

# MS & AD

## SUSTAINABILITY

### REPORT 2022



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## Sustainability Report 2022

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## CEO Message

The MS&AD Insurance Group (hereafter “Group”) pledges in its Corporate 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.” The Group, in collaboration with its stakeholders, has been making steady progress toward realization of a “resilient and sustainable society” through its contributions to resolution of social issues and the Creating Shared Value (CSV) initiative. In the Medium-term Management Plan (“Medium-term Plan”), (FY2022-2025), we state our aim to be a corporate group that will grow together with society as a Platform Provider of Risk Solutions and will support the achievement of a resilient and sustainable society. As basic strategies for realization of that objective, we have set forth “Value (Creation of value),” “Transformation ( Business reforms)” and “Synergy (Demonstration of Group synergy).”

With regard to “Sustainability,” we have positioned this as one of the fundamentals that support basic strategies under the Medium-term Plan. The Group has been promoting initiatives, focusing as key priority issues on realization of “Symbiosis with global environment (Planetary Health),” “Safe and secure society (Resilience),” and “Happiness of diverse people (Well-being),” which are highly important for both the Group and our stakeholders.

In relation to “Symbiosis with global environment (Planetary Health),” we have been carrying out initiatives centering on “Action on climate change (Carbon Neutral)” and “Improvement of sustainability of natural capital,” which are closely related. With targets of 50% GHG emissions reduction by FY2030 compared to the FY2019 level and net zero GHG emissions by FY2050, the Group has been promoting overall decarbonization of society in collaboration with our stakeholders through provision of products and services in addition to our own initiatives to reduce GHG emissions. Furthermore, we are providing solutions and products related to preservation of natural capital/biodiversity. In addition to these initiatives, we will play a leading role in encouraging domestic and overseas companies and organizations to disclose their initiatives through joining the Task force on Nature-related Financial Disclosures (TNFD). We have also integrated all of the activities relating to environmental issues that we are addressing into the “MS&AD Green Earth Project.” The Group, in close cooperation with our stakeholders, has been carrying out initiatives with themes of conservation/restoration of natural environments, environmental load reduction, disaster prevention and mitigation making the most of nature and regional revitalization.

For “Safe and secure society (Resilience),” we strive to contribute to the stable development of society by providing products/services that respond to various risks accompanying changes in social structure and the development of new technologies. For example, in light of today’s rapidly increasing incidence of cyber risks, the Group enables not only compensation for economic loss but also peace of mind “before/after compensation,” such as damage prevention utilizing antivirus software applications, and support for countermeasures against information leakage. To address natural disasters, we offer services for analyzing/assessing storm and flood risks, proposing disaster prevention/mitigation as well as supporting early recovery and preventing the expansion of post-disaster damage. Through these services, we help to prevent/minimize damage as well as offering direct compensation for damage due to natural disasters. Furthermore, we will keep working on regional revitalization and hope to continue being valued as a Group that can be depended on by delivering solutions based on the Group’s versatility in responding to specific issues faced by particular regions.



In order to address the issue “Happiness of diverse people (Well-being),” we have been promoting initiatives, centering on “Adaptation to a society of healthy longevity,” “Respect for human rights” and “Improvement of employee engagement.” For “Healthy longevity society,” we provide products/services contributing to health promotion, prevention of pre-symptomatic disease /severe disease, extend human wealth for living life more fully in a 100-year-life span era. For “Respect for human rights,” we promote initiatives to respect human rights by introducing Human rights due diligence, including the Group and its stakeholders. For “Improvement of employee engagement,” we promote diverse and flexible work styles for employees, such as making use of remote working, while supporting employees to develop self-reliant careers through provision of the challenge post system and opportunities for re-skilling.

In addition to these initiatives, the Group is making strong efforts to diversify human resources increasing the proportion of females in management positions and promoting D&I through active recruitment of mid-career employees and recruiting foreign students studying in Japan. We strive to cultivate a corporate culture that is rich in variety of opinions and ideas, with diversity among decision-makers.

Recently, with surges in geopolitical risks and biodiversity loss added to the increasing severity of natural disasters and the pandemic, many risks which could destabilize global security and safety have appeared. Accordingly, recognizing that the Group’s collective experience and capabilities as professionals in risk response, are becoming increasingly important, we are committed to resolving social issues through fulfilling our role as a Platform Provider of Risk Solutions and growing with society.

October 2022

President &amp; CEO

A handwritten signature in black ink, reading "N. Hara." The signature is written in a cursive, flowing style.

Noriyuki Hara

# MS&AD Insurance Group and Sustainability



[Our Sustainability Approach](#)



[MS&AD's Story of Value Creation and Business Models](#)



[Targets \(KPI\) and Results](#)



[ESG Integration and Sustainability Approach](#)



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# 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.

"Responding to Climate Change ", "Improving Sustainability of Natural Capital" and "Respecting Human Rights " that require urgent actions are the Group's priorities.

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

#### 【Responding to 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.
- With new risk solutions using DX (digital transformation), we support our customers to establish and roll out innovative technologies for a decarbonized society, including things like next-generation energy, such as renewables and hydrogen, and CCUS\*1 carbon recycling.
- We will not provide insurance for, nor make investments in new coal-fired power plants.

- We will not newly provide insurance for, nor make investments in the existing coal-fired power plants or steam coal mines. However, we may carefully consider and handle the cases that incorporate decarbonizing technologies and techniques toward achieving the Paris Agreement targets.
- 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 , 2 *3	-50% (Base year: FY2019)	Net Zero
Scope 3 *4	-50% (Base year: FY2019) (Categories 1, 3, 5, 7, 13)	Net Zero (All Categories)

<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.
  - Oil sand mining
  - Oil and gas extraction in the Arctic region
  - Projects with negative impact on UNESCO World Heritage Sites or Ramsar-listed wetlands

【 Respecting 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)
- Final Report of Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- Taskforce on Nature-related Financial Disclosures (TNFD)
- Net-zero Insurance Alliance (NZIA)
- 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)

\*1 : Carbon dioxide Capture, Utilization and Storage

\*2 : Scope 1 is for direct emissions from our group, such as gasoline from company-owned vehicles.

\*3 : Scope 2 is for indirect emissions from the use of electricity and gas.

\*4 : Indirect emissions by our group's operations other than those in Scope 2.

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

# 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, our Group anticipate 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, in order to lessen the occurrence of risks, we commit 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 our Group's business model.

- > Our Sustainability Approach
- > MS&AD's Story of Value Creation
- > Our Value Creation Approach

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

In its medium-term management plan (2022 – 2025), the Group aims to be a "Group which supports a resilient and sustainable society" that will grow together with society by contributing to the resolution of social issues as a platform for risk solutions based on our story of value creation. To put our Group's management concept into practice, we will support the creation of an surroundings where customers can live and conduct business activities with peace of mind by addressing social issues and providing products and services based on our company's business model.



## Identifying Priority Issues

In identifying priority issues, our group identifies social issues that need to be resolved, taking into account common global goals and international guidelines and frameworks. It then evaluates the impact on stakeholder's decision-making and the impact on our Group's business, and selects those that are of greater importance to both parties.

### [STEP 1] Analysis of social issues

In order to accurately grasp the issues that society needs to solve, we have identified social issues based on the SDGs (Sustainable Development Plans), ISO 26000, international guidelines, frameworks, reports, etc., which are common global goals.

Social issues are extracted from the following.

- 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.)

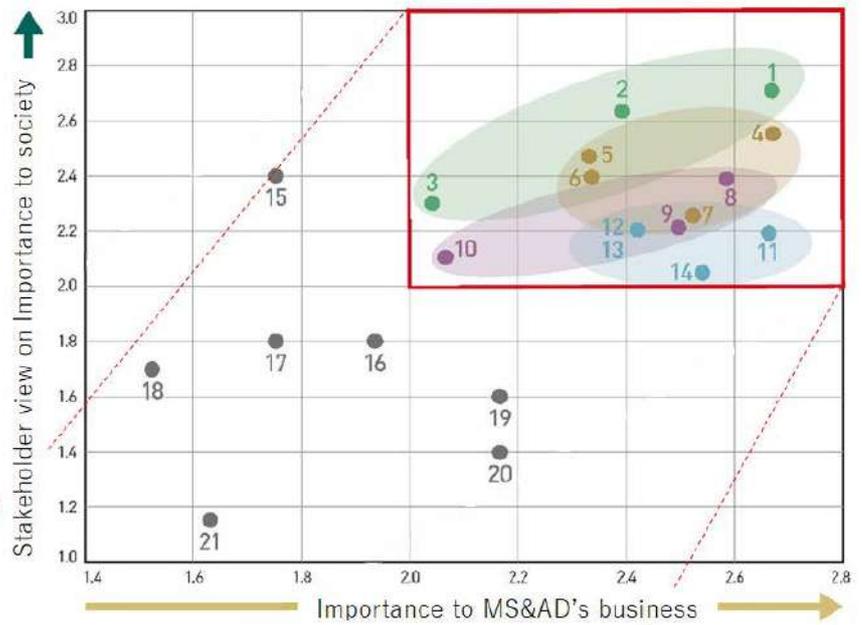
1	Acceleration of global warming	8	Aging population and declining birthrate	15	Price instability
2	Damage to natural capital (Ecosystem degradation and crisis)	9	Human rights violations and exclusion of diversity	16	Hunger and food crisis
3	Environmental pollution and non-circular economy	10	Increasing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

With regard to our group's business activities aimed at resolving social issues, we analyzed items that have a significant impact on stakeholder evaluations and decision-making, and items that have a significant impact on our group's long-term risks and opportunities. We identified three priority issues that are of high importance to both stakeholders and our company \*.

\*In evaluating our stakeholders, we use surveys of customers and agents, dialogues with shareholders, dialogues with investors and lenders, and employee engagement to investigate and analyze social issues that need to be resolved and expectations for our company.

- 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	
<b>Core Initiatives</b>		
11	Customer Responsibility	Quality Human Resources ERM
12	Compliance	
13	Corporate Governance	
14	Human Resources	

### [STEP 3] Main Initiatives for the Priority Issues

These three priority issues are recognized as our challenges for CSV (Creating Shared Value) in order to clarify our intention to address them as initiatives that create value for both society and the Group. Main initiatives are as follows. Furthermore, the goals that we aim to achieve through solving these issues are aligned with SDGs.

Priority issues	Social issues	Main initiatives
<p><b>Symbiosis with global environment</b> (Planetary Health)</p>	<ul style="list-style-type: none"> <li>• Global warming</li> <li>• Damage to natural capital</li> <li>• Environmental pollution</li> <li>• Linear economy</li> </ul>	<ul style="list-style-type: none"> <li>• Action on climate change — Aiming for net zero carbon emissions by 2050</li> <li>• Improvement of sustainability of natural capital</li> </ul>
<p><b>Safe and secure society</b> (Resilience)</p>	<ul style="list-style-type: none"> <li>• Emergence of new risks</li> <li>• Major earthquakes</li> <li>• Spread of infectious diseases</li> <li>• Decline of regional industry</li> </ul>	<ul style="list-style-type: none"> <li>• Measures to address new risks</li> <li>• Loss prevention/mitigation</li> <li>• Regional revitalization — Creation of a resilient and inclusive society</li> </ul>
<p><b>Happiness of diverse people</b> (Well-being)</p>	<ul style="list-style-type: none"> <li>• Aging population and declining birthrate</li> <li>• Human rights violations</li> <li>• Elimination of diversity</li> <li>• Poverty and widening income disparity</li> </ul>	<ul style="list-style-type: none"> <li>• Adaptation to a society of healthy longevity</li> <li>• Promotion of respect for human rights</li> <li>• Improvement of employee engagement</li> </ul>

### [STEP 4] Reporting to the Management Team

The identified core initiatives are reported to the management team as the Priority Sustainability Issues of the Medium-term Management Plan and are disclosed to stakeholders through information sharing meetings and to employees through briefing sessions.

## Targets and Results

We have set Key Performance Indicators (KPI) targets to promote Sustainability initiatives.

 Key Performance Indicators (KPI)

## Impacts of CSV Initiatives

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We estimate both the “impact on society” and the “economic impact on our Group” from CSV initiatives.

 Impact

## ESG Integration

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The MS&AD Insurance Group has established its sustainability approach, which it upholds as a collection of strategies for ESG issues. In all of its corporate activities, including the development and provision of products and services and investments and loans, the Group takes sustainability into account, including factors such as environment, society, and corporate governance (ESG).

 ESG Integration

## Management Structure

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Strategies and plans for sustainability-related initiatives are discussed at the Board of Directors meetings and quarterly Committee Meetings. The Sustainability Committee comprises of members that include presidents, officers in charge of planning and risk management, outside directors of the Company and the Group's domestic insurance companies, and discusses considerations for sustainability issue in all business activities. The details of the Sustainability Committee's discussions are reported to the Board of Directors and the Management Committee.

# Targets (KPI) and Results

## Key Performance Indicators (KPI) to Promote Our Sustainability Initiatives

Materiality	Metrics	Group Targets
Planetary Health	GHG emissions reduction rate (Scope 1 + 2)	FY2030 ▲50% vs FY2019  FY2050 Net Zero
	GHG emissions reduction rate (Scope 3)	FY2030 ▲50% vs FY2019 Category :1, 3, 5, 7, 13  FY2050 Net Zero Category :All Categories
	Renewable energy usage rate	FY2030 60%
		FY2050 100%
Premium growth rate of products which contribute to decarbonization and circular economy	FY2025 Annual average of 18 %	
Resilience	Rate of increase in the number of underwritten policies for products which help improve the resilience of society	FY2025 Annual average of 20%
	Instances of support for the resolution of issues faced by regional companies (Consulting services, training/seminars)	FY2025 10,000 instances a year
Well-Being	Number of policies in force for products which help solve health-related social issues	FY 2025 2.6 million
	Number of policies in force for asset-building products to support longevity	FY 2025 0.1 million
	Instances of support for action by companies to address human rights (Consulting services, training/seminars)	1,000 instances a year
	Employee Awareness Survey	Equal to or greater than the previous year •Sense of helping to create shared value (CSV) •Constant awareness of MVV •Pride in work, job satisfaction •Active participation

## ESG Data

> ESG Data / Reference Material

### Reference: Target and Results of Vision 2021

Issues	Indicators	FY2019 Achievement	FY2020 Achievement	FY2021 Achievement	Group Targets for FY2020 and after	Covered Companies
Creating shared value	Development of products and services	Main efforts find below	Main efforts find below	Main efforts find below	Continue the approaches	Domestic Group Companies
Quality that earns the trust of society	Customer satisfaction survey about insurance contract procedures*1	97.7%	97.3%	97.6%	the same level or higher compared to the previous fiscal year	Domestic Group Companies
	Customer satisfaction survey about payment of insurance claim*1	96.6%	96.7%	96.8%	the same level or higher compared to the previous fiscal year	MSI,ADI,Mitsui Direct General,MSI Aioi Life
	Green House Gas emission reduction rate (Scope1 and Scope2 combined)	▲21.3% vs FY2009	▲31.2% vs FY2009 ▲12.7% vs FY2019	▲36.4% vs FY2009 ▲19.2% vs FY2019	Reduce Green House Gas emissions by 30% by 2020 and by 70% by 2050 vs base year (FY 2019) *2	Consolidated
	Total energy consumption	928,880 GJ	863,298 GJ	821,784 GJ		
	Paper consumption	13,051 t	10,035 t (▲23.1%)	9,090 t (▲9.4%)	Lower than the previous fiscal year	Domestic Group Companies + Other
Management platforms that enable employees to play active roles	Ratio of females in managerial positions	12.4%	16.1%	17.5%	15.0% (FY2020)*2	Domestic Group Companies
	Employee satisfaction (questionnaire results), "Pride, Job satisfaction"	4.4points	4.4points	4.4points	the same level or higher compared to the previous fiscal year	
	Employee satisfaction (questionnaire results), "Working Vigorously"	4.5points	4.5points	4.6points		
	Number of annual paid holidays taken	15.6	15.0	16.3		
	Ratio of taking fully paid paternity/secondary leave	64.6%	69.0%	86.4%		
	Number of employees practicing social contribution activities	27,673	26,519	23,024		

(\*1) For details of the questionnaire on customer satisfaction survey of each company, please visit their website.

(\*2) In May 2021, we revised our medium- to long-term targets as follows

- > Mitsui Sumitomo Insurance Co., Ltd. (Japanese only) 
- > Aioi Nissay Dowa Insurance Co., Ltd. (Japanese only) 
- > Mitsui Direct General Insurance Co., Ltd. (Japanese only) 
- > Mitsui Sumitomo Aioi Life Insurance Co., Ltd. (Japanese only) 
- > Mitsui Sumitomo Primary Life Insurance Co., Ltd. (Japanese only) 

**< 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.

Deal with new risks	<ul style="list-style-type: none"> <li>• Provided cyber risk related products and services with enhanced risk management. (Number of cyber insurance policies : +24.7% compared to FY2018)</li> <li>• Launched "Comprehensive compensation plan for smartphone payment operators" in April 2019.</li> <li>• Launched the problem-solving data analysis service for our clients by RisTech. (Number of the services introduced : 23 companies, Number of companies under consideration: 81 as of May 2019)</li> <li>• Launched compensation insurance to hospitals for foreign patients not paying medical expenses in April 2019.</li> <li>• Started providing information related to COVID-19 in January 2020.</li> <li>• Launched consulting services how to deal with customer harassment and complainer in January 2020.</li> </ul>
Create mobility society without accidents	<ul style="list-style-type: none"> <li>• Launched some insurances and services that contribute to accident prevention and safe driving. (Distracted driving prevention support service "FOUR SAFETY" in December 2019, Dashcam and telematics services for fleet insurance "F-Dora" in January 2020, New automobile insurance "TOUGH Observe and Protect Automobile Insurance Plus" in January 2020 and Smartphone app for driving skill training in January 2020.)</li> <li>• Developed and provided dedicated insurances for operators of on-demand transportation in August 2019 and for Maas operators in December 2019.</li> <li>• Promoted motivation for no accident by newly introducing long-term excellent discounts and no accident discounts based on the concept of "accident-free realization" in January 2020.</li> </ul>
Strive for resilient community development	<ul style="list-style-type: none"> <li>• Promoted regional revitalization initiatives such as supporting small and medium-sized enterprises and contributing to solving regional issues and revitalization through comprehensive cooperation agreements with local governments, local banks, credit unions. (Number of SDGs seminars for small and medium-sized enterprises: 55) &lt; Examples of providing products and services &gt;</li> <li>• Developed dedicated insurance for sake makers and establishment of "Nagano model" through collaboration with local governments and regional financial institutions &lt; Examples of local contribution activities &gt;</li> <li>• Provided menus to enhance attractiveness of local towns, and held demonstrations of electric supply function to Plug-in Hybrid Vehicles in collaboration with automobile dealers.</li> <li>• Promoted understanding of the need for compensation for natural disasters through the "Proposal for preparation of natural disasters" and provided information about the compensation, and provided navigation services free of charge to support safe and secure actions in the event of large-scale natural disasters.</li> </ul>

<p><b>Support “good health and longevity”</b></p>	<ul style="list-style-type: none"> <li>• Provided support tools for small and medium-sized enterprises to be certified as an "excellent health management corporation".</li> <li>• Introduced the insurance premium discount system for general welfare group term life insurance without dividend to organizations certified by the Ministry of Economy, Trade and Industry as "good health management corporations" in October 2019.</li> <li>• Provide information through seminars and VRs related to health and medical (Number of participants in "Life and Medical Seminars": 14,379).</li> <li>• Launched "Ashitano Yorokobi 2", four types of one payment Tontine annuities including the industry's first fixed-term annuity with a lifetime of coverage in September 2019.</li> </ul>
<p><b>Contribute to climate change mitigation and adaptation</b></p>	<ul style="list-style-type: none"> <li>• Adapted natural disasters through development and utilization of website for climate change risk analysis service and real-time damage prediction (cmap.dev).</li> <li>• Implemented support measures for companies toward the transition to decarbonized society by providing products and services that support renewable energy businesses.</li> <li>• Invested in Sustainability Bond issued by Japan Railway Construction, Transport and Technology Agency in May 2019.</li> </ul>
<p><b>Strive to improve sustainability of natural capital</b></p>	<ul style="list-style-type: none"> <li>• Provided consulting services that evaluate impact on natural capital generated by business activities and propose the countermeasures.</li> <li>• Conducted joint research with Kumamoto City on the creation of the green resilience map (creating regional information data to utilize natural capital for disaster prevention and regional revitalization).</li> <li>• Held the symposium related to advanced cases of Western countries that support natural capital that contributes to disaster prevention and mitigation through insurance and financial schemes in December 2019.</li> </ul>
<p><b>Work toward realization of “leaving no one behind”</b></p>	<ul style="list-style-type: none"> <li>• Developed the dedicated fire insurance to cover homes and buildings newly built for poor classes in Malaysia</li> <li>• Donated amount linked to the number of "&amp; LIFE" insurances as vaccine expenses.</li> <li>• Jointly developed the "Social Contribution Clause" with Sumitomo Mitsui Banking Corporation which is able to be donated to Japan Committee for UNICEF and the Japanese Red Cross Society through insurance claim payments in September 2019 .</li> </ul>

## Medium- to Long-term Target

■ The following targets have been set for reducing Greenhouse Gas (GHG) Emissions.

< GHG Emission Reduction >

Scope	FY2030	FY2050
Scope 1, 2	▲50% (Base year: FY2019)	Net Zero
Scope 3	▲50% (Base year: FY2019) (Categories 1, 3, 5, 7, 13)*1・2	Net Zero (All Categories)

\*1 : Categories quantifiable and with importance in light of employee behavior change and natural capital conservation.

Category 1: Purchased products and services (Subject: Paper and mail), 3: Non-scope 1 and 2 fuel and energy activities, 5: Waste from operations, 7: Employee commuting, 13: Lease assets

\*2 : Setting medium-term goals for investment (Category 15) is under consideration.

< **Renewable Energy Use** >

● Targets for renewable energy usage ratio

FY 2030	FY 2050
60%	100%

■ As for the promotion of diversity and inclusion, the following targets are set.

● KPI and Targets for Diversity and Inclusion

KPI	Target Year	Target
Percentage of female managers	FY 2030	30%
Percentage of female line managers	FY 2030	15%
Digital human resources	FY 2025	7,000 people
Employees for international business	FY 2025	1,200 people
Percentage of productivity improvement personnel expenses (MSI, ADI)	FY 2025	8.50%
Percentage of people who exercise regularly	FY 2025	Current level (24%) or higher
Percentage of male employees taking childcare leave	FY 2025	100%
Duration of male employees taking childcare leave	FY 2025	4weeks
Number of annual paid holidays taken	FY 2025	Equal to or greater than the previous year
Percentage of mid-career employees among managerial staff	FY 2025	Current level (21%) or higher
Percentage of employees hired locally overseas appointed as executives of overseas subsidiaries	FY 2025	Current level (77%) or higher

[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 !\[\]\(a42314588c1406a7eed5a04f8dfb2269\_img.jpg\)](#)
- [> Products and services that contribute to achieving Sustainable Development Goals \(SDGs\)](#)
- [> ESG integration and sustainability approach \(practical process\) !\[\]\(60f86f053ada8d11f42135f9c199b4f1\_img.jpg\) \(673KB\)](#)

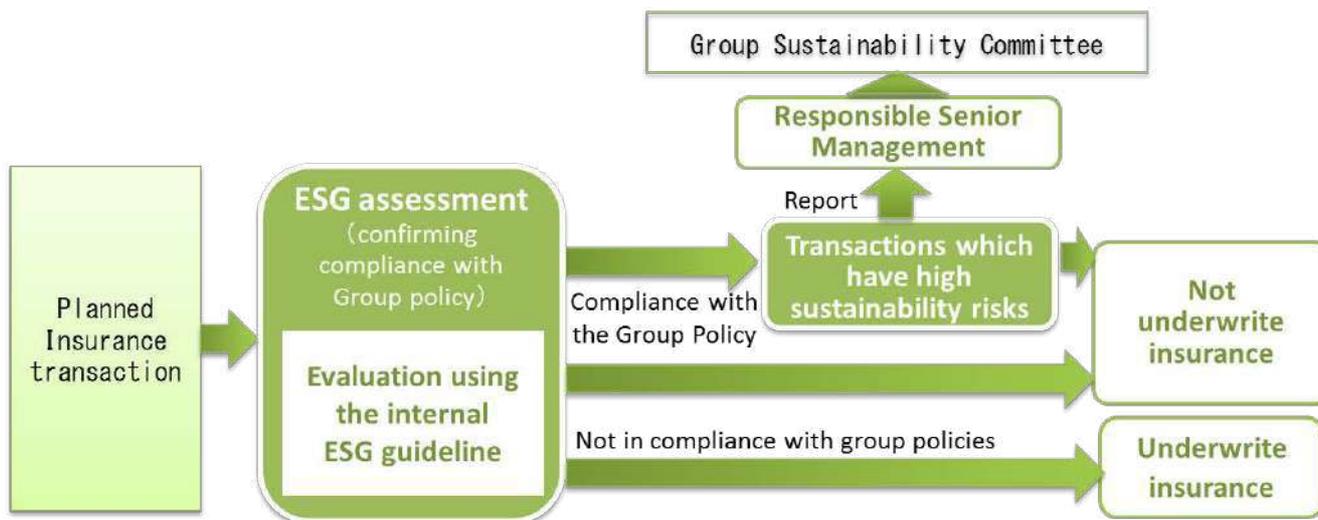
## Implementation of "Business Activities with Consideration for Sustainability"

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 the June 2022 revision, in addition to new coal-fired power plants and cluster munitions, we announced that we will not provide insurance for, nor make investments in existing coal-fired power plants and coal mines, which mainly produce thermal coal, or anti-personnel mines and biological and chemical weapons. We will carefully determine whether or not to provide insurance or make investments in oil sand mining, oil and gas extraction in the Arctic region, projects with negative impact on UNESCO World Heritage Sites or Ramsar-listed wetlands that may have negative impacts on the environment and local communities, while taking into account the businesses' consideration for the environment and society. We also will take into account the businesses' consideration for the environment and society when we provide insurance or make investments in the businesses which may violate human rights of indigenous people or local communities. For insurance underwriting and making investment, we confirm that the transactions are in accordance with the content stated in the "Business Activities with Consideration for Sustainability (Group Policy)", and underwrite and make investment only the relevant projects (ESG Assessment/Confirmation of Compliance with Group Policy).

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.

### [Process for Underwriting]

\*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 signed on to the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI) published by UNEP FI, and we have been disclosing details on our initiatives and reporting on the progress made every year. We are also taking part in a PSI pilot project in which representatives from insurance companies meet to discuss the industry’s approaches to the TCFD Final Recommendations and also working on disclosing information on climate change risks.

In addition, in considering ESG, as an external standard and a source, our screening approach standard includes: UN Global Compact, UN Declaration of Human Rights, Guiding Principles for Corporate and Human Rights, International Labor Organization Standard, UN Anti-Corruption It will be notified by the Convention and the OECD Guidelines for Multinational Enterprises.

<b>Principles for Sustainable Insurance (PSI)</b>	<p>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.</p>	 <b>PSI</b> Principles for Sustainable Insurance
<b>Principles for Responsible Investment (PRI)</b>	<p>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.</p>	<i>Signatory of:</i>  <b>PRI</b>   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 Risk Management Committee. Both committees shall report their decisions and conclusions to 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.

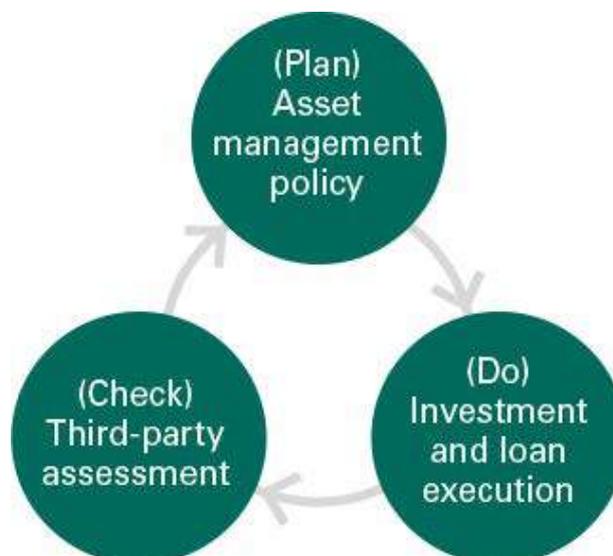
Additionally, in reviewing factors to be considered, we have referred to the UN Global Compact, the Universal Declaration of Human Rights, the Guiding Principles on Business and Human Rights, the International Labour Organization Standards, the UN Convention against Corruption, and the OECD Guidelines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

 Products and services that contribute to achieving Sustainable Development Goals (SDGs)

## ESG-based Investments

As a signatory to the Principles for Responsible Investment (PRI), the MS&AD Insurance Group takes ESG issues into account for investments. Specifically, we incorporate ESG factors into responsible investment process and promote ESG-thematic investments on the basis of profitability.

In addition, MSI and ADI declared their acceptance of Japan's Stewardship Code, and have since engaged in constructive dialogues encompassing ESG issues with investee companies, to encourage them to take appropriate actions to increase medium-term corporate value by raising their awareness over ESG.



ESG Investment Methodologirs	Description
Integration	Profitability-oriented investment in assets, etc. , connected with the resolution of social issues
Negative screening	Integrate negative screening which excludes specific funding purposes, industry sectors, etc., from the portfolio
Intergration into research	Gather and evaluate ESG information according to asset characteristics and investment methods; and make decisions in combination with conventional financial analysis.
Engagement	Dialogue and communication on ESG topics
Thematic investment	Dialogue and communication on ESG topics
Sustainable-thematic investment	Investing in sustainability themes organizations, assets, etc. that are not included in impact investment
Impact Investment	Investment decisions and dually aimed at obtaining investment return and creating social impacts(structure changes in society, etc.)

