

MS&AD Insurance Group and Sustainability



Our Sustainability Approach



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



Organizational Structure to Promote Sustainability



Targets (KPI) and Results



ESG Integration and Sustainability Approach



Communication with Stakeholders



Initiatives and External Assessment



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 our business partners 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
Scope3	Category 1, 3, 5, 6, 7, 13	-50% (Base year: FY2019)	
	Underwriting and Investments	-37% (Base year: FY2019) (Category 15 / Domestic Main Business Partners)	
		To promote the reduction of greenhouse gas emissions with our business partners, we understand their challenges and propose solutions through dialogue.	

Scope 1 is for direct emissions from the Group, such as gasoline from company-owned vehicles.

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

Scope 3 is for indirect emissions by the 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
- United Nations Global Compact (UNGC)
- United Nations Environment Programme – Finance Initiative (UNEP FI) (Principles for Sustainable Insurance (PSI), Natural Capital Finance Alliance (NCFA))
- Principles for Responsible Investment (PRI)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Taskforce on Nature-related Financial Disclosures (TNFD)
- Partnership for Carbon Accounting Financials (PCAF)
- Japan Climate Initiative (JCI)
- Principles for Finance Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)
- Japan Business Initiative for Biodiversity (JBIB) etc.

*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 Sustainability Approach](#)
- [➤ MS&AD's Story of Value Creation](#)
- [➤ Our Value Creation Approach](#)
- [➤ ESG integration and sustainability approach](#)

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.

- [➤ Medium-term Management Plan \(2022–2025\) Stage 2 !\[\]\(223f1a84e0bc2cacb9c165f716817dcc_img.jpg\)](#)
- [➤ Key Performance Indicators \(KPIs\)](#)

A corporate group that supports a resilient and sustainable society

As a platform provider of risk solutions,

we will help solve climate change and other social issues, while growing together with society.

- In addition to covering economic losses, seamlessly provide products and services before and after coverage and protection.
- Offer optimal solutions through marketing, underwriting, payment services and risk consulting that utilize digital technologies.

Story of Value Creation

By facing social issues and providing products and services through our business model to realize our mission, we will help create an environment where customers can live and conduct business in a secure manner.

Our Management Philosophy (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 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

In order to accurately understand what issues society needs to address, we identified social issues in need of solving based on international goals, guidelines and frameworks such as UN Sustainable Development Goals (SDGs), ISO 26000, the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) standards, as well as reports published by governments and relevant organizations. Based on this process, we selected 21 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.)

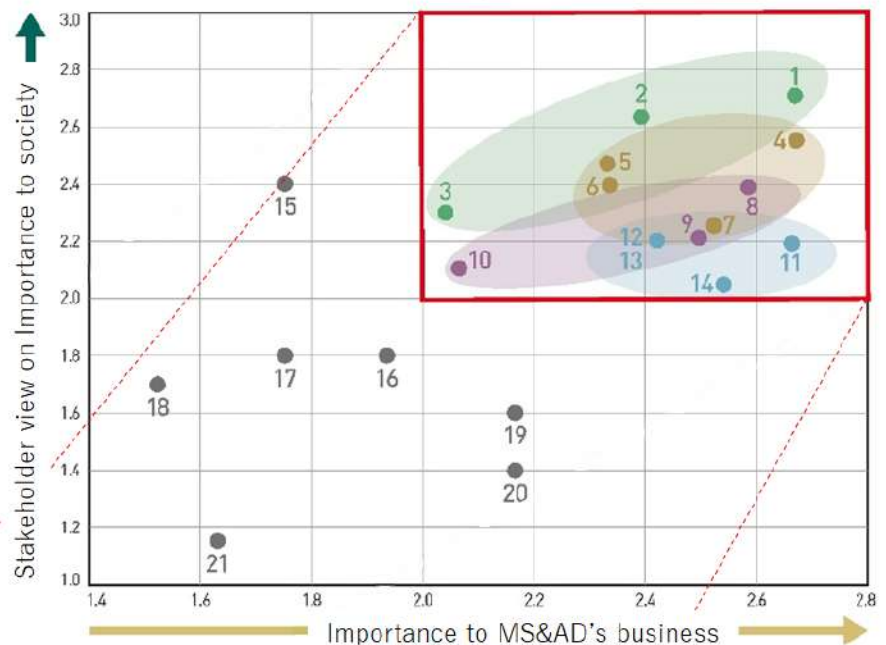
1	Acceleration of global warming	8	Aging population and declining birthrate	15	Price instability
2	Damage to natural capital (Ecosystem degradation and crisis)	9	Human rights violations and exclusion of diversity	16	Hunger and food crisis
3	Environmental pollution and non-circular economy	10	Increasing 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	Resilience
5	Spread of infection	
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.

