighter regulations on the circular economy, etc.			●			●
		Opportunity	Increased need for risk assessment of natural capital and preservation of biodiversity and its sustainable use	●	●		★ Provision of products and services that support natural capital, preservation of biodiversity, and sustainable use ★ Provision of products and services that contribute to the circular economy ★ Launching of a financial alliance to promote nature positivity			
			Business opportunities to address the decline in earnings due to an inability to capture the transition to a circular economy			●				
3	Environmental pollution and noncircular economy									

Key Performance Indicators (KPI)


Materiality	Metrics	Group Targets	FY2022 Achievement	FY2023 Achievement
 Symbiosis with the global environment (Planetary Health)	GHG emissions reduction rate (Scope 1 + 2)	FY2030 ▲50% vs FY2019 FY2050 Net Zero	▲26.8%	▲35.3%
	GHG emissions reduction rate (Scope 3)	FY2030 ▲50% vs FY2019 Category: 1, 3, 5, 6, 7, 13 * ¹ FY2050 Net Zero Category: All Categories	▲26.9%	▲24.8%
	Underwriting/Investments	FY2030 • ▲37% (Base year: FY2019) (Key Japanese domestic corporate clients)* ²	▲18.3%	—
		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.	204 clients * ³	
	Renewable energy usage rate	FY2030 60% FY2050 100%	21.1% * ⁴	23.0%
	Premium growth rate of products which contribute to decarbonization and circular economy	FY2025 Annual average of 18 %	17.9%	24.5%

*1: Category 1: Purchased products and services (Subject: Paper and mail), 3: Fuel- and energy-related activities not included in Scope 1 or Scope 2, 5: Waste generated in operations, 6: Business travel, 7: Employee commuting, 13: Downstream leased


*2: The calculation targets are key Japanese domestic corporate clients selected based on insurance premiums (approximately 3,300 companies, which account for about 50% of the underwriting portfolio on a premium basis). Calculated based on the PCAF's (Partnership for Carbon Accounting Financials) GHG Measurement Standards for Financial Institutions (as of the end of March 2023). The measurement target categories for underwriting are automobile insurance, fire insurance, casualty insurance (excluding construction insurance), cargo insurance, marine insurance, and aviation insurance, with the GHG emissions of key Japanese domestic corporate clients calculated. The measurement target assets for investments and loans include domestic listed stocks, corporate bonds, and corporate loans, with the GHG emissions of all targets with investments and loans among key Japanese domestic corporate clients calculated.

*3: Total by end of October 2024


*4: Correction made on August, 2023 Before correction: 24.1% After correction: 21.1%

Social issues		Risks and opportunities		Time axis			Examples of major measures and initiatives	◎ Response to risks
				Short	Medium	Long		★ Response to opportunities
<div></div> <div>Safe and secure society (Resilience)</div>	4	Risk	Impact of an increase in large-scale cyberattacks on the Group	●	●		◎ Building an information security management system	★ Provision of products and services for new risks manifested by changes in society <ul style="list-style-type: none">• Products and services that address cyber risks• Voluntary automobile insurance and accident reduction services using telematics technology
			Emergence of new risks due to the spread of IoT and in the post-digital era	●	●			
		Opportunity	Creation of new markets due to the emergence of new risks such as cyberattacks	●	●			
			Building of new business models through Creating Shared Value and digital transformation (CSV×DX) and social digitalization	●	●			
	5	Risk	Impact of a new pandemic on operations	●	●	●	★ Infectious disease control and provision of products and services to healthcare providers	
			Business opportunities related to infectious disease control and healthcare providers	●	●			
	6	Risk	Increase in disaster risks due to the increased probability of huge earthquakes, particularly those concentrated in urban areas	●	●	●	◎ Ensuring effectiveness through periodic review of risk management manuals and business continuity plans (also corresponding to 5)	
			Increased need for earthquake countermeasures	●	●			
	7	Risk	Declining regional vitality due to depopulation, lack of access to mobility and financial services, and aging social infrastructure	●	●		★ Provision of insurance and services in response to local revitalization and regional issues (also corresponding to 8) <ul style="list-style-type: none">• Seminars to help local companies solve problems	
			Increased demand for regional and customer resilience, including expansion of regional economic cycles and support for next-generation mobility services such as CASE and MaaS	●	●			


Key Performance Indicators (KPI)

Materiality	Metrics	Group Targets	FY2022 Achievement	FY2023 Achievement
 Safe and secure society (Resilience)	Rate of increase in the number of underwritten policies for products which help improve the resilience of society	FY2025 Annual average of 20%	29.4%	17.6%
	Instances of support for the resolution of issues faced by regional companies (Consulting services, training/ seminars)	FY2025 10,000 instances a year	12,349 instances	11,892 instances

Three Key Sustainability Issues –Happiness of diverse people–

Social issues		Risks and opportunities		Time axis			Examples of major measures and initiatives	◎ Response to risks	
				Short	Medium	Long		★ Response to opportunities	
<div></div> <div>Happiness of diverse people</div> <div>(Well-being)</div>	8	Risk	Decrease in earnings caused by a decline in the total population (labor force) and medium- to long-term contraction of the domestic market due to the ongoing depopulation of local areas		●	●	◎ Prediction of risk development due to market changes through monitoring		
			Crisis of sustainability in social security systems and financial systems		●	●			
			Loss of earnings due to inability to address needs in an aging society		●	●			
		Opportunity	Increased interest in local revitalization initiatives that can revive local economies and solve labor shortages	●	●		★ Provision of products and services in line with the needs of an aging society <ul style="list-style-type: none">• Products for pensions, nursing care, dementia, etc.• Financial gerontology training ★ Provision of products and services that help solve health-related social issues <ul style="list-style-type: none">• Health management support insurance and services• Breast, uterine, and colorectal cancer seminars		
			Increased need for security systems in cooperation with local governments	●	●				
			Services related to nursing care and dementia, increasing the need for asset formation and asset inheritance measures in the super-aged society	●	●				
	9	Risk	Decrease in reputation due to actual or possible human rights violations	●	●		◎ Provision of human rights training to employees and agents ◎ Speak-up system (internal reporting system) and establishment of a consultation service ◎ Implementation of business activities with sustainability in mind	★ Provision of products and services that contribute to respecting human rights and promoting DE&I <ul style="list-style-type: none">• Human rights risk management support consulting services	
			Increased awareness of respect for human rights and the increased need for corporate responses	●	●				
	10	Risk	Widening and entrenchment of the gap between the rich and poor due to the escalation of inter-state conflicts, etc., and destabilization of the economic environment from an increase in refugees	●	●		◎★ Activities and active disclosure of information related to social contribution and collaborative value	★ Provision of microinsurance	
			Grasping of new markets through financial inclusion	●	●	●			

Key Performance Indicators (KPI)

Materiality	Metrics	Group Targets	FY2022 Achievement	FY2023 Achievement
 Happiness of diverse people (Well-being)	Number of policies in force for products which help solve health-related social issues	FY2025 2.6 million	2.17 million	2.22 million
	Number of policies in force for asset-building products to support longevity	FY2025 0.1 million	0.05 million	0.07 million
	Instances of support for action by companies to address human rights (Consulting services, training/seminars)	FY2025 1,000 instances a year	1,111 instances	1,047 instances

Human Assets KPIs

KPI	Target Year	Target	FY2022 Achievement	FY2023 Achievement
Percentage of female managers	FY 2030	30%	19.5%	21.6%
Percentage of female line managers	FY 2030	15%	12.9%	18.4%
Digital human resources	FY 2025	7,000 people	3,601 people	5,814 people
Employees for international business	FY 2025	1,200 people	1,182 people	1,189 people
Percentage of productivity improvement personnel expenses (MSI, ADI)	FY 2025	8.5%	9.2%	9.2%
Percentage of people who exercise regularly	FY 2025	Current level or higher	26.5%	27.8%
Percentage of male employees taking childcare leave	FY 2025	100%	92.5%	89.9%
Duration of male employees taking childcare leave	FY 2025	4 weeks	8.1 days	12.1 days
Number of annual paid holidays taken	FY 2025	Equal to or greater than the previous year	16.4 days	16.5 days
Percentage of mid-career employees among managerial staff	FY 2025	Current level or higher	22.6%	23.0%
Percentage of employees hired locally overseas appointed as executives of overseas subsidiaries	FY 2025	Current level or higher	83.0%	83.2%
Employee Awareness Survey	• Sense of helping to create shared value (CSV)	Equal to or greater than the previous year	4.5 points	4.5 points
	• Constant awareness of MVV		4.6 points	4.6 points
	• Pride in work, job satisfaction		4.4 points	4.4 points
	• Active participation		4.6 points	4.7 points

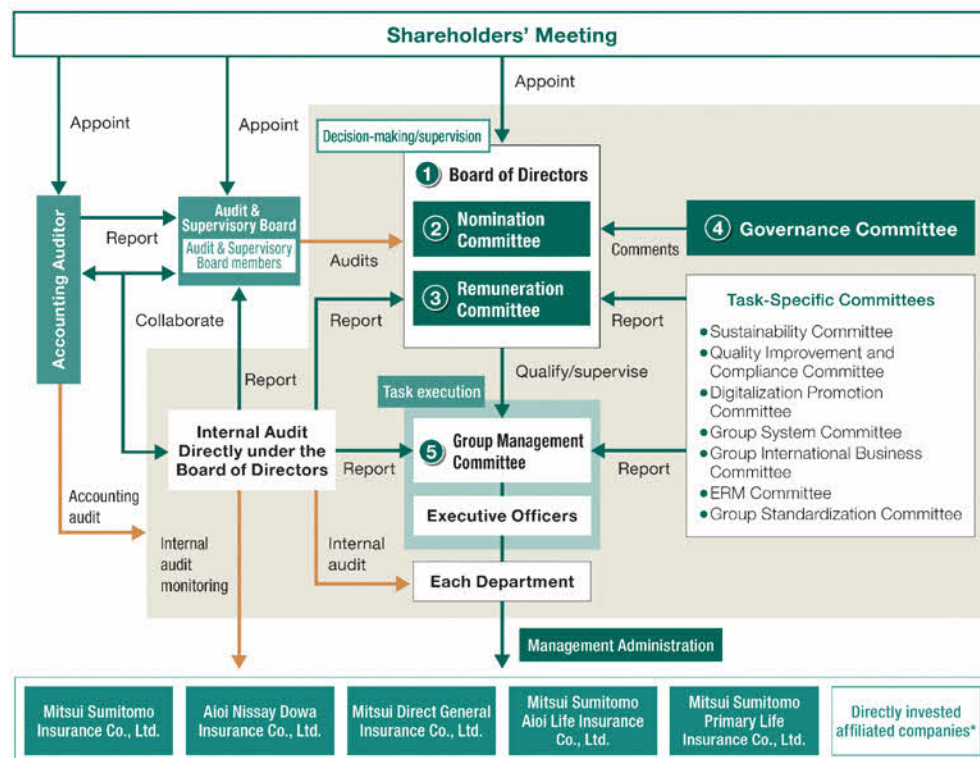
Organizational Structure to Promote Sustainability

Management Structure

The Group has established a governance structure for sustainability-related issues consisting of the Board of Directors, the Group Management Committee, and Task-Specific Committees.

MS&AD Insurance Group Holdings, Inc.

(as of July 1, 2024)



* Related operating companies consist of the following eight: MS&AD InterRisk Research & Consulting, MS&AD Business Support, MS&AD Staff Services, MS&AD Systems, MS&AD Business Service, MS&AD Grand Assistance, MS&AD ABILITYWORKS, and MS&AD Ventures.

Board of Directors

In addition to matters stipulated by relevant laws and regulations and the Articles of Incorporation, the Board of Directors discusses and makes decisions on important sustainability-related matters critical to the Group's management strategy. These include the Group's management policies, strategies, and capital policies. It also oversees the execution of duties by directors and executive officers.