Sample ESG investment methodologies as by our company

## Our principal Thematic Investment

### Impact Investment

<div style="display: flex; gap: 5px;"> <div style="border: 1px solid black; padding: 2px;">MSI</div> <div style="border: 1px solid black; padding: 2px;">ADI</div> <div style="border: 1px solid black; padding: 2px;">MSI Aici Life</div> <div style="border: 1px solid black; padding: 2px;">MSI Primary Life</div> </div>	<p>Invested in impact funds that invest in themes such as healthcare, education, etc., with a focus on climate change solutions.</p> <p><a href="#">MS&amp;AD INSURANCE GROUP INVESTS IN IMPACT FUNDS</a></p>
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### Sustainable-thematic investment

#### ESG in general

<div style="display: flex; gap: 5px;"> <div style="border: 1px solid black; padding: 2px;">MSI</div> <div style="border: 1px solid black; padding: 2px;">ADI</div> <div style="border: 1px solid black; padding: 2px;">MSI Aici Life</div> <div style="border: 1px solid black; padding: 2px;">MSI Primary Life</div> </div> <p><b>Investment in Green/Social Bonds</b></p>	<p>Invested in green bonds and social bonds issued by domestic and foreign companies.</p>
<div style="display: flex; gap: 5px;"> <div style="border: 1px solid black; padding: 2px;">MSI</div> <div style="border: 1px solid black; padding: 2px;">ADI</div> <div style="border: 1px solid black; padding: 2px;">MSI Aici Life</div> <div style="border: 1px solid black; padding: 2px;">MSI Primary Life</div> </div> <p><b>Investment in sustainable development bonds</b></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><a href="#">The MS&amp;AD Insurance Group Invests in World Bank's Sustainable Development Bond</a> </p>
<div style="border: 1px solid black; padding: 2px; display: inline-block;">MSI</div> <p><b>Incorporate ESG gridline into the investment proses of fund investment</b></p>	<p>Incorporated ESG guidelines into the investment process of an overseas bond fund entrusted to Guggenheim, a close partner.</p>

## Environment

<p><b>MSI</b> <b>ADI</b> <b>MSI Primary Life</b></p> <p><b>Financing for renewable energy power plants</b></p>	<p>Financing and fund investment in solar, wind, and biomass power generation to promote the spread of renewable energy.</p>
<p><b>MSI</b> <b>ADI</b></p> <p><b>Investment in Future Creation Fund</b></p>	<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.</p>
<p><b>MSI</b></p> <p><b>Investment in transition loan</b></p>	<p>Supporting corporate efforts to reduce greenhouse gas emissions.</p>
<p><b>MSI Aici Life</b></p> <p><b>Investment in Asian Development Bank's Water bond</b></p>	<p>Helping to achieve water security in the Asia-Pacific Region.</p> <p><a href="#">Press release</a>  (Japanese only)</p>

## Social

<p><b>MSI Aici Life</b></p> <p><b>Investment in Japan International Cooperation Agency's Social bond</b></p>	<p>Investments in areas aimed at developing basic infrastructure (water, sewage, sanitation, transportation improvements, etc.), improving access to social services (health, education, vocational training, financial services, etc.), and addressing social issues.</p> <p><a href="#">Press release (Japanese only)</a> </p>
<p><b>MSI Aici Life</b></p> <p><b>Investment in Japan Railway Construction, Transport and Technology Agency's Sustainability bond</b></p>	<p>The funds used for financing and refinancing of "Railway Construction Operations" and "Shared Shipbuilding Operations" by Japan Railway Construction, Transport and Technology Agency, contributing to the achievement of the United Nations Sustainable Development Goals (SDGs) through both operations.</p> <p><a href="#">Press release (Japanese only)</a> </p>
<p><b>MSI Aici Life</b></p> <p><b>Investment in African Development Banks's Industrialize Africa bond</b></p>	<p>The project aims to industrialize Africa, focusing on the following priority areas for development: (1) electrification of Africa, (2) increased food production, (3) industrialization, (4) regional integration, and (5) improvement of quality of life.</p> <p><a href="#">Press Release (Japanese only)</a> </p>
<p><b>MSI Aici Life</b></p> <p><b>Investment in Inter-American Development Bank bank's Sustainable Development bond</b></p>	<p>Supporting the fight against novel coronavirus infection through bond investments.</p> <p><a href="#">Press release (Japanese only)</a> </p>
<p><b>MSI Aici Life</b></p> <p><b>Investment in Asian Development Bank's Gender bond</b></p>	<p>Promoting gender equality and women's advancement in the Asia-Pacific Region.</p> <p><a href="#">Press release (Japanese only)</a> </p>
<p><b>MSI Primary Life</b></p> <p><b>Investment in agriculture fund</b></p>	<p>Helping to reduce hunger to zero by investing in a farmland fund that aims to increase productivity.</p>

## ESG Risk Evaluation Process

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In managing assets, we have a process in which ESG factors are assessed when making investments and providing loans. For example, we have integrated ESG risk assessments into their investment approach by performing ESG screenings on domestic shares, and when executing corporate loans inspecting their customers' ESG strategy and disclosures.

In the context of stewardship activities, many dialogues have taken place with a focus on non-financial factors including ESG concerns. Since FY2017, we have started to engage in more in-depth dialogues with the investees on ESG-related risks and shaping our approaches in line with the Guidance for Collaborative Value Creation provided by the Ministry of Economy, Trade and Industry.

Additionally, in reviewing the process, 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.

## Implementation of Japan's Stewardship Code

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From the perspective of fulfilling their social responsibility as institutional investors, MSI and 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, 2019 to June, 2020, MSI and ADI conducted constructive "purposeful dialogue" with a total of 347 firms.

- [> MSI Our Policies According to Japan's Stewardship Code !\[\]\(0a8aebf11a5ed2efd202584bd784d4a2\_img.jpg\)](#)
- [> ADI Our Policies According to Japan's Stewardship Code \(Japanese only\) !\[\]\(19775404b0b616ac4da3c6ca23641e1d\_img.jpg\)](#)

## External Assessment

Investing methods that assess corporate sustainability from the standpoint of Environmental, Social and Corporate Governance (ESG) are spreading. The MS&AD Insurance Group utilizes the assessments provided by major ESG evaluation organizations to improve its efforts. As of December 2021, the Company is a constituent of the following ESG indices:

- > [Dow Jones Sustainability Indices](#) 
- > [CDP](#) 
- > [MSCI Japan ESG Select Leaders Index \(Japanese only\)](#) 
- > [MSCI Japan Empowering Women Index \(Japanese only\)](#) 
- > [FTSE4Good Index Series](#) 
- > [FTSE Blossom Japan Index](#) 
- > [ISS ESG Corporate Rating Prime](#) 
- > [S&P/JPX Carbon Efficient Index](#) 

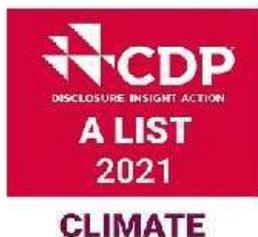
Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA



FTSE4Good



FTSE Blossom  
Japan



2021 CONSTITUENT MSCIジャパン  
ESGセレクト・リーダーズ指数

2021 CONSTITUENT MSCI日本株  
女性活躍指数 (WIN)



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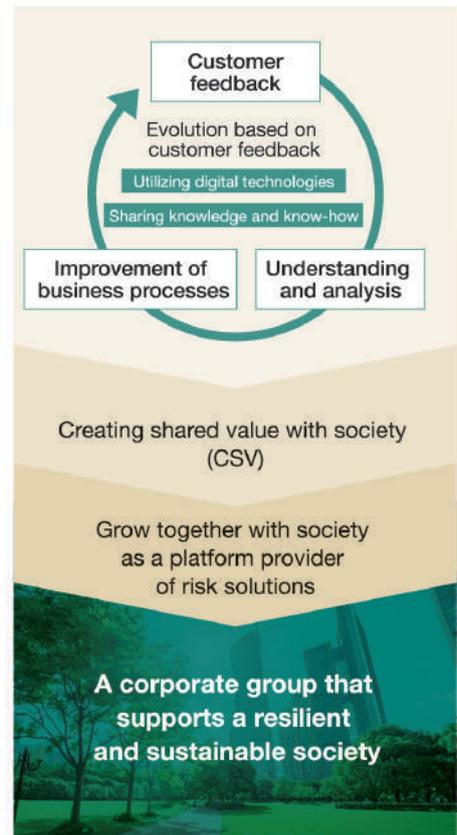
# Communication with Stakeholders

We believe it is important to understand what our stakeholders expect and want from our Group and to utilize this understanding to improve the quality of products and services in order to consistently be valued as a corporate group that makes progress based on communication with our customers. Our Group has various systems in place to facilitate communication with our 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

 <p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>• Customer surveys</li> <li>• Contact center</li> <li>• MS&amp;AD website</li> <li>• Communication with agents and employees (e.g., inquiries, consultations, requests, complaints)</li> </ul>
 <p><b>Shareholders</b></p>	<ul style="list-style-type: none"> <li>• IR meetings</li> <li>• Briefings for investors</li> <li>• Individual meetings</li> <li>• Survey at the Annual Shareholders' Meeting</li> </ul>
 <p><b>Agents</b></p>	<ul style="list-style-type: none"> <li>• Meetings between agents and MS&amp;AD sales</li> <li>• Posting system</li> <li>• Agent meetings</li> </ul>
 <p><b>Business Partners</b></p>	<ul style="list-style-type: none"> <li>• Communication with outside vendors</li> </ul>
 <p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>• Employee surveys</li> <li>• Communication with management</li> <li>• Posting system</li> <li>• Speak-up system</li> </ul>
 <p><b>Local Communities International Society</b></p>	<ul style="list-style-type: none"> <li>• Collaboration agreements with local governments</li> <li>• Communication with NPOs/NGOs</li> <li>• Communication/exchanges with local communities</li> <li>• Holding of seminars/symposiums</li> </ul>
 <p><b>Environment</b></p>	<ul style="list-style-type: none"> <li>• Communication with experts and NPOs/NGOs</li> <li>• Research on the global environment and natural disasters</li> <li>• Participation in initiatives and international conferences</li> </ul>



<b>Customers</b>	<p>Based on the MS&amp;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.</p>
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<p><b>Shareholders</b></p>	<p>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 our our Group's corporate value to be fairly evaluated. Our 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.</p> <p>Specifically, through highly transparent information disclosure, our 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.</p>
<p><b>Agents</b></p>	<p>We seek to contribute to resolution of social issues and grow together with society by maintaining continuous communication with agents, who are our business partners, to provide "Products/services covering before/after compensation/guarantees, in addition to "financial loss" and "Best solutions utilizing digital technologies" in an integrated manner by the our Group and agents. We intend to further strengthen communication with agents through measures such as holding study sessions aimed at bolstering their growth, supporting their activities to contribute to their local and regional societies, and providing an information-sharing system. Furthermore, due to the growth of full-time insurance agents' businesses, dedicated full-time staff members with expertise provide overall management support to agents, including in growth strategies, maintenance of systems, and staff education through training and one-to-one meetings, thereby improving the agents' management base and the quality of their products and services.</p> <p><a href="#">Quality that Earns the Trust of Society</a></p>
<p><b>Business Partners</b></p>	<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&amp;AD Insurance Group explains its Group Environmental Basic Policy to business partners and asks for their cooperation. Furthermore, The MS&amp;AD Insurance Group supports its business partners' initiatives towards the environment, including the acquisition of Eco Action 21 certification, a simplified version of the environmental ISO certification.</p> <p><a href="#">Transaction Responsibilities</a></p>
<p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>· Each year, the MS&amp;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.</li> <li>· 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.</li> <li>· 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.</li> <li>· Through the exchange of opinions between executives and employees, we continue to make initiatives to leverage employee feedback in business operations.</li> </ul>

<p><b>Local Communities and International Society</b></p>	<p>As a member of both the local and international communities, the our 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.</p> <p><b>Initiatives</b>  <a href="#">Resilient and inclusive community development (regional revitalization)</a></p> <p>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&amp;AD Unison Smile Club, a social contribution group created by the employees of our Group, donations are made that meet local needs through dialogue with local governments and various social contribution activities in collaboration with non-profit organizations.</p>
<p><b>Environment</b></p>	<p>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.</p> <p><a href="#">Contributing to climate change mitigation and adaptation</a>  <a href="#">Improving the sustainability of natural capital</a>  <b>Initiatives</b></p>

# 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><b>Participation in the United Nations Global Compact*</b></p> 	<p>The MS&amp;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><b>The Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI)</b></p>	<p>The MS&amp;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><a href="#">Signatory to the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI)</a></p>
<p><b>Principles for Financial Action toward a Sustainable Society in the 21st Century (PFA21)</b></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&amp;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&amp;AD InterRisk Research &amp; Consulting have signed, showing their intent to follow these principles.</p>
<p><b>Principles for Responsible Institutional Investors (Japan's Stewardship Code)</b></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><a href="#">Our Policies According to Japan's Stewardship Code (Japanese only)</a> </p>
<p><b>Task Force on Climate-related Financial Disclosures (TCFD)</b></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><a href="#">Task Force on Climate-related Financial Disclosures (TCFD)</a></p>
<p><b>PCAF (Partnership for Carbon Accounting Financials)</b></p>	<p>The MS &amp; 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 decarbonized society by measuring and disclosing our GHG emissions of investment and underwriting portfolios.</p>
<p><b>NZIA (Net-Zero Insurance Alliance)</b></p>	<p>To aim at achieving net-zero GHG emissions in insurance underwriting portfolios by 2050, the MS&amp;AD Insurance Group has joined "Net-Zero Insurance Alliance (NZIA)" which are developing the method to measure GHG emissions from insurance portfolios, to set the target consistent with the Paris Agreement, and to support corporate decarbonization. We will be actively involved in development of international standards for the method to measure and set the target of GHG emissions in the insurance underwriting portfolio. We also contribute to the transition to net zero society by providing the risk solution of decarbonization for the companies.</p>

<p><b>GFANZ (Glasgow Financial Alliance for Net Zero)</b></p>	<p>The MS&amp;AD Insurance Group is a member of the Glasgow Financial Alliance for Net Zero (GFANZ) which is a forum for financial institutions' to transition to net zero. We contribute to the transition to net zero by financial institutions.</p>
<p><b>CDP</b></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&amp;AD Insurance Group subscribes to CDP's approaches and continuously submits new data.</p>
<p><b>Challenge Zero (innovation challenges toward a decarbonized society) Declaration</b></p>	<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>
<p><b>Japan Climate Initiative</b></p>	<p>The MS&amp;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>
<p><b>Paris Pledge for Action</b></p>	<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>
<p><b>Task Force on Nature-related Financial Disclosures (TNFD)</b></p>	<p>The MS&amp;AD Insurance Group is taking part in activities of Taskforce on Nature-related Financial Disclosures (TNFD), 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>
<p><b>Natural Capital Finance Alliance</b></p>	<p>In July 2016, our Group signed the Natural Capital Declaration, which calls on financial institutions to incorporate the concept of "natural capital" into their financial products and services subscribing to the purpose of the Declaration. (The Natural Capital Declaration has been reorganized as the Natural Capital Finance Alliance (NCFA).)</p>
<p><b>Business for Nature</b></p>	<p>In June 2020, the MS&amp;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>
<p><b>Japan Business Initiative for Biodiversity (JBIB)</b></p>	<p>In regards to conservation of biodiversity and sustainable use of biological resources, MS&amp;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.  <a href="#">Japan Business Initiative for Biodiversity (JBIB)</a> and <a href="#">"The Story of Biodiversity Told by Companies"</a></p>
<p><b>30by30 Alliance</b></p>	<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&amp;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><b>"Plastics Smart" Forum</b></p>	<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>
<p><b>30% Club Japan</b></p>	<p>In May 2019, in line with the company's vision, MS&amp;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>

# Our Sustainability Priorities

Increasingly frequent and intense natural disasters caused by climate change are a risk shared by the entire planet, and non-life insurance companies, which are deeply involved in responding to such disasters, are concerned about a deterioration of the global insurance system due to an increase in claim payouts. The MS&AD Insurance Group endorses the Paris Agreement, aimed at resolving climate change issues and is ratified by countries around the world, and in December 2015 the Group signed on to the Paris Pledge for Action to declare its commitment toward this aim.

Our lifestyles as well as economic activities dependent on natural resources, such as water and lumber, as well as on the resources provided by plant, animal and other ecosystems that will be considerably impacted by the degeneration of ecosystems and the depletion of natural resources. In July 2016, the Group signed the Natural Capital Declaration in support of its assertion that financial institutions should incorporate the idea of “natural capital” into their financial products and services going forward in the 21st century. We have been helping to improve the resilience of customers and the society by providing risk management and insurance products that guard against the risks of climate change and natural capital degradation, and engaging in efforts to reduce our own greenhouse gas emissions.

Additionally, we signed the UN Global Compact and voiced our support for the Universal Declaration of Human Rights in June 2004, and ever since have adopted approaches in line with the ILO Core Labor Standards and the OECD Guidelines for Multinational Enterprises. In February 2017, we established the MS&AD Insurance Group Basic Policy on Human Rights to better fulfill the obligation that companies have to respect human rights. We recognize that we are liable for the observable and potential adverse impacts of our business activities, including those throughout our value chains, and we have been undertaking activities and engaged in dialogues that manifest our respect for human rights.

The following three issues need to be resolved by realizing a resilient and sustainable society and, given their major impact on our Group and society as a whole, they have been designated as priority issues for our Group.

Action on Climate Change



Improvement of sustainability of natural capital



Implementing Activities and Dialog that Respect Human Rights



# Action on Climate Change

## Aspirations

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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.

To that end, the world's GHG emissions must be peaked out as soon as possible and then reach a balance with GHG absorption (forests, etc.) in the second half of the 21st century. A transition to a decarbonized society, with substantial reduction of GHG emissions, is required. Abnormal weather patterns, which appear to be the result of the impacts of progressive global warming, have been occurring more frequently, and countermeasures for the mitigation of climate change as well as adaptation to climate change, which has already begun to appear, are demanded.

As an insurer, the MS&AD Insurance Group is addressing the mounting risks of cumulative damage due to natural disasters in order to advance the level of our own risk management. We have taking initiatives with the goal of reducing GHG emissions to net zero by fiscal 2050. Furthermore, we will continue to support sustainable development by providing insurance and consulting services designed to reduce damage and loss incurred in corporate and other activities due to abnormal weather stemming from climate change, and by developing products/services that help advance the transition to a decarbonized society.

## Initiatives to Reduce Burdens on the Environment

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Aiming for realization of net zero GHG emissions by 2050, our Group is actively promoting initiatives to reduce burdens on the environment in our own business activities, including one aimed at reducing GHGs, through our proprietary environmental management system, MS&AD Green Earth Project, under the MS&AD Insurance Group Basic Policy on the Environment.

 Reduction on environmental burden

## Climate-related Financial Disclosure

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Having established Symbiosis with Global Environment -Planetary Health- as a priority issue for sustainability (issues of materiality), our Group is promoting various initiatives in relation to climate change.

Because climate change seriously impacts society and industry and may constitute a major factor behind the fluctuations in corporate performance, companies' disclosure regarding the impacts of climate change on their business activities is becoming more important than ever. Our Group endorses the Task Force on Climate-related Financial Disclosures (TCFD) and promotes the disclosure of financial information.

 Climate-related Financial Disclosure

## Creating Shared Value with Society

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We need to develop initiatives for mitigating advancing climate change while also putting in place measures to prepare against rising risks. Our Group will provide society with safety and peace of mind through effective preparatory measures, including reinsurance for loss due to large-scale disasters. We will also support new businesses which lead to realization of a decarbonized society, promoting climate change adaptation by providing appropriate services to reduce or eliminate damage and loss inflicted on customers by natural disasters.

Identifying and providing information on risks	Prevent risks from occurring/ minimize the impact	Reduce the economic burden
<p>Risk analysis based on the impacts of climate change</p> <p>Risk assessment with new technologies toward decarbonization</p> <p>(Examples)</p> <ul style="list-style-type: none"> <li>• Risk assessments based on long-term flooding forecasts</li> <li>• Future business risks connected with the transition to a decarbonized society</li> </ul>	<p>Proposals for risk management measures based on survey/analysis findings</p> <p>(Example)</p> <ul style="list-style-type: none"> <li>• Alert service to detect wind power generation system failure and signs of abnormal conditions</li> </ul>	<p>Provision of needed risk coverage</p> <p>(Example)</p> <ul style="list-style-type: none"> <li>• Comprehensive coverage of various risks surrounding renewable energy businesses</li> </ul>

## Products and Services to Support Decarbonization

While business activities in line with the Paris Agreement have become an important management strategy, we are working to develop and provide insurance products and services that support decarbonization of our customers' activities and of society in general.

<p><b>MSI</b> <b>ADI</b> <b>InterRisk</b></p> <p><b>Supporting Decarbonization</b></p>	<p>Japan has declared a target of becoming carbon neutral through reducing emissions of GHGs such as CO2 to Net Zero by 2050 and local governments or companies in various industries must take appropriate measures. We provide all kinds of support in a one-stop package for businesses of any size in any industry. This support ranges from introductory seminars on decarbonization, to support for calculating carbon emissions, and developing strategies to cut emissions.</p>
<p><b>MSI</b> <b>ADI</b></p> <p><b>Insurance to Support Companies' Decarbonization</b></p>	<p>In terms of commercial property insurance, we provide the Carbon Neutral Support Clause (decarbonization measures cost compensation endorsement).</p> <p>While standard insurance coverage is up to restoration cost, this clause provides additional coverage and support companies' decarbonization.</p> <p><a href="#">Launched the Carbon Neutral Support Clause for corporate fire insurance</a> </p>
<p><b>ADI</b></p> <p><b>Supporting wider use of environmentally friendly vehicles</b></p>	<p>MS&amp;AD, at the forefront of the of the industry, support the spread of environmentally friendly vehicles, such as electric cars, by developing lower premium insurances such as 10% discount on automobile insurance for Toyota ultra-compact EVs and other discounts specifically for autonomous vehicles (low-speed EVs) that use electromagnetic induction lanes which are being introduced to secure means of local transport.</p> <p><a href="#">Providing insurance for self-driving cars using electromagnetic induction lanes (in Japanese only)</a> </p> <p><a href="#">10% discount on automobile insurance for Toyota ultra-compact EVs (in Japanese only)</a> </p>

<p style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">MSI</span> <span style="border: 1px solid black; padding: 2px;">ADI</span> </p> <p style="text-align: center;"><b>Products that support renewable energy businesses</b></p>	<p>We support dissemination of renewable energies that help the transition to a carbon neutral society through various types of insurance products that comprehensively cover a variety of risks (including property damage, lost profits and liability) surrounding renewable energy developers (e.g. solar power, onshore/offshore wind power, biomass power, and small and medium-sized hydropower), and risk management services such as risk assessment/consulting and the provision of information through handbooks and other means.</p> <p><a href="#">Products and services that contribute to achieving the Sustainable Development Goals</a></p>
<p style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">MSI</span> <span style="border: 1px solid black; padding: 2px;">ADI</span> </p> <p style="text-align: center;"><b>Provision of Service for calculating and visualizing GHG emissions</b></p>	<p>Group companies MSI and Aioi Nissay Dowa Insurance provide, free of charge, a cloud service “zeroboard*1” for calculating and visualizing GHG emissions for their insurance agent organizations*2, and Aioi Nissay Dowa Insurance also provides this free service for small to medium-sized enterprises throughout Japan to assist member agents and companies that are our Group’s business partners with their promotion of decarbonization management Our Group, in cooperation with customers and agents, is working to reduce GHG emissions in our value chain by supporting their decarbonization management through this service for calculating and visualizing GHG emissions.</p> <p>*1: A cloud service offered by Zeroboard, Inc. for calculation and visualization of GHG emissions.</p> <p>*2: Includes Mitsui Sumitomo Agencies (MSI Aioi Life) of MSI, Advance Club which is an insurance agent organization comprising car maintenance service providers, and members of Aioi Nissay Dowa Pro-Kai (known as “Pro-Kai”) of Aioi Nissay Dowa Insurance, and some car maintenance service providers operating as insurance agents.</p> <p><a href="#">December 10, 2021: Other ~ Support for agents’ decarbonization management ~ Launched service for calculating and visualizing CO2 emissions(MSI) (in Japanese only)</a> </p>
<p style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">MSI</span> </p> <p style="text-align: center;"><b>Imbalance Risk Compensation Insurance for renewable energy producers/aggregators</b></p>	<p>Mitsui Sumitomo Insurance has developed insurance products to cover imbalance risks borne by renewable energy producers and aggregators due to shortfalls in actual amounts of generated energy against their generation plans as a result of changes in the weather, generation equipment damage, etc., which can be customized depending on the status of risks.</p> <p>Launched in June 2022</p> <p>Through positively selling this insurance as one of “Green Products” with a proprietary index, “MS Green Index,” we support renewable energy producers, etc. and contribute to realization of a decarbonized society.</p> <p><a href="#">Launched on May 10, 2022 an insurance product/service, Imbalance Risk Compensation Insurance for renewable energy producers/aggregators (in Japanese only)</a> </p>

<div style="text-align: center; margin-bottom: 10px;"> <div style="border: 1px solid black; padding: 2px 5px; display: inline-block;">ADI</div> </div> <p><b>Launch of J-Credit (Japan GHG Emission Reduction/Removal Certification) Scheme Participants Support Insurance (for local governments)</b></p>	<p>Aioi Nissay Dowa Insurance has launched the J-Credit Scheme Participants Support Insurance (for local governments) to cover risks related to projects in which local governments take the lead in the J-Credit scheme utilized as a carbon offset method.</p> <p>This insurance is aimed at backing up compensation schemes where local governments repair/replace damaged/broken solar power generation equipment, etc. owned by local residents participating in such projects, and it enables stable system management as local governments can set budgets for repair costs, etc. in advance, in the form of insurance premiums.</p> <p><a href="#">Launched J-Credit (Japan GHG Emission Reduction/Removal Certification) Scheme Participants Support Insurance (for local governments) (in Japanese only)</a> </p>
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## Research and Studies on Decarbonization Technologies and Risks

In order to realize “Net Zero Emissions by 2050,” social implementation of innovative technologies is essential. There is a wide variety of problems to be studied and solved, such as technical issues and changes in social systems. We are working on research projects/studies in collaboration with stakeholders and experts.

<div style="text-align: center; margin-bottom: 10px;"> <div style="display: flex; justify-content: space-around; gap: 5px;"> <div style="border: 1px solid black; padding: 2px 5px; display: inline-block;">MSI</div> <div style="border: 1px solid black; padding: 2px 5px; display: inline-block;">ADI</div> </div> </div> <p><b>Joined the Japan Hydrogen Association</b></p>	<p>MS&amp;AD has joined the Japan Hydrogen Association which was set up in December 2020. The association was established with the aim to support the early creation of a hydrogen society by carrying out social implementation projects as a cross-industry and open organization with a bird’s eye view of the entire supply chain. Collaboration of various companies for lower-cost hydrogen supply and wider use is expected and we will contribute through the association.</p> <p><a href="#">Joining the Japan Hydrogen Association (MSI) (in Japanese only)</a> </p> <p><a href="#">Joining the Japan Hydrogen Association (ADI) (in Japanese only)</a> </p>
<div style="text-align: center; margin-bottom: 10px;"> <div style="display: flex; justify-content: space-around; gap: 5px;"> <div style="border: 1px solid black; padding: 2px 5px; display: inline-block;">MSI</div> <div style="border: 1px solid black; padding: 2px 5px; display: inline-block;">InterRisk</div> </div> </div> <p><b>Launch of research studies on commercialization of damage protection services for offshore wind power generation system</b></p>	<p>In April 2022, Mitsui Sumitomo Insurance and MS&amp;AD InterRisk Research &amp; Consulting initiated, in collaboration with startups, academic institutions, etc., a joint research project on commercialization of an alert service for detecting signs of equipment failure and abnormalities to support expanded deployment of offshore wind power generation, which is expected to be a major source of renewable energy.</p> <p>We are aiming at development of an alert service to detect signs of abnormalities which could lead to accidents, by making full use of damage data possessed by Mitsui Sumitomo Insurance in addition to obtaining/analyzing state data, etc. through demonstration experiments carried out in collaboration with local governments and partner companies on undersea equipment and windmills utilizing drones, robots, and sensors.</p> <p><a href="#">Launched researches on commercialization of damage protection services for offshore wind power generation system (in Japanese only)</a> </p>

<p style="text-align: center;"><b>MSI</b></p> <p style="text-align: center;"><b>Demonstration experiments in a community symbiosis type renewable energy power generating company</b></p>	<p>In March 2022, Mitsui Sumitomo Insurance invested in a community symbiosis type renewable energy power generating company, ENERU, in collaboration with the Machi Mirai Seisakujo and Higashimatsushima Organization for Progress, etc., and launched demonstration experiments aimed at reducing natural disaster risks through operation of solar power generation equipment to be set up in the future.</p> <p>We will contribute to regional revitalization and realization of a decarbonized society by providing suitable products/services to support widespread utilization of renewable energy.</p> <p><a href="#">Launched demonstration experiments in a Community Symbiosis Type Renewable Energy Power Generating Company (in Japanese only)</a> </p>
<p style="text-align: center;"><b>ADI</b></p> <p style="text-align: center;"><b>Aioi Nissay Dowa Insurance and the University of Tokyo</b></p> <p style="text-align: center;"><b>Launch of a joint research project toward CO2 reduction, utilizing telematics technology</b></p>	<p>In April 2022, Aioi Nissay Dowa Insurance and the University of Tokyo fully launched a joint research project aimed at promoting carbon neutrality through utilization of telematics technology.</p> <p>Aioi Nissay Dowa Insurance with its know-how related to telematics technology and the University of Tokyo with its knowledge and analytical techniques in the environmental field are aiming to promote an initiative to reduce CO2 volumes emitted by individual drivers through motor vehicle operation, thereby contributing to achievement of carbon neutrality in Japan.</p> <p><a href="#">Launched a joint research project with the University of Tokyo toward CO2 reduction by utilizing telematics technology (in Japanese only)</a> </p>
<p style="text-align: center;"><b>ADI</b></p> <p style="text-align: center;"><b>Establishment of Tanso Kaikei Advisors Kyokai</b></p>	<p>On July 1, 2022, a consortium of five companies - Wastebox, Chubu Electric Power Miraiz Co., Inc., Toyota Tsusho Corporation, Nippon Life Insurance Company, and Aioi Nissay Dowa Insurance Co., Ltd. - established Tanso Kaikei Advisors Kyokai (hereinafter "Association"). The Association was established with the aim of spreading use of CO2 emissions measuring methods within Japan and having private businesses, etc. accurately reflect their CO2 emissions volumes in their financial information, and it has developed a "Japan first" private qualification, Carbon Accounting Advisor Qualification System.</p> <p><a href="#">Establishment of Tanso Kaikei Advisors Kyokai (in Japanese only)</a> </p>

## Providing Coverage

We are assisting economic revitalization and climate change mitigation and adaptation through appropriate preparations for damage/loss caused by natural catastrophes as well as innovations to bring about a decarbonized society by offering insurance and consulting services in addition to developing and providing products that reduce the impact on the environment.