> Priority Issues

Symbiosis with global environment (Planetary Health)

Action on climate change

— Aiming for net zero greenhouse gas emissions by 2050

- 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

Improvement of sustainability of natural capital

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.

> Key Performance Indicators (KPIs)


Risks and Opportunities

Social issues		Risks and opportunities			Time axis			
					Short	Medium	Long	
 Symbiosis with the global environment Planetary Health	1	Acceleration of global warming	Risk	Reduction of earnings due to the inability to achieve a rapid transition to a net zero society		●	●	
				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 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				●
				Decline in earnings caused by the deterioration in business performance of business partners due to tighter regulations on the circular economy, etc.		●	●	
	3	Environmental pollution and noncircular economy	Opportunity	Increased need for risk assessment of natural capital and preservation of biodiversity and its sustainable use	●	●		
				Business opportunities to address the decline in earnings due to an inability to capture the transition to a circular economy		●		


> Symbiosis with the Global Environment (Planetary Health)

Social issues		Risks and opportunities			Time axis			
					Short	Medium	Long	
 Safe and secure society Resilience	4	Emergence of new risks	Risk	Impact of an increase in large-scale cyberattacks on the Group	●	●		
				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 (CSVxDX) and social digitalization	●	●		
	5	Spread of infections	Risk	Impact of a new pandemic on operations	●	●	●	
				Business opportunities related to infectious disease control and healthcare providers	●	●		
	6	Large-scale earthquakes	Risk	Increase in disaster risks due to the increased probability of huge earthquakes, particularly those concentrated in urban areas	●	●	●	
				Increased need for earthquake countermeasures	●	●		
	7	Decline of local industry	Risk	Declining regional vitality due to depopulation, lack of access to mobility and financial services, and aging social infrastructure	●	●		
				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	●	●		

> Safe and Secure Society (Resilience)

		Social issues		Risks and opportunities		Time axis		
						Short	Medium	Long
 Happiness of diverse people Well-being	8	Aging population and declining birthrate	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		●	●	
				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	●	●		
				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	Human rights violations and exclusion of diversity	Risk	Decrease in reputation due to actual or possible human rights violations	●	●		
			Opportunity	Increased awareness of respect for human rights and the increased need for corporate responses	●	●		
	10	Increasing poverty and inequality	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	●	●		
			Opportunity	Grasping of new markets through financial inclusion	●	●	●	

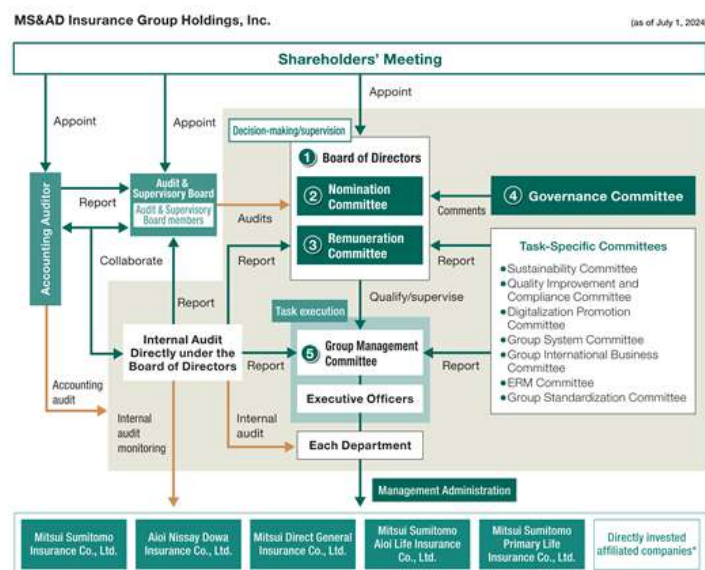
> Happiness of Diverse People (Well-being)

> Risks/Opportunities and Initiatives  (707KB)

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.