The Nomination Committee deliberates on significant human resource matters, such as the selection of director, corporate auditor, and executive officer candidates, as well as the appointment of directors and corporate auditors at domestic group insurance companies in which the Company has a direct investment. It also advises the Board on these issues. To achieve the Group's growth strategy, sustainability has been positioned as one of the necessary expertise areas for Board members to ensure effective discussions from diverse perspectives.

The Remuneration Committee advises the Board on the compensation structure for directors and executive officers, as well as the compensation framework for directors at domestic group insurance companies in which the Company has a direct investment. Performance-based remuneration for directors is determined based on the Company's performance, incorporating both financial and non-financial indicators, with sustainability as a key metric.

Group Management Committee

The Group Management Committee discusses key matters related to the Group's management, including management policies and strategies. It also monitors specific areas of business operations by receiving reports on certain matters approved by executive officers.

Task-Specific Committees

Seven Task-Specific Committees have been established with the aim to deliberate on important management matters related to business execution and to facilitate coordination among relevant departments. Sustainability-related issues and initiatives are primarily discussed by the Sustainability Committee and ERM (Enterprise Risk Management) Committee, which are part of these seven committees. The outcomes are then reported to both the Board of Directors and the Group Management Committee for final decision-making.

Sustainability Committee

The Sustainability Committee is chaired by the Group Chief Sustainability Officer (CSuO), a role created in FY2023 to lead sustainability efforts. The committee comprises the presidents of Group companies, the Group Chief Financial Officer (CFO), the Group Chief Risk Officer (CRO), and the Executive Officer in Charge of Diversity, Equity & Inclusion, among others. The committee discusses policies, plans, and strategies for addressing sustainability issues, including the setting of KPIs for risks and opportunities. In FY2023, the Group CSuO chaired four meetings. All discussion outcomes are reported to the Board of Directors.

Topics Discussed

	FY2022	FY2023
Number of Meetings	4	4
Topic/Theme Examples	<ul style="list-style-type: none"> FY2022 sustainability initiatives Promotion of DE&I Advancement of Group human rights initiatives Efforts for achieving Net Zero by 2050 	<ul style="list-style-type: none"> FY2023 sustainability initiatives Disclosure related to climate change and natural capital Promotion of DE&I Advancement of Group human rights initiatives Greenhouse gas emissions reduction targets for business partners

ERM Committee

The ERM Committee, chaired by the Group CFO and the Group CRO, is responsible for discussing and coordinating key matters related to enterprise risk management (ERM). It also monitors aspects such as the status of risk, return, and capital, as well as risk management efforts, including those related to sustainability. The outcomes of discussions held by the ERM Committee are reported to the Board of Directors.

Topics Discussed

	FY2022	FY2023
Number of Meetings	8	9

	FY2022	FY2023
Sustainability-related Discussion Topic Examples	<ul style="list-style-type: none"> Adding “changes in the environment surrounding human resources” as a key risk that top management must manage (major Group risk), and managing risks with a focus on climate change 	<ul style="list-style-type: none"> Adding “Intensifying conflicts among nations, within other nations, etc.; political, economic, and social fragmentation and polarization; and security crises” as key risks for top management to manage (major Group risks), and managing risks with a focus on climate change
	<ul style="list-style-type: none"> Improving management of natural disaster risks, including climate change 	<ul style="list-style-type: none"> Monitoring “damage to natural capital” as a risk area that top management must be aware of (emerging Group risk) as that may affect the Group in the medium and long term.

Executive Study Sessions and Expert Opinion Exchange Meetings

A system is in place to provide directors and other executives with ongoing information and training once they are appointed and throughout their tenure. Additionally, arrangements are made to facilitate information sharing and opinion exchanges between external directors and top management, as well as executive employees. The aim is to establish the internal framework necessary for fulfilling their roles and responsibilities effectively.

➤ [Corporate Governance](#)

Executive Study Session

In September 2024, an executive study session was held with guest speaker Yoshie Komuro, President & CEO of Work-Life Balance Co., Ltd.

Study Session Details

- Date: September 2024
- Format: In-person
- Speaker: Yoshie Komuro, President & CEO, Work-Life Balance Co., Ltd.
- Participants: MS&AD Insurance Group Holdings directors and executive officers, as well as management committee members at its five group insurance companies in Japan (approximately 80 participants)
- Lecture Title: “DE&I — Transforming Work Styles to Realize a Revolutionary Shift in Business Styles”

Lecture Summary

Taking the perspective of diversity, equity, and inclusion (DE&I) and work-life balance in the workplace, the guest speaker covered the challenges and emerging trends Japan is currently facing, as well as the directions that companies should be taking. Ms. Komuro highlighted issues that should be tackled as well as the solutions needed to achieve organizational transformation, highlighting examples from various companies. With the Group in the process of promoting a “Significant Business Style Revolution,” the session participants learned about the necessity of mindset and corporate culture change, while engaging in lively discussions on these topics.



Speaker: Yoshie Komuro,
President & CEO,
Work-Life Balance Co., Ltd.



Executive Study Session

Employee Engagement Initiatives

With the goal of becoming a corporate group supporting a resilient and sustainable society by 2030, the Group is advancing various initiatives toward creating shared value with society (CSV initiatives). Helping to solve societal challenges through our business activities requires that every Group employee enhances their understanding of CSV and the SDGs. We believe it is essential for each employee to feel that their daily work contributes to the sustainability of society and work together with customers to address sustainability challenges.

Sustainability Contest

Since 2018, the MS&AD Insurance Group has held the Sustainability Contest with the aim of instilling an understanding of our story of value creation and CSV initiatives in our daily operations. The contest recognizes efforts that help solve societal and Group sustainability issues and promote CSV. To date, we have received approximately 2,200 applications from Group companies in Japan and overseas. The contest has contributed to solving sustainability issues while also sharing excellent initiatives within the Group.

6th Sustainability Contest

In the 6th edition of this contest held in FY2023, a total of 340 submissions were received, and one Grand Prize, five Excellence Awards, and ten other prizes were awarded. The presentations took place at the Shinkawa headquarters and were live-streamed, with 490 employees participating. For the Grand Prize selection, the employees cast their votes along with the directors to determine the winner.

Grand Prize Winner: InterRisk Research & Consulting

Development and sharing of a global Future Flood Hazard Map enabling quantitative assessment of climate change risks

In response to increasing needs for the quantitative analysis of future flood risks due to the growing severity of disasters caused by climate change, InterRisk identified a limited source of available tools and developed the Global Future Flood Hazard Map. The map has been available free of charge since April 2023, alongside new services for companies adopting the framework of the Task Force on Climate-related Financial Disclosures (TCFD).

[Launched “LaRC Flood Risk Analysis Service”](#)  (in Japanese only)



The Award Ceremony for the Grand Prize

Next Sustainability Contest

For the FY2024 Sustainability Contest, the aim is to create a space for many employees to participate and reflect on the cycle of sustainability initiatives. The contest will feature new theme-specific awards to recognize diverse approaches to sustainability, such as initiatives by young employees and senior employees, collaboration with external parties, and inter-group cooperation.

Sustainability Contests at Group Companies

ADI

MSI Aioi Life




InterRisk

In addition to the group-wide Sustainability Contest, Group companies also hold their own competitions. In addition to the annual “Sustainability CSV × DX Awards” at Aioi Nissay Dowa Insurance, and the Sustainability Contest at InterRisk, the first-ever sustainability contest at MSI Aioi Life is being launched in FY2024.

We believe these contests help every employee understand the connection between their daily work activities and sustainability and promote CSV initiatives across the entire Group as they offer tailored products and services that leverage the unique characteristics of each Group company.

Employee Engagement Initiatives for Sustainability

Principal Approaches

 Study sessions for sustainability transformation (SX)	Mitsui Sumitomo Insurance is holding study sessions to promote employee understanding and awareness of the importance of Sustainability Transformation (SX) — a management shift aimed at balancing corporate and societal sustainability. Targeting employees in departments involved in sales, claims services, and contact center activities, the training sessions present specific SX initiatives from various divisions of the company. These include using dashcams for insurance services, adopting digital technologies, utilizing chatbots and recycled parts, and tailoring communication to customer needs. To inspire new insights and ideas among employees, SX study sessions are planned for every company site across Japan.
 Customer dialogue on GHG emissions reduction	To help achieve carbon neutrality by 2050, Aioi Nissay Dowa Insurance is providing employees with information and various tools to promote decarbonization, along with study sessions. It is also encouraging all employees to obtain Carbon Accounting Advisor certification. This will enable them to propose and provide products and services that support optimal carbon neutrality measures for customers through conversations with them on GHG emissions reduction, thereby assisting customers with their decarbonization efforts.
 Employee-participation initiatives	<ul style="list-style-type: none"> As part of its carbon reduction initiatives, Mitsui Direct General Insurance is implementing a roadmap with specific GHG emissions control measures and numerical targets. It is also encouraging employee participation in community-based social contribution activities and exchanges with nearby schools. The efforts include multifaceted programs, such as environmental protection efforts, traffic accident prevention, and donation drives to support disaster recovery organizations. By adopting a flexible dress code and organizing employee networking events, Mitsui Direct General aims to enhance communication among employees, boost engagement, and foster a deeper understanding of sustainability through these activities.
 Departmental goals for sustainability initiatives	<ul style="list-style-type: none"> At Mitsui Sumitomo Primary Life Insurance, each department has designated a sustainability officer responsible for promoting sustainability initiatives, facilitating internal collaboration on sustainability efforts, and enhancing employee awareness and understanding. Specifically, departments set goals for sustainability initiatives, review midyear and fiscal year-end progress, and encourage employees to consider how their daily tasks connect to priority sustainability issues and what actions are needed. Through sustainability training focused on themes such as the integration of sustainability into the Medium-Term Management Plan and its relevance to daily operations, the company supports employee efforts to implement effective and impactful initiatives.

ESG integration and sustainability approach

The MS&AD Insurance Group always consider sustainability in terms of the environment, society, and governance (ESG) issues in all Group business activities, including the development of products and services, underwriting and investments.

ESG-related impacts include infringements of human rights that threaten respect for basic human rights, deforestation due to illegal logging, and corruption and bribery that undermine economic growth and stability. Our company's business activities could influence ESG factors, and our company itself could be influenced by ESG factors. While we respond to such ESG-related risks to ourselves, we have been discovering business opportunities in addressing ESG concerns, e.g. offering automotive insurance with driving protection services to support safe driving, and thereby, reduce accidents, and using Big Data to present preventative measures against natural disaster. It is essential that we carefully assess ESG-related risks and opportunities, and reflect them in our business activities. We recognize the wide-ranging ESG risks such as legal risks, reputational risks, quality-related risks, business continuity risks, operational risks, transition risks, financial risks, etc., and these could potentially have a major impact on our company's business activities and our stakeholders. Accordingly, we carefully identify such ESG-related risks to control them across our entire business activities.

We give an overview of these approaches in our "Perspective of Sustainability of the MS&AD Insurance Group" that describes our policies on addressing ESG concerns.

Implementation of "Business Activities with Consideration for Sustainability"

In May 2019, we committed that it would consider sustainability in all of our business activities in line with our ESG policy "Business Activities with Consideration".