<p style="text-align: center;"><b>MSI</b> <b>ADI</b></p> <p style="text-align: center;"><b>Weather derivatives</b></p>	<p>We sell weather derivatives to help minimize financial losses due to extreme weather or unseasonable weather. We provide solutions by underwriting weather derivatives that cover decreased sales and increased expenses stemming from below-average (or above-average) rainfall levels, extreme heat, unusually cool summers, severe winters, warmer-than-normal winters, or a lack of sunshine.</p> <p><a href="#">MS&amp;AD InterRisk Research &amp; Consulting Sustainable Management Report (in Japanese only)</a> </p>
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<p style="text-align: center;"><b>MSI</b></p> <p style="text-align: center;"><b>Weather index insurance platform for farmers</b></p>	<p>In collaboration with MSI GuaranteedWeather and an Australian Insurtech company, we have developed a dedicated platform that enables customers to get online quotes in real time on weather index insurance, and we have begun selling the insurance to farmers in Australia. Whereas traditional crop insurance is often limited to wildfires and hailstorms, this product covers weather conditions such as drought, high and low temperatures, and rainfall just before harvest, contributing to the stability of farmers' businesses in countries with frequent natural disasters.</p>
<p style="text-align: center;"><b>MSI</b>   <b>ADI</b></p> <p style="text-align: center;"><b>Sympathy Money Insurance for payments to neighborhood victims (for PPA business operators)</b></p>	<p>This insurance covers expenses such as sympathy money incurred by PPA* business operators in cases where damage to solar power generation equipment established and managed by PPA business operators as a result of natural disasters such as typhoons has resulted in collateral damage to properties owned by neighboring residents and companies, even in cases where the operators are not held liable for compensation.</p> <p>* Power Purchase Agreement model: A business model where a PPA business operator installs solar power generation equipment in the premises or on the roofs of power consumers, free of charge, and provides the generated power to consumers on a chargeable basis.</p> <p><a href="#">Launched Sympathy Money Insurance for payments to neighborhood victims (In Japanese only)</a> </p>
<p style="text-align: center;"><b>MSI</b></p> <p style="text-align: center;"><b>Participation in publicly funded natural</b></p>	<p>Mitsui Sumitomo Insurance continues to participate in the Pacific Catastrophe Risk Assessment and Financing Initiative, jointly established in 2013 by the Japanese government and the World Bank, as a company underwriting reinsurance for natural disaster risks. In 2020, Mitsui Sumitomo Insurance participated in the Caribbean Catastrophe Risk Insurance Facility. In 2021, Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance joined the Southeast Asia Disaster Risk Insurance Facility and, in 2022, Mitsui Sumitomo Insurance began participating in the Mexico Natural Disaster Fund Program, through which we promptly provide relief funding in the event of a natural disaster of a certain size in countries and regions where the insurance market is not fully developed.</p>

## Providing Services and Research Related to Climate Change Risk Assessments and Analyses

Given the need to adapt to new risks arising from climate change, assessment/analysis of climate change risks have become essential. Our Group is stepping up its initiatives to assess/analyze climate change risks.



**Climate change risk analysis service**

The scope of risk which companies need to be aware includes not only physical risks, such as floods and droughts caused by climate change, but also transition risks which arise when societies and economies shift to a carbon neutral world, such as when transforming energy systems. We provide services that support our clients 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. We also provide a service which can quantitatively assess the risk of future natural disasters anywhere in the world to an accuracy of 90 square meters based on climate change impact assessments using AI in collaboration with a US startup company. We have since provided this service to many companies.

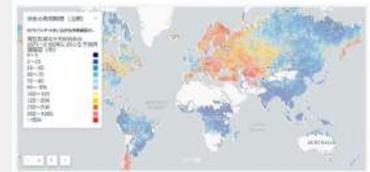
[Climate change risk analysis service \(in Japanese only\)](#)

[Launched climate change impact assessment service for TCFD with Jupiter Intelligence \(in Japanese only\)](#)



**Provision of "Prediction Map of Forecast Flood Frequency Change Due to Climate Change"**

The MS&AD Insurance Group Holdings and MS&AD InterRisk Research & Consulting have teamed up with the University of Tokyo and the Shibaura Institute of Technology to join the Large-scale Assessment of Flood Risk Due to Climate Change (LaRC-Flood™)



project and published a Prediction Map of Forecasted Flood Frequency Change Due to Climate Change as part of this project. To clarify the relationship between climate change and flood risk, we have also begun extensively and quantitatively evaluating the impacts of global warming on the probability of past floods occurring, with a focus on the major rivers in Asia. In the research project, we developed a method to detect trends in changes of flooded area from satellite images. Through such event attribution, we have been able to see how the impacts of global warming affect flooding. The research was developed and we have been working on more sophisticated research into flood risks with support from the New Energy and Industrial Technology Development Organization (NEDO) since fiscal 2021. This has enabled us to accelerate our research for the creation and practical application of highly accurate wide-area flood risk information with a view to using this information in the industrial world.

[LaRC-Flood map \(in Japanese only\)](#)

[Understanding changing flood risks due to climate change \(in Japanese only\)](#)

## Participation in the CDP

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 change. Corporations and organizations across the world have disclosed their GHG emissions and measures against climate change through CDP. The MS&AD Insurance Group subscribes to CDP's approaches and continuously submits new data.



# Reduction of Environmental Burdens

Aiming for realization of net zero carbon emissions by 2050, our Group is actively promoting initiatives to reduce burdens on the environment in our own business activities, including one aimed at reducing GHGs, through our proprietary environmental management system, MS&AD Green Earth Project, under the MS&AD Insurance Group Basic Policy on the Environment.

## Environmental Management

Group-wide

We are actively promoting environmental initiatives through our proprietary environmental management system under the MS&AD Insurance Group Basic Policy on the Environment.

> Basic Policy on the Environment

【MS&AD Green Earth Project】

“MS&AD Green Earth Project” is the collective, unifying name for our various Group-wide environment-related initiatives under the themes of conservation/restoration of natural environments, environmental burden reduction, disaster prevention and reduction, and regional revitalization.

<b>Scope</b>	All companies in the MS&AD Group
<b>Promotion Structure and Roles</b>	At MS&AD Insurance Group Holdings is promoted by the Corporate Planning Department, including the executive in charge of the Sustainability Promotion Division, which has a promotion secretariat and a general secretary responsible for planning, setting annual targets for, and promoting environmental initiatives of the company and our entire Group, and for managing their progress. We report the setting of targets, progress, summaries, etc. to the director in charge as appropriate, and we use the reviews to improve our initiative.
<b>Monitoring</b>	The promotion secretariat holds quarterly meetings to check progress.
<b>Education</b>	Environmental education is provided annually to all Group employees through e-learning. In addition, study sessions and training for directors and employees are held as appropriate to raise employee awareness.
<b>Compliance with laws and regulations</b>	In order to ensure compliance with environmental laws and regulations related to our business activities, we check the relevant environmental laws and regulations and inspect the status of compliance with environmental laws and regulations on an annual basis.

## Reducing GHG Emissions

Group-wide

MS&AD has signed the Paris Pledge for Action to contribute to climate change mitigation. In May 2021, we revised our medium- to long-term targets for reducing GHG emissions to net zero by 2050, in line with the Paris Agreement "Pursuing efforts to keep global temperature increases well below 2° C and aiming to keep it below 1.5° C from pre-industrial levels." We have also set new targets for our use of renewable energy. As a global insurance and financial organization, all companies in our Group are actively working to reduce GHG emissions, including through our supply chains.

> Medium- to Long-term Targets

## Reducing Electricity and Gasoline Consumption

Group-wide

By reducing business commuting and office space through business style reforms, such as remote work and telecommuting, we are reducing our business gasoline and electricity use. We will further reduce by introducing state-of-the-art energy-saving equipment in our own buildings, installing solar panels, and replacing company cars with more fuel-efficient vehicles.

## Decreasing Paper Use

Group-wide

- We substantially reduce the environmental burden through less paper use by computerizing insurance contract and payment procedures, etc., and making electronic insurance policies and policy clauses accessible on the Internet.
- By implementing insurance payment procedures online via direct lines of communication with clients, we have become the first major non-life insurance company to achieve paperless in-house processes with insurance payments.

## Value Chain Initiatives

Our initiatives to reduce our impact on the environment are also promoted in conjunction with key business partners. We are engaged in green purchasing, prioritizing eco-friendly products in procuring the materials used in our operations, and our entire value chain is working to establish a sustainable society.

<p style="text-align: center;"><b>MSI</b></p> <p style="text-align: center;"><b>Support for Certification under EcoAction 21</b></p>	<p>We have provided a program to obtain certification under the EcoAction 21 environmental management system advocated by the Ministry of the Environment to our agents and small and medium-sized corporate clients.</p>
<p style="text-align: center;"><b>MSI</b></p> <p style="text-align: center;"><b>Eco-maintenance and Eco-inspection</b></p>	<p>We are promoting the dissemination of eco-maintenance and eco-vehicle inspections through Advance Club, an agent organization centering on the automobile maintenance industry. Eco-friendly vehicle maintenance and inspection uses maintenance technologies primarily to clean the engine’s combustion chambers by special methods (engine cleaning) thereby reducing toxic gas emissions, improving fuel efficiency and helping to reduce GHG emissions by reducing fuel use.</p>
<p style="text-align: center;"><b>MSI</b> <b>ADI</b></p> <p style="text-align: center;"><b>Eco-Safety Driving</b></p>	<p>We prepare and propose support tools to promote Eco-Safety Driving, an eco-friendly approach designed to reduce fuel costs and vehicle accidents.</p>
<p style="text-align: center;"><b>MSI</b> <b>ADI</b> <b>MSI Aioi Life</b> <b>MSI Primary Life</b></p> <p style="text-align: center;"><b>Eco insurance policies and Web</b></p>	<p>We are encouraging use of paperless insurance policies and policy clauses. Mitsui Sumitomo Insurance, Aioi Nissay Dowa Insurance and Mitsui Sumitomo Primary Life Insurance make donations to environmental conservation activities, etc. based on progress of the initiative.</p> <p><a href="#">MS&amp;AD Green Earth Project/ Eco-insurance policies and Web clause (MSI) (in Japanese only)</a> </p> <p><a href="#">Paperless insurance policies and Web clauses (ADI) (in Japanese only)</a> </p> <p><a href="#">Web clauses (MSI Aioi Life) (in Japanese only)</a> </p> <p><a href="#">Web clauses and notification regarding policy status (MSI Primary Life) (in Japanese only)</a> </p>

MSI ADI  
Recycled parts

We promote the use of recycled automobile parts to repair vehicles in the event of an accident. We offer a special endorsement that gives customers a 5% discount on vehicle insurance premiums when they opt at the time of contract to repair their vehicle in the event of an accident using recycled parts. (ADI)

## Environmental Conservation Initiatives within Our Group

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Each company in our Group is promoting initiatives for conservation of biodiversity. We are also actively engaged in environmental conservation activities within each company and in raising awareness among employees.

- > Initiatives for conservation of biodiversity in Asia and Japan
- > Group initiatives for environmental conservation and promotion of environmental conservation activities and employee awareness understanding of such issues

# Basic Policy on the environment

The MS&AD Insurance Group has established the following Environmental Basic Policy.

## MS&AD Insurance Group Basic Policy on the Environment

Under its Group Mission Statement, "Through our insurance and financial service businesses, bringing security and safety to people and businesses around the world and making a lasting contribution to the enrichment of society," the MS&AD Insurance Group has made the environment a part of its corporate strategy. The Group has established the following Key Issues and is advancing efforts in these areas in line with the Standards of Conduct listed below.

The Group is committed to ongoing improvement through its environmental management system, and to abiding by environment-related laws and regulations, and the principles and guidelines agreed to by all members of the MS&AD Insurance Group.

### 1. Key Issues

- (1) Mitigation of and adaptation to climate change
- (2) Sustainable use of resources
- (3) Reduction of environmental burden
- (4) Preservation of biodiversity

### 2. Standards of Conduct

- (1) Initiatives via our insurance and financial services

We will create insurance and financial services that contribute to the Key Issues, and work to resolve social issues and thus enhance corporate value.

- (2) Initiatives as part of the business process

Through an innovative reassessment of our business processes, we will work to enhance quality and improve business operations while making more efficient use of resources and energy.

- (3) Environmental awareness and protection activities

By raising environmental awareness among all of our executives and employees, our communities and the next generation, we will work with stakeholders to promote environmental protection activities, gaining their trust and building sympathy for these issues.

We will work to ensure that all executives and employees of the MS&AD Insurance Group are familiar with this Environmental Basic Policy, which we are also disclosing to the public.

Established April 1, 2010

Revised April 1, 2016

Revised March 1, 2019

# Climate-related Financial Disclosure

## Climate-Related Financial Disclosure

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Climate change is a material global issue. Countries around the world have signed on to the Paris Agreement with the aim of realizing a decarbonized society, and are promoting measures against climate change.

The MS&AD Insurance Group has been implementing measures to address climate change, which has a significant impact on society and the Group.

For example, we are promoting the provision of products and services that contribute to disaster prevention and mitigation to support the improvement of society's resilience to damage from natural catastrophe and its adaptability to climate change. In addition, through the provision of insurance and investments, we are supporting the research and development and dissemination of new technologies to reduce the risk of climate change and contributing to the transition to a decarbonized society.

The Task Force on Climate-related Financial Disclosures (hereinafter "TCFD"), recommends that responses to climate change be disclosed in accordance with the four frameworks of Governance, Strategy, Risk Management, and Metrics and Targets. The Group supports this and promotes climate-related disclosures.

[TCFD REPORT \(PDF version\)](#)

[What is TCFD? \(Ministry of Economy, Trade and Industry\) \(Japanese only\)](#)

## 1. Governance

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Our climate-related governance structure consists of the Board of Directors, the Group Management Committee, and Task-Specific Committees.

In addition to matters specified by law and the Articles of Incorporation, the Board of Directors discusses and decides upon important climate-related matters involving Group management strategy and corporate management involving climate-related matters, including the Group's management policies, management strategies and capital policy, in addition to overseeing the duties of directors and executive officers. The Board of Directors allocates management resources according to risk appetite controlled with a balance of risk, return, and capital, including climate-related risks, and aims to increase corporate value over the medium to long term by achieving sustainable growth and improving profitability and capital efficiency based on soundness. In addition to appointing executive officers, the Board of Directors aims to separate management decision making and oversight by the Board of Directors from business execution by executive officers by clarifying their respective roles. Executive officers are responsible for executing business in the respective areas of business entrusted to them by the Board of Directors, and report on the status of business execution to the Board of Directors.

The role of the Group Management Committee is to discuss management policies, management strategies, and other matters that are key issues to the Company and the Group companies. It also monitors specific business operations by receiving reports on approved matters under the rules for the Group Management Committee.

The task-specific committees have been established with the aim to deliberate on various key issues in management when executing operations as well as to coordinate perspectives across various departments. Climate-related issues and initiatives are reported to both the Board of Directors and the Group Management Committee for determination after discussion by, primarily, the Sustainability Committee and the ERM Committee (respectively held approximately four times a year in principle) of Task-Specific Committees.

The Sustainability Committee, headed by the Group CFO, consists of the presidents of each Group company, the Group CFO (Director in charge of Sustainability), the Group CRO, and the Director in charge of Diversity and Inclusion. It discusses policies, plans, and strategies for addressing sustainability issues, including climate ones. In fiscal 2021, it was held five times. Our Initiatives for Realizing Net Zero Emissions by 2050 as a target for reduction of greenhouse gas emissions generated by the Group's business activities, and our measures for realization of the target, those which were announced in May 2021, were discussed in the first committee in April. Second one in May 2021 discussed how to deal with insurance underwriting related to coal-fired power plants to be constructed in the future. That deliberation led to our announcement in June 2021 of the suspension of such underwriting. Fifth one held in January 2022, deliberated about specifying, in the four-year medium-term management plan starting from 2022, the responses to climate change as a key priority issue which requires ongoing consideration, and defining the rate of reducing greenhouse gas emissions and that of introducing renewable energies as KPIs. Discussion were reported to the Board of Directors.

The ERM Committee, headed by the Group CFO and the Group CRO, discusses and coordinates important matters concerning ERM, as well as monitoring the status of risk, return/capital and the status of risk management, including climate-related risks. It was held eight times in fiscal 2021. One held in February 2022, discussed classifying climate change as Group Material Risk, which should be handled by management, and strengthening of management thereof, taking into consideration increased litigation risks. The discussion was reported to the Board of Directors where decision was made. In addition, the ERM Committee discusses improvement of natural catastrophic events including climate change, a management, and then reports to the Board of Directors.



Climate-related governance structure

Internal control

## 2. Strategy

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Climate change brings about the intensification of natural catastrophe, physical changes in weather conditions, social and economic changes will be occurred rapidly in the course of transition to a decarbonized society.

Our medium-term management plan has three priority issues in sustainability (materiality); namely “Symbiosis with global environment ~ Planetary Health~,” “Safe and secure society ~ Resilience~” and “Happiness of diverse people ~ Well-being~,” and promotes CSV initiatives that create shared value with society. We, through climate change related CSV initiatives in “Symbiosis with global environment ~ Planetary Health~,” work toward mitigating the impacts of climate change and supporting transition to decarbonization. We, with 2050 net zero targets, sustain a resilient and sustainable society by taking initiatives to support development of new technologies and transition to a decarbonized society that will mitigate climate change risks and by reducing the environmental impacts associated with the Group's business activities. Ensuring financial soundness and earnings stability we provide with insurance coverages for damages arising from natural disasters such as typhoons and floods.

### (1) Climate-Related Risks and Opportunities

We recognize that some climate-related risks and opportunities have impacts on the balance of a single fiscal year such as large-scale natural disasters, while others occur over the medium to long term.

In addition to business plans for a single fiscal year, the Group has formulated medium-term strategies and plans based on various risks and opportunities, including those relating to climate issues. We will contribute to addressing climate change issues and grow with society as a platformer of risk solutions.

#### [Climate-Related Risks]

We consider the effects of physical changes in weather conditions and the transition to a decarbonized society to be risks in our business operations, and are working to ensure stable earnings and financial soundness. We will maintain and strengthen a system that enables the prompt payment of insurance claims even in the event of a large-scale natural catastrophe. We will also mitigate risks by promoting disaster prevention and mitigation initiatives.

TCFD classifies climate-related risks into two categories: physical risks and transition risks.

Physical risks are those associated with the physical impacts of climate change. They are further divided into two sub-categories by how they manifest. One is “Acute physical risks” due to acute physical events such as typhoons and the other is “Chronic physical risks” due to changes in long-term climate patterns.

Transition risks are those associated with the transition to a decarbonized economy. They are classified into four sub-categories by factor.

“Risks from Policies and regulations on climate change mitigation and adaptation,” “Risks from technology that supports the transition to a decarbonized society,” “Risks from changes in market supply and demand,” and “Risks from social evaluation and reputation for responding to climate change”.

Risks according to this classification are as follows.

Classification		Example	Risk Examples in our Business Activities
Physical risks	Acute	Typhoons, floods, storm surges, heavy rains and wildfires	<ul style="list-style-type: none"> <li>· Deterioration in income and expenditure due to the intensification of natural catastrophe, etc., and an increase in capital costs due to an increase in profit volatility</li> </ul>
	Chronic	<ul style="list-style-type: none"> <li>· Rising sea levels and temperatures</li> <li>· Changes in weather such as low rainfall and drought</li> <li>· Decrease in supply of water and other resources</li> <li>· Changes in the habitat of infectious disease vectors</li> <li>· Increase in heat stroke</li> </ul>	
Transition risks	Policy and Legal	<ul style="list-style-type: none"> <li>· Rise in carbon prices</li> <li>· Strengthening environmental regulations and standards</li> <li>· Change in energy composition</li> <li>· Rise in climate-related litigation cases</li> </ul>	<ul style="list-style-type: none"> <li>· Decline in investment returns caused by deterioration in the performance of investee companies due to an increase in carbon costs</li> </ul>
	Technology	Progress in decarbonization technology Changes in industrial structure due to a decrease in demand for low-carbon efficient products	<ul style="list-style-type: none"> <li>· Reduced earnings due to inability to capture changing markets due to decarbonization</li> </ul>
	Market	Changes in supply and demand for goods and services	
	Reputation	Criticism of delayed response to climate change	<ul style="list-style-type: none"> <li>· Decreased reputation due to inadequate information disclosure and/or delayed response to climate change</li> </ul>

### [Climate-Related Opportunities]

Rapid social and economic changes resulting from transition to a decarbonized 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. TCFD classifies climate-related opportunities into five categories: Resource Efficiency, Energy Source, Products and Services, Markets, and Resilience.

“Resource Efficiency” is opportunity related to efficient use of energy and resources.

“Energy Source” is that related to the production and utilization of low-emission energy.

“Products and Services” is that related to the development and innovation of new low-emission products and services.

“Markets” is that related to development of new markets.

“Resilience” is that related to climate-related adaptation.

Opportunities in the Group's business activities are classified are as follows:

Classification	Examples	Opportunity Example in our Business Activities
Products and Services	<ul style="list-style-type: none"> <li>Development and expansion of low-carbon products and services</li> <li>Adaptation to the impacts of evolving climate change</li> <li>Development of new products and services through R &amp; D and innovation</li> <li>Diversification of business activities</li> <li>Changes in consumer preferences</li> </ul>	<ul style="list-style-type: none"> <li>· Increase in new insurance coverage needs due to changes of clients' business</li> <li>· Increase in consulting needs for decarbonization and disaster prevention/mitigation</li> <li>· Expanding markets for climate change (Disclosure of information, Response to regulations, Provision of mitigation and adaptation measures, etc.)</li> </ul>
Markets	<ul style="list-style-type: none"> <li>Expansion of new and emerging markets</li> <li>Occurrence of assets requiring new financial services</li> </ul>	
Resilience	<ul style="list-style-type: none"> <li>Improving capacity to adapt to climate change</li> </ul>	<ul style="list-style-type: none"> <li>· Increasing needs for disaster prevention and mitigation</li> </ul>
Resource Efficiency	<ul style="list-style-type: none"> <li>Modal shift</li> <li>Efficiency in production and distribution</li> <li>Building efficiency improvement.</li> <li>Relocation to high-efficiency buildings</li> <li>Reduction of water usage and consumption</li> <li>Spread of recycling</li> </ul>	<ul style="list-style-type: none"> <li>· Increase in compensation needs due to electrification of mobility, AI of building equipment, etc.</li> </ul>
Energy Source	<ul style="list-style-type: none"> <li>Conversion to renewable energy and low-emission energy</li> <li>Utilization of policies and incentives to support climate change measures</li> <li>Use of new technology</li> <li>Utilization of the carbon market</li> </ul>	

## (2) Approaches Based on Risks and Opportunities

According to the World Meteorological Organization (WMO), the global average temperature in 2021 was about 1.1° C higher than the pre-industrial (1850–1900) average. As global warming progresses, natural catastrophe tends to become more severe. Japan finds that the number of heavy rain and short time heavy rain events which may cause floods and sediment disasters has been increasing. The average temperature in 2100 could rise by more than 4° C compared to the pre-industrial era if initiatives to mitigate global warming progression are not taken. In that case, the insurance payment for natural catastrophe may increase significantly.

The Group promotes initiatives to mitigate further climate change as well as those to prepare against intensifying natural disasters.

### [Climate Change Mitigation]

The Group has been working to reduce greenhouse gas emissions. We set a goal of reducing greenhouse gas emissions from our business activities to “Net Zero Emissions by 2050,” and committed to contributing to transition to a decarbonized society in cooperation with stakeholders.

In May 2021, the Ministry of Economy, Trade and Industry set “Basic Guidelines on Climate Transition Finance” and published a roadmap for transition financing in the steel, chemical, electric power, gas, and oil sectors, and one for the cement and paper/pulp sectors. Indicated in these roadmaps are low-carbon initiatives such as energy saving, efficiency improvement, and fuel conversion as well as adoption of future innovative technologies. Companies are supposed to refer to these guidelines in their progress toward transition to decarbonization.

In order to promote transition to decarbonization among companies, the Group has set a KPI of attaining an annual average of 18% of premium growth rate in the years leading up to 2025 for insurance products which contribute to “Coexistence with global environment ~ Planetary Health~” and we are supporting the establishment and social implementation of innovative technologies of next-generation energy such as renewables and hydrogen, CCUS and carbon recycling through provision of new risk solutions which actively utilize DX (digital transformation)

<p><b>Provision of Carbon Neutral Support Clause for Companies</b></p>	<p>Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance launched Carbon Neutral Support Clause (Decarbonization Expense Coverage Clause) in August 2021 with the aim of supporting companies in their efforts toward decarbonization. This clause covers additional expenses for such as newly adopting equipment, leading to reduction of greenhouse gas emissions when restoring disaster-stricken buildings. Conventional fire insurance covers restoration cost up to the original condition. Meanwhile, as endeavors toward decarbonization spread, more companies are likely to adopt, with additional costs, equipment that leads to reduction of greenhouse gas emissions when restoring buildings following damage by fire, wind, flooding, etc. Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance developed this clause for the purpose of contributing to realization of a decarbonized society based on the concept of “Build Back Better (creative restoration)*1.”</p> <p>*1: A concept of realizing the town development which is more resilient against disasters than before.</p>
<p><b>Service Provision and Research on Climate Change Risk Assessment and Analysis</b></p>	<p>The Group is working on climate change risk assessment and analysis. The scope of risks to be identified by companies includes the risk of socio-economic transition to a decarbonized society (transition risk), such as the conversion of energy structures in addition to the physical risks such as floods and droughts caused by climate change. InterRisk Research &amp; Consulting, the Group company, provides support for assessment and analysis of risks, the establishment of a climate governance system, scenario analysis, and strategy formulation in line with the TCFD recommendations. In July 2020, we partnered with Jupiter Intelligence, a venture company that analyzes climate change risks, to provide a service that quantitatively evaluates the impact of natural disaster risks caused by climate change on a global scale with an accuracy of 90 meters square.</p>

**●Implementation of “Business Activities with Consideration for Sustainability”**

In September 2020, we published “Business Activities with Consideration for Sustainability” which is the Group’s policy on dealing with sustainability. As an insurance and financial services group which provides safety and peace of mind, we conduct business activities with consideration for sustainability, and aim to enhance corporate value by contributing to solutions for sustainability issues with profound understanding through stakeholder engagement. Our underwriting considers issues and risks that would have negative impacts on society and the global environment and we provide products and services that respond to the demands of society.. Our investment considers ESG factors in pursuit of medium-to long-term returns and contribution to solutions of sustainability issues.

Our response to coal-fired power generation, which is we will not provide insurance for, or make investments in new coal-fired power plants. In June 2022, we decided not to, in principle, provide new insurance for or make new investments in the existing coal-fired power plants and development and operation of coal mines which produce primarily steam coal. In addition, we made it a rule to carefully determine whether or not to provide insurance or make investments in the business involving oil sands mining, and gas/oil exploitation in the Arctic zone, taking account of such factors as how each business gives consideration to environmental impact.

It is an essential role of an insurance company to support decarbonization of all of society through provision of products and risk consulting services that assist our corporate clients with their efforts to resolve climate change problems. The Group supports our corporate clients in their endeavors to resolve solutions to such issues as reduction of climate change risks in their existing business activities and creation of profit opportunities through new business that contributes to the zero carbon objective.

 Business Activities with Consideration for Sustainability

**●Reduction of greenhouse gas emissions in underwriting**

In December 2021, the Group joined “Partnership for Carbon Accounting Financials”, a global partnership by financial institutions to develop methods to measure greenhouse gas emissions of underwriting portfolio. In June 2022, we took part in an international initiative, Net-Zero Insurance Alliance, and is actively involved in development of international standards. With outcome of these initiatives, we are proceeding with measurement of and target setting for greenhouse gas emissions of our insurance portfolio, and support for transition to net zero society through engagements with our clients.