*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	● FY2022 sustainability initiatives	● FY2023 sustainability initiatives
	● Promotion of DE&I	● Disclosure related to climate change and natural capital
	● Advancement of Group human rights initiatives	● Promotion of DE&I
	● Efforts for achieving Net Zero by 2050	● 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
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 ● Improving management of natural disaster risks, including 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 ● 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.

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

Group-wide

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” \(in Japanese only\)](#) 



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

<div data-bbox="274 551 357 584">MSI</div> <p>Study sessions for sustainability transformation (SX)</p>	<p>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.</p>
<div data-bbox="274 918 357 952">ADI</div> <p>Customer dialogue on GHG emissions reduction</p>	<p>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.</p>
<div data-bbox="274 1305 357 1339">Mitsui Direct General</div> <p>Employee-participation initiatives</p>	<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.
<div data-bbox="274 1695 357 1729">MSI Primary Life</div> <p>Departmental goals for sustainability initiatives</p>	<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.

Targets (KPI) and Results

Key Performance Indicators (KPI) in the Medium-Term Management Plan to Promote Our Sustainability Initiatives

KPI

Materiality	Metrics	Group Targets		FY2022 Achievement	FY2023 Achievement
Planetary Health	GHG emissions reduction rate (Scope 1+2)	FY2030 ▲50%vs FY2019 FY2050Net 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%
Resilience (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
Well-being	Number of policies in force for products which help solve health-related social issues	FY 2025 2.6 million		2.17 million	2.22 million
	Number of policies in force for asset-building products to support longevity	FY 2025 0.1 million		0.05 million	0.07 million
	Instances of support for action by companies to address human rights (Consulting services, training/seminars)	FY 2025 1,000 instances a year		1,111 instances	1,047 instances

*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%

ESG Data

[> ESG Data / Reference Material](#)

Reference: Target and Results of Vision 2021

[> Target and Results of Vision 2021](#) 

<Main Efforts>

The classification of cases may differ from "Our Value Creation Approach" in this report.

In "Our Value Creation Approach," we have adopted the classification that is most easily understood by all.

[> Our Value Creation Approach](#) 

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	8.50%	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	4weeks	8.1days	12.1days
Number of annual paid holidays taken	FY 2025	Equal to or greater than the previous year	16.4days	16.5days
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	4.5points	4.5points
	•Constant awareness of MVV		4.6points	4.6points
	•Pride in work, job satisfaction		4.4points	4.4points
	•Active participation		4.6points	4.7points


ESG Data / [Reference Material to refer Subject organizations and data coverage](#)

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.

- [Our Sustainability Approach](#)
- [Products and services that contribute to sustainability](#)
- [ESG integration and sustainability approach \(practical process\)](#)  (938KB)

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". In September 2020, we announced a detailed process, and we have been conducting underwriting and investments while reviewing the content in light of environmental changes.

[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 in Japan
Onshore wind power	To be reviewed	Construction of new onshore wind power plants in Japan
Biomass power	To be reviewed	Construction of new biomass power plants in Japan
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.

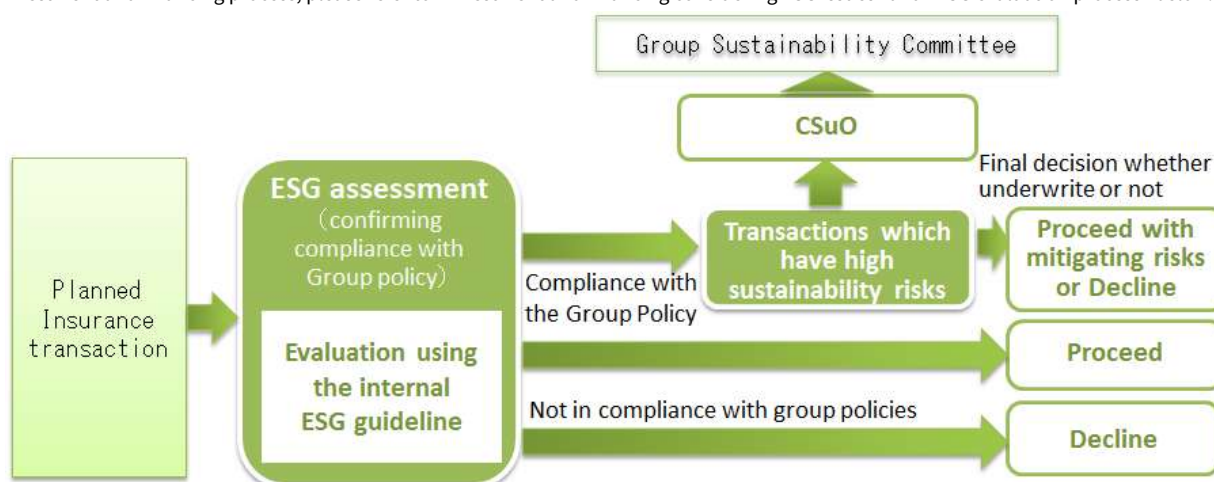
*2 Companies that derive at least 25% of their revenues from coal-fired power generation, thermal coal mines or companies that generate at least 25% of their energy from coal.