[ESG Guideline]

Sector	Classification	Guideline
Coal	To be excluded	Coal fired power plant, Coal mine(Mainly producing thermal coal)* ¹
	To be excluded	oil and gas extraction and coal-mining projects* ³ by companies whose primary business is coal* ²
Oil・Gas	To be excluded	Oil sand mining, Oil & Gas extraction in the Arctic region* ³
	To be reviewed	Oil fired power plants and oil fields, Oil sand mining, and gas fields
Controversial weapons	To be excluded	Controversial weapon manufacturer(cluster munitions, anti-personnel mines and chemical weapons)
Agriculture, Forestry and Fisheries	To be reviewed	New agriculture, forestry and fisheries project involving large-scale development in unexplored areas
Hydroelectric power	To be reviewed	Construction of new hydroelectric power plants
Solar power	To be reviewed	Construction of new solar power plants
Onshore wind power	To be reviewed	Construction of new onshore wind power plants
Biomass power	To be reviewed	Construction of new biomass power plants
Nature conservation area	To be reviewed	Project with negative impact on UNESCO World Heritage Sites or Ramsar-listed wetlands that may have negative impact on the environment and local communities
Human rights	To be reviewed	Businesses which may violate human rights of indigenous people or local communities

*1 Existing coal fired power plants and thermal coal mines with technologies and techniques aiming to achieve the goals of the Paris Agreement might be handled after careful consideration.

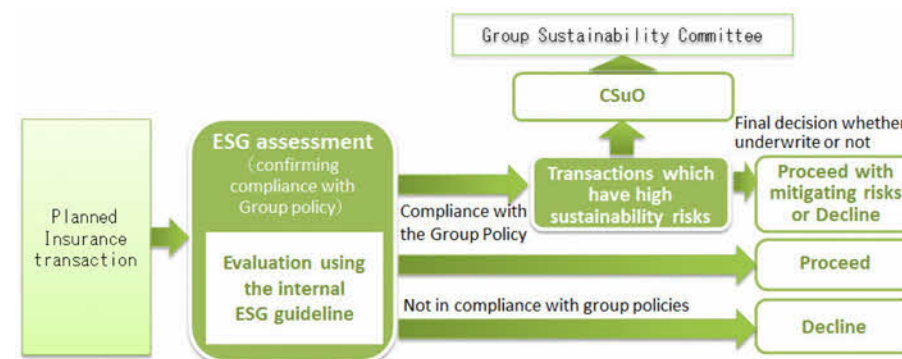
*2 Companies that derive at least 25% of their revenues from coal-fired power generation, thermal coal mines or companies that generate at least 25% of their energy from coal.

*3 Projects and companies planning to decarbonize to achieve the goals of the Paris Agreement are exempted.

[Process for Underwriting*]

In underwriting insurance, we have established an escalation process for projects that are considered to be in compliance with the Group's policies, but are deemed to have high sustainability risks (ESG risks). Since September 2020, we have reported such transactions to the Group Sustainability Committee based on the judgment of the senior management of the responsible sections for ESG. When formulating and revising policies, we hold dialogues with our company's client companies and share an understanding of the need for initiatives to move toward decarbonization.



*For the investment and financing process, please refer to "Investment and financing considering ESG issues" and "ESG evaluation process" below.



Signatory to the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI)

The MS&AD Insurance Group has been seeking out what are the best practices for financial institutions that take into account environmental and social sustainability, and it has been participating in the United Nations Environment Programme Finance Initiative (UNEP FI) to disseminate and promote these best practices.

Our company has also signed up to the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI) published by UNEP FI. We have been working on activities such as a pilot project for considering climate change-related and nature-related risk analyses and information disclosure carried out by UNEP FI or PSI.

Principles for Sustainable Insurance (PSI)	Having signed PSI in June 2012, we give careful consideration to ESG (environmental, social, and governance) issues in our business activities as an insurance company, and undertake to do our part for the sustainable development of our planet.	 PSI Principles for Sustainable Insurance
Principles for Responsible Investment (PRI)	Having signed PRI in June 2015, we pursue constructive dialogue with companies we invest in, taking ESG and other perspectives into account, and develop ESG-based investing practices.	Signatory of:  PRI Principles for Responsible Investment

Development of Products and Services with Consideration for ESG

The MS&AD Insurance Group has underwriting criteria adapted for respective product and service as part of risk assessment process. In each process, certain ESG criteria are considered such as natural catastrophe risks, involvement with anti-social forces or ethical risks, based on the nature of the risk. Comprehensive process including system verification are properly implemented. Underwriting decision including the Board's approval are made based on these risk evaluations.

In association with underwriting products and services, we discuss general policy to handle ESG risks at the Sustainability Committee, and we evaluate and manage individual ESG risk at the ERM Committee. Both committees shall report their decisions and conclusions to the Group Management Committee and the Board of Directors.

In developing products and services, we examine the value to society and the value for our company generated by our products and services from various angles, and we strive

to create value shared with society in providing these products and services. We have also developed a variety of sustainable products and services such as insurance or risk consulting services that support renewable energy projects, discounts to drivers who take a safe driving lecture aiming at reducing traffic accidents, and automotive insurance policies that allow the same-sex partner to be beneficiaries to support diversity

In underwriting these products and services, all employees and agencies deepen their understanding of sustainability issues, including ESG risks, through trainings and other means, and to promote initiatives to realize a resilient and sustainable society with customers through dialogue.

Additionally, in reviewing factors to be considered, we have referred to the UN Global Compact, the Universal Declaration of Human Rights, the Guiding Principles on Business and Human Rights, the International Labour Organization Standards, the UN Convention against Corruption, and the OECD Guidelines for Multinational Enterprises..

ESG Investment and loan

As a signatory to the Principles for Responsible Investment (PRI), the MS&AD Insurance Group takes ESG issues into account for investment and loan.

Specifically, we incorporate ESG factors into investment/loan processes and promote ESG-themed investment (Sustainability-themed investment/loan, impact investment) on the basis of profitability, taking into consideration the MS&AD Insurance Group's sustainability priorities. In addition, MSI and ADI declared their acceptance of Japan's Stewardship Code, and have since engaged in constructive dialogue in line with ESG perspectives with investee companies, to encourage them to take appropriate actions to increase medium-term corporate value by raising their awareness over ESG.

Initiatives for ESG Investment and Loan

ESG investment and loan initiatives	Content
Integration	
Reflection of the response to the Group's "Business Activities with Consideration for Sustainability"	Screening specific uses of funds and industries ("coal-fired power generation" and "inhuman weapons manufacturing" etc.) without investments and loans, and making prudent decisions on whether to engage in transactions from the perspectives of responding to climate change, improving the sustainability of natural capital, and respecting human rights
Incorporation of the Group's priority issues into the research	Focusing on "CO2 emissions", "deforestation", "water risk", and "human rights violations", evaluations by ESG evaluation companies and international initiatives (such as CDP) are used for investment decisions and monitoring.
Constructive Engagement	
Engagement	Conduct dialogue centered on stewardship activities
Positive Impact	
Sustainable/thematic investing	ESG issues, investments, and loans in themes such as renewable energy (e.g., solar, wind, hydrogen), green transition finance (greenhouse gas reduction), and regional revitalization
Impact investing	Investment in themes such as healthcare and education, focusing on climate change

Integration into Investment/Loan Processes - Systematic Incorporation of ESG factors into the investment process



Implementation of Constructive Responses as a Responsible Institutional Investor

From the perspective of fulfilling their social responsibility as institutional investors, Mitsui Sumitomo Insurance (MSI) and Aioi Nissay Dowa Insurance (ADI) have announced their support for Japan's Stewardship Code, a code of behavior laid out for institutional investors. In line with the Code, we carry out a constructive dialogue with investee companies to encourage them to enhance their medium- and long-term value and sustainable growth, and, through the dialogue, we focus on understanding their management issues, their shareholder return policy, ESG, and other non-financial information. From July, 2023 to June, 2024, MSI and ADI conducted such dialogue with a total of 342 companies.

In addition, through constructive dialogue (engagement) with our investee companies, we are encouraging them to reduce GHG emissions and disclose information in accordance with the TCFD recommendations, aiming for realization of a net-zero society. Specific matters to be confirmed include organizational structure in relation to addressing climate change, their efforts toward GHG emission reduction targets, their plans for technological innovation, and any challenges they face.

Examples of initiatives for engagement in relation to climate change

Example 1	Example 2
We reviewed the progress made and challenges remaining for a company in the wholesale sector with high GHG emissions. This included the company's coal business exit plan, new businesses contributing to GHG emission reduction, and value chain initiatives. We confirmed that they are progressing as planned toward their goals and are actively pursuing new businesses as opportunities for additional revenue.	We reviewed the status and challenges of climate change initiatives for a company handling construction products. We confirmed that the company is progressing smoothly as planned toward its sales targets for climate-friendly products that help reduce customer GHG emissions. We suggested that, going forward, they disclose the proportion of sales accounted for by their climate-friendly products and provide quantitative disclosures on the GHG reduction impact.

ESG-themed investing including action on climate change

< ESG-themed investment >

Net-zero transition requires technological innovation and capital investment toward a drastic reduction of GHG emissions. Factors such as growth of demand for funding and needs for new financial products and services in relevant industries will likely bring about opportunities for financial institutions. The Group is working on ESG-themed investing on the premise of ensuring profitability, such as investment in projects with themes of developing solutions for social issues, including climate change.

As part of our mission as an insurance company that manages insurance funds deposited in the form of premiums, we will continue, with an emphasis on quality, to invest in projects, including those that are profitable and can contribute to both the environment and society.

■ Breakdown of ESG-themed investments (end of March 2024)

By theme	Investment and loan balance
Investment in ESG-themed funds	¥232.3 billion
Support for efforts to reduce greenhouse gases	
Renewable energy (e.g., solar, wind, hydrogen)	¥73.3 billion
Transition/Sustainability-linked finance	¥28.0 billion
Green finance	¥146.6 billion
Support for sustainable global development	
Social sustainability (including supranational bonds)	¥221.3 billion
Regional revitalization, healthcare, impact investment*, etc.	¥21.5 billion
Total	¥722.9 billion

*Of the investment amount commitment to the fund, only the invested amount is included

< Impact Investment >

The Group's mission is "To create a world-leading insurance and financial services group that consistently pursues sustainable growth and enhances corporate value". Through this investment activity, we will aim to create positive and measurable impacts on the environment/society while earning financial returns. In addition, we will contribute to attainment of SDGs and creation of a sustainable society by accumulating findings through evaluation/management of impacts on the environment/society while earning financial returns.

Group Joint Impact Investments



*1 Investment through a Group-specific investment vehicle. Managed by MSR (investment ratio: MS 85%, LGT 15%), an investment (asset management) JV in New York. LGT, a management company in Switzerland, is one of the global leaders in the ESG field.

**2 Achievement of SDGs and realization of a sustainable society

ESG Investment/Loan Promotion Structure

As a signatory to the Principles for Responsible Investment (PRI), global standards for responsible investment, we have been reporting to FRI the status of our ESG investment/loan activities and progress, and we have received annual evaluation of our ESG initiatives.

Utilizing the results of the annual evaluation under PRI, we aim to improve our level of ESG initiatives.



Our Principal Thematic Investment

Impact Investment

<div>MSI ADI MSI Aioi Life MSI Primary Life</div> <p>The group joint investment in overseas impact funds</p>	Through funds investment and with a focus on “climate change solutions,” invest in social impact themes such as “inclusive growth, healthcare, education” as well.
<div>MSI</div> <p>Investment in social impact bonds</p>	Investment aimed at addressing social/environmental issues in such fields as medical/nursing care that the region is facing, in collaboration with Japanese local government
<div>MSI</div> <p>Investment in a bio-healthcare fund</p>	Investment in startups within the bio-healthcare sector
<div>ADI</div> <p>Investment in a climate and nature transition fund</p>	Investment aimed at increasing the value of fund portfolio companies and thereby helping to achieve a sustainable society by promoting solutions to challenges related to climate change and natural capital preservation
<div>MSI ADI MSI Aioi Life MSI Primary Life</div> <p>Investment in a forest fund</p>	Investment focused on forest conservation and management, with the aim of not only gaining economic returns but also creating social and environmental value through carbon credit acquisition

Sustainability-themed investment

ESG in general

<div>MSI ADI</div> <p>Joint investigation of a business initiative for the development of sustainable finance</p>	Launched collaborative discussions with institutional investors in Japan on a business initiative related to sustainable finance. The aim is to create a digital platform connecting asset managers and portfolio companies to promote mutual understanding and information disclosure on ESG matters.
<div>MSI ADI MSI Aioi Life MSI Primary Life</div> <p>Investment in Green/Social/Sustainable Bonds</p>	Invested in green bonds and social bonds, etc. issued by domestic and foreign companies.
<div>MSI ADI MSI Aioi Life MSI Primary Life</div> <p>Investment in sustainable development bonds</p>	Invested in sustainable development bonds issued by World Bank which aim to supports a wide range of projects in education, health, infrastructure, public administration, agriculture, and the environment to reduce poverty and support development in developing countries.