**●Reduction of greenhouse gas emissions in investments and loans**

Aiming for realization of a decarbonized society, we, as an institutional investor, support through constructive dialogue (engagement) our investee companies to reduce greenhouse gas emissions and their disclosure in accordance with the TCFD recommendations. As part of our active approach to climate change mitigation, we invest in project financing and funding related to construction of power generation plants that utilize renewable resources such as solar, wind and biomass. In December 2021, Mitsui Sumitomo Insurance, Aioi Nissay Dowa Insurance, Mitsui Sumitomo Aioi Life Insurance, and Mitsui Sumitomo Primary Life Insurance jointly invested in the impact funds which focus on climate change. The balance of ESG thematic investing, which lead to resolution of social issues including climate change, totaled approx. JPY180 billion as of the end of March 2022. Through our continuous green investment, we support companies that are tackling the challenge of developing innovative technologies aimed at realizing drastic reduction of greenhouse gas emissions. In addition, we will continue our engagement with companies concerning realization of a decarbonized society and our efforts toward further measurement and disclosure of greenhouse gas emissions in the Group’s investee/borrower companies, thereby support corporate zero carbon initiatives, and contributing to transition to net zero society.

**●Reduction of greenhouse gas emissions in our value chain**

In order to realize a decarbonized society, various innovations in business and society are essential. We will support the establishment and implementation of innovative technologies for a decarbonized society, like next-generation energy such as renewable energy and hydrogen, CCUS \*, carbon recycling, etc., through the provision of insurance products.

\* Carbon dioxide Capture, Utilization and Storage

We are working with our insurance agents, who are our Group’s business partners, to reform their business processes by utilizing digital technology and other means and are promoting their sales activities through web communications without paper usage which save energy and resource.

<p><b>Provision of Service for Calculating and Visualizing Greenhouse Gas Emissions</b></p>	<p>Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance provide a cloud service “zeroboard*1” for calculating and visualizing greenhouse gas emissions for their insurance agent organizations*2 free of charge to assist member agents, who are the Group’s business partners, with their promotion of decarbonized management.</p> <p>In order to realize “Net Zero Emissions by 2050,” it is essential to reduce greenhouse gas emissions of society as a whole. The Group, together with our stakeholders such as clients and agents, is working to reduce greenhouse gas emissions in our value chain.</p> <p>*1: A cloud service offered by Zeroboard, Inc. for calculation and visualization of greenhouse gas emissions. It enables calculation based on the internationally recommended standard known as “Greenhouse Gas Protocol.”</p> <p>*2: Mitsui Sumitomo Agencies (MSA) and Advance Club, insurance agent organization comprising car maintenance service providers, of Mitsui Sumitomo Insurance and members of Professional Agents of Aioi Nissay Dowa Insurance. Aioi Nissay Dowa Insurance also provides small to medium enterprises in Japan with the same service free of charge.</p>
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**●Reduction of greenhouse gas emissions from our business operation**

We will promote business style reforms such as remote work and telecommuting, and reduce the use of gasoline and electricity by reducing employee travel and office space. We are also reducing energy consumption and introducing renewable energy by installing state-of-the-art energy-saving equipment in our office buildings, installing solar power generation equipment, and replacing company-owned vehicles with fuel-efficient vehicles. In addition, we are working to reduce paper consumption by putting insurance policy applications, insurance claim procedures, and various announcements on the web.

**●Reduction of greenhouse gas emissions utilizing natural capital**

Nature provides us with various solutions to threats of natural disasters and drastic weather changes, which are intensifying as climate change progresses. We, being a member of TNFD\*, take part in discussions on development of a framework for nature-related risks and opportunities disclosures.

\* Task Force on Nature-related Financial Disclosures

Also, the Group has been promoting rainforest restoration in Indonesia since 2005, and tree-planting at Bihoro Town in Hokkaido since 2019. We will further accelerate our actions toward reduction of greenhouse gas emissions utilizing natural capital with stakeholders.

<p><b>Establishment of TNFD Consultation Group for Japan</b></p>	<p>In June 2022, the Group established the TNFD Consultation Group*1 for Japan with participation by TNFD Forum*2 members in Japan. With the assistance of the Ministry of the Environment, the Financial Services Agency, and the Keidanren Committee on Nature Conservation, we are participating in the disclosure framework development work, which is to be completed in September 2023.</p> <p>*1: An organization for supporting the development work for a disclosure framework, comprising companies and organizations with expertise in nature, finance, etc.</p> <p>*2: A council in Japan officially recognized by TNFD to discuss how financial and other businesses should deal with nature and future adoption of a disclosure framework. Similar organizations have been established in Australia, New Zealand, India, the Netherlands, Switzerland, and the UK (as of June 2022).</p>
<p><b>Provision of Products and Services to Contribute to Preservation and Recovery of Nature</b></p>	<p>“Nature Positive” means taking steps to stem damage to biodiversity and put nature on a path to a positive state and was advocated in the “Kunming Declaration” adopted in the 15th meeting of the Conference of the Parties (COP15) to the Convention on Biological Diversity. Conservation of nature and biodiversity is closely related to the responses to climate change. For example, forests function to absorb carbon dioxide (CO2) and to prevent flooding.</p> <p>In June 2022, Group companies Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance launched new products and services which would contribute to the preservation and recovery of nature and biodiversity. Those products and services include Endorsement for Coverage for Additional Costs for Responses to Marine Contamination, which covers costs of voluntary actions by ship owners as preservation and restoration of damages to the natural environment at times of marine accidents; Endorsement for Extended Coverage for Contamination, which provides facility owners or managers with coverages for losses arising out of unpredictable and sudden contamination at facilities, etc.; and Endorsement for Coverage for Costs for reforestation which covers reforestation costs, etc. These products have positive impacts on sea, forest, land and animals, which are also key factors in responding to climate change.</p>

## [Climate Change Adaptation]

The Group provides insurance coverage for damage from natural disasters while ensuring financial soundness to provide society with peace of mind and safety. We have been promoting climate change adaptation by providing services to help eliminate or reduce damage and loss caused by natural disasters.

If natural catastrophe becomes more severe due to climate change, the amount of insurance claims may increase and in turn may lead to rise in reinsurance premiums. To this end, the Group utilizes reinsurance alternative methods such as cat bonds (bonds that incorporate a function to receive funds in the event of a natural catastrophe) and accumulate catastrophe reserve.

In fiscal 2019, Group companies MSI and Aioi Nissay Dowa Insurance have secured a joint common reinsurance option. This option ensures stability of Group profits and losses over the period even when payments for insurance claims due to natural catastrophe reach a large amount throughout the year.

In preparation for a more severe natural disaster, we are also providing disaster and weather data analysis services using AI, and working to enhance disaster prevention, recovery, and adaptation capabilities. In the event of a natural disaster, we establish an efficient payment procedure that uses AI and drones to conduct damage investigations so that our clients can recover promptly by our insurance claims payment. Taking into account the impact of climate change, we will continue to control the retention of risk amount and secure the capital necessary to maintain our financial soundness. We will build a more stable earnings base by diversifying risks geographically and operationally through expansion of our overseas and life insurance businesses.

<p><b>Free Provision of “cmap (sea map)” Real-time Natural Disaster Damage Forecast</b></p>	<p>In June 2019, Group company Aioi Nissay Dowa Insurance began providing, free of charge, “cmap” the world’s first website which, forecasts the likely number of damaged buildings and the damage ratio for each municipality and displays the real-time forecast outcomes on the map when damage is caused by a disaster such as a typhoon, torrential rain, or earthquake. The website even enables simulation using major typhoons, torrential rains and earthquakes that occurred in the past and confirmation of worldwide weather information. It is made available to the general public so that people can access it 24/7/365 using various devices, including PCs and smartphones.</p> <p>Further, a new service was added to “cmap” in March 2022 to make available on the website the barrier-free information offered by WheeLog, a general incorporated association, with the aim of enabling those who have difficulty with mobility to evacuate easily and safely without anxiety in the event of a disaster.</p>
<p><b>Provision of Disaster Prevention and Mitigation Support System, Using Weather/Damage Data and AI</b></p>	<p>Mitsui Sumitomo Insurance and MS&amp;AD InterRisk Research &amp; Consulting jointly developed a disaster prevention and mitigation support system for use by local governments, called “Disaster Prevention Dashboard,” and are supporting their disaster prevention and mitigation measures through provision of the system. They offer free trial to local governments which would like to use it in April 2022, and begin offering in earnest in April 2023.</p> <p>With the increasing frequency and severity of disasters, measures for their prevention and mitigation have become important social issues. Local governments, in particular, are required to take various actions in an appropriate manner, such as prior evacuation guidance for local citizens in order to mitigate harm.</p> <p>Through provision of “Disaster Prevention Dashboard,” the Group visualizes in a unified manner real-time data on weather conditions that could lead to disaster risks, flood forecast data for 30 or more hours ahead, and AI-based estimation of post-occurrence damage, thereby supporting the disaster prevention and mitigation measures in local communities to help protect the lives and property of residents.</p>

### (3) Scenario Analysis

The physical and transition risks of climate change could have a variety of impacts on our group's business in the future. The Group has developed scenario analyses. One is to analyze impact on insurance underwriting arising from physical risk, natural catastrophe and the other is on investment from transition risk, rise of carbon cost.

For the analysis of physical risks, we analyzed changes in insurance loss arising from typhoons of which are impacted by further warming of the planet, and confirmed insurance loss might be increased. For the analysis of transition risks, we analyzed additional costs allocated to our investee companies in the context of responses to rising global temperature. We found the companies developing their measures might lead to reduce additional costs.

In the analyses, wide range assumptions have been set since the impact and likelihood of climate change are volatile. Our physical risk analysis is based on the Intergovernmental Panel on Climate Change (IPCC) scenario, and our transition risk analysis is based on the International Energy Agency (IEA) scenario.

The Group continuously updates and refines its scenario analysis in light of climate change mitigation and adaptation initiatives and from scientific point of view.

#### [Scenario Analysis of Insurance Underwriting (Physical Risk Analysis)]

Further global warming could increase the severity of natural disasters such as typhoons and the increased risk of resultant damage. Therefore, as a scenario analysis of physical risk, we analyzed the impact of changes in typhoons on insurance loss.

The project for considering methods of forward-looking scenario analysis that examines the potential effects of climate change on insurance underwriting was launched by the United Nations Environment Programme Finance Initiative (UNEP FI) in 2018. Over 20 insurance companies that signed on to the Principles for Sustainable Insurance (PSI), including the Company, participated in the project, and worked on developing scenario analysis methods in some groups based on the likely impacts of climate change subject to analysis.

The Company participated in the group for analyzing typhoons and hurricanes that have a significant impact on insurance underwriting and examined the impact of future global warming on the risk amounts arising from typhoons and hurricanes. Focusing on changes in the "intensity" and "frequency" of typhoons due to climate change, and referring to the results of research carried out by Knutson et al. (2020) thereon, we developed an analysis and evaluation tool for 2050 in the 4° C scenario (RCP 8.5).

Regarding storm surge changes caused by typhoons, we also developed an analysis and evaluation tool for 2030 and 2050 under the 2° C (RCP 4.5) and 4° C (RCP 8.5) scenarios, referring to the World Resources Institute (WRI)'s tool, Aqueduct Flood, for evaluating storm surge damage, etc.

Results using the two analytical evaluation tools are as follows. Scopes of analysis are domestic non-life insurance book (e.g., property, marine, personal accident and auto line) that are expected to be paid out due to typhoons.

#### ●Changes in typhoons themselves

In 2050 under the 4° C scenario (RCP 8.5), insurance loss arising from typhoons could vary from approximately + 5% to approximately + 50% due to changes in "intensity," and from approximately - 30% to approximately + 28% due to changes in "frequency of occurrence."

#### ●Change in storm surge caused by typhoons

In both the 2° C (RCP 4.5) and 4° C (RCP 8.5) scenarios in 2030 and 2050, insurance loss may increase by several percent.

Apart from the analyses mentioned above, we collaborated in FY2021 with the Bank of Japan and the Financial Services Agency in carrying out scenario analysis exercises referring to materials such as the assumptions of scenarios considered by NGFS (Network of Central Banks and Supervisors for Greening the Financial System), and analyzed the likely amounts of damage caused by natural disasters which were becoming increasingly intense under the impact of climate change.

In addition to the above, the Group is endeavoring to advance our knowledge by such means as research work through projects conducted jointly with academic institutions, and is working to improve accuracy in scenario analyses, such as developing an analysis method which reflects changes in typhoon intensity due to climate change.

We will continue to examine methods for assessing the impacts of climate change such as typhoons and floods, while referring to the analysis methods based on UNEP FI projects and information to be published by NGFS.

## [Investment Scenario Analysis (Transition Risk Analysis)]

"Carbon pricing," which assesses the costs associated with greenhouse gas emission volumes, is being introduced around the world as a policy for reducing greenhouse gas emissions, and this policy could indicate the risk of increased carbon cost burdens to companies. Therefore, we analyzed the potential future impact of increased carbon costs on the Group's investment portfolio as a transition risk scenario analysis.

For the analysis, we used analysis tools developed by Trucost, which company researches environmental data such as carbon emissions and climate change risks, we analyzed degrees that investee companies presently have the ability to pay the future carbon costs they would need to bear (carbon earnings at risk (EBIT at Risk) \*).

\* The financial impact on the investment portfolio for each scenario is calculated through dividing the unpriced cost of carbon (UCC) by the earnings before interest and taxes (EBIT).

Taking into consideration that TCFD recommends analyses scenarios, including but not limited to 2° C one or below 2° C one, the Group used three scenarios: "high scenario" in which administrative measures are implemented that are sufficient to be in line with international targets (Paris Agreement) of keeping temperature increase to less than 2° C by 2100; "medium scenario" in which long-term administrative policies are enacted to keep global temperature increase to 2° C but short-term administrative policy implementation is delayed; and "low scenario" in which each nation voluntarily implements its own targets and global temperature increase reaches around 3° C.

Our analysis covers domestic and foreign stocks (covers approx. 98% of domestic and foreign listed stocks on a market value basis) and domestic and foreign bonds (also covers approx. 68% of domestic and foreign bonds) in our investment portfolio as of the end of March 2021. As for the assumption of investee companies' profits, the average value for corporate profits for the last 3 years is used to mitigate fluctuations in financial performance. As for greenhouse gas emission volumes, Scope 1 and Scope 2 are examined.

As shown in the following table, analyses carried out in FY2022 cover a larger scope than those in FY2021.

Analysis asset	Analyses carried out in FY2022 Portfolio as of the end of March 2021	Analyses carried out in FY2021 Portfolio as of the end of March 2020
Stock	Domestic and foreign stocks (management by the company or outsourced)	Domestic stocks (management by the company)
Bond	Domestic and foreign bonds (management by the company or outsourced)	Domestic and foreign bonds (management by the company and partially outsourced)

The results of the analysis are shown in the table below. The carbon cost and transition risk increases in the high and middle scenarios. In the Group's investment portfolio as of the end of March 2021, it is estimated that in 2050, carbon earnings at risk may increase by approximately 8% in the low scenario and 30% in the high and medium scenario for stocks, 16% in the low scenario and 55% in the high and medium risk scenario for corporate bonds.

### ●MS&AD Group Carbon Earning at Risk (EBIT at Risk)

< Stocks (as of March 31, 2021) >

	Low Scenario	Medium Scenario	High Scenario
2030	4.0%	8.1%	17.5%
2040	6.5%	12.8%	26.4%
2050	7.6%	30.0%	30.0%

< Corporate bonds (as of March 31, 2021) >

	Low Scenario	Medium Scenario	High Scenario
2030	8.9%	16.4%	33.5%
2040	13.7%	24.8%	49.1%
2050	15.6%	55.4%	55.4%

This analysis is based on the current levels of greenhouse gas emissions generated by investee companies. If they promote decarbonization, the carbon cost allocated to them is reduced and then the future carbon earnings at risk will also be reduced. We will continue to mitigate the impact on the investment portfolio through engagement with investee companies.

### 3. Risk Management

Based on the MS&AD Insurance Group Risk Appetite Statement, we have determined to clarify the amount of risk that can be held under normal conditions and to take risks based on its capital policy in order to realize its management vision. We develop a Group medium-term management plan that is in line with our Risk Appetite Statement. Also, we aim to ensure soundness and improve capital efficiency and RoR based on the ERM cycle.

As for underwriting risk, we are working to advance growth strategies and assertively take on risks, while also striving to set appropriate insurance conditions, appropriately control natural catastrophe risks, and expand our returns.

With regard to asset management risk, we strive to implement comprehensive asset and liability management that takes into account the characteristics of liabilities, and the reduction of strategic equity holdings, and to expand our returns while securing the soundness and liquidity of assets.

In terms of risk management at the Group, based on the MS&AD Insurance Group Basic Policy on Risk Management, we recognize risks including climate-related risks, quantitatively determine the magnitude and possibility of their occurrence, and optimize their scope and extent. We also process risks by possession, transfer, and avoidance, verify their effects, and improve the processing method based on the results. The status of risks is reported to the Management Committee. Matters concerning climate-related risks is also reported to the Group Management Committee and the Board of Directors after discussing by the ERM Committee.

The Group identifies Group Material Risks to be controlled by management, formulates a Management Action Plan and regularly monitors the status. The Group monitors and controls climate change as one of Group Material Risks. Specifically, since climate change is a risk event that affects wide range of other Group Material Risks, such as the occurrence of a large-scale natural catastrophe, it is associated with other Group Material Risks as shown in the table below. The Group establishes and monitors key scenarios arising from climate change, and conducts regular monitoring over the medium to long term.

●ERM cycle



●Group Material Risks and Key Scenarios for Climate Change

Group Material Risks Related to Climate Change	Key scenarios related to climate change
Occurrence of large-scale natural catastrophe	Changes in probability of occurrence, size, etc., affected by climate change
Sharp fluctuations in financial markets	Decline in the value of the Group's assets due to the materialization of transition risks associated with corporate responses to climate change (Strengthen environment-related policies and regulations, advance decarbonization technologies, increase in lawsuits, etc.)
Increase in credit risk	
Occurrence of behavior that is detrimental to the corporate value of the Group, loss of social credibility	Deterioration in reputation and financial burden due to deficient responses to issues concerning sustainability, such as those relating to climate change and associated lawsuits, etc.
Frequent occurrence of IT system failures, the occurrence of critical IT system failures and large-scale IT system development plan-related progress delays, shortfalls, budget overruns and expected effects being unrealized	Stagnation of business services due to damage to system-related facilities caused by large-scale natural catastrophe
Pandemic of new influenza and other diseases	Spread of affected areas due to global warming and climate change
Changes in insurance market	Changes in market size and structure due to response to climate change

## (1) Management of Natural Catastrophe Risks

The Group manages natural catastrophe risks through measuring and examining the risk levels for covered events by geography and type of disaster, using a model which incorporates engineering knowledge, mainly that relating to meteorology and architecture. Of these risks, those subject to the impacts of climate change include typhoons, floods and forest fires.

We are managing financial soundness by setting the maximum risk levels (risk limits) for the Group and for each company, using the levels of risk that occur once every 200 years as a basis in addition to large-scale natural catastrophe stress tests.

We have also been working to further refine the model based on the latest academic knowledge and the status of occurrence of natural disasters, in collaboration with external organizations that are conversant with natural disaster risks.

Additionally, we are working on such topics as incorporating the effects of climate change into stress tests and having the uncertainties of climate change reflected in the risk levels for the entire Group.

### About Stress Testing

We conduct stress tests to confirm the impact of various stress events on capital and risk levels.

In order to complement the limitations of statistical methods for risk measurement, stress testing identifies portfolio vulnerabilities and identifies the need for and urgency of countermeasures by using scenarios that have been selected based on the Group's portfolio and risk profile and taking into account significant changes in the external environment.

We conduct tests based on the assumption of more severe stress, such as continuous typhoons and flooding of multiple rivers, and estimate the impact of long-term climate change on domestic typhoons, domestic flood disasters, and hurricanes in North America.

## (2) Control of the Retained Amount of Natural Catastrophe

Based on risk levels by geography and by disaster type, we are working to underwrite insurance appropriately, procuring reinsurance, issuing cat bonds, and accumulating contingency reserves. Through these measures we improve the financial soundness of the Group as a whole and to reduce the risk of fluctuations in profit and loss during a given period.

### Group-wide Natural Catastrophe Risk Control

We are working on controlling natural catastrophe risks through an annual process to first set the Group's net retention standard for risk levels within Japan and abroad (hereinafter, "Guidelines"), develop reinsurance plans (ceding and accepting) and carry out reinsurance procurement and underwriting based on the Guidelines, and then check if the resulting risk levels remain within the scope set by the Guidelines.

### Reducing Risk of Fluctuations in Profit and Loss

For natural disasters in Japan, in addition to reinsurance by MSI and Aioi Nissay Dowa Insurance respectively, we have secured joint reinsurance for both companies that targets their total, annual cumulative damage amounts. This has functioned effectively with respect to domestic natural disaster occurrences, and in 2022 we have secured reinsurance possessing a similar function, and are reducing risks of fluctuations in profit and loss.

We employ a policy concerning natural disasters in overseas markets to reduce risks and decrease the impact on periodic profit and loss by some 20%.

## (3) Litigation Risks in Insurance Underwrite

If filings of climate related lawsuits becomes more frequent, amount of insurance payment for liability insurance covering such risks may increase as it covers indemnifications, settlements and defense costs. Major liability insurance products covering litigation risks related to climate change include the following:

Type of Insurance	Coverage	Litigation Risks Related to Climate Change
Premises Liability Insurance	Insurance covers monetary damages and defense costs when the insured legally becomes liable for other person's personal injury and property damage arising out of facilities owned, used or controlled by the insured or from the business activities of the insured.	Litigations claiming for insured's omitting to take measures for prevention or mitigation of damage related to climate change in the course of the insured's business activities.
Directors' and Officers' Liability Insurance (D&O Liability Insurance)	Insurance covers monetary damages, defense costs, etc. for when the insured director or officer becomes liable in a claim for damages filed for its act (or omission of act) while performing its duties as a director.	Litigation against the insured director and officer claiming on the ground for delay or deficiency in taking measures against climate change, or insufficient disclosure of information. Litigation aiming for encouraging behavior modification in relation to climate change issues are also seen.

The Group manages litigation risk relating to climate change in insurance underwriting by classifying it under one of the Group Material Risks “Climate Change,” and is endeavoring to ascertain the risk situation through considering factors such as the state of underwriting of relevant insurance products and the litigation occurrence status. We also define “damage to natural capital (exhaustion of resources, deterioration of and crisis over ecosystems, and human-induced pollution and accidents that cause major damage to the environment)” as one of the Group Emerging Risks and monitor the situation thereof in order to fully understand the medium- to long-term trend of relevant risk events.

#### (4) As Responsible Institutional Investor

The “Japan’s Stewardship Code,” a set of principles for “responsible institutional investors,” published by Financial Services Agency, is a code of conduct for institutional investors who invest in listed shares, etc. in Japan. As an asset owner, the Group supports its intent.

The Group has a policy of conducting “constructive dialogue (engagement) with investee companies, focusing on management issues, shareholder returns policy, and other non-financial information such as ESG from the perspective of enhancing the corporate value of the investee and promoting sustainable growth over the medium to long term, in accordance with Japan’s Stewardship Code. We often confirm their response for climate change and decarbonized society in E(environment) related queries of their ESG policy.

##### < Examples of initiatives for engagement in relation to climate change >

Example 1	Example 2
We had a dialogue with a logistics company which is intensifying its initiative toward ESG and have exchanged views on matters such as how information disclosure should be carried out. The company is making active efforts to save energy through introducing environment-friendly vehicles and a modal shift combining transportation means of railway, vessels and trucks. We made a proposal that they disclose information such as objectives and track records of these efforts in an appropriate manner so that their initiatives can be properly evaluated by investors.	We confirmed that a company was steadily achieving a reduction in its consumption of petrochemical raw materials through reviewing the manufacturing processes for its products in terms of environment friendliness. Also, we found that, while having set the utilization ratio of biomass power generation as a target of the initiative, the company was facing issues such as reliability of supply and high costs of materials for power generation.

## 4. Metrics and Targets

### (1) Metric or Risks and Opportunities

#### ●Metrics for “Creating Shared Value with Society (CSV initiatives)”

Development and revision of products that contribute to climate change mitigation and adaptation are set as monitoring indicators. The results are reflected in performance-linked compensation for directors.

 Impact of CSV initiatives on society and our company

#### ●Metrics for products/services that contribute to climate change responses

Annual average premium growth rate of 18% in years to 2025 in insurance products and services which contribute to “Symbiosis with global environment ~ Planetary Health.” as KPI of our medium-term management plan in order to accelerate the provision of products and services covering risks related to climate change.

Item	Scope	Target	FY 2021
Products and services which contribute to “Coexistence with global environment ~Planetary Health~”	Group Domestic + and other affiliates	18% of annual average premium growth	19.98%

● **Metrics for natural catastrophe risk levels in insurance underwriting**

Risk levels that occur once every 200 years.

● **Metrics for ESG thematic investing including climate change responses**

Zero carbon transition requires technological innovation and capital investment toward a drastic reduction of greenhouse gas 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 thematic investing that focuses on ESG, assuming profitability, such as investment in themes leading to solutions for social issues, including climate change.

(Unit: ¥ billion)

Investee	Cumulative investments to date(As of March 31, 2022)	New investments(April 2021–March 2022)
Green/Social/Sustainability Bonds	103.1	+36.1
Transition Bonds/Loans	2.1	+2.1
Renewable (e.g., solar, wind, hydrogen) energy projects	26.3	+6.9
Impact investment, ESG in general, regional revitalization	15.1	+8.7
International agency bonds	37.4	+6.3
Total	183.2	+59.3

● **Metrics for investment in venture business including climate change responses**

Through investment in venture business including climate change responses, we are promoting cooperation and collaboration with innovation partners who possess cutting-edge technologies effective for achieving decarbonization, such as Jupiter Intelligence, a company which offers AI-based climate change risk assessment that responds to TCFD.

Item	End of March 2022
Number of investments by MS&AD Ventures (climate change)	63 (5)

**(2) Environmental Burden of Our Business Activities**

● **greenhouse gas emissions and energy consumption from the Group's business activities**

> ESG data (Environment)

**(3) Metrics and Targets for Reduction of Environmental Burdens of Our Business Activities**

● **Targets**

The Group set medium- to long-term greenhouse gas emission reduction targets in fiscal 2010 and has been working to reduce greenhouse gas emissions from its business activities. We reviewed our medium- and long-term targets having achieved our FY 2020 greenhouse gas emissions reduction target (30% reduction from the FY 2009 level) and set new targets in May 2021 in line with the Paris Agreement.

< Greenhouse Gas Emissions Reduction Target >

Target	FY2030	FY2050
Scope 1・2 *1	-50% (Base year : FY2019)	Net zero
Scope 3 *2	-50% (Base year : FY2019) (Categories1・3・5・7・13)	Net zero (all categories)

\*1: Scope 1 refers to direct emissions from our group, such as gasoline from company-owned vehicles. Scope 2 refers to indirect emissions from consumption of purchased electricity, heat or steam.

\*2: Indirect emissions through the Group's business activities other than Scope 2. Category 1 refers to purchased products and services (covered by paper and mail). Category 3 refers to fuel and energy activities other than Scope 1 and Scope 2. Category 5 refers to waste from operations. Category 7 refers to employee commuting. Category 13 refers to leased assets.

< Renewable Energy Usage >

Target Year	Usage Rate
FY 2030	60%
FY 2050	100%

●Metrics Reduction rates of total energy consumption and greenhouse gas emissions are monitoring metrics for reduction of environmental burden of our business activities.

(4) Greenhouse Gas Emissions in investment portfolio

The following table shows the carbon footprints (CO2 equivalent of greenhouse gas emissions from business activities) of investees. Scope 1 and Scope 2 greenhouse gas emissions are calculated through using Trucost's tool for calculating greenhouse gas emissions through a proprietary modeling approach when there is not enough information disclosed by investees or publicly available.

Subject assets are domestic and foreign stocks (covering approx. 98% of domestic and foreign listed stocks on a market value basis) and domestic and foreign bonds (covering approx. 68% of domestic and foreign bonds from the Group in our investment portfolio as of the end of March 2021).

With revisions to TCFD recommendations in October 2021, we are adopting PCAF standards for measuring greenhouse gas emissions in investee companies.

< Greenhouse Gas Emissions in Investment Portfolio >

(Unit: t-CO2e)

As of the end of March 2021	Stocks	Corporate bonds
Scope 1 + Scope 2	2,453	2,410

## (5) Weighted Average Carbon Intensity (WACI) in Investment Portfolio

Weighted average carbon intensity (WACI) is used as metrics of the carbon intensity of our investment portfolio. Scope 1 and Scope 2 are calculated through Trucost's tool. Subject assets are same as those of "Greenhouse Gas Emissions in Investment Portfolio".

< Weighted Average Carbon Intensity (WACI) >

(Unit: t-CO2e/US \$1 million)

As at end of March 2021	Stocks	Corporate bonds
Scope 1 + Scope 2	129.5	139.5

## (6) Remuneration for Directors and Officers in Relation to Climate Issues

As part of the initiatives contributing to medium- to long-term performance, we have non-financial indicators reflected in the performance-linked remuneration for directors and officers excluding external directors. Initiatives toward climate change mitigation are included in the evaluation of these indicators. The standard ratio of performance-linked remuneration to total remuneration is 50% for President & CEO and 30-40% for other directors and officers.

> Policies for determining the content of individual remuneration for Directors, etc.