*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.

[➤ Products and Services that Contribute to Sustainability \(PDF\)](#) 

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.

> MSI Our Policies According to Japan's Stewardship Code 

> ADI Our Policies According to Japan's Stewardship Code 

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> <div>MSI</div> <div>ADI</div> <div>MSI Aioi Life</div> <div>MSI Primary Life</div> </div> <p>The Group joint investment in overseas impact funds</p>	<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.</p> <p>MS&AD INSURANCE GROUP INVESTS IN IMPACT FUNDS </p>
<div> <div>MSI</div> </div> <p>Investment in social impact bonds</p>	<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</p> <p>Investment In Next Rise Social Impact Funds (in Japanese only) </p>
<div> <div>MSI</div> </div> <p>Investment in a bio-healthcare fund</p>	<p>Investment in startups within the bio-healthcare sector</p> <p>Investment in a Bio-healthcare Fund (in Japanese only) </p>
<div> <div>ADI</div> </div> <p>Investment in a climate and nature transition fund</p>	<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</p> <p>Investment in a Climate and Nature Transition Fund (in Japanese only) </p>
<div> <div>MSI</div> <div>ADI</div> <div>MSI Aioi Life</div> <div>MSI Primary Life</div> </div> <p>Investment in a forest fund</p>	<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</p> <p>Investment in a Forest Fund (in Japanese only) </p>

Sustainability-themed investment

ESG in general

<div>MSI ADI</div> <p>Joint investigation of a business initiative for the development of sustainable finance</p>	<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.</p> <p>Initiation of joint investigation of a business initiative for the development of sustainable finance (in Japanese only) </p>
<div>MSI ADI MSI Aici Life MSI Primary Life</div> <p>Investment in Green/Social/Sustainable Bonds</p>	<p>Invested in green bonds and social bonds, etc. issued by domestic and foreign companies.</p>
<div>MSI ADI MSI Aici Life MSI Primary Life</div> <p>Investment in sustainable development bonds</p>	<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.</p> <p>The MS&AD Insurance Group Invests in World Bank's Sustainable Development Bond </p>
<div>MSI</div> <p>Incorporation of ESG guidelines into the investment/loan processes for externally entrusted funds</p>	<p>Incorporated ESG guidelines into the investment process of an overseas bond fund entrusted to Guggenheim, a close partner.</p>
<div>ADI</div> <p>Investment in SDGs funds</p>	<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.</p>

Environment

<div>MSIADI</div> <div>MSI Primary Life</div> <div>Financing for renewable energy power plants</div>	Financing and fund investment in solar, wind, and biomass power generation to promote the spread of renewable energy.
<div>MSIADI</div> <div>Investment in Future Creation Fund</div>	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>MSIADI</div> <div>MSI Aioi Life</div> <div>MSI Primary Life</div> <div>Transition Finance</div>	Supporting corporate efforts to reduce greenhouse gas emissions.
<div>HDMSIADI</div> <div>Investment in Japan Climate Transition Bonds</div>	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. Supporting Japan’s decarbonization efforts through investment in Japan Climate Transition Bonds (in Japanese only) PDF
<div>MSI</div> <div>MSI Aioi Life</div> <div>Investment in startups that can contribute to a sustainable society</div>	Invested in startups with innovative business models or technologies that can help achieve a sustainable society. Investment in startups that can contribute to a sustainable society (in Japanese only) PDF