<div>MSI</div> <p>Incorporation of ESG guidelines into the investment/loan processes for externally entrusted funds</p>	Incorporated ESG guidelines into the investment process of an overseas bond fund entrusted to Guggenheim, a close partner.
<div>ADI</div> <p>Investment in SDGs funds</p>	Among companies making positive contributions to attaining SDGs through their products and/or services, invested in those companies with potential to improve corporate value through their business activities.

Environment

<div>MSI</div> <div>ADI</div> <div>MSI Primary Life</div> <p>Financing for renewable energy power plants</p>	Financing and fund investment in solar, wind, and biomass power generation to promote the spread of renewable energy.
<div>MSI</div> <div>ADI</div> <p>Investment in Future Creation Fund</p>	Invested in companies or projects that have positioned intelligent technologies, robotics, technologies useful in bringing about a hydrogen society, motorization, and new materials as core technologies, processing innovative technologies in these fields.
<div>MSI</div> <div>ADI</div> <div>MSI Aioi Life</div> <div>MSI Primary Life</div> <p>Transition Finance</p>	Supporting corporate efforts to reduce greenhouse gas emissions.
<div>HD</div> <div>MSI</div> <div>ADI</div> <p>Investment in Japan Climate Transition Bonds</p>	Invested in a fund aimed at promoting renewable energy adoption through financing for solar, wind, and biomass power generation, as well as investment in related funds.
<div>MSI</div> <div>MSI Aioi Life</div> <p>Investment in startups that can contribute to a sustainable society:</p>	Invested in startups with innovative business models or technologies that can help achieve a sustainable society.


Social

<div>MSI Aioi Life</div> <p>Investment in Japan International Cooperation Agency's Peacebuilding Bonds</p>	Supporting projects contributing to peace, stability and rehabilitation of countries, regions, etc. affected by conflicts and/or civil wars.
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Initiatives/External Assessment

Initiatives

Our Group participates in various initiatives and strives to create shared value with society. We will continue to work to identify and address a diverse range of sustainability issues.

<p>Participation in the United Nations Global Compact*</p> 	<p>The MS&AD Insurance Group strives to carry out corporate activities with respect to the principles of the UN Global Compact. Furthermore, our Group is involved in the operation and activities of the Global Compact Network Japan, a local network of the UN Global Compact, by serving as an organizer of working sessions.</p> <p>* An initiative advocated by the former UN Secretary-General Kofi Annan in 1999. It requires global companies to comply with and practice 10 principles related to human rights, labor, environment, and anti-corruption.</p>
<p>The Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI)</p>	<p>The MS&AD Insurance Group has been seeking out what are the best practices for financial institutions that take into account environmental and social sustainability, and it has been participating in the United Nations Environment Programme Finance Initiative (UNEP FI) to disseminate and promote these best practices. Our Company has signed on to the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI) published by UNEP FI.</p>
<p>Principles for Financial Action toward a Sustainable Society in the 21st Century (PFA21)</p>	<p>In October 2011, “Principles for Financial Action toward a Sustainable Society in the 21st Century (PFA21)” and “Business-specific Guidelines (insurance, deposits, loans and leases, investment management, securities and investment banking)” were released in Japan as action guidelines for financial institutions that wish to fulfill their responsibilities and roles in building a sustainable society.</p> <p>MS&AD Holdings, Mitsui Sumitomo Insurance, Aioi Nissay Dowa Insurance, Mitsui Direct General Insurance, Mitsui Sumitomo Aioi Life Insurance, Mitsui Sumitomo Primary Life Insurance, and MS&AD InterRisk Research & Consulting have signed, showing their intent to follow these principles.</p>
<p>Principles for Responsible Institutional Investors (Japan’s Stewardship Code)</p>	<p>Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance, from the perspective of fulfilling their social responsibility as institutional investors, have announced their support for Japan’s Stewardship Code, a code of behavior laid out for institutional investors.</p>
<p>Task Force on Climate-related Financial Disclosures (TCFD)</p>	<p>The Task Force on Climate-related Financial Disclosures (TCFD) is working on developing a framework for companies and other organizations to disclose climate-related information. The Group is promoting information disclosures in line with its recommendations.</p>
<p>PCAF (Partnership for Carbon Accounting Financials)</p>	<p>The MS&AD Insurance Group is a member of the PCAF, which has been developing measurement/disclosure methods for GHG emissions related to loans/investments and insurance portfolios.</p> <p>We will promote the measurement and disclosure of GHG emissions by financial institutions with the aim of contributing to emissions reduction across society as a whole. And we will also contribute to the realization of a net-zero society by measuring and disclosing our GHG emissions of investment and underwriting portfolios.</p>
<p>CDP</p>	<p>The CDP (formerly known as the Carbon Disclosure Project) is an independent nonprofit organization with the world’s largest database for corporate measures against climate changes, and corporations and organizations across the world have disclosed their greenhouse gas emissions and measures against climate change through CDP. The MS&AD Insurance Group subscribes to CDP’s approaches and continuously submits new data.</p>

Challenge Zero (innovation challenges toward a net-zero society) Declaration	In June 2020, we subscribed to the “Declaration on Challenge Zero” released by Keidanren (Japan Business Federation in support of achieving a net zero regarding greenhouse gas emissions as early as possible, in line with the goal of the Paris Agreement.
Japan Climate Initiative	<p>The MS&AD Insurance Group has signed up to the Japan Climate Initiative.</p> <p>The Initiative was launched in 2018 with the aim of enhancing Japan’s efforts to address climate change and sharing information on such efforts with the rest of the world. Under the Initiative, Companies, local governments and NGOs that are actively engaged in climate change actions to cooperate toward achieving the goal.</p>
Paris Pledge for Action	We support the “Paris Agreement,” which countries all across the world affirmed in December 2015 to tackle climate change, and we have signaled our intention to work toward this goal by signing the “Paris Pledge for Action.”
Taskforce on Nature-related Financial Disclosures (TNFD)	The MS&AD Insurance Group is taking part in activities of Taskforce on Nature-related Financial Disclosures (TNFD: Taskforce on Nature-related Financial Disclosures), which is aimed at promoting nature-positive financial flow. We have also established and have been operating the TNFD Consulting Group of Japan, a forum for promoting understanding of TNFD, etc.
Business for Nature	In June 2020, the MS&AD Insurance Group subscribed to the purpose of Business for Nature, a global coalition which calls on governments to adopt ambitious nature and environmental policies.
Japan Business Initiative for Biodiversity (JBIB)	In regards to conservation of biodiversity and sustainable use of biological resources, MS&AD Holdings has been serving as the chair company of the Japan Business Initiative for Biodiversity (JBIB), which brings companies together for joint research projects on biodiversity, since JBIB’s founding in April 2008.
30by30 Alliance	In order to contribute to realization of 30by30, a global target of designating at least 30% of the world’s land and oceans as protected/conserved areas by 2030, the MS&AD Insurance Group has been taking part in the 30by30 Alliance for Biodiversity headed by the Ministry of the Environment. The Group is working to contribute to realization of the target by promoting conservation of its own green zone.
“Plastics Smart” Forum	We participated in the Plastics Smart campaign promoted by the Ministry of the Environment and joined the Plastics Smart Forum in July 2019. We will tackle the problem of plastic waste more actively than ever before.
30% Club Japan	In May 2019, in line with the company’s vision, the MS&AD Insurance Group Holdings became a member of the 30% Club Japan, part of a global campaign aimed at developing female board members. Regarding gender diversity as an urgent business issue that companies need to address, and placing importance on diversity among decision-makers, the Company has been mounting efforts to cultivate female executives within the Group.

External Assessment

ESG Indexes and Ratings

The investor approach of evaluating corporate sustainability from the perspective of environmental, social, and governance-related (ESG) criteria is becoming increasingly widespread. Accordingly, the MS&AD Insurance Group utilizes evaluations from global ESG rating agencies as feedback to improve its sustainability initiatives. As of July 2024, the Group has been evaluated by and included in the following ESG-related indexes.



* The inclusion of the MS&AD insurance group in any MSCI indexes, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of the MS&AD insurance group 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.

Appendix
Products and services that contribute to sustainability

Products and services that contribute to sustainability

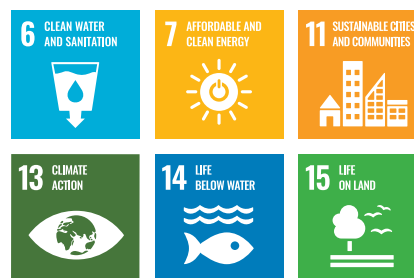
The MS&AD Insurance Group provides products and services to support the industries required to realize a sustainable society. We are promoting creating shared values with society, including the discovery and prevention of risks. It is necessary to take integrated approaches to the 17 Sustainable Development Goals (SDGs) as the limited natural environment of the earth and social and economic issues closely related. The MS&AD Insurance Group analyzes our contributions to the sustainability of society and the impacts on our long-term growth from the areas of the Environmental (E), society (S), and corporate governance (G). Based on the three priority issues we have extracted, we are contributing to the achievement of the SDGs through risk consulting services, insurance and other services for safety and peace of mind from a multifaceted perspective centered on sustainability.

- Products and services related to Symbiosis with the Global Environment (Planetary Health)
- Products and services related to Safe and Secure Society (Resilience)
- Products and services related to Happiness of diverse people (Well-being)

Symbiosis with the Global Environment (Planetary Health)

[Major relevant SDGs]

- Goal 6: Clean water and sanitation
- Goal 7: Affordable and clean energy
- Goal 11: Sustainable cities and communities
- Goal 13: Climate action
- Goal 14: Life below water
- Goal 15: Life on land



Contribution to solving social issues	Products and Services	Outline	Relevant Operating Companies
Helping companies to reduce carbon emissions	Service to Support Decarbonization	Provision of all kinds of support in a one-stop package for businesses of any size in any industry, such as introductory seminars on decarbonization, support for calculating carbon emissions, and development of strategies for reducing emissions	MSI, ADI, InterRisk
Helping companies to reduce carbon emissions	On-site solar power installation program "Roof Plus" for small and medium-sized enterprises	Development and provision of Roof Plus services to promote the adoption of on-site solar power	ADI
Helping companies to reduce carbon emissions	"Carbon Neutral Support Agreement" for corporate fire insurance	Commercial fire insurance endorsement for additional installation costs that will lead to emission reduction in the course of repair of damaged properties	MSI, ADI
Helping to create a net-zero society	Endorsement for cost of replacement with electric vehicles, etc.	Coverage for costs incurred when replacing an insured gasoline-powered vehicle with an EV, etc. due to an accident	MSI, ADI
Helping to create a net-zero society	Provision of Service for calculating and visualizing GHG emissions (Telematics Automobile Insurance)	Provision of a new service for visualizing CO ₂ emissions reduction through safe driving, using a unique algorithm, targeting policyholders of Telematics Automobile Insurance	ADI