### ● Further climate-related information

#### Strategy

- > Impact of natural catastrophe on insurance underwriting profit: MS & AD Integrated Report 2022(P139)
- > Medium to Long-term Targets
- > ESG integration and sustainability approach
- > Impact of CSV initiatives on Society and our company

#### Risk Management

- > ERM and Risk Management

#### Metrics and Targets

- > Targets(KPI) and Results
- > ESG data (Environment)

# Improvement of sustainability of natural capital

## Aspirations

Our lifestyles and economic activities are made possible thanks to the bounties of nature (ecosystem services) which rely on a stock of natural capital. MS&AD Insurance Group's stated aim is to be a "corporate group that supports a resilient and sustainable society." Such a society can only come about if its foundations are rooted in a sound global environment, and business models that take into consideration the sustainability of natural capital will support sustainability of society as a whole, including companies.

Launched in June 2021, the Taskforce on Nature-related Financial Disclosures (TNFD) was established with the aim of developing an information disclosure framework and thereby supporting a shift in global financial flows to bring about nature-positive outcomes. Against a backdrop of increasing concern, primarily among businesses, about nature-related risks and opportunities, we are working on initiatives such as promotion of understanding and development of frameworks. Our Group will continue contributing to the development of sustainable relationships between natural capital and business activities as well as to our coexistence with Earth's environment through provision of solutions and products that are useful in improving the sustainability of natural capital.

### > Initiatives to Reduce Burdens on the Environment

Identify and inform on risks	Prevent risks from occurring/minimize the impact	Reduce the economic burden
Assessment of risks caused by damage to or degradation of natural capital  (Analysis examples)  ・ Future risk of water depletion at business facilities that use large volumes of water ・ Assessment of the sustainability of supply chains which primarily depends on natural resources	Provision of proposals on risk management measures based on assessment and analysis results, and services for preventing accidents  (Proposal example)  ・ Consultation on land use that considers local ecosystems ・ Provision of alert function for smartphones to prevent roadkill incidents	Provision of risk coverage  (Coverage example)  ・ Expenses incurred for activities to remediate damage to the natural environment ・ Expenses incurred during recall when a sustainability certification of the used materials is revoked and expenses needed for apology

## Initiatives related to TNFD

### HD

Our Company has been making efforts to promote understanding of TNFD and develop frameworks, etc., subscribing to the purpose of TNFD (Taskforce on Nature-related Financial Disclosures).

### > Initiatives related to TNFD

## Providing Natural Capital Products and Solutions

Our Group has been offering various services for quantitative evaluation of impacts on natural capital in developing business units and projects within and outside of Japan for our customers' business expansion, and products to cover economic loss caused by damage to nature.

<p style="text-align: center;"><b>InterRisk</b></p> <p><b>Simplified Evaluations of Biodiversity-related Risks</b></p>	<p>We provide analyses of such information as critical areas in terms of biodiversity and endangered species that inhabit areas around our customers' business units, both in Japan and overseas.</p>
<p style="text-align: center;"><b>InterRisk</b></p> <p><b>Provision of Simplified Evaluations of Water-related Risks</b></p>	<p>An increasing number of areas worldwide are experiencing depletion of their water resources due to climate change, population increases in developing countries, economic development and other factors. As, in some cases, this depletion has been serious enough to threaten companies' operations, companies now need to identify and disclose their own water-related risks. We offer services for assessing the water risks (depletion, contamination, flooding/droughts, etc.) for their business units inside and outside of Japan.</p>
<p style="text-align: center;"><b>InterRisk</b></p> <p><b>Environmental Supply Chain Consulting</b></p>	<p>Establishing a sustainable raw materials procurement network is a key business challenge in realizing sustainable business activities. We conduct environmental risk analyses of raw materials procurement tailored to specific industry sectors, and we support approach prioritization and formulation of supply chain management activities.</p>
<p style="text-align: center;"><b>InterRisk</b></p> <p><b>Biodiversity-conscious Land-use Consulting</b></p>	<p>A growing number of companies which regard initiatives to conserve biodiversity as both risks and opportunities for their businesses have begun to take biodiversity into account in determining their businesses' land use. We offer comprehensive support ranging from surveys and analysis through formulation of development/action plans based on these surveys, and analyses, for the use of offices, apartment buildings, and other land with green spaces.</p>
<p style="text-align: center;"><b>MSI</b> <b>ADI</b></p> <p><b>Provision of a discount on premiums to businesses working on recycling of plastic resources</b></p>	<p>With the aim of supporting promotion of plastic resources recycling, we provide companies working on such recycling with discounts on premiums for certain types of liability insurance products.</p> <p><a href="#">Introduction of a premium discount system for businesses working on recycling of plastic resources (in Japanese only)</a> </p>
<p style="text-align: center;"><b>MSI</b> <b>ADI</b></p> <p><b>Supporting reduction of roadkill incidents</b></p>	<p>Automobile accidents rank high as a cause of death for rare species of animals such as Iriomote cats (roadkill). In order to prevent the occurrence of such accidents, an alert function has been installed in dedicated dashcams for automobile insurance. Starting in FY2022, we will make donations based on sales of such dashcams to organizations, including those working on protection of rare animals and reduction of roadkill incidents.</p> <p><a href="#">Rolling-out of products and services which contribute to conservation and restoration of natural capital and biodiversity. (MSI) (in Japanese only)</a> </p> <p><a href="#">Expansion of our products and services which contribute to conservation and restoration of natural capital and biodiversity. (ADI) (in Japanese only)</a> </p>
<p style="text-align: center;"><b>MSI</b></p> <p><b>Providing coverage of additional expenses for dealing with marine contamination</b></p>	<p>In cases where the natural environment suffers damage due to a marine vessel accident, we will cover expenses of conservation/restoration actions taken voluntarily by the vessel's operator to address such damage. This type of risk has been outside the coverage of conventional insurance policies.</p> <p><a href="#">Launched Endorsement for Additional Expenses for Dealing with Marine Contamination under hull insurance (in Japanese only)</a> </p>
<p style="text-align: center;"><b>MSI</b> <b>ADI</b></p> <p><b>Providing extensive coverage of expenses associated with contamination damage</b></p>	<p>We will provide coverage on a wide range of risks, including liabilities for damages and expenses of contamination clean-up arising out of accidents such as an unexpected and sudden outflow of contaminants into public waters from a factory, etc.</p> <p><a href="#">Launched Endorsement for Extended Coverage of Contamination Damage under facility owner's (manager's) liability insurance (MSI) (in Japanese only)</a> </p> <p><a href="#">Launched Endorsement for Extended Coverage of Contamination Damage, which contributes to conservation and restoration of natural capital and biodiversity. (ADI) (in Japanese only)</a> </p>
<p style="text-align: center;"><b>MSI</b> <b>ADI</b></p> <p><b>Providing coverage of reforestation expenses, etc.</b></p>	<p>We cover expenses necessary for reforestation of forests damaged by fire, etc., which have been outside the coverage of conventional forest fire insurance.</p> <p><a href="#">Launched Forest Keeper, an insurance product for those engaged in forestry (MSI) (in Japanese only)</a> </p> <p><a href="#">Launched Endorsement for Coverage of Reforestation Expenses etc., which contributes to conservation and restoration of natural capital and biodiversity (ADI) (in Japanese only)</a> </p>

<p>ADI</p> <p><b>Product Recall Expenses Insurance for Food Service Businesses - Shoku-eco</b></p>	<p>We are partnering with Kuradashi Co., Ltd., which operates a social contribution food sharing platform, to provide recall expenses insurance for food service businesses. When a food company recalls foodstuffs without any quality issues but with mislabeled expiry dates, etc., Kuradashi reduces food wastage by purchasing such foodstuffs. This also helps to minimize disposal costs, enabling insurance premiums to be offered at a 10% discount. The food loss/waste is one of the social issues attracting global attention. This insurance contributes to reduction of food loss/waste through more effective use of foodstuffs that would otherwise be disposed of.</p>
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## Preserving Conserving Biodiversity through Partnerships and Industry-Academia Collaboration

Our Group has made biodiversity conservation one of key issues in the MS&AD Insurance Group Basic Policy on the Environment and is promoting measures such as participation in various initiatives.

<p>HD</p> <p><b>Natural Capital Finance Alliance (Former Natural Capital Declaration)</b></p>	<p>In July 2016, our Group signed the Natural Capital Declaration, which calls on financial institutions to incorporate the concept of Natural Capital into their financial products and services, thereby subscribing to the purpose of the Declaration. The Natural Capital Declaration has been expanded and reorganized as the Natural Capital Finance Alliance.</p> 
<p>HD</p> <p><b>Call to Action of Business for Nature</b></p>	<p>We subscribe to the purpose of Call to Action of Business for Nature, a global coalition which calls on governments to adopt ambitious nature and environmental policies.</p>
<p>HD</p> <p><b>30by30 Alliance</b></p>	<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&amp;AD Insurance Group has been taking part in the 30by30 Alliance for Biodiversity headed by the Ministry of the Environment. The Company aims to contribute to realization of the target by promoting conservation of its own green zones.</p>
<p>InterRisk</p> <p><b>Participation in Association for Business Innovation in harmony with Nature and Community (ABINC)</b></p>	<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. MS&amp;AD InterRisk serves as the association's secretariat.</p> <p>Number of ABINC-certified green spaces: 118 (as of June 2022)</p>
<p>HD</p> <p><b>Japan Business Initiative for Biodiversity (JBIB)</b></p>	<p>Japan Business Initiative for Biodiversity (JBIB) is a gathering of companies which carry out joint research projects on conservation of biodiversity and sustainable use of biological resources. It made a start mainly with companies which had participated in a symposium, "The Story of Biodiversity Told by Companies" held in 2007 as major members, aiming to study and take actions together for promoting initiatives for conservation of biodiversity. MS&amp;AD Holdings has been serving as the chair company since JBIB's founding in April 2008.</p> <p>Total number of official members and network members: 58 (as of August 31, 2022)</p> 
<p>HD</p> <p><b>Participation in Research on Ecosystem Disaster Prevention/Mitigation and Multifaceted Uses of Ecosystems</b></p>	<p>MS&amp;AD Holdings is participating in the Ecosystem-based Disaster Risk Reduction (Eco-DRR) project "Research and Social Implementation of Ecosystem-based Disaster Risk Reduction (Eco-DRR) as Climate Change Adaptation in Shrinking Societies" conducted by the Research Institute for Humanity and Nature, an inter-university research institute corporation under the Ministry of Education, Culture, Sports, Science and Technology that is engaged in comprehensive research on the global environment. The project, with population decline being seen as an opportunity to revamp land use, is being carried out research to create local communities that can both enjoy the rich blessings of nature and prevent/mitigate disasters.</p>
<p>MSI ADI</p> <p><b>Regional Revitalization and Disaster Prevention</b></p>	<p>We have been working on regional revitalization and disaster prevention projects by utilizing the region's nature..</p> <p><a href="#">Creation of a resilient and inclusive society (regional revitalization)</a></p>

## “The Story of Biodiversity Told by Companies”

HD

Each year, the Company holds a “The Story of Biology Told by Companies” symposium.

The symposium program was launched in 2007 as an opportunity to provide information on corporate initiatives for biodiversity and, in February 2022, we hosted the 15th symposium. This program has been highly rated with the symposiums featuring in the Guidelines for Private Sector Engagement in Biodiversity.

- > 2020 “The Story of Biology Told by Companies” symposium
- > 2021 “The Story of Biology Told by Companies” symposium
- > 2022 “The Story of Biology Told by Companies” symposium

## Biodiversity Conservation Initiatives in Asia and Japan

### Activities in Collaboration with Conservation International (Asia-Pacific)

MSI

MS&AD is promoting biodiversity conservation activities in Southeast Asia in collaboration with the global non-governmental organization, Conservation International (Asia-Pacific). Our Group is working with local partners in six key Asian markets (Hong Kong, Indonesia, Malaysia, Singapore, Thailand, and Vietnam) and two Pacific countries (Fiji and New Caledonia), to assist with activities such as reforestation, mangrove planting, conservation of rare wildlife, and monitoring of protected areas.

- > Biodiversity conservation initiatives in the Asia-Pacific region ( in Japanese only) 
- > Protecting biodiversity (MSIG-Asia) 

### Support for Reforestation and Establishment of Sustainable Local Communities (Indonesia)

MSI

Over the past 17 years, starting in FY2005, we have been working with the Indonesian government to restore wildlife reserve forests and to recover tropical forests in the Special Region of Yogyakarta on Java Island. We have also been endeavoring to stimulate the local economy by, for instance, planting trees to revive degraded forests, and to form sustainable local communities, maintaining/managing protected forests and pursuing cooperative forestation initiatives with local residents by offering them technical guidance on planting and cultivating trees.



Raising seedlings by agricultural cooperative

- > Indonesia Reforestation Project ( in Japanese only) 

## Afforestation activities at the Aioi Nissay Dowa Insurance Forest

ADI

In August 2019, we launched a tree-planting activity called the Aioi Nissay Dowa Insurance Forest in Bihoro Town, Hokkaido, as a way of giving back for the paperless insurance / Web policies. We are supporting the creation of forests that take biodiversity into consideration by planting broad-leaved trees in place of conifers (mainly Sakhalin firs) which are about 50 years old and ripe for cutting down.



Employee volunteers engaging in planting activities  
(initial stage of activities)



Current situation (September 2022)

## Environmental Conservation Initiatives within our Group

We are actively engaged in environmental conservation activities and raising awareness among employees within our Group.

### Mitsui Sumitomo Insurance Surugadai Green Spaces

MSI

The green zones surrounding Mitsui Sumitomo Insurance’s Surugadai Building and the Surugadai New Annex (Surugadai Green Spaces) are highly regarded as corporate green spaces that reflect consideration for biodiversity. In the demonstration project in relation to Certification as a Symbiotic Site with Nature system, which the Ministry of the Environment plans to start, these green spaces were evaluated to be Equivalent to Certified as a model initiative for rooftop greening. On the grounds, there is ECOM Surugadai, a facility open to the community, where activities such as communication of environmental information and workshops take place.

- > [Surugadai Green Spaces](#)
- > [Evaluated to be Equivalent to Certified in the demonstration project in relation to the Certification as a Symbiotic Site with Nature system \(in Japanese only\)](#)

### Reducing the Use of Plastics

Group-wide

As marine pollution becomes an ever-increasing concern, Mitsui Sumitomo Insurance has stopped using plastic cups and straws in its employee cafeterias since August 2018 in order to reduce the use of plastic and educate employees regarding the problem of plastic waste in our oceans. In July 2019, Aioi Nissay Dowa Insurance installed water stands with direct faucets to promote the use of personal water bottles. Furthermore, in, during work hours, we are focusing on group-wide initiatives to reduce the use of plastic. In July 2020, for example, we provided employees with original eco-bags as an alternative to plastic shopping bags and special stickers to put on bottles to encourage employees to bring in their own water bottles, focusing on group-wide initiatives to reduce the use of plastic during work hours.

## Promoting the Use of FSC-Certified Paper

Group-wide

Our Group has been making a switchover to FSC-Certified\* paper for pamphlets and other printed material since fiscal 2010. Using paper made with lumber sourced from properly managed forests enables us to contribute to preserve biodiversity through forest protection. \*Paper manufactured from lumber sourced from properly managed forests in the interest of sustainable forest use and environmental conservation.

## Sustainable Seafood

MSI

We offer sustainable seafood\* in the cafeterias of our buildings, the Surugadai Building from October 2019 and Chiba New Town Center from August 2020. Every month, a Sustainable Seafood Day is scheduled to provide menus using sustainably sourced seafood. Simply by allowing employees to eat sustainable seafood and transforming their own eating habits through such initiatives, we are contributing to the realization of a sustainable society. \*Sustainable seafood refers to seafood that has been certified for sustainable production (fishing and aquaculture), as well as management and traceability in the processing, distribution, and sales processes.

# Initiatives related to TNFD

## Promotion of understanding and development of frameworks

TFND selects members from among financial institutions, corporates, etc. in 14 countries for development of disclosure frameworks. One of our employees was selected as a taskforce member and is currently working toward framework development.

Having released a prototype disclosure framework (beta version), TNFD adopts a development approach based on inputs and feedback from stakeholders such as financial institutions and corporates. To support this initiative, we participate in the TNFD Forum.

In Japan, the TNFD Consultation Group of Japan (commonly known as TNFD Japan Council) was formed in June 2022 in order to promote understanding about TNFD by companies, etc. participating in the TNFD Forum. Our Group is endeavoring to increase understanding of the beta version and inviting expression of opinions by creating opportunities for explanations on the beta version and discussions by various participants.



[Participation in the Taskforce on Nature-related Financial Disclosures \(TNFD\) which promotes disclosure associated with nature-related risks](#)



[Establishment of the TNFD Consultation Group of Japan and convening of its first meeting](#)



## Participation in pilot programs

We are participating in a pilot program which TNFD is carrying out in cooperation with the United Nations Environment Program's Finance Initiative.

In this program, we select one theme from among many which are based on establishment of region/industry combinations, and carry out pilot operation of risk evaluation using a method proposed by TNFD in its prototype framework. We then feed the results back to TNFD to help it further develop the framework.

Our company is participating in the project to acquire know-how in risk assessment and disclosure, and to apply the knowledge gained through conducting pilots to the framework development and TNFD Consultation Group of Japan.

# Implementing Activities and Dialog that Respect Human Rights

## Aspirations

The MS&AD Insurance Group Basic Policy on Human Rights applies not only to our Group but 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.

Based on the United Nations Guiding Principles on Business and Human Rights, we aim to enhance our corporate value by establishing and implementing a human rights due diligence system, and through developing a value chain and in-house environment that are free of human rights violations.

## Basic Policy on Human Rights

In February 2017, our Group established MS&AD Insurance Group Basic Policy on Human Rights to fulfill our corporate responsibility to respect human rights.

### MS&AD Insurance Group Basic Policy on Human Rights

The MS&AD Insurance Group is committed to enhancing the enterprise value and contributing to the creation of a sustainable and resilient society through behavior that takes into account interaction with the environment and society in all business activities, with the aim of realizing Our Mission.

We recognize our responsibility for the actual and potential adverse impact our business activities have on human rights, including the impact of value chain, and we have pursued activities and dialogues that respect human rights. This Basic Policy has been adopted to prepare for this.

#### 1. Basic Approach

##### (1) Compliance with laws, regulations and norms related to respect for human rights

(i) The Group respects international norms on human rights such as the United Nations International Bill of Human Rights(\*1), the corporate code of conduct in the United Nations Global Compact(\*2), and the principles concerning fundamental rights set out in the International Labor Organization Declaration on Fundamental Principles and Rights at Work(\*3).

(ii) In addition to complying with laws and regulations in countries and regions where we conduct business activities, we seek ways to respect the principles of internationally recognized human rights when these laws and regulations conflict with the principles, while considering the circumstances in such countries and regions.

##### (2) Non-discrimination

We respect basic human rights in all business activities, and not discriminate based on race, nationality, gender, age, ethnic origin, descent (family origin), social status, creed, religion, physical characteristics, disability, sexual orientation, gender identity or pregnancy.

**(3) Corporate culture that respects human rights**

- (i) With “achieving mutual growth by respecting one another's individuality and opinions, and by sharing knowledge and ideas” as one of Our Values, we will foster a corporate culture that respects human rights.
- (ii) We respect diverse values and engage in the creation of a friendly working environment with consideration for the mental and physical health and safety of every single employee.

**2. Human Rights Due Diligence**

We will create a system for human rights due diligence in accordance with the United Nations Guiding Principles on Business and Human Rights, and engage in dialogue, consultation and reporting.

**(1) Assessment and prevention**

We will identify and assess any actual and potential human rights risks, and take prioritized steps to prevent and mitigate them.

**(2) Remedy, remediation and dialogue**

If the Group causes adverse human rights impacts, we will perform appropriate remedy and remediation through appropriate procedures, and engage in the prevention of recurrence. Moreover, if it is found that we are involved in such impacts through the value chain, we will sincerely engage in dialogue.

**(3) Education and Training**

We will engage in a broad range of activities to raise awareness of human rights through every opportunity to ensure our officers and employees have a deeper understanding of global, country-specific or regional issues related to human rights and their involvement with our business activities and have respect for human rights.

**3. Responsibilities as a Global Insurance and Financial Services Provider**

**(1) Protection of privacy**

In light of the importance of personal information and in accordance with our Basic Policy for Management of Customer Information we will protect personal information to ensure that there is no adverse impact on human rights including privacy.

**(2) Reflection in business processes**

As a founding signatory to the UN Principles of Sustainable Insurance (PSI) and a signatory to the UN Principles for Responsible Investment (PRI), we will consider environmental, social and governance (ESG) aspects in order to meet our responsibility to respect human rights in our insurance underwriting and investment decision-making processes.

(\*1) International Bill of Human Rights consists of the Universal Declaration of Human Rights and the main instruments through which it has been codified: the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights

(\*2) Ten Principles on human rights, labour, environment and anti-corruption. The principles of Human Rights and Labour include: (1) support and respect for the protection of human rights; (2) non-complicity in human rights abuses, (3) recognition of freedom of association and the right to collective bargaining; (4) elimination of forced labour; (5) effective abolition of child labour; and (6) elimination of discrimination in employment and occupation.

(\*3) Fundamental Principles and Rights at Work in five categories : (1) freedom of association and the effective recognition of the right to collective bargaining, (2) elimination of all forms of forced or compulsory labour, (3) the effective abolition of child labour, (4) elimination of discrimination in respect of employment and occupation, and (5) safe and healthy working environment.

President & CEO

## Statement on the UK Modern Slavery Act 2015

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- [FY2021 Slavery and Human Trafficking Statement !\[\]\(235422e550feab1771a8f7437a5d8c8e\_img.jpg\)](#)
- [FY2020 Slavery and Human Trafficking Statement !\[\]\(903cfc1be224811db29b48f450348f05\_img.jpg\)](#)
- [FY2019 Slavery and Human Trafficking Statement !\[\]\(b94a3980539bb43f96555df9e5b97414\_img.jpg\)](#)
- [FY2018 Slavery and Human Trafficking Statement !\[\]\(04f172788a11e013e08cf98f53326fa8\_img.jpg\)](#)
- [FY2017 Slavery and Human Trafficking Statement !\[\]\(55296c67a5ccb620b81fad293fcf7459\_img.jpg\)](#)
- [FY2016 Slavery and Human Trafficking Statement !\[\]\(9aeaec806e7fbdf27b8ba32cde9aa983\_img.jpg\)](#)
- [FY2015 Slavery and Human Trafficking Statement !\[\]\(31e744746017afcd998491f6d94e6dd5\_img.jpg\)](#)

## Human Rights Due Diligence and Remedial Measures

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Based on the United Nations Guiding Principles on Business and Human Rights, we have established and continuously implement a human rights due diligence system, which is a management system that respects human rights.

In accordance with the Basic Human Rights Policy established in February 2017, we conduct the following human rights due diligence.

As part of its human rights due diligence, our Group followed the procedures up to STEP 3 to identify and assess actual and potential human rights risks. As a result of the analysis, we selected the following as priority issues: (i) Fair and impartial customer service (ii) Consideration of human rights measures by underwriters, investors and outsourcers (iii) Consideration for employee health and a workplace environment free of discrimination

We review human rights risk identification and assessment every three years to determine priority issues in response to changes in the society and environment surrounding our Group and its value chain.

We use the Fragile States Index to identify, through regular reviews, countries and regions where risks to human rights are high. When we expanded our business to Myanmar, we conducted due diligence and surveys on the investee and confirmed that there were no human rights issues.

**Evaluation procedure**

<p><b>STEP1 :</b></p>	<p>Identify and organize any contact points between the Group's value chain and stakeholders whence human rights risks may arise                      [Target value chain]                      (1) Provision of products/services development and sales (including collection of insurance premiums), risk consulting services, insurance payment (including accident investigation personnel)                      (2) Management Process: Asset management (investments and loans), information management, procurement (materials and real estate), human resources/recruitment</p> <p>[Stakeholders]                      Customers, shareholders, business partners, agents, employees, local and international communities, and environment</p> <p>[Human rights issues]                      (1) Discrimination (recruitment, employment and working conditions) (2) Occupational health and safety (3) Excessive and unreasonable working hours (4) Harassment (5) Freedom of association (6) Discrimination (freedom of thought, religion and expression) (7) Defamation and invasion of privacy (8) Consumer safety and the right to know (9) Rights of foreign workers (10) Forced labor (11) Child labor (12) Rights of indigenous peoples and local residents (13) Participation in conflict and inhumane acts (14) Others</p>
<p><b>STEP2 :</b></p>	<p>Assess and analyze such risks identified in terms of [1] severity*1 and [2] probability of occurrence (creation of a risk map*2)</p> <p>(*1) Severity is assessed based on the scale, scope, and difficulty of remediation of the estimated damage</p>
<p><b>STEP3 :</b></p>	<p>Remarkable risks found as a result of the risk map are organized by stakeholder and determined as a priority issue</p> <p>[Priority Issues]                      (1) Fair and impartial customer service                      (2) Consideration of human rights measures for underwriters, investors, and outsourcers                      (3) Consideration for employee health and a workplace environment free of discrimination</p>
<p><b>STEP4 :</b></p>	<p>Study and implement necessary preventive and remedial measures as well as review their effects</p>

 (\*2) Risk Map  (97KB)

## Human Rights Assessment and Remedial Measures

In the human rights due diligence process, we conduct human rights risk assessment, periodically monitor the 3 priority issues, and implement mitigation measures.

<p><b>Fair and impartial customer service</b></p>	<ul style="list-style-type: none"> <li>■ Promotion of understanding and awareness of human rights                             <ul style="list-style-type: none"> <li>· Human rights awareness training for employees</li> </ul> </li> <li>■ Comprehensive implementation of customer-first operations                             <ul style="list-style-type: none"> <li>· Implementing initiatives in accordance with <a href="#">A Customer-first Policy in the Business Operations</a></li> </ul> </li> <li>■ Consideration for the elderly and persons with disabilities                             <ul style="list-style-type: none"> <li>· Adoption of universal design principles</li> <li>· Establishment of a dedicated dial-up call service for the elderly and preparation of a response manual</li> <li>· Introduction of sign language interpretation services</li> </ul> </li> <li>■ Comprehensive Customer Information Management                             <ul style="list-style-type: none"> <li>· Implementation of information management training to improve information literacy and training on e-mail targeted attacks</li> <li>· Conducting regular inspections and audits of insurance agents, outsources, and employees</li> </ul> </li> </ul> <p><a href="#">Information Management</a>  <a href="#">Group Basic Policy for Management of Outside Vendors</a></p>
<p><b>Consideration of human rights measures for underwriters, investors, and outsourcers</b></p>	<ul style="list-style-type: none"> <li>■ Underwriters and investors                             <p>Establishing Group Policy on Business Activities with Sustainability in Mind and Implementing Business Activities, and carrying out business activities with ESG factors in mind</p> </li> <li>■ Outsourcing Contractor/Agent                             <ul style="list-style-type: none"> <li>· Establishment of Human Rights Consultation Desk</li> <li>· Implementation of human rights awareness training for agents</li> <li>· Implementation of surveys on the status of efforts to address human rights issues and the degree of awareness</li> <li>· Implementation of information management, inspection, and corrective measures</li> </ul> </li> </ul>
<p><b>Consideration for employee health and a workplace environment free of discrimination</b></p>	<ul style="list-style-type: none"> <li>■ Promotion of health management                             <ul style="list-style-type: none"> <li>· Interviews with industrial physicians regarding long working hours, reinforcement of measures to prevent mental illness (use of educational activities and rehabilitation programs that contribute to prevention), utilization of flexible work management, and promotion of health checkups</li> </ul> </li> <li>■ Measures against harassment                             <ul style="list-style-type: none"> <li>· In addition to systematic management of working hours, our Group is promoting workstyle reforms for employee health and safety.</li> <li>· A speak-up system (internal reporting system) and consultation desks have been established. Dissemination of the reporting system and creation of an environment that makes it easy to consult with contact points</li> </ul> </li> </ul> <p><a href="#">Speak-Up system</a></p>

## Main Initiatives

<p><b>Our Sustainability Approach</b> Business Activities with Consideration for Sustainability</p>	<p>In September 2020, we formulated the Group Policy "Business Activities with Consideration for Sustainability" and have been conducting business activities that take ESG factors into consideration. For insurance underwriting, and loans and investments, we have been taking human rights into consideration. In July 2022, we developed guidelines stipulating that, in addition to cluster munitions manufacturing companies, which can lead to the indiscriminate killing and wounding of a wide range of people, no insurance underwriting shall be carried out, and no investments or loans shall be made for companies that manufacture inhumane weapons, such as biological and chemical weapons and anti-personnel mines, which can lead to the indiscriminate killing and wounding of people, and we have been carrying out insurance underwriting and making loans and investments in accordance with those guidelines. In addition, with regard to businesses that could infringe on the human rights of indigenous peoples and local residents, we will make a careful decision on whether or not to trade them, based on consideration of the local community of the business partner. We check the underwriting status once a year, confirm that the content is in line with our policy, and take corrective measures such as suspending underwriting as necessary.</p>
<p><b>Structure of Education about Human Rights</b></p>	<p>In the MS&amp;AD Insurance Group Holdings, the Sustainability Section of the Corporate Planning Department plays a central role in promoting efforts to respect human rights inside and outside of Japan in collaboration with departments in charge of overseas compliance and departments in charge of human rights awareness in the operating companies. In the operating companies, the organizations directed by the executive officers responsible for human rights awareness or officers in higher positions play a central role to raise human rights awareness of employees. They promote a better understanding of human rights and corporate social responsibility as well as develop and embed a corporate culture of respecting human rights.</p> <p>&lt;Major initiatives&gt;</p> <ul style="list-style-type: none"> <li>• Planning and formulating as well as implementing and managing workplace training programs for all employees</li> <li>• Raising role awareness of employees involved in human rights education.</li> </ul> <p><a href="#">ESG Data / Reference Material (Human Rights)</a></p>
<p><b>Personal information protection</b></p>	<p>Each Group company establishes internal regulations on information management, introduces security measures, and provides education to employees and agents, according to the MS&amp;AD Insurance Group Basic Policy for Management of Customer Information.</p> <p>To verify the management systems, we regularly conduct inspections and audits of agents, outside vendors, and employees, and promptly implement remedial measures against any found problems.</p> <p>&lt;Fiscal 2021 inspections and audits&gt;</p> <p>Internal inspections were carried out at the Company and the Group's domestic insurance companies. We inspected and audited around 33,000 agents and outside vendors, and provided instructions including to strengthen security to approximately 418 companies.</p> <p><a href="#">Information Management</a> <a href="#">Group Basic Policy for Management of Outside Vendors</a></p>
<p><b>Supply chain response (Foreign Technical Interns)</b></p>	<p>Since various problems such as low wages and a poor working environment for foreign technical interns and students have recently been arising in Japan, we conducted interviews with the relevant business divisions in the our Group. Although we did not find any problematic cases in the interviews, we will continue to follow up on this matter. In addition, a third party periodically audits the working environment and conditions in order to maintain an appropriate working environment.</p>

## Consultation Service Desk

The MS&AD Insurance Group has established a system to receive reports on human rights violations and take appropriate remedial measures

<p><b>Schemes for Receiving Feedback from Customers</b></p>	<p>We widely accept various voices such as "consultations," "requests," and "complaints" from customers, and stipulate that they will be used to improve quality.</p> <p><a href="#">Quality that Earns the Trust of Society</a></p>
<p><b>Reporting System from Employees (Speak-up System)</b></p>	<p>In order to prevent violations of laws and regulations, violations of internal regulations, and inappropriate conduct from being neglected, the MS&amp;AD Insurance Group has in place a reporting and Internal and external consultation services, the Speak-up System, through which employees can report any concerns so the company can promptly identify the facts and take necessary measures. With this system, our Group pushes ahead with compliance with ethics, laws, and regulations.</p> <p>&lt; Main subjects of reports and consultation &gt;</p> <ul style="list-style-type: none"> <li>• Any matters related to non-compliance</li> <li>• Issues related to employees' mental and physical health and other issues caused by sexual harassment, power harassment, or any other types of harassment</li> <li>• Any matters related to working environment, such as work hours and overtime work</li> </ul> <p>We have made efforts to enable informers and consulters to easily use the system by setting up an external contact point at an outside law firm. In addition, we protect the informers and consulters by ensuring the informers and consulters' privacy and protect their information. We also make sure the informers are not treated disadvantageously.</p> <p><a href="#">ESG Data / Reference Material (Speak-up System)</a></p>
<p><b>Harassment Consulting Desk</b></p>	<p>We have set up a dedicated harassment consulting desk to make sure that employees who feel victimized can consult staff with peace of mind about sexual harassment, power harassment, and maternity harassment cases. Based on verification of facts through prompt investigation, if deemed necessary, corrective measures and actions will be taken in accordance with internal regulations. The company is also making efforts toward prevention of harassment by providing education such as workplace training programs for all employees, level-specific training programs, and e-learning.</p>

## Promotion of a Sound Relationship with the Labor Union

In the MS&AD Group, the Company and the labor union respect each other's position by complying with agreements in good faith and by engaging in efforts to maintain and improve the company's democratic and healthy development, the employee's working conditions, and their position.