Social

<div>MSI Aioi Life</div> <div>Investment in Japan International Cooperation Agency’s Peacebuilding Bonds</div>	Supporting projects contributing to peace, stability and rehabilitation of countries, regions, etc. affected by conflicts and/or civil wars. Investment in the Peacebuilding Bonds issued by the Japan International Cooperation Agency (Japanese only) PDF
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External Assessment

The MS&AD Insurance Group utilizes assessments from global ESG rating agencies to enhance its sustainability initiatives. It has been recognized by various ESG indices through index inclusion.

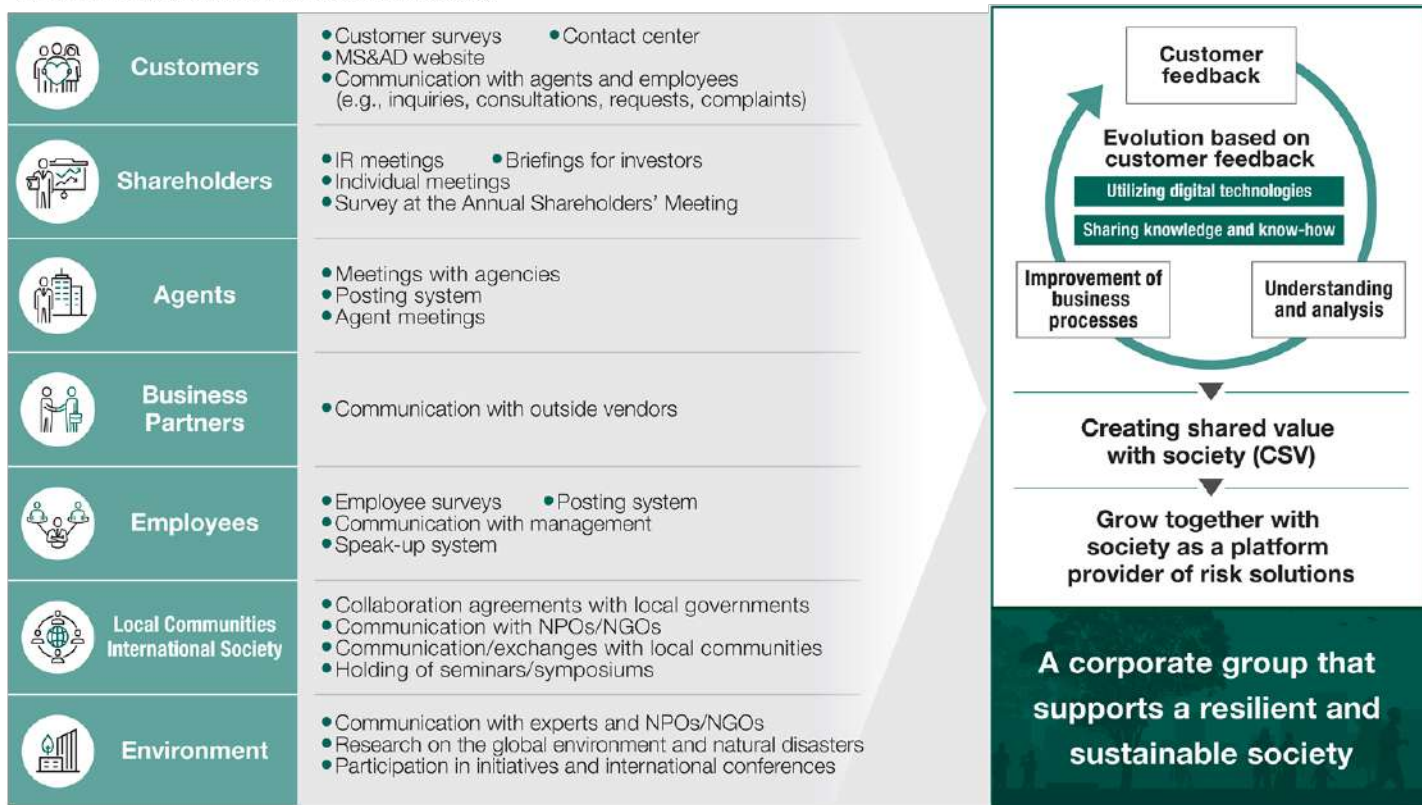
> Initiatives and External Assessment

Communication with Stakeholders

We believe it is important to understand what our stakeholders expect and want from the Group and to utilize this understanding to improve the quality of products and services it provides as we continue to be valued as a corporate group that makes progress based on communication with our customers. The Group has various systems in place to facilitate communication with its stakeholders and offers quality which meets their expectations through feedback-based business improvement and highly transparent and effective corporate governance practices.