Contribution to solving social issues	Products and Services	Outline	Relevant Operating Companies
Promoting reduction of CO ₂ emissions (reducing impact on the environment) with alternative energy	Comprehensive coverage plan for mega-solar farm products	Comprehensive coverage of risks faced by renewable energy producers	MSI, ADI
Contributing to the promotion of the renewable energy business and realization of decarbonization	Imbalance risk compensation insurance for renewable energy producers/aggregators	Coverage of losses sustained by renewable energy producers, etc. due to imbalance between their generation plans and actual amounts of generated energy as a result of climatic changes, generation equipment failure, etc., targeting renewable energy producers	MSI
Contributing to wide development and promotion of renewable energy business and realization of decarbonization	Insurance package for PPA business operators	Provision of "Insurance Package for PPA Business Operators" to cover not only the risk of damage to power generation facilities but also the risk of having to procure alternative sources of renewable energy and environmental value due to such damage, with the aim of promoting spread of the "PPA model," which is being introduced as one of the renewable energy procurement methods	ADI
Helping to create a net-zero society	Environmental Pollution Liability Insurance for CCS Operators	Contributing to realization of net-zero emissions through providing an insurance that covers the risk of damage related to CCS projects, for which demonstration experiments are progressing for commercialization	MSI
Helping to create a net-zero society	J-Credit Compensation Insurance	Development and sale of J-Credit Compensation Insurance for operators and managers of program-based projects under the J-Credit scheme, while supporting regional decarbonization efforts, thereby helping to realize a net-zero society	MSI
Helping companies to reduce carbon emissions	Personal Fire Insurance: Building Energy Efficiency Cost Rider	Development and sale of a Building Energy Efficiency Cost Rider, which covers additional costs needed to meet energy efficiency standards when rebuilding a home that has been completely burned or destroyed	MSI, ADI
Helping companies to reduce carbon emissions	Brokerage services for GHG emissions trading	Provision of services for clients with an overview of GHG emission trading and how it can be utilized to help companies looking to purchase GHG emission credits and facilitate seamless signing of emissions trading agreements between the client and renewable energy businesses, thereby helping them to achieve net-zero	ADI
Promoting reduction of CO ₂ emissions (reducing environmental burdens) with alternative energy	Comprehensive offshore wind power generation system coverage	Comprehensive coverage of risks faced by renewable energy producers	MSI, InterRisk
Stabilizing company earnings by avoiding and mitigating losses incurred by abnormal weather and weather instability. Contributing to sustainable business activities	Weather derivatives	A financial derivative that covers damage caused by extreme weather. U.S. subsidiary, MSI Guaranteed Weather, is actively engaged in global sales of weather derivatives, with a focus on Japanese companies operating overseas	MSI, ADI
Stabilizing company earnings through avoidance and/or mitigation of losses incurred due to abnormal weather and weather instability. Contributing to sustainable business activities	Weather index insurance platform for farmers	Development of a dedicated platform that enables customers to obtain online quotes in real time on weather index insurance, and launch of the insurance to farmers in Australia.	MSI

Contribution to solving social issues	Products and Services	Outline	Relevant Operating Companies
Assessing and analyzing climate change risks	Climate change risk analysis service	Provision of services that support our clients in building a climate change governance structure, performing scenario analysis, and developing a climate strategy in accordance with the TCFD's Final Recommendations through assessment and analysis of such risks of which companies need to be aware	InterRisk
Assessing and analyzing climate change risks	LaRC flood risk analysis service	<p>Launch of "Large-Scale Assessment of Flood Risks Due to Climate Change (LaRC-Flood®)" project in collaboration with the University of Tokyo, Shibaura Institute of Technology</p> <p>Realization of highly accurate estimation of inundation depth distributions based on the effects of climate change, with support from the New Energy and Industrial Technology Development Organization (NEDO), a national research and development agency</p> <p>Launch of the distributions made available free of charge as a global-scale flood hazard map, together with a new consulting service utilizing that hazard map, which enable[d][s]. quantitative impact assessments on a global basis and supports identification of physical risks in the event that climate change is actualized.</p>	InterRisk
Assessing and analyzing climate change risks	Climate change risk and flood risk assessment platform: Flood Risk Finder	Platform in place for companies expanding into regions lacking flood hazard maps or those seeking a global understanding of future flood risks to gain a comprehensive view of both current and future flood risks, to help mitigate climate change risks for society at large	InterRisk
Improvement of sustainability of natural capital	Eco insurance policies/Web clauses	A system that enables policyholders to view their policy certificates and policy clauses on the websites	MSI, ADI, Mitsui Direct General, MSI Aioi Life, MSI Primary Life
Supporting environmentally conscious business activities	Support for nature-related risk analysis in line with TNFD	Support for conducting scoping of analysis targets, analyzing priority regions (including value chains), and dependencies and impacts, and for considering business risks/opportunities and disclosing information based on the results thereof, in line with the guidance of the Taskforce on Nature-Related Financial Disclosures (TNFD)	InterRisk
Contributing to preservation and restoration of natural capital and biodiversity	Corporate support through FANPS	Through the Financial Alliance for Nature-Positive Solutions (FANPS) established by four financial institution groups, support is provided for companies committed to complying with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), as well as a catalog of solutions that can help companies become nature positive	Group-wide
Supporting environmentally conscious business activities	Biodiversity-conscious land-use consulting	Services that support companies' activities to preserve biodiversity and assess biodiversity risks in business activities	InterRisk
Contributing to preservation and restoration of natural capital and biodiversity	Supporting reduction of roadkill incidents	Installation of an alert function in dedicated dashcams for automobile insurance in order to prevent the occurrence of automobile accidents rank high as a cause of death for rare species of animals (roadkill) and donations based on sales to organizations, including those working on protection of rare animals and reduction of roadkill incidents	MSI, ADI

Contribution to solving social issues	Products and Services	Outline	Relevant Operating Companies
Contributing to preservation and restoration of natural capital and biodiversity	Endorsement for Compensation of Additional Costs for Responses to Marine Contamination	Coverage of costs of such actions as preservation and restoration of damage to the natural environment, which vessel operators voluntarily carry out at times of marine accidents	MSI
Contributing to preservation and restoration of natural capital and biodiversity	Endorsement for Extended Compensation for Contamination Damage	Coverage of a wide range of risks including liability for damages and expenses of contamination clean-up arising out of unexpected and sudden outflow of contaminants from various facilities, such as a factory	MSI, ADI
Contributing to preservation and restoration of natural capital and biodiversity	Providing coverage of reforestation expenses, etc.	Coverage of expenses necessary for reforestation of forests damaged by fire, etc., which have been outside the coverage of conventional forest fire insurance	MSI, ADI
Contributing to preservation and restoration of natural capital and biodiversity	Corporate Green Spaces Support Package	Provision of insurance products/related services that package “Surugadai Green Space Inspection Guide,” “Corporate Green Space Consulting Service,” and “Corporate Green Space Insurance” to support corporate green space initiatives in consideration of natural capital and biodiversity	MSI, InterRisk
Contributing to preservation and restoration of natural capital and biodiversity	Liability insurance for “Noyaki (Open Burning)”	Ensuring safety and security through coverage of damage related to the spread of fire to other property for Noyaki (open burning), which is carried out in Aso for the purposes of maintaining and restoring grasslands, conserving biodiversity, storing carbon, and recharging downstream water sources	MSI
Contributing to preservation and restoration of natural capital and biodiversity	Provision of “no-burn insurance” (clothing recycling cost coverage)	The first of its kind in the industry, this rider compensates businesses for the additional costs incurred to recycle or upcycle clothing that has been damaged, which would typically end up as incinerated waste in Japan.	MSI
Helping to reduce environmental impact by going paperless	Electronic policy procedures	A system enabling customers to complete policy procedures on-screen via their smartphones, PC or tablet devices, and enabling agents to complete policy/change procedures on their own PC or tablet devices	MSI, ADI, Mitsui Direct General, MSI Aioi Life
Contributing to preservation and restoration of natural capital and biodiversity	Eco-mark automobile insurance	Automobile insurance with Eco-Mark certification through promotion of Eco-insurance policy and web policy clauses, provision of information for safe driving, and initiatives to reduce impact on the environment, such as encouraging the use of recycled automobile parts	MSI, ADI
Contributing to paperless procedure as well as convenience by allowing for inquiries regarding contract details and the checking of progress in the case of an accident, providing new applications and continuing procedures, etc.	Policyholder app (Mitsui Direct non-life insurance app)	The services of Mitsui Direct General Insurance are bundled in one app so that the “Strong and Tender” concept can be delivered to customers. Various inquiries and procedures for automobile insurance and special benefits and coupons become available. The “Smart Renewal” feature was launched in October 2020, making it easier for policyholders to renew their policies	Mitsui Direct General
Helping to create a net-zero society	Automobile insurance “EV charging equipment damage coverage special clause”	Coverage for damages to electric vehicle charging equipment and alternative charging costs incurred while the damaged equipment cannot be used	MSI
Helping to create a net-zero society	Endorsement for rental car costs at times of suspended operation of hydrogen stations, under Automobile insurance	Coverage of rental car cost incurred when an insured vehicle is regarded as inoperative due to halted operation of nearby hydrogen stations resulting from such coincidental reasons as “accident,” “failure,” “operator’s bankruptcy” and “operator’s withdrawal from business”	MSI
Helping to create a net-zero society	Net-zero emissions support	One-stop support for corporate net-zero initiatives at all stages, including introduction, strategy, and reduction, in collaboration with external organizations regardless of industry size	InterRisk

Safe and Secure Society (Resilience)

[Major relevant SDGs]

Goal 1: No poverty
 Goal 2: Zero hunger
 Goal 3: Good health and well-being for all
 Goal 8: Decent work and economic growth
 Goal 9: Industry, Innovation and Infrastructure
 Goal 11: Sustainable cities and communities



Contribution to solving social issues	Products and Services	Outline	Relevant Operating Companies
Contributing to the stabilization of corporate management and supporting social development	Cybersecurity Insurance	Comprehensive coverage for risks such as those brought about by cyber-attacks. A line-up of various services, including risk assessment service and emergency service in the event of accidents, which contribute to prevention and minimization of losses, and to prompt restoration of services	MSI, ADI
Supporting cyber risk measures taken by companies	Cyber risk consulting	Provision to companies of a one-stop support for development of a system to multilaterally assess cyber risks and protect against them in a multi-layered manner, including a menu of services corresponding to each phase of "organizational system development," "risk identification," "protection," "detection," and "responses/restoration"	InterRisk
Contributing to the spread of telework, promoting the creation of social value through the realization of a work-life balance and contributing not only to the prevention of the spread of COVID-19 infections but also to the diversification of working styles in post-pandemic	Comprehensive Telecommuting Coverage Plan	Coverage for various kinds of risks of companies promoting teleworking, which widely covers liability for information leakage due to cyber attacks and liability caused by labor management of employees	MSI, ADI
Contributing to the development of educational ICT environments	GIGA school concept compensation plan for sales operators	Provision of a plan to cover the risk of companies selling laptops and tablets to local governments to realize the GIGA School Concept	MSI, ADI
Promoting career development for women while addressing Japan's declining birthrate	Egg freezing insurance	Development and provision of a dedicated insurance to cover costs for egg freezing and cryogenic storage to help expand women's options and opportunities while also offering peace of mind	MSI
Aiming to create a safe and secure environment for generative AI usage, thereby fostering new innovations	"Generative AI Insurance" covering AI Risks	Coverage for various expenses that might be incurred by a company in the event risk materialization relating to generative AI use, including intellectual property infringement and data breaches	ADI
Providing solutions to mitigate risks arising in the new space domain	Developed the world's first "Lunar Insurance" to cover risks arising out of navigation to and landing on the Moon	Coverage for risks from launch to landing on the Moon in lunar-related business activity, which is expected to expand in the future	MSI