Based on the agreement, negotiations and consultations are carried out in the context of wages, personnel systems and operations, work environment, and management plan.

[ESG Data/Reference Material \(Labor union membership rate\)](#)

# Our Value Creation Approach

## Achieving the SDGs

To bring about a resilient and sustainable society, we must acknowledge the social issues that stand in our way and take the initiative in resolving them. These social issues include various risks to the global environment, such as climate change and resource depletion, a decline in vitality due to widening disparities worldwide, new risks such as cyberattacks stemming from technological advances, and rising nursing/medical care expenses in aging societies. Resolving such social issues is also in keeping with the direction set out by the UN in 2015 in its Sustainable Development Goals (SDGs).

The MS&AD Insurance Group will create shared value with society, and work to build a resilient and sustainable society.

- [Topics >](#)
- [ESG integration and sustainability approach >](#)
- [Products and services that contribute to achieving Sustainable Development Goals \(SDGs\) >](#)
- [Impact of CSV Initiatives on society and our company >](#)
- [Sustainability Contest >](#)

## Creating Shared Value

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### Symbiosis with global environment (Planetary Health)

Action on climate change※ >

Improvement of sustainability of natural capital※ >

### Safe and secure society (Resilience)

Measures to address new risks occurring in line with social changes >

Loss prevention/mitigation through the utilization of data and AI >

Creation of a resilient and inclusive society (regional revitalization) >

### Well-Being

Adaptation to a society of healthy longevity >

Implementing Activities and Dialog that Respect Human Rights※ >

Improvement of employee engagement >

(※) Our Sustainability Priorities

## Initiatives Supporting CSV

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Quality that Earns the Trust of Society >

ERM and Risk Management >

Corporate Governance >

Compliance >

## Topics

### MS&AD Green Earth Project

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Our Group has been working on realization of a resilient and sustainable society with “Symbiosis with the global environment (Planetary Health),” “Safe and Secure Society (Resilience)” and “Happiness of diverse people (Well-being)” as three priority issues in our Medium-term Management Plan (FY2022-2025). MS&AD Green Earth Project is a project through which our Group has been addressing conservation/restoration of natural environments, environmental burden reduction, disaster prevention and mitigation, and regional revitalization in a unified manner. This initiative is being pursued by our entire Group to help solve social issues.



### Aiming at Realization of a Resilient and Sustainable Society

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In order for our society to be sustainable, it is essential to maintain environments with high resistance against contingencies such as disasters and high resilience.

We recognize that it is absolutely critical to accelerate response to climate change, with protecting and utilizing the inherent power of nature. The initiatives include prevention/mitigation of flood damage through creation of retarding basins in areas subject to frequent flooding, storage and permeation, etc. of rainwater, and decarbonization by implementing measures to reduce resources utilization, such as resource circulation through recycling and paperless business processes. As an insurance company committed to providing safety and peace of mind, we will promote this initiative as a project which supports realization of a sound global environment and contributes to development of a vibrant society.

## Major initiatives

<p><b>Disaster prevention and mitigation and regional revitalization through conservation/restoration of natural environments</b></p>	<p>We have been carrying out activities which help to address social issues such as recovery of disaster prevention/mitigation functions inherent to the natural environment, decarbonization thereby also increasing job opportunities, etc., through the conservation and restoration of the natural environment, including tree planting.</p> <p><a href="#">Conservation/restoration of marshlands, secondary forest, seaweed beds, planted forests, etc. in Japan (in Japanese only)</a></p> <p>In collaboration with community action groups, we work to address regional social issues through activities for environmental conservation/restoration carried out by volunteers such as employees and members of their families in local areas, and through online lectures/workshops.</p> <p><a href="#">Tropical Rainforest Recovery Project in Indonesia (Mitsui Sumitomo Insurance Web page) (in Japanese only)</a> </p> <p><a href="#">Tree-planting project at Bihoro Town in Hokkaido (Aioi Nissay Dowa Web page) (in Japanese only)</a> </p> <p><a href="#">Environmental education: "Rich Marshes Raising Living Creatures – Protect Biodiversity –" (in Japanese only)</a> </p>
<p><b>Reduction of environmental burden through paper elimination</b></p>	<p>We are promoting an initiative for making donations to activities for decarbonization and conservation of natural capital in accordance with progress on providing products and services that contribute to conservation of biodiversity, including reduction of paper use through such measures as "Eco insurance policies," "Web clauses," "Web expiration notices," "Electronic procedures," and dedicated dashcams equipped with an alert function to reduce roadkill incidents for automobile insurance, etc.</p> <p><a href="#">Mitsui Sumitomo Insurance Initiatives (in Japanese only)</a> </p> <p><a href="#">Aioi Nissay Dowa Insurance Initiatives (in Japanese only)</a> </p> <p><a href="#">Mitsui Sumitomo Primary Life Insurance Initiatives (in Japanese only)</a> </p>
<p><b>Reduction of environmental burdens by reducing electricity and gasoline consumption</b></p>	<p>Our Group regards environmental issues as a material concern for management. We have established MS&amp;AD Insurance Group Basic Policy on the Environment aimed at reducing environmental impacts from our business activities, while applying the PDCA cycle to our initiatives.</p> <p><a href="#">MS&amp;AD Insurance Group Initiatives to Reduce Burdens on the Environment</a></p>
<p><b>Sustainable use of resources through waste reduction</b></p>	<p>Waste reduction is an important initiative for GHG emissions reduction and conservation of biodiversity.</p> <p>Our Group aims to contribute to a sustainable society by integrating the value chain, including the use of recycled parts when repairing accident-damaged vehicles.</p> <p><a href="#">Reduction of the Environment Burden</a></p>

# Products and services that contribute to achieving Sustainable Development Goals (SDGs)

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 seven 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 security from a multifaceted perspective centered on sustainability.

Products and services aimed at further contributing to the resolution of social issues reached about 64% of premiums written in the non-life insurance business in FY2021.

Items	Coverage	FY2021
Products and services that contribute to achieving SDGs <Target products> Products and services that contribute to "Planetary Health" Products and services that contribute to "Resilience" Products and services that contribute to "Well-being"	Group Domestic + Other	about 64 %*1

(\*1) Percentage of net premiums written

[▼ Symbiosis with global environment \(Planetary Health\)](#)
[▼ Safe and secure society \(Resilience\)](#)
[▼ Happiness of diverse people \(Well-Being\)](#)

[▶ Products and services that contribute to achieving Sustainable Development Goals \(SDGs\) \(PDF\)](#)


(★) links are "in Japanese only"

## Symbiosis with 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



Products and Services	Outline	Contribution to solving social issues	Details
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	Helping to environmental conservation and reducing the impact on the environment	<a href="#">MSI</a> (★)  <a href="#">ADI</a> (★) 
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	Helping 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.	<a href="#">Mitsui Direct General</a> (★) 
Remote application procedures for a paperless, contactless service	A completely paperless service from providing information through video, to responding to inquiries and the application process	Helping to prevent the spread of infectious diseases through non-contact, reducing the impact on the environment by going paperless, and improving customer convenience.	<a href="#">MSI Aioi Life</a> (★) 
Comprehensive coverage plan for mega-solar farm products	Comprehensive coverage of risks faced by renewable energy producers	Promoting reduction of CO2 emissions (reducing impact on the environment) with alternative energy	<a href="#">Details</a>
Comprehensive small wind power coverage plan	Comprehensive coverage of risks faced by renewable energy producers	Promoting reduction of CO2 emissions (reducing environmental burdens) with alternative energy	<a href="#">Details</a>
Comprehensive offshore wind power generation system coverage	Comprehensive coverage of risks faced by renewable energy producers	Promoting reduction of CO2 emissions (reducing environmental burdens) with alternative energy	<a href="#">Details</a>

Insurance to support stable supply of green power certificates	When the facilities of a green power company contracted by the issuer are shut down because of a disaster or other such event, the additional costs that issuer owe to procure green energy value from other power companies, etc. can be covered	Helping to create a decarbonized society.	MSI (★) 
Carbon Neutral Support Special Clause 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	Helping companies to reduce carbon emissions	<a href="#">Details</a>
Decarbonization management support for SMEs	Supporting mid-sized companies and SMEs on the materiality of decarbonization, advice on how to proceed, understanding CO2 emissions, and setting reduction targets, etc	Helping companies to reduce emissions	<a href="#">Details</a> MSI (★) 
Automobil 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	Helping to create a decarbonized society	MSI (★) 
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"	Helping to create a decarbonized society	MSI (★) 
Carbon neutral support	One-stop support for corporate carbon neutral initiatives at all stages, including introduction, strategy, and reduction, in collaboration with external organizations regardless of industry size	Contributing to create a decarbonized society	<a href="#">InterRisk (★)</a> 
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	Stabilizing company earnings by avoiding and mitigating losses incurred by abnormal weather and weather instability. Contributing to sustainable business activities	<a href="#">Details</a>
Weather derivatives - Typhoon Watch	A financial derivative that hedges customer losses by approaching or landed typhoons	Stabilize earnings by avoiding and mitigating losses incurred by companies due to meteorological changes such as abnormal weather and weather instability. Contributing to sustainable business activities	-

Weather derivatives for the snow removal industry	Provision of a risk solution that helps to stabilize business operations for snow removal companies and to maintain social infrastructure by mitigating decreases in profits due to reduced snowfall	Stabilize earnings by avoiding and mitigating losses incurred by companies due to meteorological changes such as abnormal weather and weather instability. Contributing to sustainable business activities	-
Renewable energy support service	Consulting services regarding assessment of business risks associated with renewable energy (solar power, wind power, biomass, etc.), as well as energy conservation, improved comfort in the working environment, and reduced energy costs	Supporting stable development of renewable energy businesses	<a href="#">InterRisk (★)</a> 
Eco insurance policies/Web clauses	A system that enables policyholders to view their policy certificates and policy clauses on the websites	Helping to reduce the impact on the environment by going paperless	<a href="#">Details</a>
Products recall expenses insurance for food service businesses - Shoku-eco	When a food company (the insured) recalls food due to mislabeling expiry dates, Kuradashi reduces food loss by purchasing the food (those without any issues other than mislabeling). Because of this, disposal costs (or insurance payouts) are reduced meaning insurance premiums can be offered at a 10% discount	Helping to stop food waste issue	<a href="#">Details</a>
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	Helping to reduce environmental impact by going paperless	<a href="#">Details</a>
Service for accepting online handling of transfer accounts	A service to enable customers to carry out account-related procedures via the Internet, such as registration and changing of insurance premium transfer accounts through smartphone reading of a QR code and selection of a preferred financial institution on a dedicated site for account registration	Helping to reduce environmental impact by going paperless	<a href="#">MSI/ADI (★)</a> 
Mobile application-based payment service	A premium payment service as a replacement for direct collection, enabling customers to pay premiums through smartphone reading of a QR code and selection of a contracted payment service from various listed services	Helping to reduce environmental impact by going paperless	<a href="#">MSI/ADI (★)</a> 
My Number registration service using smartphones	A service enabling customers to complete paperless registration of their My Number by loading it into a smartphone app	Helping to reduce environmental impact by going paperless	-

Simplified claims documents procedure	Simplified process omitting the submission of claim documents, etc. of car accidents that meet certain conditions	Helping to reduce the impact on the environment by going paperless	-
Consulting services against environmental risk	Quantitative assessment of impacts on natural capital (lost benefits and recovery costs) and simplified assessment of water risks such as water depletion, drought, flood and decline in water quality (present/future)	Supporting environmentally conscious business activities	<a href="#">Details</a>
Consulting services on biodiversity	Services that support companies' activities to preserve biodiversity and assess biodiversity risks in business activities	Supporting environmentally conscious business activities	<a href="#">Details</a>
Simplified evaluations of water-related risks	Simple assessment of exposure to water risks such as water depletion, drought, flood and decline in water quality (present/future) on individual production sites (domestic/overseas)	Supporting environmentally conscious business activities	<a href="#">Details</a>
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	Helping to preservation and restoration of natural capital and biodiversity	<a href="#">Details</a>
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	Helping to preservation and restoration of natural capital and biodiversity	<a href="#">Details</a>
Service for calculating and visualizing GHG emissions	Provision, free of charge, of a cloud service "zeroboard*1" for calculating and visualizing GHG emissions for insurance agents and small and medium-sized businesses throughout Japan	Helping to corporate decarbonization	<a href="#">Details</a>
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	Helping to the promotion of the renewable energy business and realization of decarbonization	<a href="#">Details</a>

<p>J-Credit (Japan Greenhouse Gas Emission Reduction/Removal Certification) Scheme Participants Support Insurance (for local governments)</p>	<p>Coverage of risks sustained by local governments in relation to program-based projects aimed at implementing decarbonization activities utilizing the J-Credit scheme</p>	<p>Helping to realization of decarbonization</p>	<p><a href="#">Details</a></p>
<p>Sympathy Money Insurance for payments to neighborhood victims (PPA business operators)</p>	<p>Covering expenses such as sympathy money incurred by PPA* business operators in cases where damage to their power generation equipment as a result of natural disasters such as typhoons has resulted in damage to the properties owned by neighboring residents and companies, even when the operators are not held liable for compensation *Abbreviation of Power Purchase Agreement model</p>	<p>Helping to the promotion of the renewable energy business and realization of decarbonization</p>	<p><a href="#">Details</a></p>

## 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



Products and Services	Outline	Contribution to solving social issues	Details
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	Helping to the stabilization of corporate management and supporting social development	<a href="#">Details</a>
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	Helping 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	<a href="#">Details</a>
Comprehensive Coverage Insurance for Mobile Application-based Payment Service Providers	Coverage for damages caused by illegal access through a mobile application-based payment service	Helping to the spread of secure and safe cashless payment	<a href="#">MSI/ADI</a> (★) 
Coverage plan for sharing economy-based business	Insurance products with order-made conditions for coverage required for various business situations. This plan was developed to respond to coverage needs for personal liability insurance valid only for the user and only for the period of use, arising from the spread of the sharing economy	Helping to the development of sharing economy-based business	<a href="#">MSI</a> (★) 
One-day Leisure Insurance	Leisure insurance providing only the required coverage only when needed	Helping to enriching customers' lives	<a href="#">MSI</a> (★) 
Built-in Insurance	Insurance for users of digital businesses, utilizing digital insurance sales platforms to share data with such businesses	Providing safety and security to users of e-commerce and sharing services	<a href="#">MSI</a> (★) 
RisTech, a service that addresses social and corporate issues through data analysis	Services, using big data and the latest analysis algorithms that visualize and optimize the risks that clients are exposed and to help solve issues. Data scientists uses a variety of statistical data, including accident data held by their own company, as well as data held by service provider companies, to perform risk analysis, provide reports, and develop risk models	Visualizing and optimizing corporate risks to be solved	-

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"	Supporting cyber risk measures taken by companies	<a href="#">Details</a>
One-day Insurance/One-day Supporter	Automobile insurance for rent vehicles that is available in daily increments	Promoting the reduction of accidents caused by uninsured vehicles	<a href="#">MSI</a> (★)  <a href="#">ADI</a> (★) 
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 by using the most advanced telematics technology	Helping to prevent traffic accidents by providing "safe driving incentives (discounts)" and "safe and secure services", which are applied for Toyota connected cars.	<a href="#">ADI</a> (★) 
GK Mimamoru (Dash cam-based) Automobile Insurance, TOUGH Connected Automobile Insurance	Automobile Insurance with the concept of "supporting customers' safe driving and safeguarding their driving against an accident" by utilizing the latest telematics technology. In addition to a driving diagnosis by analyzing the driving data of the contracted car, a wide range of alert services support customer's safe driving. In the event of an accident, our operator will contact to confirm safety and provide advices such as what steps to be taken	Helping to prevent traffic accidents and supporting safe driving	<a href="#">Details</a>
TOUGH Mimamoru automobile insurance plus	Automobile insurance that reflects the degree of safe driving in insurance premiums based on driving data obtained from dedicated dash cam-based telematics devices	Helping to take preventative traffic accidents measures by providing incentives for safe driving (discounts) and safe and secure service	<a href="#">Details</a>
Special policy clause on business management (applied to transportation companies)	Discount on insurance premiums applicable to transportation companies that have taken the road safety management certification seminar promoted by the Ministry of Land, Infrastructure, Transport and Tourism, and which take preventative measures to reduce traffic accidents	Helping to prevent traffic accidents and supporting safe driving	<a href="#">MSI</a> (★) 
Comprehensive autonomous drive testing coverage plan	Comprehensive coverage for risks related to the testing of autonomous vehicles	Supporting to innovation of autonomous driving technologies to support the realization of a safe, secure, and comfortable automobile society	<a href="#">Details</a> (★) 

MaaS insurance Plans for MaaS operators	Providing coverage for businesses and users in response to various risks associated with MaaS, and coverage to support Maas businesses in the construction of services for users	Helping to create a safe, secure and comfortable mobility society by supporting local transportation solutions and autonomous driving innovations	<a href="#">Details</a> <a href="#">ADI(1)(★) PDF</a> <a href="#">ADI(2)(★) PDF</a>
Automobile insurance for car share platforms	Coverage for damage caused by non-return in car sharing	Helping to solving issues unique to car sharing that conventional vehicle insurance cannot afford	<a href="#">MSI (★) PDF</a> <a href="#">ADI (★) PDF</a>
Smartphone app: Suma-Ho Driving Ability Diagnosis	Service providing analysis of driving skill characteristics, dash cam, eco drive diagnosis, audio warnings when drivers are approaching locations where accidents frequently occur, extreme weather forecasts, and other services	Helping to prevent traffic accidents and supporting safe driving	<a href="#">MSI (★) </a>
AD Tele-millage, points program for policyholders	Points program for policyholders of the Telematics Automobile Insurance. Points are earned by doing things that lead to safe driving, and rewards can be redeemed with the points	Helping to prevent traffic accidents and supporting safe driving	<a href="#">Details</a>
Accident Map	Accident maps created by analyzing and identifying locations where accidents frequently occur based on accident data from external institutions	Helping to prevent traffic accidents and supporting safe driving	<a href="#">MSI (★) </a>
“F-Dora” drive recorder telematics service for fleet policy holders	Service of three types of support: “during accidents/emergencies,” “accident prevention measures,” and “operation management,” using our original dedicated dash cams and the industry’s first driver-facing camera	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	<a href="#">MSI (★) </a>
Sasaeru Navi	Telematics service for fleet policyholders	Supporting corporate customers with their vehicle management and efforts to reduce accidents	<a href="#">ADI (★) PDF</a>

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 (20kph) 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	This service can be used by companies to ensure safe driving practices. Supporting the creation of corporate value by helping to prevent distracted driving, a social issue	MSI (★) 
Safety navigational support services for domestic vessels	Support for safe navigation of domestic vessels using the dedicated smartphone provided by Weathernews Inc., which alerts ships when they navigate in dangerous waters and provides weather and oceanic forecasts and images of the area around the vessel	Helping to reduce maritime accidents by supporting customers in safe operations and raising awareness of risk management	-
Automobile risk management service	Effective programs and solutions to prevent and reduce accidents	Helping to prevent traffic accidents and supporting safe driving	InterRisk (★) 
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	Helping to prevent traffic accidents and supporting safe driving	InterRisk (★) 
Driving skill improvement training	A brain training game for improving concentration, awareness and driving skills. Easy and fun training with smartphone	Helping to prevent traffic accidents and supporting safe driving	Details
Products with coverage against COVID-19	Insurance plans such as personal accident and commercial fire have been expanded to provide coverage in the event of contracting COVID-19. We also offer products to cover damages caused by suspension of operations in order to support business continuity if a business is forced to close due to COVID-19	Helping to improving the resilience of society toward infectious diseases	MSI (★)  ADI (★) 
COVID-19 life insurance	Life insurance plans which cover death in the event of a disaster (accidental death riders, etc.) have been expanded to provide coverage for death or severe disability by COVID-19	Helping to improving the resilience of society toward infectious diseases	MSI Aioi Life (★) 
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	Helping to rebuild the lives of those affected by earthquake and the early recovery of areas hit by earthquakes	MSI (★)  ADI (★) 

Comprehensive drone coverage plan	Comprehensive coverage to cover risks associated with the commercial use of drones	Supporting the development of society by contributing to wider drone use in industry and the public domain, such as in luggage distribution, damage surveys, agriculture, forestry and fisheries	-
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	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)	MSI (★) 
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	Preventing and mitigating damages caused by natural disasters	<a href="#">Details</a>
Smartphone app: Suma-Ho	A smartphone app allowing users to check the details of their insurance policy, contact their agents, and to use their smartphone's GPS to arrange tow truck in case of an accident or breakdown	Enhancing customer convenience	MSI (★) 
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	Supporting safe and secure behavior in the event of a large-scale natural disaster	<a href="#">Details</a>
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	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	MSI (★) 

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)	Helping to ensure continuity and early recovery of core business while minimizing damage to a company's business assets in an emergency	<a href="#">Details</a> <a href="#">InterRisk (★)</a> 
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	Supporting corporate risk measures in the event of a natural disaster	<a href="#">Details</a>
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	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	<a href="#">InterRisk (★)</a> 
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	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	<a href="#">Details</a>
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)	Supporting companies in their loss prevention responses at times when damage due to typhoon, heavy rain, etc. is anticipated	<a href="#">Details</a>
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	Supporting the prevention of sediment disasters by identifying the risk of slope failures at business and planned sites	<a href="#">Details</a>

<p>Real-time damage forecasting website cmap.dev</p>	<p>As part of a joint research with Aon Group Japan Co., Ltd., and Yokohama National University we have established a system to forecast the number of buildings damaged and damage rate by municipality due to typhoons, heavy rains, and earthquakes. This information is available free-of-charge on the website and in app</p>	<p>Supporting the early identification of the scale of damage and rapid rescue and support activities in the event of a disaster</p>	<p><a href="#">Details</a> ADI (★) </p>
<p>Evacuation insurance plan</p>	<p>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</p>	<p>Supporting establishment of a scheme which enables rapid evacuation of persons requiring support in the event of disasters</p>	<p><a href="#">Details</a></p>
<p>Support for rebuilding the lives of disaster victims</p>	<p>Provision of training to local governments, etc. on damage investigations necessary for issuing disaster victim certificates and, in the event of a flood, supporting prompt and efficient issuance of said certificates through providing local governments with our damage investigation information (such as property information and depth of inundation) with customers' consent</p>	<p>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.</p>	<p><a href="#">Details</a></p>
<p>BCP development support services for international business</p>	<p>Supporting countermeasures in light of serious risks overseas, such as accidents and natural disasters</p>	<p>Supporting the development of overseas business</p>	<p><a href="#">InterRisk (★) </a></p>
<p>Building damage calculation system using AI</p>	<p>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</p>	<p>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.</p>	<p><a href="#">MSI/ADI (★)  </a></p>

Climate change risk analysis services	Consulting services regarding analysis and information disclosure expected of companies on a global level on issues including physical risks, such as climate change-induced floods and droughts, and transition risks, associated with socioeconomic transitions toward a decarbonized economy in line with achieving the 2°C goal, such as energy structure transformation, in response to expectation over companies to identify business risks and opportunities associated with climate change and to disclose relevant information	Helping companies address climate change	<a href="#">Details</a>
Prediction map showing changes in flood frequency	Developed through corporation with Prof. Yukiko Hirabayashi of the Shibaura Institute of Technology and Associate Professor Dai Yamazaki of the Institute of Industrial Science at The University of Tokyo in response to the corporate needs to understand the impacts from potential flood risks, one of climate change risks if climate change is actualized. Maps that show the degree of change in flood frequency due to climate change globally	Helping companies address climate change	<a href="#">Details</a>
Smartphone app with "Animal Alert" (wildlife accident alert)	Voice alert when the driver is approaching a black spot for traffic accidents involving wildlife. The service was first launched in Okinawa Prefecture, where the Okinawa rail (an endangered bird) lives, and later rolled out to other regions in Japan	Reducing traffic accidents and maintaining biodiversity	<a href="#">Details</a>
Comprehensive global business coverage plan	Comprehensive coverage to cover risks related to overseas business expansion for small and medium-sized enterprises (SMEs)	Facilitating the smooth operation of business activities overseas to support the stabilization of SMEs' business operations overseas and the development of local communities	<a href="#">MSI</a> (★) 
Supporting companies in expanding overseas operations	Risk management services for small and medium-sized enterprises expanding their business overseas	Helping to expand overseas operations of small and medium-sized enterprises	<a href="#">MSI</a> (★) 
Export food insurance	Coverage for risks that occur when exporting food, such as spoilage and deteriorating quality due to accidents during transportation	Supporting new exports by SMEs and contributing to the sustainable development of Japan's agriculture, forestry and fisheries and food industries.	<a href="#">MSI</a> (★) 

Personnel labor and work style reform support for SMEs	Advice on promoting diverse work styles, improving job satisfaction and productivity, measures to balance childcare and nursing care with work, using IT, health management, wage system reviews, building an assessment system, and legal compliance, etc	Helping to the sustainable growth of companies and the realization of decent work by employees through support for personnel labor and work style reforms.	-
Consulting on occupational health and safety, and on development of safety culture	Provision of training and consultation on occupational health and safety, diagnosis of current status, and consultation toward development of a safety culture which supports and activates safety control	Supporting prevention of work-related accidents and facility disasters	<a href="#">InterRisk</a> (★) 
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	Supporting regional revitalization and solving social issues through the SDGs	<a href="#">Details</a> (★)
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	Helping to prevent and limit the spread of infection	<a href="#">Details</a> (★)
Participation in overseas public natural disaster compensation systems	Participation in the international natural disaster pool, comprising organizations such the World Bank, as one of the underwriting companies for providing reconstruction funds for recovery from damage arising out of natural disasters in countries and regions such as the Pacific Island nations and the Caribbean where insurance markets are not yet fully mature	Promoting the restructuring of the livelihood of disaster victims and the early recovery of areas hit by disasters	<a href="#">Details</a>
A solicitation system enabling online application procedures to be completed in workplaces	A solicitation system that enables workers to complete online application for medical/cancer insurances in their workplace, using devices such as smartphones	Providing a system to meet the need for non-person-to-person processing, which is increasing as a result of the spread of COVID-19 infection	<a href="#">MSI Aioi Life</a> (★) 
Rep and Warranty insurance with labor due diligence service	Representation and warranty insurance for small businesses incorporating a labor due diligence service	Proposing labor due diligence risks during small-scale M&A.	<a href="#">ADI</a> (★) 
Animal insurance for livestock farmers (India)	Insurance for damage caused to livestock by fire, natural disaster, disease, etc	Helping to the stability of agriculture run by low-income farmers	-