It is our role to provide the best solutions to the uncertainties and risks in society based on public expectations for the insurance and financial services. In order to provide safety and security to people and support dynamic business activities and a healthy and productive life, we listen and react to a wide variety of feedback from stakeholders, including customers, through such channels as consultations, requests, complaints, and opinions received, and utilize it for quality improvement. In addition, we publicly disclose our processes for understanding the feedback received, as well as the results and progress of counter measures.

Communication with Stakeholders



Examples of Stakeholder Dialogue

Customers

Based on the MS&AD Insurance Group Basic Policy for Responding to Customer Communications, we listen sincerely to feedback from our customers obtained through customer questionnaires, the official website, and communication with agents/employees, and utilize it to improve business operations for quality enhancement. In addition, we have established the Customer-first policy in the business operations to ensure that we carry out business operations placing high value on the customer-first principle. We have developed various schemes that help to understand our stakeholders' needs and expectations and, to that end, to improve the quality of the products and services we offer together with management level discussions.

[Quality that Earns the Trust of Society](#)

Dialogue examples:

- Customer questionnaires
- Annual reports on the status of efforts to implement our Customer-First Business Operations Policy
- Contact centers
- Official websites
- Communication with agents and employees (inquiries, consultations, requests, and complaints, etc.)
- Disclosure of loss prevention and mitigation information to the public, alert delivery via app, etc.

Shareholders

We have been developing a range of IR activities such as IR meetings, briefings for investors, individual meetings, and shareholders' meeting questionnaires, in accordance with the Basic Policy to win the trust of shareholders and investors, and to enable the Group's corporate value to be fairly evaluated. The Group proactively engages in highly transparent information disclosure and constructive dialogue with shareholders and investors in an initiative to achieve sustainable growth and increase corporate value.

Specifically, through highly transparent information disclosure, the Group seeks to reduce information asymmetry with shareholders and investors. The feedback gained from the constructive dialogue with shareholders and investors is shared with management and the relevant departments to be utilized in the formulation of management strategies.

[IR Events](#)

Dialogue examples and results:

FY2023 dialogue results

- 2 strategy briefings for institutional investors and analysts
- 4 financial results conference calls
- 1 ESG meeting
- 1 thematic meeting
- 4 briefings for individual investors
- 223 interviews with analysts/investors worldwide, etc.

Agents	<p>By maintaining good communication with agents, our business partners, and by thinking and acting together, we aim to provide high-quality services and optimal products to our customers, as we pursue mutual growth for both our agents and the Group.</p> <p>Quality that Earns the Trust of Society</p> <p>Initiative examples:</p> <ul style="list-style-type: none"> • Agent meetings • Agent study sessions • Providing a CO2 emissions calculation service for motor agents
Business Partners	<p>We will conduct fair and equitable transactions with integrity and endeavor to achieve sustainable development as well as to fulfill our corporate social responsibilities. The MS&AD Insurance Group explains its Group Environmental Basic Policy to business partners and asks for their cooperation.</p> <p>Transaction Responsibilities</p> <p>Dialogue examples:</p> <ul style="list-style-type: none"> • Communication with contractors • Regular contractor inspections • Human rights risk management support, etc.
Employees	<ul style="list-style-type: none"> • Each year, the MS&AD Insurance Group carries out an employee engagement survey covering topics such as those to ascertain the degree of diffusion of the Group Mission, Vision, and Values; the degree of unity within the Group; and whether employees feel a strong sense of motivation. • A “speak up” system encouraging whistleblowing has been put in place, creating an environment in which employees can frankly and proactively share their views or raise concerns on any problems they may have. • A message board was established on the intranet to collect the views and improvement proposals from employees in order to incorporate them into quality improvement. The opinions are reviewed at each headquarters division and the feedback is given based on the results. • Through the exchange of opinions between executives and employees, we continue to make initiatives to leverage employee feedback in business operations. <p>Employee Well-being</p> <p>Implementing Activities and Dialog that Respect Human Rights</p> <p>Initiative examples:</p> <ul style="list-style-type: none"> • Conducting employee awareness survey • A speak-up system allowing employees to report or seek advice on possible violations of laws and regulations, company rules, and conduct issues • A suggestion submission system allowing each department at the head office to consider improvement proposals and provide feedback on the results, etc.