Contribution to solving social issues	Products and Services	Outline	Relevant Operating Companies
Covering performance cancellation risks associated with streaming delivery	Streaming Event Cancellation Insurance	Coverage targeting providers of streaming delivery services for risks such as refunding of fees due to delivery failure caused by equipment defects in the streaming of online concerts, online sporting events, online tours, etc.	MSI, ADI
Covering damage due to unauthorized access	Dedicated Insurance Coverage for NFT Art	Coverage targeting exhibitors of digital artworks for damage sustained when their owner information is falsified through unauthorized access by a third party	MSI
Development of new insurance products and services which will support economic activities in the virtual space, “metaverse”	Services through utilizing metaverse	Development of “Future Design Metaverse,” and provision of content to enable cooperative consideration of a potential future energy system through Avatar (Mitsui Sumitomo Insurance) Start of development of metaverse in Fortnite and support activities for creators aimed at establishment of insurance products/services/customer contact points prior to the creation of a new economic zone (Aioi Nissay Dowa Insurance)	MSI, ADI
Development of new insurance products and services which will support economic activities in the virtual space, “metaverse”	Exclusive package insurance for metaverse	Coverage for three risks such as cyber attacks/information leakage, Fraud occurring in metaverse and cancellation of events in metaverse	ADI
Supporting disaster prevention and mitigation in local communities	Loss prevention and reduction system for local governments “Loss Prevention Dashboard”	Provision of support for disaster prevention and mitigation measures in local communities to help protect the lives and property of residents through central visualization of real-time weather data in relation to disaster risks, flood forecast data for 30 or more hours ahead, and AI-based estimation of post-occurrence damage.	MSI, InterRisk
Supporting the early identification of the scale of damage and rapid rescue and support activities in the event of a disaster	Real-time damage forecasting website cmap.dev	As part of a joint research project with Aon Group Japan Co., Ltd., and Yokohama National University, we have established a system for forecasting, by municipality, the number of buildings likely to be damaged and the damage rate due to typhoons, heavy rains, and earthquakes. This information is available free-of-charge on the website and in app. Information, including SNS information on weather, damage and lifelines, and information on evacuation site locations is also available free of charge on the website. In addition to the functions of the website, the application allows users to receive push notifications of emergency information in the event of a disaster, and to view and post various types of risk information surrounding their daily lives.	ADI
Supporting early disaster assessment and preparedness	Personalized disaster alerts	An AI-powered service designed for individual policyholders to calculate the natural disaster risks for insured properties and which sends out early alerts and disaster preparedness advice to customers deemed to be at heightened risk	MSI
Supporting early disaster assessment and preparedness	Hailstorm alerts	A service using mobile text messaging (SMS) to send customers hail forecast information, which is typically not covered by standard disaster alerts, along with preventive advice	MSI
Supporting establishment of a scheme which enables rapid evacuation of persons requiring support in the event of disasters	Evacuation insurance plan	A plan consisting of summarized effective measures for supporting a local public body in establishing an evacuation scheme, which we have prepared utilizing the knowledge and know-how acquired through validation of specific risks and measures related to resident evacuation in the event of disasters	ADI

Contribution to solving social issues	Products and Services	Outline	Relevant Operating Companies
Supporting corporate risk measures in the event of a natural disaster	Natural disaster hazard information survey	Service to diagnosing the location risks for corporate facilities by collecting and organizing hazard information based on comprehensive surveys on earthquakes, wind and water disasters, volcanic eruptions, lightning strikes, snow accumulation, and more	InterRisk
Helping to ensure continuity and early recovery of core business while minimizing damage to a company's business assets in the event of a disaster such as river flooding, inundation of inland waters or storm surges	Flood disaster countermeasure support service	Risk assessments for river flooding, inundation of inland waters, and storm surges, and formulating damage prevention plan, mitigation measures and BCPs against flood disaster	InterRisk
Supporting the prevention of sediment disasters by identifying the risk of slope failures at business and planned sites	Sediment-related disaster risk diagnosis	Simulation risk assessments of sediment-related disasters (debris flows, landslides, etc.) at individual sites based on "largest recorded" and "potential largest" rainfall scenarios	InterRisk
In order to reduce damage caused by strong winds, utilized for examining measures for buildings and outdoor equipment that should be taken daily.	Wind disaster risk diagnosis	Preparation of a 3D model through using 3D CAD based on drawings and exterior photographs and submission of a report including visualized wind load on a building and wind flow during strong winds, with the surrounding terrain and buildings taken into consideration	InterRisk
Supporting companies in their loss prevention responses at times when damage due to typhoon, heavy rain, etc. is anticipated	Flood risk information integrated confirmation system (Sui Search)	Providing a website that enables the acquisition of various types of information related to water disasters at multiple sites either "in summary" or "in real time" and the automatic determination of the timing of various responses and decisions (= alert stage judgments)	InterRisk
Supporting the development of a business continuity plan (BCP) assuming volcanic eruptions	Volcanic eruption measures service	Launch of a service for comprehensively supporting identification of risks relating to volcanic eruption, emergency responses, business continuity measures, training in normal times, etc., in line with the 2021 revision of the Hazard Map of Mt. Fuji, which had not been revised for about seven years	InterRisk
Helping to build resilient communities prepared for disasters	Development of a neighborhood flooding prediction system	Provision of flood activity simulation based on rainfall forecast data from the Japan Meteorological Agency to predict neighborhood flood locations and floodwater levels	MSI
Preventing and mitigating damages caused by natural disasters	Weather information alert service	Email alerts when forecasts of rainfall, wind speed, or snowfall at monitored locations exceed threshold, or when lightning is observed within a threshold distance	MSI
Supporting loss prevention and mitigation for companies during emergencies	Natural disaster response support service	Development of the Natural Disaster Response Support Service, a digital solution to help companies with multiple locations to carry out swift and appropriate initial response in the event of a natural disaster	InterRisk
Supporting disaster prevention and mitigation in local communities	Evacuation support insurance for supporters/persons requiring support	Provision of insurance products to cover provision of compensation for accidents to persons requiring support during evacuation activities, etc. based on individual evacuation plans that compile information on such persons and evacuation methods, as well as injuries to supporters or persons requiring support during evacuation support activities.	MSI
Ensuring rapid support for local communities following disasters	Damage assessment planning support service for local governments	Provision of estimated damage counts and templates for post-disaster survey plans to help local governments to automatically estimate the number of damage cases and determine survey needs after an earthquake of flood and support effective post-disaster survey planning	InterRisk

Contribution to solving social issues	Products and Services	Outline	Relevant Operating Companies
Supporting disaster prevention and mitigation in local communities	Endorsement for lump-sum payment in the event of evacuation due to specific emergency disasters, etc.	Endorsement for a lump-sum payment in the event of the need to relocate to an evacuation shelter, etc. due to a disaster of a certain size or greater, such as being designated as a specified emergency disaster area, regardless of whether or not there is damage to the insured object.	ADI
Supporting disaster prevention and mitigation in local communities	Preparing against natural disasters	In response to growing customer interest in flood and earthquake compensation due to the more frequent occurrence of natural disasters in recent years, promotion of initiatives to remind customers of the importance of “being prepared,” before a disaster occurs.	MSI, ADI
Supporting loss prevention and mitigation for companies	ResiRead: BCP development subscription service for small and medium enterprises	The first service of its kind in the world to provide long-term support for small and medium-sized enterprises to develop business continuity plan (BCP) initiatives independently	InterRisk
Helping to rebuild the lives of those affected by earthquake and the early recovery of areas hit by earthquakes	Earthquake insurance	Coverage for losses to buildings and household goods caused by fires, damage, being buried, or being washed away as a result of earthquakes, volcanic eruptions, or tsunami	MSI, ADI
Supporting safe and secure behavior in the event of a large-scale natural disaster	Smartphone app: Smartphone Disaster Navigator	A smartphone app to identify user's current location using GPS and to display information regarding nearby evacuation shelters and hazards on a map. The camera function displays directions to the user's home or nearby evacuation center on a landscape screen for safer evacuation. Disaster prevention information for the user's current location is also sent out in real-time by push notifications. Available in English, Chinese (traditional and simplified), Korean, Vietnamese, Tagalog, and Portuguese, except for some features	MSI, ADI
Supporting loss prevention and mitigation for companies	DX solutions package	A package of effective solutions and insurance coverage that supports companies in the areas of accident prevention and damage minimization, to help prevent and mitigate accidents and build a sustainable business environment	MSI Aioi Life
Supporting loss prevention and mitigation for companies	Corporate fire insurance with incident reoccurrence prevention cost rider	Launch of a product to cover costs incurred by customers for actions to prevent the reoccurrence of large-scale incidents, such as fires or explosions, on company premises, thereby supporting their proactive efforts for reoccurrence prevention	MSI, ADI
Supporting loss prevention and mitigation for companies	Safety status sharing system “Anpiler”	Launch of safety confirmation system that helps companies check whether all employees are safe in the event of a sudden disaster, which is also useful for regular disaster preparedness drills	MSI Aioi Life
Supporting local disaster prevention and mitigation through utilization of DX	Provision of applications that support safe driving	Provision of various menus (applications, services, etc.) leading to safety and peace of mind through utilizing telematics technology	MSI, ADI, Mitsui Direct General, InterRisk
Contributing to creation of safe and secure communities through preventing traffic accidents by providing “safe driving incentives (discounts)” and “safe and secure services.”	TOUGH Connected Automobile Insurance	Automobile insurance with a reasonable insurance premium calculated in consideration of the distance traveled and discounts based on safe driving scores, using the most advanced telematics technology, which is applied for connected cars that meet certain requirements	ADI

Contribution to solving social issues	Products and Services	Outline	Relevant Operating Companies
Helping to prevent traffic accidents and supporting safe driving	GK Mimamoru (Dashcam-based) Automobile Insurance, TOUGH Mimamoru Automobile Insurance, Tsuyokute Yasashii (Tsuyoyasa) Automobile Insurance Rescue Dashcam (Dashcam Optional Policy)	Automobile Insurance with the concept of “supporting customers’ safe driving and monitoring driving behavior” by utilizing the latest telematics technology. In addition to analyzing the driving data from the insured vehicle to provide driving assessments, there are a wide range of alert services to support safe driving. In the event of an accident, a dedicated operator will contact the driver to confirm their safety and provide initial response advice.	MSI, ADI, Mitsui Direct General
Contributing to creation of safe and secure communities through preventing traffic accidents by providing “safe driving incentives (discounts)” and “safe and secure services.”	TOUGH Mimamoru Automobile Insurance plus (dashcam-based)/TOUGH Mimamoru Automobile Insurance plus S/TOUGH Mimamoru automobile insurance NextT	Automobile insurance that reflects the degree of safe driving in insurance premiums based on driving data obtained from a dedicated dash cam/simplified vehicle-mounted device/smartphone	ADI
Helping to prevent serious accidents by detecting and alerting in the case of dangerous driving behavior (dozing off, not paying attention or talking on the phone) using a driver-facing camera, in addition to supporting safe driving efforts by companies	“F-Dora” drive recorder telematics service for fleet policy holders	A service from Mitsui Sumitomo Insurance that offers three types of support — accident/emergency assistance, accident prevention measures, and fleet management — through a unique, dedicated dashcam and the industry’s first driver-facing camera. Additionally, the service is compliant with revised legislation by providing features like tailgating detection and driver alcohol level sensing.	MSI
Supporting corporate safe driving initiatives to address the societal issue of distracted driving	Four Safety – Support service preventing the use of mobile phones while driving	A smartphone application, by plugging a designated terminal into the automobile’s cigarette lighter socket, automatically controlling a smartphone (including telephone and apps) once a certain speed (10kph) is exceeded. Administrators can check whether smartphones have been controlled and driving patterns, such as sudden acceleration or deceleration, for each employee through a dedicated website.	MSI
Enabling local governments to reduce their workloads in investigation and improve efficiency in the administrative work of issuing disaster victim certificates and realizing prompt restoration of disaster victims’ living situations through receipt of assistance under various support programs, such as disaster sympathy money and tax reductions/exemptions.	Support for rebuilding the lives of disaster victims	In light of increased severity and frequency of natural disasters, provision of a service to help local governments take actions in relation to the victims’ life reconstruction support system in the event of a flood disaster; in particular, prompt issuing of disaster certificates and working efficiently to deliver the certificates in order to support early resettlement for disaster victims.	MSI, ADI, InterRisk
Helping to ensure continuity and early recovery of core business while minimizing damage to a company’s business assets in an emergency	Supporting the establishment of Business continuity management system (BCMS)	A service to support the establishment of a system that ensures the resumption of operations within a target time frame in the event that business activities are suspended due to a large earthquake, infectious disease, or other reasons, and the formulation of business continuity plans (BCP)	InterRisk
Helping to ensure continuity and early recovery of core business while minimizing damage to a company’s business assets in the case of an emergency	Proposal of business continuity plans (BCP)	Holding of seminars and other events to help companies formulate BCPs that allow them to rapidly restore and continue their business operations, even after natural disasters or unexpected accidents occur	MSI, ADI, InterRisk