<p>Family Eye (notification system for relatives)</p>	<p>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</p>	<p>Providing peace of mind to single elderly-person households as well as to policyholders/family members in the event of hospitalization/disaster</p>	<p>MSI (★)                   ADI (★)                   MSI Aioi Life (★)  </p>
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## 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



Products and Services	Outline	Contribution to solving social issues	Details
<p>Fire Insurance products responding to aging society</p>	<p>Special fire insurance clause for the landlords covering the additional cost incurred when an elderly person dies alone in rental housing. Additional services (moving furniture, replacing light bulbs) are also provided within the plan to support elderly people's daily lives</p>	<p>Helping to solving issues specific to an aging society</p>	<p><a href="#">Details</a></p>
<p>Coverage for search costs when missing of the elderly</p>	<p>Coverage for search costs if the insured years goes missing can be attached to accident insurance for people over 70 years old</p>	<p>Helping to solving issues specific to an aging society</p>	<p>MSI/ADI (★) </p>
<p>"KokoKara Diary" smartphone app</p>	<p>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</p>	<p>Supporting health management on employee level and health and productivity management on corporate level</p>	<p><a href="#">Details</a></p>

<p>"&amp;LIFE" New Income Guarantee Insurance-Wide</p>	<p>An insurance with monthly pension payments for the risk of becoming unable to work or being in need of nursing care due to illness or injury by attaching to it an "endorsement for applying premium rate based on medical examination results" and a "good health discount (endorsement for application of category-based premium rate)," premiums are discounted according to status of receiving medical examinations, health conditions, smoking history, and driving history</p>	<p>Providing solutions to counter the risk of being unable to work and helping to the maintenance and improvement of customers' health</p>	<p><a href="#">MSI Aioi Life (★)</a> </p>
<p>"&amp;LIFE" New Medical Insurance-Ace Premia</p>	<p>An insurance with sufficient degree of support for lifestyle-related diseases, cancer, female diseases, and nursing care, in addition to coverage for hospitalization and surgery. Various combination of coverages in line with customers' needs is available</p>	<p>Providing solutions to counter medical risks</p>	<p><a href="#">MSI Aioi Life (★)</a> </p>
<p>Cancer insurance at 7-Eleven</p>	<p>Cancer insurance, which applications is completed through multi-copying machines in 7-Eleven stores</p>	<p>Providing application procedure in new lifestyles</p>	<p><a href="#">Details</a></p>
<p>Individual defined contribution pension plan (iDeCo)</p>	<p>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</p>	<p>Supporting a rich second life</p>	<p><a href="#">Details</a> <a href="#">MSI (★)</a>  <a href="#">ADI (★)</a> </p>
<p>100-year Life Lounge ~ Visualizing life plans/money plans and providing total support for asset building ~</p>	<p>Providing of information, products and services which satisfy both the need of companies to "provide employees with welfare programs enabling them to lead a rich life, such as asset building support," and the desires of employees to "design a life plan including post-retirement life based on the detailed income/expenditure simulation" and to "receive the best possible support at each life event"</p>	<p>Providing products and services to suit customers' life plans and financial plans through visualizing their situations and needs against a backdrop of increasing concern about social welfare and retirement funds with a focus on "100-year life"</p>	<p><a href="#">MSI (★)</a> </p>
<p>"Fulfilling Tomorrow" existence protection oriented-type individual annuity insurance (with variable interest rate, level premium payment)</p>	<p>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</p>	<p>Supporting a rich second life</p>	<p><a href="#">Details</a></p>

<p>“Joy for tomorrow” “Joy for Tomorrow 2” currency option-type existence protection oriented individual annuity insurance</p>	<p>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”</p>	<p>Supporting a rich second life</p>	<p><a href="#">Details</a></p>
<p>Currency-selective Special Whole Life Insurance such as “Yasashisa, Tsunagu 2”</p>	<p>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</p>	<p>Supporting a fulfilling “second life”</p>	<p><a href="#">Details</a></p>
<p>Support team for a better life</p>	<p>Telephone consultation service for policy holders , with variety menu such as health, medical and lifestyle consultations to customers who have purchased insurance</p>	<p>Supporting customers' lives with health and peace of mind by helping to solve their problems and providing useful information</p>	<p><a href="#">MSI Aioi Life (★)</a> </p>
<p>Service to provide information on medical treatment and nursing care</p>	<p>Provision of information using virtual reality images seen on smartphones. Customers can experience simulated visits to medical facilities where proton beam therapy is performed, treatment methods using molecularly targeted drugs, and simulated experiences of the daily life of a person with dementia and his/her family (first-person experience)</p>	<p>Aiming to help customers' live better, providing easy-to-understand information on medical care and nursing care and helping customers' understand the correct information</p>	<p><a href="#">MSI Aioi Life (★)</a> </p>
<p>Nursing care health desk</p>	<p>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</p>	<p>Supporting nursing care for customers and their families</p>	<p><a href="#">Details</a></p>
<p>Health and productivity management consulting services</p>	<p>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</p>	<p>Supporting corporate health and productivity management</p>	<p><a href="#">Details</a></p>

<p>“Work and Nursing Care Dual Support Service for Companies”</p>	<p>Advise 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</p>	<p>Helping to stable corporate management and creating a comfortable working society</p>	<p><a href="#">Details</a></p>
<p>Medical/welfare risk management service</p>	<p>Support for prevention of occurrence/recurrence of incidents/accidents on the part of medical institutions and welfare service providers</p>	<p>Supporting sustained development of medical institutions and welfare service providers</p>	<p><a href="#">InterRisk (★)</a> </p>
<p>Insurance for small loans to micro-entrepreneurs (Philippines)</p>	<p>Micro-insurance for loans, in cooperation with BPI Direct BanKo, which provides small loans to micro entrepreneurs. Available from the autumn of 2019</p>	<p>Supporting the operations of micro entrepreneurs through insurance even in the event of an unforeseen occurrence such as an accident or disaster.</p>	<p><a href="#">Details</a></p>
<p>Exclusive fire insurance for indigenous people (Malaysia)</p>	<p>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 products 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</p>	<p>Helping to the stability of the livelihood of indigenous people, many of whom are in poverty and in need of housing coverage and assistance</p>	<p><a href="#">Details</a></p>
<p>Smart offices (India)</p>	<p>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</p>	<p>Contributing to the spread of insurance in areas where access to insurance has traditionally been inconvenient</p>	<p><a href="#">Details</a></p>
<p>Using sign language interpretation services</p>	<p>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</p>	<p>Improving customer convenience by enabling inquiries and procedures related to policies in real time in sign language and writing</p>	<p><a href="#">Details</a>  <a href="#">MSI (★)</a>   <a href="#">ADI (★)</a>   <a href="#">MSI Aioi Life (★)</a>   <a href="#">Mitsui Direct General (★)</a> </p>

Accident response service available in 14 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	Improving convenience for customers who have difficulty communicating in Japanese	<a href="#">Details</a> <a href="#">MSI (★) </a> <a href="#">ADI (★) </a> <a href="#">Mitsui Direct General (★) </a>
Web site for customers with hearing disabilities	Online road services arrangement through web	Improving convenience for customers with hearing disabilities	-
Social contribution special clause	<p>A special clause under which the beneficiary can be designated as a designated public interest group*</p> <p>*As of the end of July 2020, the following three designated public interest groups have been designated:</p> <ul style="list-style-type: none"> <li>· Japanese Red Cross Society</li> <li>· Japan Committee for UNICEF</li> <li>· CiRA Foundation</li> </ul>	Responding to a diverse range of values related to asset succession such as wanting to contribute to society by donating my assets	<a href="#">Details</a>
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	Supporting initiatives to promote respect for human rights and information disclosure by companies	<a href="#">InterRisk (★) </a>

\*Goal 17: "Partnerships for the goals" relates to all initiatives.



# Impact of CSV Initiatives on society and our company

	Examples	Impact on Society	Impact on MS&AD
Symbiosis with global environment (Planetary Health)	Climate change impact quantitative assessment service for TCFD Provide assessment of quantitative risks due to the impact of climate change, in collaboration with a climate analysis venture, Jupiter	Number of places subject to analyses: · FY2020: 12 · FY2021: 6,168	Number of companies ordering the service: · FY2020: 7 · FY2021: 14
	Products to address cyber risk Provide support for cybersecurity countermeasures and coverage for precautionary preparation against possible damage in the event of a cyberattack.	Number of companies/ organizations protected against cyber risks: · FY2019: 12,330 · FY2020: 13,516 · FY2021: 15,422	Premiums written for cyber risk insurance: · FY2019: JPY6.50 billion · FY2020: JPY7.18 billion · FY2021: JPY8.23 billion
Safe and secure society (Resilience)	Telematics-based safe driving support services Provide services that support safe driving utilizing telematics technology	Number of automobile insurance policies * protected by the services: · FY2019: 382,000 · FY2020: 867,000 · FY2021: 1,718,000  * "Mimamoru" and "Tsunagaru" automobile insurances	Premiums for telematics type automobile insurance (for individual customers): · FY2019: JPY35.5billion · FY2020: JPY80.7 billion · FY2021: JPY150.7 billion
	Tontine Annuities that support future asset formation A foreign-currency-denominated individual annuity insurance that meets the "usage" needs of customers, whereby the longer they live, the greater amount of annuity they receive.	Total amount of Tontine Annuity received: · FY2019: JPY 3.4 billion · FY2020: JPY 4.8 billion · FY2021: JPY 6.6 billion	Number of Tontine Annuity contracts: · FY2019: 27,000 · FY2020: 36,000 · FY2021: 45,000
Happiness of diverse people (Well-being)	Fire insurance dedicated to housing for indigenous people in Malaysia Developed dedicated fire insurance for residential building programs with the aim of helping to improve the living conditions of indigenous people in Malaysia. The insurance is packaged as part of the support scheme.	Number of indigenous households covered by our insurance (cumulative): · FY2019: 22 · FY2020: 57 · FY2021: 65	Fire insurance premiums for indigenous households: · FY2019: 3,060MYR · FY2020: 6,304MYR · FY2021: 3,132MYR

[Integrated Report \(Annual Report\)](#) 

[MS&AD Integrated Report 2022 \(extract\) CSV Initiatives Promoted by MS&AD](#) 

# Sustainability Contest

With “a resilient and sustainable society” as our vision for society by 2030, the Group is promoting various initiatives toward Creating Shared Value (CSV) with society using the SDGs as a guide. In order to solve social issues through our business, it is essential for each Group employee to deepen their understanding of CSV and the SDGs. From 2018, the Sustainability Contest, which aims to raise awareness among employees, are yearly held to recognize outstanding initiative in CSV through proposals and initiatives that lead to solutions on social issues.

The fourth contest, in 2021, attracted 385 submissions from around the world regarding a wide range of social issues, including climate change and D&I, and response to the ongoing COVID-19 pandemic. With five aspects - social impact, communication, value creation, approach, and prospects - as criteria for selection, among sixteen winners in the contest, one for best performance award and five for outstanding performance awards were chosen through an online examination/voting by Group executives

## > The MS&AD Group Sustainability Contest 2021

This year’s Grand Prize winner – Products/Services Development for Carbon Neutrality Support

- Forty thousand employees of the Group guided by the SDGs to solve social issues -in Japanese only 

### [Grand Prize Winner]

Fire & Personal Accident Insurance Department/Marketing & Sales Promotion Department, Mitsui Sumitomo Insurance Co., Ltd.

Fire & Personal Accident Insurance Department, Aioi Nissay Dowa Insurance Co., Ltd. Risk Management Dept. 1st/Risk Management Dept. 3rd, MS&AD InterRisk Research Institute & Consulting, Inc.

Products/Services Development for Carbon Neutrality Support

While the international focus has been shifting to decarbonization, the cost of introducing equipment that can contribute to reduction of CO2 emissions is a major issue. Under its corporate fire insurance (Comprehensive Corporate Property Insurance) product line, the Group developed and launched in August 2021 a “Carbon Neutral Support Endorsement” to cover additional expenses for new adoption of equipment, etc., which helps to reduce CO2 emissions in the restoration of damaged buildings, etc.

In addition to providing insurance coverage, we have been developing Carbon Neutral Support, a comprehensive consulting menu which supports the following three stages in one stop: (1) Introduction (support for seminars/study sessions), (2) Strategies (CO2 emissions simplified calculation service, etc.) and (3) Reduction (energy saving/renewable energy introduction support). In line with the concept of Build Back Better, we contribute to the realization of a decarbonized society in collaboration with our customers through our insurance and consulting services, which leads to customers’ taking measures to reduce CO2 emissions.

The Sustainability Contest helps employees to develop a ‘sustainability’ mindset and raises awareness of linking their daily work with CSV. We will continue to tackle social issues by creating new business models and sharing success cases with the entire Group through the Sustainability Contest, for creating a virtuous cycle of commonly practiced sustainable initiatives within the Group.



The Grand Prize Winner group in the Sustainability Contest 2021

# Measures to Address New Risks Occurring in Line with Social Changes

The COVID-19 pandemic continues to have economic and social impacts globally.

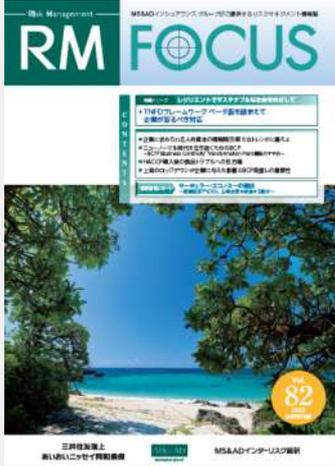
Industries and societies are being rapidly digitized, giving rise to a surge in online exchanges, electronic commerce transactions, online education, a shift to remote working, and in the number of platforms which accelerate these trends. This has driven significant change in our society. Improvement of digital safety and preparation for a new way of life are becoming increasingly important. In the World Economic Forum's Global Risks Report released in January 2022, expansion of infection and failures of cybersecurity measures are ranked higher among the short-term risks, as are the harmful effects of technological advancement among the long-term risks.

The MS&AD Insurance Group believes that forecasting, preventing, and suitably managing new risks accompanying advances in innovation and in changes in industrial structure, etc. are essential to ensure stable livelihoods and dynamic business activities. We intend to carry out research regarding new risks, and to provide products and services that address these risks, thereby contributing to realization of a safe and secure society (Resilience).

## Providing Research and Information on New Risks

We offer information and carry out, research that are effective for identifying and assessing risks, including surveys on evolving technologies and environment, and research on the utilization of big data.

### < Representative Initiatives >

<p style="text-align: center;"><span style="border: 1px solid black; padding: 2px;">Group-wide</span></p> <p style="text-align: center;"><b>Collaborations with overseas startups</b></p>	<p>We aim to provide innovative insurance products, services and know-how through research and demonstration experiments on advanced technologies and services in collaboration with world-leading startups in the fields of cybersecurity, etc.</p> <p><a href="#">Investment in Israeli automotive cybersecurity business, Upstream Security Ltd. (MSI) (in Japanese only)</a> </p>
<p style="text-align: center;"><span style="border: 1px solid black; padding: 2px;">Group-wide</span></p> <p style="text-align: center;"><b>Joint research with universities</b></p>	<p>We are implementing initiatives and support for the development and practical application of advanced technologies through industrial-academic partnership agreements with universities engaged in cutting-edge surveys and research useful to the next generation.</p>
<p style="text-align: center;"><span style="border: 1px solid black; padding: 2px;">InterRisk</span></p> <p style="text-align: center;"><b>Offering of risk information/reports</b></p>	<p>We support companies to be well equipped for various risks by providing the latest practical reports and information related to corporate and organizational risk management initiatives.</p> <p><a href="#">InterRisk – Risk information/reports (in Japanese only)</a> </p> 

## Providing Solutions to Risks

Advances in technology and environmental change, such as the impacts of climate change and the aging population, have diversified the risks we face. To prepare for new risks, it is imperative to assess risks through reliable risk models and control the risks based on the results of the assessments. Our Group provides solutions to prepare for risks through consulting done by MS&AD InterRisk Research & Consulting, which is capable of advanced investigation and research as well as practical consulting.

### Consulting offered by MS&AD InterRisk Research & Consulting

A list of online and remote risk management services is also available.

BCP, Business Continuity Planning and BCM, Business Continuity Management	Transportation risks	Sustainability
Natural catastrophe	Fires, explosions	Theft risk
Compliance, internal control	Product safety, food safety	Risk management and crisis management public relations
ERM, Enterprise Risk Management	D&O risks, legal risks, customer satisfaction and complaints	Cyber risks and information security
Safety culture and occupational health and safety	Personnel and organizational risks	Medical and welfare risks
Measures against new strains of influenza and COVID-19	Due diligence for real estate	Health management and support for work/life balance
Mental health	Next-generation mobility verification (autonomous driving and MaaS / drones and autonomous delivery robots)	Cargo accident consulting on cargo handling sites

## Support for Research and Development of Next-generation Mobility Services

The MS&AD Group is participating in research and collaboration initiatives in cooperation with other industries, local government bodies, etc. with the aim of implementing new mobility services and developing new insurance products and services that match those mobility services.

### < Principal Approaches >

- Concluded a business alliance agreement aimed at expanding use of a locality-based service using electric kickboards BIRD. (ADI) (in Japanese only) 
- Setouchi-cho of Amami Oshima, Japan Air Commuter, JAL, Mitsui Sumitomo Insurance and MS&AD InterRisk concluded a partnership agreement to collaborate in addressing regional issues using drones. (MSI, InterRisk) (in Japanese only) 

## Providing Products and Services that Address New Risks

To meet the needs of our customers, we offer products and services that address the risks occurring in line with social changes.

< Main Products and Services >

<p style="text-align: center;"> <span>MSI</span> <span>ADI</span> <span>InterRisk</span>                  Addressing cyber risk             </p>	<ul style="list-style-type: none"> <li>Group companies cooperate closely in the area of cyber risk to develop a comprehensive service.</li> <li>Consulting service by MS&amp;AD InterRisk Research &amp; Consulting to offer one-stop support for companies to build a multi-layered system to protect against risks.</li> <li>Provision of a menu of services to offer, through both insurance products and services, comprehensive support for countermeasures against cyberattacks perpetrated on not only individual companies but also entire supply chains.</li> </ul> <div style="display: flex; justify-content: space-around; align-items: center;">    </div> <p>Launched a comprehensive support menu for supply chain countermeasures against cyberattacks. (in Japanese only) </p> <p>Launched "Bouken Cyber", the next-generation endpoint detection and response (EDR) + management security service (in Japanese only) </p> <p>Launched targeted e-mail training service that applies behavioral economics (in Japanese only) </p> <p>Set up cybersecurity call center (MSI, ADI) (in Japanese only) </p>
<p style="text-align: center;"> <span>MSI</span> <span>ADI</span>                  Preparing for a new way of life             </p>	<ul style="list-style-type: none"> <li>Coverages for various kinds of risks such as information leakage due to cyberattacks, property damages or theft of business computer and labor management for companies promoting telecommuting.</li> <li>Coverages for the risk of companies selling laptops and tablets to local governments to realize the GIGA School Concept (covers expenses incurred with a warranty system for the repair or replacement of damaged or broken laptops and tablets being sold)</li> <li>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.</li> <li>Coverage targeting exhibitors of digital artworks for damage sustained when their owner information is falsified through unauthorized access by a third party.</li> </ul> <p>Launch of the Comprehensive Telecommuting Compensation Plan (in Japanese only) </p> <p>Launch of the GIGA school concept compensation plan for sales operators (in Japanese only) </p> <p>Launch of Streaming Event Cancellation Insurance [Japan "first"] Launch of Dedicated Insurance Coverage for NFT Art (MSI) (in Japanese only) </p>
<p style="text-align: center;"> <span>ADI</span> <span>InterRisk</span>                  Preparing for next-generation mobility society             </p>	<p>Provision of insurance products and services aimed at implementation of next generation mobility services.</p> <p>[Industry "first"] Launched Dedicated Insurance for MaaS (ADI) (in Japanese only) </p> <p>&lt;Regional Revitalization x Automated Driving &gt;Japan first! Support for safety in operation of the Level 3 remote unmanned automated mobility service (ADI, InterRisk) (in Japanese only) </p>

## Initiatives to Prepare for Widespread Societal Adoption of the Metaverse (Virtual Space)

Actively utilizing external knowledge, we are working on initiatives aimed at development of new insurance products and services which will support economic activities in the virtual space of the “metaverse” based on intensive consideration of a future society in which realistic virtual realities created by advancing technologies will become widespread.

### 1. Opening “GDH Meta,” an industry-first base in the metaverse

In May 2022, we launched a project to open “GDH Meta,” an industry-first base in the metaverse. A GDH (global digital hub), is a base for global promotion of digitalization. Since starting in the U.S. in FY2018, we have so far opened six GDHs and the GDH Meta will be the seventh of its kind.

We will endeavor to create businesses in not only insurance but also in new areas, utilizing the metaverse through establishing structures such as virtual spaces and through interacting with various players both within and outside of our Group.

### 2. Exhibiting in the metaverse events

Our Group will promote insurance products and services for our customers who have a new sense of values through exhibiting in various events held in the metaverse.

In August 2022, Mitsui Sumitomo Insurance exhibited in Virtual Market 2022 Summer, the world’s largest virtual reality event, which attracts more than a million visitors from within Japan and from overseas. For that event, we organized a booth to illustrate the revamped image of insurance for the advent of a new era.

Aioi Nissay Dowa Insurance plans to exhibit in a metaverse event to be held in November 2022, where it intends to arrange events to roll out content that will communicate, based on the company’s experience, the importance of taking measures against accidents and disasters.

### 3. Communicating within and outside of the company, utilizing avatars

An avatar of the president of Aioi Nissay Dowa Insurance was created as the first action in commencing business activities in the metaverse.

That avatar now appears at every opportunity for communication within and outside of the company, enabling digital points of contact between our Group and its customers.

[Launched “Metaverse Project” \(MSI\) \(in Japanese only\) !\[\]\(d504eeef7a52913b91f1d281c0f981b0\_img.jpg\)](#)

[\[Industry “first”\] Preparation of avatars and development of virtual spaces \(metaverse\) \(ADI\) \(in Japanese only\) !\[\]\(d1dc0168dfd40048643b98864ca76ee0\_img.jpg\)](#)



VR event, Avatar

# Loss prevention/mitigation through the utilization of data and AI

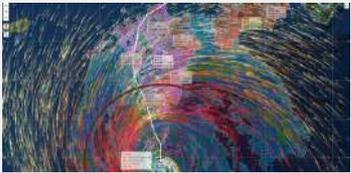
Due to the effects of climate change, natural disasters such as heavy rains, floods and cyclones have been increasing in severity and it is an urgent issue to mitigate damage due to natural disasters and financial loss.

MS&AD Insurance Group committed to supporting preparation against automobile accidents, natural disasters, major earthquakes, and infection outbreaks, including COVID-19, by such means as risk visualization and provision of solutions based on data analysis and AI in order to contribute to realization of a safe and secure society.

## Research and Results through Industry-Government-Academia Collaboration in Relation to loss prevention and reduction

In order to build a safe and secure society, we are conducting joint research with government agencies and universities on loss prevention/mitigation, and providing new services as a result of this research.

<p style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">MSI</span> <span style="border: 1px solid black; padding: 2px;">InterRisk</span> </p> <p style="text-align: center;"><b>Loss prevention and reduction system for local governments “Loss Prevention Dashboard”</b></p>	<p>Developed “Loss Prevention Dashboard” for local governments, which clearly and centrally visualizes real-time weather data in relation to disaster risks, flood prediction data at least more than 30 hours ahead in advance, and post-disaster damage estimation using AI, and supports regional loss prevention/mitigation.</p> <p><a href="#">Launched a new loss prevention/mitigation and reduction support system through “Weather/Disaster Data x AI” (in Japanese only)</a> </p>
<p style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">ADI</span> </p> <p style="text-align: center;"><b>Real-time loss prediction website, cmap.dev</b></p>	<p>Publicly available cmap.dev website, conceived from industry-academia joint research by Aon Group Japan and Yokohama National University, can predict the potential number of buildings damaged by typhoon, heavy rain, or earthquake. The website can be accessed from any device, computer or smartphone, 24 hours a day, 365 days a year. It provides forecasts for each municipality of the potential number of buildings damaged and the rate of damage caused prior to typhoon (up to 7 days before landfall), and immediately after heavy rain or earthquake strikes. The website can also display flood, landslide and tsunami hazard maps as well as information on warning levels (equivalent to 3, 4, 5), evacuation areas and shelters nationwide.</p> <p>In August 2020, the cmap.dev website function which sends out emergency information in the event of a disaster was released as an app.</p> <p>In June 2021, a function was added to display social media information relating to weather, disasters and lifelines, analyzed by AI, on the cmap.dev website.</p> <p>In August 2021, evacuation information was expanded with a function for visualizing congestion information on evacuation shelters in some local governments.</p> <p>And, in March 2022, barrier-free information which can be utilized for safe, secure and convenient evacuation in the event of a disaster was added to the app.</p> <p><a href="#">Real-time loss prediction website, cmap.dev (in Japanese only)</a> </p> <p><a href="#">WheelLog barrier-free information added to loss prediction/mitigation platform, cmap.dev (in Japanese only)</a> </p>



<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">ADI</div> <p><b>Evacuation insurance plan</b></p>	<p>Through a joint research project with the Prefectural University of Hiroshima on an approach to evacuation in the event of a natural disaster, the “Evacuation Insurance Plan” was provided; this consists of summarized effective support measures for establishing a scheme, which enables rapid evacuation of persons requiring support* in the event of disasters.</p> <p>*Elderly and disabled persons, etc. who have difficulty evacuating themselves or living in evacuation shelters.</p> <p>Started providing “evacuation insurance plan” to support development of an evacuation scheme when disaster occurs. (in Japanese only) </p>
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## Service Utilizing Data Analysis or AI for Risk Assessment/Analysis and Mitigation of Natural Disaster Risks

### Services for Assessment and Analysis of Natural Disaster Risks

As natural disasters continue to increase in frequency, it has become an important management issue for companies to prepare for such emergencies. We support resilient business activities by providing services to assess and analyze the risks of various natural disasters.

#### < Principal Approaches >

<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">InterRisk</div> <p><b>Natural disaster hazard information survey</b></p>	<p>Identification of location risks for companies and other organizations through comprehensive collection and organization of hazard information on earthquakes, wind and water disasters, volcanic eruptions, lightning strikes, snow accumulation, and more.</p>
<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">InterRisk</div> <p><b>Flood disaster countermeasure support service</b></p>	<ol style="list-style-type: none"> <li>(1) Assessing inundation risks by identifying locations with a high risk of inundation based on hazard maps</li> <li>(2) Simulations to evaluate inundation conditions in the vicinity of target sites with a fine mesh</li> <li>(3) Training simulated for before and past wind and water disasters hit.</li> <li>(4) Comprehensive support menu consisting of advice and support for simulated training on identifying dangerous areas through on-site checks, implementation of countermeasures and other actions</li> </ol>
<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">InterRisk</div> <p><b>Sediment-related disaster risk diagnosis</b></p>	<p>Simulations of slope failures at individual sites based on largest recorded and potential largest rainfall scenarios are used for risk assessments</p>
<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">InterRisk</div> <p><b>Wind disaster risk diagnosis</b></p>	<p>A 3D model is prepared using 3D CAD based on drawings and exterior photographs and a report including visualized wind load on the building and wind flow during strong winds is submitted, with the surrounding terrain and buildings taken into consideration. In order to reduce the damage caused by strong winds, it can be used to examine measures for buildings and outdoor equipment that should be taken daily.</p>

<p style="text-align: center;"><b>InterRisk</b></p> <p style="text-align: center;"><b>Collective confirmation system for flood disaster risk information</b></p>	<p>Providing a website that enables automatic judgments on the timing of various responses and decisions (warning stage judgments) by acquiring various types of information related to water disasters at multiple sites collectively and in real time.</p>
<p style="text-align: center;"><b>InterRisk</b></p> <p style="text-align: center;"><b>Volcanic eruption measures service</b></p>	<p>In line with the 2021 revision of the Hazard Map of Mt. Fuji, which had not been revised for about seven years, a service was launched to comprehensively support identification of risks relating to volcanic eruption, emergency responses, business continuity measures, training in normal times, etc.</p> <p><a href="#">Launch of service relating to volcanic eruption measures</a> </p>

## [Service for Mitigating Natural Disaster Risks]

We are providing a service to support preparation against natural disasters and implementation of safe and secure actions when they occur.

<p style="text-align: center;"><b>MSI</b></p> <p style="text-align: center;"><b>Weather information alert service</b></p>	<p>In collaboration with Weather News Co., Ltd., the largest weather information company in Japan, we provide policyholders of corporate fire insurance (Property Master, Business Keeper), construction insurance (Business Construction Guard), liability insurance (Business Protector), or transport insurance (Full Line, Support One) with the following services for free:</p> <ul style="list-style-type: none"> <li>· Customers can use an exclusive website to access at any time weather information and forecasts for up to five preset locations</li> <li>· Customers can select locations that are to be monitored and alert e-mail messages are sent out to customer-stipulated e-mail addresses when, for instance, rainfall, wind speed or snowfall forecasts exceed predetermined values or when lightning strikes have been observed within a predetermined distance from monitored locations.</li> </ul>
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In response to growing customer interest in flood and earthquake compensation due to the more frequent occurrence of natural disasters in recent years, we are now proposing “preparing” against natural disasters. We are promoting initiatives to remind customers of the importance of “being prepared,” not only after but also before a disaster occurs.