Local Communities and International Society

As a member of both the local and international communities, the Group takes part in domestic and global initiatives. We also contribute to realization of resilient and sustainable community development by revitalizing local communities and international society through support for regional business, identification of issues by means of communication with NPOs/NGOs, etc. in each country, and collaboration and communication with various stakeholders aimed at resolving local and global issues.

[Initiatives and External Assessment](#)

[Creation of a Resilient and Inclusive Society \(Regional Revitalization\)](#)

In order to promote initiatives through our insurance business to create shared value, our employees are encouraged to join environmental conservation activities and contributing activities to the local community so that they can deepen their understanding of social issues. Furthermore, through the MS&AD Unison Smile Club, a social contribution group created by the employees of the Group, donations are made that meet local needs through dialogue with local governments and various social contribution activities in collaboration with non-profit organizations.

[Green Earth Project \(in Japanese only\)](#)

[MS&AD Unison Smile Club](#)

Initiative examples:

- Collaborative agreements with local governments
- Collaborative research with universities on loss prevention and mitigation and the local environment
- Dialogue with NPOs and NGOs
- Dialogue and interaction with local communities
- Holding seminars and symposiums, etc.

Environment

Focusing on harmonious coexistence with the global environment (Planetary Health) as a priority issue, we have been promoting initiatives for responding to climate change, improving the sustainability of natural capital, and preserving and restoring biodiversity. We have also been contributing to resolution of social issues related to the natural environment through such means as conducting joint research programs with experts at universities, research institutes, etc. on global environment/natural disasters, holding seminar sessions/symposiums, and communicating with NPOs and NGOs.

[Action on Climate Change](#)

[Improvement of Sustainability of Natural Capital](#)

[Initiatives and External Assessment](#)

Dialogue examples:

- Dialogue with experts, NPOs, and 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 seminars and symposiums, etc.


Initiatives and External Assessment

Initiatives

External Assessment

Initiatives

The MS&AD Insurance Group participates in various initiatives and strives to create shared value with society. The Group 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, the 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>Signatory to the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI)</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>Our Policies According to Japan’s Stewardship Code</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>Climate/Nature-related Financial Disclosure</p>









PCAF (Partnership for Carbon Accounting Financials)	<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>
CDP	<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	<p>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.</p>
Japan Climate Initiative	<p>The MS&AD Insurance Group has signed up to the Japan Climate Initiative. 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	<p>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."</p>
Taskforce on Nature-related Financial Disclosures (TNFD)	<p>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.</p>
TNFD Forum	<p>We participate in the TNFD Forum, which is made up of companies and organizations that support the TNFD's objectives and development work. We also established and convene the TNFD's Consultation Group in Japan, which promotes understanding of the TNFD framework among TNFD Forum members in Japan.</p>
Japan Business Initiative for Biodiversity (JBIB)	<p>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.</p>
Association for Business Innovation in harmony with Nature and Community (ABINC)	<p>The association was established with the purpose of encouraging businesses to work toward development of a symbiotic society in harmony with communities' local flora and fauna, such as certification of corporate green space in consideration of biodiversity (ABINC certification). MS&AD InterRisk serves as the association's secretariat.</p>
Finance Alliance for Nature Positive Solutions (FANPS)	<p>In February 2023, the Group formed a financial alliance with the Sumitomo Mitsui Financial Group, the Norinchukin Bank, and the Development Bank of Japan, with the aim of becoming nature positive.</p> <p>The alliance provides support services to companies committed to following the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and provide them with information on solutions to promote nature positivity.</p>