Contribution to solving social issues	Products and Services	Outline	Relevant Operating Companies
Enabling early estimation of potential damage at company and partner or investment locations, thereby supporting the company's business continuity efforts	Pre- and post-natural disaster damage estimation service	A service developed to estimate damage costs for corporate locations, such as stores, based on observed data following an earthquake or typhoon (high wind) event* * In the case of typhoon- or high wind-related damages, an analysis is conducted in advance for each location based on forecast information.	InterRisk
Disaster support in cooperation with local governments	Endorsement covering emergency evacuation of vehicles in the event of disasters	Coverage for the costs incurred by companies in evacuating their vehicles when evacuation information has been issued by local governments in relation to a natural disaster	ADI
Supporting enhancement of local communities' disaster prevention capabilities	Coverage for traffic accidents involving fire brigade members, etc. engaged in firefighting activities	Coverage for private vehicles, etc. of fire brigade members, etc. used in fire-fighting activities against traffic accidents involving those vehicles during such activities	MSI
Supporting the SDG activities of municipalities, commerce organizations, regional financial institutions, and SMEs	Platform Clover	Provision of an online SDGs platform helping local governments, chambers of commerce, regional financial institutions, and small and medium enterprises to promote their SDG initiatives, thereby helping them work together to create a sustainable society	MSI, ADI, InterRisk
Supporting regional revitalization initiatives of local governments	Regional revitalization support site	Establishment of a website to help local governments support regional revitalization initiatives and dissemination of information on such initiatives carried out by each local government, and to provide useful information for local governments online	ADI
Contributing to regional revitalization through addressing unoccupied house issues	Regional issue resolution through provision of "Unoccupied House Package"	Provision of products and services that will promote distribution and utilization of unoccupied houses in partnership with operators of platforms which connect house owners, businesses, and local governments with the aim of promoting regional revitalization through addressing issues relating to unoccupied houses	ADI
Supporting optimization of operations of local governments through DX promotion	Support for optimization of road inspection and management services through automatic detection of road damage using AI analysis "DORA-RECO (Dashcam) Road Manager"	Automatic detection of road damage through AI analysis of data collected from dashcams owned by Mitsui Sumitomo Insurance, thereby realizing optimization of conventional road patrols carried out by visual checking.	MSI
Supporting farmers through DX promotion	U-Medical Support for veterinarians and livestock farmers	Provision of U-Medical Support, a service to digitally support communications between veterinarians and farmers for the diagnosis and treatment of cattle	MSI
Supporting resolution of social issues through DX promotion	Provision of automobile insurance for self-driving vehicles utilizing electromagnetic induction lanes	Provision of low-cost automobile insurance for self-driving vehicles that use electromagnetic induction lanes, which are expected to be a new means of transport in depopulated areas with aging populations, and in other areas.	ADI
Supporting resolution of issues particular to an aging society	Development of an accident relief system linked to dementia ordinances (dementia "Kobe Model")	Development of comprehensive three-pronged coverage scheme for dementia: (1) Accident relief, (2) System expansion, and (3) Prevention of accidents under entrustment with the administration of the accident relief system linked to Kobe's dementia ordinances	MSI

Contribution to solving social issues	Products and Services	Outline	Relevant Operating Companies
Supporting resolution of issues particular to an aging society	Provision of easy-to-understand information	In addition to utilization of personal computers and smartphones, adoption of procedures with due consideration given to the needs of the elderly and people with disabilities and eye-friendly, easily readable fonts (Universal Design Font, etc.) for use in brochures for our primary products, provision of information using easy-to-understand language, figures, and illustrations, as well as provision of sign language, interpretation services in 17 languages, and translation services in 12 languages.	Each group company
Supporting resolution of issues particular to an aging society	Introduction of Heartful Line Service	Introduction of the Heartful Line Service for customers aged 80 years and older, which, when they phone the call center, connects directly to the operator without going through the voice guidance	MSI Primary Life
Supporting resolution of issues particular to an aging society	Endorsement for social contribution	Joint development with Sumitomo Mitsui Banking Corporation of Endorsement for Social Contribution, which enables designated public interest groups to be appointed as beneficiaries of insurance claims, in response to customers' wide range of values in relation to asset inheritance, such as goodwill through contributing to society by donating their assets	MSI Primary Life
Helping to enrich customers' lives	One-day Leisure Insurance	Leisure insurance providing only the required coverage only when needed	MSI
Ensuring safety and security for of e-commerce users	Embedded online insurance enrollment	A platform designed to integrate the Group's online insurance sales platform with the online platforms of other service providers for seamless sales of Group insurance products to users of services offered by other providers	MSI
Promoting the reduction of accidents caused by uninsured vehicles	One-day Insurance/One-day Supporter	Automobile insurance for rent vehicles that is available in daily increments	MSI, ADI
Helping to solve issues unique to car sharing that conventional vehicle insurance cannot afford	Automobile insurance for car share platforms	Coverage for damage caused by non-return in car sharing	MSI, ADI
Helping to prevent traffic accidents and supporting safe driving	Smartphone app: Suma-Ho Driving Ability Diagnosis	Service providing analysis of driving skill characteristics, dash cam, eco drive diagnosis, and other services	MSI
Helping to prevent traffic accidents and supporting safe driving	Automobile risk management service	Effective programs and solutions to prevent and reduce accidents	InterRisk
Helping to prevent traffic accidents and supporting safe driving	Transportation safety management seminar	Seminars on accident prevention and reduction for automobile transportation companies certified as an implementing organization by the Ministry of Land, Infrastructure, Transport and Tourism	InterRisk
Supporting the construction of regional cooperation systems in the event of a disaster and supporting the wider use of electric vehicles by encouraging the effective use of electric vehicles (emergency power supply)	Automobile Insurance: Special endorsement for additional rental alternative car cost due to lending own electric vehicles based on a disaster support agreement	Coverage for rental car costs incurred when a business operator lends its electric vehicle, etc. to a local government (in line with any disaster support agreement) and needs to arrange a tentative	MSI

Contribution to solving social issues	Products and Services	Outline	Relevant Operating Companies
Supporting safe and secure behavior in the event of a large-scale natural disaster	Smartphone app: Suma-Ho Disaster Navigator	A smartphone app to identify user's current location using GPS and to display information regarding nearby evacuation shelters and hazards on a map. The camera function displays directions to the user's home or nearby evacuation center on a landscape screen for safer evacuation. Disaster prevention information for the user's current location is also sent out in real-time by push notifications. Available in English, Chinese (traditional and simplified), Korean, Vietnamese, Tagalog, and Portuguese, except for some features	MSI
Supporting early full-scale recovery of customer's businesses from damages caused by disasters by repairing damaged machineries and equipment, which previously had to be replaced with new ones	Repair service for damaged equipment	Service to dispatch experts to conduct a survey of contamination on buildings, machineries, and facilities damaged from fire smoke, soot and rust after fire or flooding etc., and conduct decontamination works	MSI
Helping to ensure continuity and early recovery of core business while minimizing damage to a company's business assets in the event of a disaster such as an earthquake or tsunami	Earthquake and tsunami risk management consulting	Support for the enhancement of countermeasures based on calculations of estimated damage amounts taking into account the effects of earthquakes and tsunamis, field surveys, etc	InterRisk
Supporting the development of overseas business	BCP development support services for international business	Supporting countermeasures in light of serious risks overseas, such as accidents and natural disasters	InterRisk
Since quotes for repair do not need to be submitted, insurance claims can be swiftly paid out helping customers to quickly rebuild their lives after a disaster.	Building damage calculation system using AI	A system whereby photos, simply sent from a smartphone or a PC, can be automatically analyzed using AI to detect damaged areas and instantly assess the amount of coverage	MSI, ADI
Facilitating the smooth operation of business activities overseas to support the stabilization of SMEs' business operations overseas and the development of local communities	Comprehensive global business coverage plan	Comprehensive coverage to cover risks related to overseas business expansion for small and medium-sized enterprises (SMEs)	MSI
Helping to expand overseas operations of small and medium-sized enterprises	Supporting companies in expanding overseas operations	Risk management services for small and medium-sized enterprises expanding their business overseas	MSI
Supporting new exports by SMEs and contributing to the sustainable development of Japan's agriculture, forestry and fisheries and food industries.	Export food insurance	Coverage for risks that occur when exporting food, such as spoilage and deteriorating quality due to accidents during transportation	MSI
Supporting prevention of work-related accidents and facility disasters	Consulting on occupational health and safety	Provision of training and consultation on occupational health and safety	InterRisk
Supporting prevention of work-related accidents and facility disasters	Consulting on development of safety culture	Provision of diagnosis of current status, and consultation toward development of a safety culture which supports and activates safety control	InterRisk
Supporting regional revitalization and solving social issues through the SDGs	Sustainable Development Goals (SDGs) promotion support services	Providing training and consulting services to assist companies in developing their strategies and strengthening their efforts toward the SDGs	InterRisk

Contribution to solving social issues	Products and Services	Outline	Relevant Operating Companies
Helping to prevent and limit the spread of infection	Consulting on new infectious diseases such as new strains of influenza countermeasures	Consulting services to support customers in measures against new strains of influenza and other new infectious diseases from a variety of perspectives, including infection prevention, spread prevention, response to business partners, business continuity, and reputational damage	InterRisk
Providing a system to meet the need for non-person-to-person processing, which is increasing with the progress of digitalization	Solicitation system to be completed online	Introduction of “&LIFE e-Net,” an online enrollment system for workplace insurance that allows employees, members of organizations and groups, and certain agents to complete their applications independently.	MSI Aioi Life
Proposing labor due diligence risks during small-scale M&A.	Rep and Warranty insurance with labor due diligence service	Representation and warranty insurance for small businesses incorporating a labor due diligence service	ADI
Providing peace of mind to single elderly-person households as well as to policyholders/family members in the event of hospitalization/disaster	Family Eye (notification system for relatives)	A system in which any one relative of a policyholder is registered as an emergency contact in relation to matters regarding insurance policies. It enables our company or agents to contact the registered relative and ensure more reliable delivery of important notifications concerning insurance policies in an emergency, such as when we cannot contact the policyholder, or to share with the relative contract information, following completion of an identification procedure based on the registered information, in order to respond to the registered relative's inquiry	MSI, ADI, MSI Aioi Life

Happiness of diverse people (Well-being)

[Major relevant SDGs]

Goal 3: Good health and well-being for all
Goal 5: Gender Equality
Goal 8: Decent work and economic growth



Contribution to solving social issues	Products and Services	Outline	Relevant Operating Companies
Promoting health-focused and human capital-oriented management	Insurance premium discount rate for companies engaging in human capital management	Introduction of consulting services related to human capital management coupled with provision of coverage with risk-adjusted premiums to help small and medium-sized enterprises create a sound management environment	MSI, ADI
Helping customers to extend their healthy life expectancy	"CareWiz Toruto for Me," an AI-based health check service	A service for personal accident insurance policyholders to check their fall risk and immune function decline simply by using a smartphone to provide a speech sample or to capture a video of themselves walking	ADI
Supporting customers in creating a healthy future	MSA Care	Provision of support before and after illness, such as prevention/early detection of illness, prevention of serious illness/recurrence, and consultation regarding health, as "a set of services" In addition to providing life insurance coverage in the event of illness	MSI Aioi Life
Supporting health management on employee level and health and productivity management on corporate level	"KokoKara Diary" smartphone app	A smartphone app to measure stress levels, display calories burned from steps automatically measured, record meals, height, weight, sleep duration, check medical information, and more. We also provide a dedicated website for administrators that has features that include viewing employee life log data and sending health advice to the app. It also helps to promote communication among employees by hosting a health-related event using a feature to display a ranking of employees' steps	MSI, ADI, MSI Aioi Life
Supporting personal health management and corporate health-focused management	"HELPO" healthcare app for mental and physical well-being	A smartphone app designed to provide health support solutions for employees and support the management of small and medium-sized enterprises, to help enhance employee productivity and retention	MSI
Supporting health management on employee level and health and productivity management on corporate level	Promoting good health in collaboration with the University of Tokyo's Center Of Innovation	Launch of insurance products to support health and productivity management that combine consulting services with a health management app based on an AI-driven health risk forecasting model developed by Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance in cooperation with the University of Tokyo Provision of services for checking risks of MCI (Mild Cognitive Impairment) through use of an algorithm jointly developed by the University of Tokyo and MSI Aioi Life	MSI, ADI, MSI Aioi Life

Contribution to solving social issues	Products and Services	Outline	Relevant Operating Companies
Helping to resolve issues specific to an aging society	Services for welfare and nursing care providers	Provision of products that offer compensation for various risks related to welfare/nursing care providers, which also covers consulting costs for prevention of accident recurrence and support for nursing care providers in establishing the BCPs and holding abuse prevention training sessions, which are obligatory for nursing facilities/offices.	ADI, InterRisk
Supporting corporate health and productivity management	Health and productivity management consulting services	Counseling and advice on issues related to the practice of health and productivity management and provision of information on the METI's system for certifying enterprises engaging in excellent health and productivity management	MSI, ADI, MSI Aioi Life, InterRisk
Contributing to stable corporate management and creating a comfortable working society	"Work and Nursing Care Dual Support Service for Companies"	Advice companies on identifying issues and the directions to be taken, based on the five initiatives described in the "Model for supporting work-life balance to prevent long-term care turnover" by the Ministry of Health, Labour and Welfare	ADI, InterRisk
Supporting corporate health and productivity management	Health Management Support Insurance	Provision of an insurance package that includes three functions: health management support services, loss of income coverage for employees who are unable to work due to injuries and/or illnesses, and tools for visualizing health risks for employees and helping to prevent disease through using the health management app, My Body Forecast, developed in conjunction with the University of Tokyo Center of Innovation	MSI, ADI, InterRisk
Supporting corporate health and productivity management	Mental Health Support Service for contact centers	A service for call centers, the turnover rates of which are said to be high due to an extreme level of work-related stress, which leads to rapid improvement of workplace conditions, etc. through facilitating timely identification of the occupational mental conditions of call center personnel	ADI
Supporting a rewarding second life	Smartphone-completed Asset-building/Management Type Life Insurance "AHARA"	Provision of a first-in-Japan variable annuity insurance, AHARA, which can be completed using just a smartphone, as a savings type asset-building product that meets the needs of customers who "want to start asset-building casually."	MSI Primary Life
Supporting a rich second life	Individual defined contribution pension plan (iDeCo)	A system in which an individual receives tax breaks while paying premiums and managing the funds themselves, and receives the funds as a lump sum or pension after the age of 60 in principle. Provided through financial institutions and agent	MSI, ADI, MSI Aioi Life, MSI Primary Life
Supporting a rich second life	"Fulfilling Tomorrow 2" existence protection oriented-type individual annuity insurance (with variable interest rate, level premium payment)	Flat payment-type individual annuity insurance. Customers pay a fixed amount of insurance premiums in Japanese yen every month, and then it is converted into a foreign currency and receive pensions based on the increased fund. Customers can take advantage of dollar cost averaging to reduce foreign exchange risk, and tontines, a system to increase pension funds by suppressing death protection cover then transfer that amount to the pension	MSI Primary Life
Supporting a rich second life	"Joy for Tomorrow 2" currency option-type existence protection oriented individual annuity insurance	Individual annuity insurance that uses tontine to support a rich second life with a focus on "100 years of life." "Joy for Tomorrow 2" features four courses that can be chosen according to the customer's funding needs: "Amount receivable oriented course," "Pre-pension benefit/whole life death protection course," "Fulfillment at maturity course" and "Target course"	MSI Primary Life

Contribution to solving social issues	Products and Services	Outline	Relevant Operating Companies
Supporting a fulfilling “second life”	Currency-selective Special Whole Life Insurance such as “Yasashisa, Tsunagu 2”	A whole life insurance product which enables trouble-free transmission of assets to next generations by making the insured’s family the beneficiary of living benefits	MSI Primary Life
Providing solution to counter medical risks	&LIFE Cancer Insurance S Smart Select	Special fire insurance clause for the landlords covering the additional cost incurred when an elderly person dies alone in rental housing.	MSI Aioi Life
Helping to solve issues specific to an aging society	Fire Insurance products responding to aging society	Special fire insurance clause for the landlords covering the additional cost incurred when an elderly person dies alone in rental housing.	MSI, ADI
Supporting nursing care for customers and treasured members of their families	Nursing care health desk	Telephone consultation for customers who have purchased insurance regarding long-term care and dementia. Consultation by counselors with nursing qualifications, etc. regarding nursing care and dementia. Information is available on services tailored to the needs of customers, such as mental counseling for family members for nursing care, provision of information on specialized medical institutions for dementia, and telephone checks of cognitive functions	MSI Aioi Life
Supporting nursing care for customers and treasured members of their families	BPSD onset prediction services	Provision of BPSD onset prediction services that realize improvement of the QOL (Quality of Life) of elderly persons living at home and reduction of the burdens on families and nursing care personnel	MSI, MSI Aioi Life
Supporting the operations of micro entrepreneurs through insurance even in the event of an unforeseen occurrence such as an accident or disaster.	Insurance for small loans to micro-entrepreneurs (Philippines)	Micro-insurance for loans, in cooperation with BPI Direct BanKo, which provides small loans to micro entrepreneurs. Available from the autumn of 2019	MSI
Contributing to the stability of the livelihood of indigenous people, many of whom are in poverty and in need of housing coverage and assistance	Exclusive fire insurance for indigenous people (Malaysia)	Development of a fire insurance specifically designed to cover the homes of indigenous people left behind in economically developing urban areas, through collaborating with EPIC Homes, a social enterprise working to improve the living conditions of indigenous people in Malaysia. By indemnifying indigenous people for housing, this product allows the indigenous people to stay living in peace, and at the same time, a support scheme is created that makes it easier for the sponsors recruited by EPIC Homes to participate, as there is no fear that the value of their donations will be lost in the event of a house fire	MSI
Contributing to expanded availability of insurance in areas where access to insurance coverage has traditionally been inconvenient	Smart offices (India)	Opening small offices equipped with insurance policy issuing machines (smart offices) in small- and medium-sized cities, towns and villages, where insurance penetration has lagged behind than metropolitan areas	MSI
Contributing to expanded availability of insurance in areas where access to insurance coverage has traditionally been inconvenient	Microinsurance (India)	Launch of microinsurance for loans in cooperation with a financial institution, which provides small loans to residents in areas where access to insurance has been inconvenient	MSI
Contributing to improving the lives of young persons in Japan, going forward	Financial literacy classes for students (Japan)	Implementation of classes to improve financial literacy for high school students following the April 2022 revision of the Civil Code that lowered age of adulthood from 20 to 18, through which we provided opportunities for students to learn life skills toward achieving an independent, secure and prosperous life, and contributed to improvement of living standards, going forward	MSI

Contribution to solving social issues	Products and Services	Outline	Relevant Operating Companies
Improving customer convenience through use of digital technology	Services through digitization and AI utilization	Launch of MS1 Brain Remote through digitizing the whole insurance process, from solicitation through claims settlement Development and provision of support apps and services using AI in order to provide insurance products and services more promptly	Mitsui Direct General
Improving customer convenience by enabling inquiries and procedures related to policies in real time in sign language and writing	Using sign language interpretation services	A service in which sign language interpreters take inquiries from customers with hearing or language impairments by video call using sign language or writing, and then interprets by voice to one of the company operators	MSI, ADI, MSI Aioi Life
Improving convenience for customers who have difficulty communicating in Japanese	Accident response service available in 17 languages	Communication in 17 languages via interpreting operators, allowing customers with difficulties in communication in Japanese who have been involved in an accident, the other party, or customers who wish to receive consultation or have an inquiry regarding insurance to all communicate freely	MSI, ADI, MSI Aioi Life, Mitsui Direct General
Improving convenience for customers with hearing disabilities	Web site for customers with hearing disabilities	Online road services arrangement through web	MSI, ADI, Mitsui Direct General
Responding to customers' diverse values pertaining to asset inheritance, such as goodwill through contributing to society by donating their assets	Endorsement for social contribution	Endorsement that enables to appoint designated public interest groups* as beneficiaries of insurance claims * The current designated public interest organizations (as of July 2020): • Japanese Red Cross Society • Japan Committee for UNICEF • Kyoto University's CiRA Foundation	MSI Primary Life
Helping to solve issues specific to an aging society	Coverage for search costs when missing of the elderly	Coverage for search costs if the insured years goes missing can be attached to accident insurance for people over 70 years old	MSI, ADI
Providing solutions to counter the risk of being unable to work and helping to the maintenance and improvement of customers' health	"&LIFE" New Income Guarantee Insurance-Wide	An insurance policy with monthly pension payments to enable preparation against the risk of becoming unable to work or being in need of nursing care due to illness or injury, in addition to preparedness for emergencies Premiums discounted according to status of receiving medical examinations, health conditions, smoking history, and driving history by attaching to the policy an "endorsement for applying premium rate based on medical examination results" and a "good health discount (endorsement for application of category-based premium rate"	MSI Aioi Life
Providing solutions to counter medical risks	&LIFE Medical Insurance A Select	Insurance that offers enhanced coverage, including a lump-sum benefit for short hospital stays and specific coverage for non-invasive cancers. Provides comprehensive support for lifestyle diseases, cancer, women's health issues, and long-term care, while allowing customers to select various coverage options according to their needs.	MSI Aioi Life
Medical risk solutions for those with health concerns	&LIFE Medical Insurance A Select (relaxed underwriting)	Insurance for customers with specific health concerns, providing the same level of coverage as standard medical insurance. Customers can choose from a range of coverage options, including riders for cancer and three major diseases, to meet their specific needs.	MSI Aioi Life

Contribution to solving social issues	Products and Services	Outline	Relevant Operating Companies
Aiming to support customers' lives by conveying medical and caregiving information in an accessible way, helping them obtain an accurate understanding	Virtual reality dementia experience	A virtual reality service available to smartphone users, providing them with immersive experiences related to dementia. These include virtual visits to medical facilities offering proton therapy, simulations of molecular-targeted therapy, and first-person recreations of daily life involving dementia from the perspectives of both the patient and their family.	ADI
Supporting the sustainable development of healthcare facilities and welfare providers	Healthcare facility risk management service	A service that supports the prevention of incidents and accidents in healthcare facilities or their recurrence	InterRisk
Supporting sustained development of medical institutions and welfare service providers	Medical/welfare risk management service	Support for prevention of occurrence/recurrence of incidents/accidents on the part of medical institutions and welfare service providers	InterRisk
Supporting initiatives to promote respect for human rights and information disclosure by companies	Consulting to support handling of Business and Human Rights	Support to companies for due diligence, risk measures in supply chains, and disclosures of human rights initiatives	InterRisk