30by30 Alliance	<p>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.</p> <p>Mitsui Sumitomo Insurance Surugadai Green Spaces as OECMs / Corporate Green Space Support Package</p>
Green Infrastructure Public-Private Partnership Platform	<p>This platform was established to promote green infrastructure through both physical and policy-based measures in areas such as social capital development and land use. We are active in the platform subcommittees relating to planning and public relations as well as finance.</p>
Business for Nature	<p>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.</p>
“Plastics Smart” Forum	<p>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.</p>
30% Club Japan	<p>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.</p> <p>Diversifying of Decision-making Layers</p>

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:

- > Dow Jones Sustainability Indices (Asia Pacific) 
- > MSCI Japan ESG Select Leaders Index (in Japanese only) 
- > MSCI Japan Empowering Women Index (in Japanese only) 
- > FTSE4Good Index Series 
- > FTSE Blossom Japan Index 
- > FTSE Blossom Japan Sector Relative 
- > ISS ESG Corporate Rating Prime 
- > S&P/JPX Carbon Efficient Index 

Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA



FTSE4Good



**FTSE Blossom
Japan Index**



**FTSE Blossom
Japan Sector
Relative Index**

**2024 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)**



**2024 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX**




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Awards and Recognition

Initiatives for Loss Prevention and Mitigation Using Data and AI





- Dashcam Road Manager won the Minister of Land, Infrastructure, Transport and Tourism Award at the 6th Japan Open Innovation Prize (MSI) (in Japanese only) 
- Received awards in two categories at the Insurance Asia Awards 2024 for an AI system to detect fraudulent insurance claims (ADI) (in Japanese only) 
- Loss Prevention/Mitigation through the Utilization of Data and AI

Initiatives for Creation of a Resilient and Inclusive Local Communities (Regional Revitalization)



- Received a commendation from the Cabinet Office Minister of State for Regional Revitalization for our initiatives associated with regional revitalization (MSI) (in Japanese only) 
- Creation of a Resilient and Inclusive Society (Regional Revitalization)

Employee Well-being






Diversity, Equity & Inclusion (DE&I):

- For the second consecutive year, three Group companies received a gold rating in the PRIDE Index recognizing companies for their LGBTQ+ inclusion efforts (MSI, ADI, MSI Aioi Life) (in Japanese only) 
- Selected for inclusion as model companies for the Tokyo Sports Promotion Company Certification System Certified as “Sports Promoting Companies in Tokyo” (HD, MSI, ADI, MSI Aioi Life) 
- Three Group companies selected for inclusion under the Sports Yell Company program by the Japan Sports Agency (MSI, ADI, MSI Primary Life) (in Japanese only) 
- Acquired “Platinum Kurumin” certification by Japan’s Minister of Health, Labor and Welfare for excellence in child-rearing support (MSI, Mitsui Direct General, MSI Aioi Life) (in Japanese only) 
- For other awards and recognition, please refer to the Diversity, Equity & Inclusion (DE&I) Report

Health Management:

- Selected for inclusion among top 500 under the government’s 2024 Certified KENKO Investment for Health Outstanding Organizations Recognition Program (Large Enterprise Category; White 500) (HD, MSI, ADI, MSI Aioi Life) (in Japanese only) 
- Selected for inclusion under the government’s 2024 Certified KENKO Investment for Health Outstanding Organizations Recognition Program (Large Enterprise Category) (Mitsui Direct General, MSI Primary Life, MS&AD Systems) (in Japanese only) 
- Employee Well-being

Quality that Earns the Trust of Society

- Received an IT Award and an IT Encouragement Award at the 41st Information Technology Award sponsored by the Japan Institute of Information Technology (HD, MS&AD Systems) (in Japanese only) 
- Received the highest rating of three stars for the tenth consecutive year in the “Phone Support” category of the HDI-Japan Benchmark/Assessment (MSI) (in Japanese only) 
- Received the highest rating of three stars for the third consecutive year in the “Phone Support” and “Web Support Portal” categories of the HDI-Japan Benchmark/Assessment (ADI) (in Japanese only) 
- Attained a seven-star rating, the highest level in HDI-Japan’s support center certification system (ADI) (in Japanese only) 
- Received the highest rating of three stars for the eighth consecutive year in the HDI-Japan Benchmark/Assessment, along with five-star certification for the sixth consecutive year (Mitsui Direct General) (in Japanese only) 
- Quality that Earns the Trust of Society