<p style="text-align: center;"><b>MSI</b>   <b>ADI</b></p> <p style="text-align: center;"><b>Preparing against natural disasters</b></p>	<div style="text-align: center;">  <p><b>自然災害への備え 提案運動</b></p> </div> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  <p>(MSI)</p> <p>Flyer highlighting the need for coverage</p> </div> <div style="text-align: center;">  <p>(ADI)</p> </div> <div style="text-align: center;">  <p>(MSI)</p> <p>Information on preventing and mitigating disasters</p> </div> <div style="text-align: center;">  <p>(ADI)</p> </div> </div>
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MSI

ADI

**Useful smartphone apps in times of disaster**

We provide smartphone apps for use during disasters and are endeavoring to help our users ensure their safety and security when large-scale natural disasters strike.

Apps are provided for anyone to use free of charge, with real-time push notifications of disaster prevention information, such as weather information and evacuation instructions, and functions that support prompt information gathering.

\*Apps can be used free of charge; provided, however, that the communication fee for using the apps shall be user-paid.

[Smartphone Disaster Navigator \(MS\) \(in Japanese only\)](#)

[cmap app \(AD\) \(in Japanese only\)](#)

## [Products and Services for Safe Driving and Reduction of Automobile Accidents]

Identifying and then avoiding the risks that lead to accidents is vital for preventing traffic accidents. We are providing insurance products and services which lead to accident prevention, safe driving, and reduction of accidents frequency by identifying/analyzing our customers' driving situations, etc. utilizing telematics.

MSI

ADI

Mitsui Direct General

**Provision of applications that support safe driving**

We provide a variety of services that utilize smartphone apps, and telematics technology with connected drive recorders for greater security and safety

Please see the official websites and news releases of the pertinent companies for further details.

[Traffic accident map that visualizes open data of National Police Agency \(MS\) \(in Japanese only\)](#)

[Launched function to detect suspected road rage \(MS\) \(in Japanese only\)](#)

[New AI alert function added to the "Mimamoru" dashcam-based automobile insurance \(MS\) \(AD\) \(in Japanese only\)](#)

[Points program service, AnzenDrive by Telematics \(AD\) \(in Japanese only\)](#)

[Joint research with Tohoku University's the Institute of Development, Aging and Cancer utilizing data from "Telematics x brain training app" \(AD\) \(in Japanese only\)](#)

[Tips for safe driving that leads to mitigation/prevention of disasters \(MD\) \(in Japanese only\)](#)





<div style="text-align: center;"> <div style="display: flex; justify-content: space-around; margin-bottom: 10px;"> <div style="border: 1px solid black; padding: 2px 5px;">MSI</div> <div style="border: 1px solid black; padding: 2px 5px;">ADI</div> </div> <p><b>Telematics- based automobile insurance</b></p> </div>	<div style="text-align: right; margin-bottom: 10px;">   </div> <ul style="list-style-type: none"> <li>・ In January 2019, we launched the “Mimamoru” dashcam-based automobile insurance which encourages customers to drive more safely by utilizing the latest telematics technology with our original communicable dash cameras. In addition to the video recording function that comes with the dash cams, we provide safe driving assistance warnings that alert drivers to driving conditions, as well as a “guardian service” that shares information, such as driving habits, with family members and others living apart from the driver. Furthermore, when the dash cam detects a large impact in the unlikely event of an accident, the location of the vehicle is relayed to a dedicated call center. The operator can then make contact with the driver to offer assistance such as initial accident response and dispatching a recovery vehicle to the scene. (MS) (AD)</li> <li>・ In January 2022, we launched “Mimamoru” premium dashcam-based automobile insurance with the highest standards of functions/services in the industry. This added higher functionality such as 360 degree filming and parking monitoring to functions of dashcams provided by non-life insurance companies, in addition to including a constant reporting function and a portability function, to increase peace of mind and safety. (MS)</li> <li>・ Automobile insurance that provides “Safe Driving Incentive (discount)” based on driving data obtained using telematics technology and “Service leading to safety and peace of mind” (AD)</li> </ul> <p> <a href="#">“Mimamoru” dashcam-based automobile insurance/“Mimamoru” premium dashcam-based automobile insurance (MS) (in Japanese only)</a>  </p> <p> <a href="#">TOUGH “Mimamoru” (AD) (in Japanese only)</a>  </p> <p> <a href="#">Launched “Mimamoru” premium dashcam-based automobile insurance (MS) (in Japanese only)</a>  </p> <p> <a href="#">A Japan “first” - Developed telematics automobile insurance that reflects the safety of autonomous vehicles in insurance premiums (AD) (in Japanese only)</a>  </p> <p> <a href="#">Launch of service “Traffic Safety EBPM Support” utilizing driving data (AD)</a>  </p>
<div style="text-align: center;"> <div style="display: flex; justify-content: space-around; margin-bottom: 10px;"> <div style="border: 1px solid black; padding: 2px 5px;">MSI</div> <div style="border: 1px solid black; padding: 2px 5px;">ADI</div> </div> <p><b>Automobile insurance for businesses</b></p> </div>	<p>We have developed and provide a support service to reduce the number of accidents by utilizing telematics technology to provide safety and security to businesses.</p> <p> <a href="#">Introduced F-Dora and FOUR SAFETY for 7-Eleven's company cars (MS) (in Japanese only)</a>  </p> <p> <a href="#">Save up to 10% on car insurance (fleet contracts) with safe driving initiatives (AD) (in Japanese only)</a>  </p>

## Assisting in Swift Post-disaster Recovery

In light of a series of large-scale disasters, our Group is working to facilitate swift claims settlement. We are also accelerating digital transformation and endeavoring to pay insurance claims promptly.

### < Principal Approaches >

<p style="text-align: center;"> <span>MSI</span> <span>ADI</span>  <b>Damage surveys utilizing drones (unmanned aerial vehicles)</b> </p>	<p>In conducting damage surveys in areas inaccessible by road due to flooding or landslides or of solar panels spread out over an extensive area, we analyze aerial images taken by drones to quickly assess the degree of damage</p>
<p style="text-align: center;"> <span>MSI</span> <span>ADI</span> <span>HD</span> <span>InterRisk</span>  <b>Business partnership toward loss prevention/mitigation and reduction utilizing aerial photography and swift claims settlement</b> </p>	<p>Business partnership regarding verification tests/joint research aimed at loss prevention/mitigation disaster prevention and reduction solutions utilizing aerial photography and more timely claims settlement.</p> <p>Through partnership with GIC (Geospatial Insurance Consortium), a provider of aerial photography and geospatial data, we are working to develop new solutions that will contribute to loss prevention/mitigation disaster prevention and reduction utilizing aerial photographs and accelerate claims settlement.</p> <p><a href="#">Business partnership toward loss prevention/mitigation disaster prevention and reduction utilizing aerial photography and swift claims settlement</a> </p>
<p style="text-align: center;"> <span>MSI</span> <span>ADI</span>  <b>Operational automation with software robots</b> </p>	<p>Using robotic processing automation for operations such as registering accident claims received via a dedicated website and confirming contract information, and automating the simple administrative tasks, we have developed a system that allows us to assign more personnel to higher value-added work, such as customer service and damage surveys during large-scale disasters.</p>
<p style="text-align: center;"> <span>MSI</span> <span>ADI</span>  <b>Off-site damage survey caused by natural disaster</b> </p>	<p>We have started carrying out damage investigations remotely with appraisers, etc. working via video connection. With the pandemic, people are required more than ever to avoid situations such as closed spaces, crowded places, and close-contact settings, and it is crucial to create the conditions whereby people are not gathered in areas with high rates of infection. This survey conducted remotely can minimize the risk of infection with customers and employees.</p> <p><a href="#">New natural disaster response system to prevent spread of COVID-19 (AD) (in Japanese only)</a> </p>
<p style="text-align: center;"> <span>MSI</span> <span>ADI</span>  <b>Support for early disaster certificate issuance in the event of a flood disaster</b> </p>	<p>In light of increased severity and frequency of natural disasters, we have initiated a service to help local governments take actions in relation to the victims' life reconstruction support system: in particular, prompt issuing of disaster certificates and working efficiently to deliver the certificates in order to support early resettlement for disaster victims.</p> <p><a href="#">Industry "first" - Start of a supporting service for victims' life reconstruction support in the event of a flood disaster (MS)</a> </p> <p><a href="#">Nationwide deployment of support in applying disaster certificates through fire insurance claims settlement (AD)</a> </p>

## Response to COVID-19 Risks

In addition to reviewing the conventional scope of our insurance coverage, we are providing various products and services responding to the coronavirus in light of various social changes that are likely to arise with a new way of life during and after the pandemic.

### < Major Products/Services and Principal Approaches >

<p>     </p> <p><b>Products and services geared toward COVID-19</b></p>	<p>Please refer to information from each company:</p> <ul style="list-style-type: none"> <li>• Mitsui Sumitomo Insurance (in Japanese only) </li> <li>• Aioi Nissay Dowa Insurance (in Japanese only) </li> <li>• Mitsui Sumitomo Aioi Life Insurance (in Japanese only) </li> <li>• Mitsui Sumitomo Primary Life Insurance (in Japanese only) </li> </ul>
<p>    </p> <p><b>Support to formulate a BCP in preparation for infectious disease risk</b></p>	<p>We have developed and started providing an Infectious Disease BCP (Business Continuity Plan) Creation Support Tool for small and medium-sized businesses. We also provide lecturers to do workshops on creating a BCP and individual consultations on infectious disease BCP.</p>

### [External Evaluation]

-  Received the Financial Institution Award at Japan Financial Innovation Awards 2022 (MS) 
-  MOTIX Connected, the InsurTech Department of our European subsidiary received the Grand Prize at the Tech & Innovation Awards 2021, held in the U.K. (AD) (in Japanese only) 

# Creation of a resilient and inclusive society (regional revitalization)

The “Creation of a resilient and inclusive society,” which MS&AD Holdings is aiming for, entails realizing sustainable residential spaces that are safe and able to recover from disasters. In order to support people's safety and security, it is very important to predict the risks that could be incurred in the event of a disaster and to develop communities that are prepared against emergencies. To that end, we are conducting various initiatives to realize an inclusive society where everyone can continue to live their lives with peace of mind, in addition to supporting local government to develop disaster-resilient communities.

In addition, revitalizing local communities is also important for creating communities capable of coping with disasters. Declining vitality among local communities is leading to a number of issues such as depopulation and a shortfall in social services. Regional revitalization is a key government policy. Accordingly, we are working in collaboration with local governments and various stakeholders around each region to take industrial promotion measures based on each region's particular characteristics, support risk management for resilient community development, taking advantage of the natural capital, and to take other forms of action toward creation of a resilient and inclusive society.

## Contribution to Disaster-resilient Community Development

### Initiatives in Collaboration with Local Governments

Collaborating with local governments and utilizing the accident and disaster information collectively acquired by non-life insurers, we are promoting initiatives which will assist in predicting loss, and developing evacuation plans for local residents in the event of disasters.

- > Loss prevention/mitigation system for local governments “Loss Prevention Dashboard”
- > Real-time loss prediction website, cmap.dev
- > Initiatives for loss prevention/mitigation

### Support for Rapid Post-disaster Recovery

With disasters now occurring every year as a result of climate change, it is important to prepare for post-disaster situations. We are taking such approaches for rapid post-disaster recovery as development of new products to respond to needs which up to now have not been covered, rapid damage investigation and claims settlement, and provision of support, including donations, to disaster victims.

- > Assisting in Swift Post-disaster Recovery

<div style="text-align: center; border: 1px solid black; width: 30px; margin: 0 auto; padding: 2px;">ADI</div> <p><b>Coverage for companies' costs incurred in evacuating vehicles based on issuance of evacuation information</b></p>	<p>We are the first insurer in the industry to have developed and launched “Endorsement Covering Emergency Evacuation of Vehicles in the Event of Disasters” which covers the costs incurred by companies in evacuating their vehicles when evacuation information has been issued by local governments in relation to a natural disaster.</p> <p><a href="#">[Industry “first”] Coverage for companies' costs incurred in evacuating vehicles based on issuance of evacuation information - Supporting “evacuation activities” of various companies prior to their incurring damage (in Japanese only)</a> </p>
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<p style="text-align: center;"><b>MSI</b></p> <p style="text-align: center;"><b>Launch of automobile insurance for fire brigade members to cover their own vehicles used during fire-fighting activities</b></p>	<p>This product covers private vehicles, etc. of fire brigade members used in fire-fighting activities against accidents involving those vehicles during such activities. Through this product, we will help to realize a society which enables fire brigade members to engage in disaster rescue operations with “safety and peace of mind,” thereby contributing to further enhancement of local communities’ disaster prevention capabilities.</p> <p><a href="#">Launched automobile insurance for fire brigade members to cover their vehicles used during fire-fighting activities (in Japanese only)</a> </p>								
<p style="text-align: center;"><b>Group-wide</b></p> <p style="text-align: center;"><b>Donations in response to disasters</b></p>	<p>In order to help disaster-affected policyholders rebuild their lives as quickly as possible, we collect donations from employees of Group companies. Utilizing our Disaster Relief Donation Matching Gift Program, through which we make additional donations to match employee contributions, a total of some JPY770 million, including company contributions, has been donated since the system was established in 2004.</p> <p>&lt; Total Group-wide Disaster Relief Donations &gt;</p> <table border="1" data-bbox="587 898 1453 1043"> <thead> <tr> <th></th> <th>No. of donation drives</th> <th>No of Contributors</th> <th>Total amount (including matched funds)</th> </tr> </thead> <tbody> <tr> <td>FY2021</td> <td style="text-align: center;">3</td> <td style="text-align: center;">7,979</td> <td style="text-align: center;">21,479,000 yen</td> </tr> </tbody> </table> <p><a href="#">Disaster Relief Donation Matching Gift Program</a></p>		No. of donation drives	No of Contributors	Total amount (including matched funds)	FY2021	3	7,979	21,479,000 yen
	No. of donation drives	No of Contributors	Total amount (including matched funds)						
FY2021	3	7,979	21,479,000 yen						
<p style="text-align: center;"><b>Group-wide</b></p> <p style="text-align: center;"><b>Disaster volunteer activities</b></p>	<p>We are continuing our initiatives to provide aid to the victims of the Great East Japan Earthquake, as exemplified by sales events, co-sponsorship of marathon, etc. aimed at generating funds for reconstruction assistance. When floods or other disasters strike, employees obtain information on volunteer activities from their companies and disaster-hit areas and then participate individually in relief initiatives in these areas.</p>								

## Creation of Communities where People can Continue to Live Their Lives with Peace of Mind

In order to help create a community in which everyone can live with safety and peace of mind, it is critical to develop an environment that enables people to continue working.

Revitalization of local industries will lead to creation of employment opportunities. It will also generate the capacity to create an environment whereby people and things can be shifted to places where they are needed in a manner which suits the various lifestyles of those engaged in industrial activities. Through our insurance and financial service businesses, we are supporting a wide range of initiatives such as infrastructure development, business continuity, access improvement, and lifestyle diversification.

## Support for Regional Revitalization through Conclusion of Collaboration Agreements

We are assisting in initiatives for realizing regional revitalization through agreements with partners including prefectural and municipal governments, local commercial/industry groups, and financial institutions. Our Group has entered into 696 such agreements so far, providing support for various risks and consulting services for regional revitalization. Our Group is working to create common value with society (CSV) by addressing social issues faced by local communities through our strengths in cooperation with local stakeholders.

< Principal Approaches >

<p style="text-align: center;"> <span>MSI</span> <span>ADI</span> <span>InterRisk</span> </p> <p style="text-align: center;"><b>Provision of SDGs initiatives support menu</b></p>	<p>We support SDGs initiatives by local governments, commercial/industrial groups, regional financial institutions, and small/medium-size companies.</p> <p>Launched “Children KYT (Kiken Yochi Training) + Super-basics of SDGs” for nursery schools, pre-schools, and certified kindergartens. (AD) (in Japanese only) </p> <p>Provided small and medium-sized enterprises throughout the country with Simplified Diagnosis Service for SDGs-oriented Management by Business Type (AD) (in Japanese only) </p>
<p style="text-align: center;"> <span>MSI</span> <span>ADI</span> <span>InterRisk</span> </p> <p style="text-align: center;"><b>Provision of business continuity plans (BCP)</b></p>	<p>We hold 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.</p> <p>Diagnosis Service for SDGs-oriented Management by Business Type (AD) (in Japanese only) </p>
<p style="text-align: center;"> <span>ADI</span> </p> <p style="text-align: center;"><b>Regional revitalization support site</b></p>	<p>We established a website for local governments to support regional revitalization initiatives by disseminating information on such initiatives carried out by each local government, and useful information for local governments.</p>

 [Mitsui Sumitomo Insurance - Contributing to Regional Revitalization \(in Japanese only\)](#) 

 [Aioi Nissay Dowa Insurance's Regional Revitalization \(Regional AD Club\) \(in Japanese only\)](#) 

## Ongoing Support in Line with the Characteristics of Regions and Regional Industries

In order to revitalize society, it is necessary to provide support for sustainable growth of local communities. We have been offering insurance products and services that meet needs, not only in Japan but also in other countries, focusing on particular issues which each region is facing.

< Principal Approaches >

<p style="text-align: center;"> <span>ADI</span> </p> <p style="text-align: center;"><b>Contribution to regional revitalization through addressing issues associated with unoccupied houses</b></p>	<p>With the aim of promoting regional revitalization through addressing issues relating to unoccupied houses, we are developing 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.</p> <p>Started partnership to promote distribution and utilization of unoccupied houses (in Japanese only) </p>
<p style="text-align: center;"> <span>MSI</span> </p> <p style="text-align: center;"><b>Support for optimization of road inspection and management services through automatic detection of road damage using AI analysis (Dora-reco (Dashcam) Road Manager)</b></p>	<p>Through AI analysis of data collected from dashcams owned by Mitsui Sumitomo Insurance, road damage is automatically detected, thereby realizing optimization of conventional road inspection and management This detection approach is a major advance on conventional “road patrols and visual checks.”</p> <p><a href="#">Dora-reco (dashcam) Road Manager (in Japanese only)</a> </p>

<p style="text-align: center;"><b>ADI</b></p> <p style="text-align: center;"><b>Joint Development of Accommodation Bookings Cancellation Insurance for inns and hotels</b></p>	<p>Launched an insurance product covering cancellation of accommodation reservations, taking into account of the social tendency to refrain from booking accommodation in light of the potential risk of being forced to cancel such bookings due to COVID19 infection, requests to isolate at home, etc.</p> <p><a href="#">Jointly developed Accommodation Bookings Cancellation Insurance for inns and hotels with the aim of contributing to local tourism industries (in Japanese only)</a> </p>
<p style="text-align: center;"><b>MSI</b></p> <p style="text-align: center;"><b>Development of U-Medical Support for veterinarians and livestock farmers</b></p>	<p>Developed U-Medical Support, a service to digitally support communications between veterinarians and farmers for the diagnosis and treatment of cattle, which is the first-of-a-kind service in the livestock industry. It not only enables smartphone-based confirmation of post-treatment conditions of cattle but also contributes to enhancing the efficiency of administrative tasks such as preparation of electronic charts.</p> <p><a href="#">Started development of U-Medical Support for veterinarians and livestock farmers (in Japanese only)</a> </p>
<p style="text-align: center;"><b>MSI</b></p> <p style="text-align: center;"><b>Coverage for cattle veterinary fees</b></p>	<p>In cooperation with Japan's public Agricultural Insurance Scheme, developed an insurance product to cover farmers' share of livestock veterinary fees that are not covered by public insurance. By providing this insurance in a package with IoT sensors attached to the cows, we can help facilitate reduction of cattle mortality rates, contribute to further stabilizing farmers' businesses, help to improve profitability of the public agricultural insurance scheme and assist in improving veterinarians' working environment.</p> <p><a href="#">Coverage for cattle veterinary fees (in Japanese only)</a> </p>
<p style="text-align: center;"><b>MSI</b></p> <p style="text-align: center;"><b>Provision of insurance for small loans to micro-entrepreneurs (Philippines)</b></p>	<p>Launched Micro-insurance for loans in Autumn 2019, in cooperation with BPI Direct Banko, which provides small loans to micro-entrepreneurs.</p> <p>The insurance supports the operations of micro-entrepreneurs through insurance even in the event of an unforeseen occurrence such as an accident or disaster.</p> <p>Number of policies sold in FY2021: 133,439; Total premium amount: PHP9,789,921 (Philippines Peso)</p>
<p style="text-align: center;"><b>MSI</b></p> <p style="text-align: center;"><b>Provision of fire insurance dedicated to housing for indigenous people in Malaysia</b></p>	<p>We packaged insurance related to the support scheme undertaken by the social enterprise EPIC Homes with the aim of helping to improve the living conditions of indigenous people. Housing with this coverage provides peace of mind to the indigenous people living there and encourages participation in the support scheme by potential donors.</p> <p>Cumulative total of houses for indigenous people covered by our insurance in FY2021: 62 Fire insurance premiums for indigenous homes: MYR3,132 (Malaysian Ringgit)</p> <p><a href="#">Press release (MSIG Malaysia)</a> </p>
<p style="text-align: center;"><b>MSI</b></p> <p style="text-align: center;"><b>Promotion of insurance and job creation in India</b></p>	<p>We have set up small shops equipped with insurance kiosks in villages, towns, and small and medium-sized cities across the country. Through this, we are contributing to promotion of insurance in regions where access to such services had previously been difficult.</p> <p>We have also entrusted groups that are working to create jobs in farming communities through issuance of insurance policies. This contributes to improving employment prospects for people in farming communities with few job opportunities other than agriculture</p> <p><a href="#">Cholamandalam MS General Insurance official website</a> </p>

<div style="border: 1px solid black; display: inline-block; padding: 2px 5px; margin-bottom: 5px;">ADI</div> <p><b>Conclusion of a comprehensive partnership agreement with Hokkaido All Olympians</b></p>	<p>This comprehensive partnership agreement has been concluded based on our finding that both parties share a number of concepts, such as implementation of educational support for children and human resources development activities in the region, contributions to society and education sectors through sports and contributions to advancement of sports.</p> <p><a href="#">Concluded a comprehensive partnership agreement with Hokkaido All Olympians (in Japanese only)</a> </p>
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## Support for a Variety of Lifestyles

In order for anyone including elderly citizens, disabled persons and people living in underpopulated areas or remote islands to continue living anywhere with peace of mind, we are implementing a range of initiatives, including provision of insurance products and services, investment, and social contribution activities.

### < Principal Approaches >

<div style="display: flex; justify-content: space-around; margin-bottom: 5px;"> <div style="border: 1px solid black; display: inline-block; padding: 2px 5px;">MSI</div> <div style="border: 1px solid black; display: inline-block; padding: 2px 5px;">ADI</div> <div style="border: 1px solid black; display: inline-block; padding: 2px 5px;">InterRisk</div> </div> <p><b>Contribution to addressing issues in remote island areas</b></p>	<p>We participate in demonstration experiments aimed at addressing issues in remote island areas, including mobility, logistics, and medical care, that arise due to population decline and aging. Through this initiative, we contribute to the creation of sustainable environments and revitalization of remote island areas.</p> <p><a href="#">Launched Autonomous Drone Introduction Support Package (in Japanese only)</a> </p>
<div style="border: 1px solid black; display: inline-block; padding: 2px 5px; margin-bottom: 5px;">MSI Aioi Life</div> <p><b>Investment in water bonds, gender bonds and peace-building bonds</b></p>	<p>Invested in water bonds and gender bonds, both issued by the Asian Development Bank, and peace-building bonds issued by the Japan International Cooperation Agency. Income generated by these bonds will be appropriated for programs which satisfy security needs concerning water and sanitation, programs which contribute to promoting gender equality and female leadership, and projects for achieving peace, stability and rehabilitation of countries and regions affected by conflicts and civil wars.</p> <p><a href="#">Investment in water bonds issued by the Asian Development Bank (in Japanese only)</a> </p> <p><a href="#">Investment in gender bonds issued by the Asian Development Bank (in Japanese only)</a> </p> <p><a href="#">Investment in peace-building bonds issued by Japan International Cooperation Agency (JICA) (in Japanese only)</a> </p>
<div style="border: 1px solid black; display: inline-block; padding: 2px 5px; margin-bottom: 5px;">ADI</div> <p><b>Launch of automobile insurance for self-driving vehicles utilizing electromagnetic induction lanes</b></p>	<p>Provided industry-first 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.</p> <p><a href="#">Launched automobile insurance for self-driving vehicles utilizing electromagnetic induction lanes (in Japanese only)</a> </p>
<div style="border: 1px solid black; display: inline-block; padding: 2px 5px; margin-bottom: 5px;">MSI</div> <p><b>Development of an accident relief system linked to dementia ordinances (dementia "Kobe Model")</b></p>	<p>Entrusted with the administration of the accident relief system linked to Kobe's dementia ordinances, we have developed Japan's first comprehensive three-pronged coverage scheme for dementia: (1) Accident relief (insurance), (2) System expansion (promotion of early dementia testing), and (3) Prevention of accidents (GPS tracking services operated by security companies) (44,129 persons had undergone cognitive function screenings as of the end of November, 2021)</p> <p>(There were 39,528 applications for dementia tests as of the end of April 2021. (preliminary figures))</p>

<p style="text-align: center;"></p> <p style="text-align: center;"><b>Provision of easy-to-understand information</b></p>	<p>In addition to utilization of personal computers and smartphones, we are instituting procedures that give due consideration to the needs of the elderly and people with disabilities by adopting eye-friendly, easily readable fonts (Universal Design Font, etc.) for use in brochures for our primary products, together with easy-to-understand language, figures, and illustrations to convey information. We also provide sign language, interpretation services in 17 languages, and translation services in 12 languages.</p>
<p style="text-align: center;"></p> <p style="text-align: center;"><b>Introduction of Heartful Line Service</b></p>	<p>We introduced 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.</p>
<p style="text-align: center;"></p> <p style="text-align: center;"><b>Introduction of Customers Chat Service</b></p>	<p>Launched a service to enable communications by text message between customers and our customer service center staff, utilizing online text chat technology as well as LINE.</p> <p><a href="#">Launched a customer service utilizing online text chat technology and LINE (in Japanese only)</a></p> <p></p>
<p style="text-align: center;"></p> <p style="text-align: center;"><b>Handling of endorsement for social contribution</b></p>	<p>In response to customers' wide range of values in relation to asset inheritance, such as goodwill through contributing to society by donating their assets, in a joint effort with Sumitomo Mitsui Banking Corporation, we developed the industry's first Endorsement for Social Contribution, which enables designated public interest groups* to be appointed as beneficiaries of insurance claims (September 2019).</p> <p>We are expanding the contents of this endorsement based on customer feedback, etc., and added Kyoto University's CiRA Foundation as a designated public interest group in July 2020.</p> <p>*The following three public interest groups had been designated as of the end of September 2021:</p> <ul style="list-style-type: none"> <li>· Japanese Red Cross Society</li> <li>· Japan Committee for UNICEF</li> <li>· Kyoto University's CiRA Foundation</li> </ul> <p><a href="#">Addition of designated public interest groups in endorsement for social contribution (in Japanese only)</a> </p>
<p style="text-align: center;"></p> <p style="text-align: center;"><b>Mitsui Direct General Insurance Smile Fund, which donates to organizations according to the number of votes cast by policyholders</b></p>	<p>The Mitsui Direct General Insurance Smile Fund was launched in 2014, allowing policyholders to easily make social contributions with a single click. The total amount donated was JPY30.98 million with the number of policyholders involved standing at about 330,000 (as of the end of September 2022).</p> <p><a href="#">Mitsui Direct General Insurance Smile Fund (in Japanese only)</a> </p>

<p style="text-align: center;"><b>ADI</b></p> <p style="text-align: center;"><b>Affixing of Bell Marks to insurance products</b></p>	<p>As the only co-sponsor from the non-life insurance sector (as of July 2022), we are participating in the Bell Marks campaign which is designed to ensure that all children equitably receive education in productive environments. We have affixed Bell Marks to all Tough-series products.</p> <p><a href="#">Information on insurance products with bell mark (in Japanese only)</a> </p>
<p style="text-align: center;"><b>Group-wide</b></p> <p style="text-align: center;"><b>Development of Dementia Supporters</b></p>	<p>We also carried out online training in FY2021 in light of the COVID-19 pandemic. Our Group has been conducting joint promotion of dementia training courses for employees with 10,357 persons having taken part as of the end of fiscal year 2021. MSA Life has entered into cooperation agreements with local governments to take part in community monitoring activities.</p>
<p style="text-align: center;"><b>ADI</b> <b>InterRisk</b></p> <p style="text-align: center;"><b>Contribution to realization of an inclusive society</b></p>	<p>We are developing initiatives that contribute to realization of a sustainable society wherein all people, including the elderly and those with disabilities, can live comfortable lives.</p> <p><a href="#">Started joint initiatives with WheelLog to promote universal urban design (in Japanese only)</a> </p> <p><a href="#">Aioi Nissay Dowa Insurance and Sophia University jointly established Institute of Inclusive Community (in Japanese only)</a> </p> <p><a href="#">Aioi Nissay Dowa Insurance and MS&amp;AD InterRisk Research &amp; Consulting participated in Maizuru City's Symbiotic MaaS "meemo" (in Japanese only)</a> </p>
<p style="text-align: center;"><b>Group-wide</b></p> <p style="text-align: center;"><b>Social contribution activities carried out nationwide</b></p>	<p>Group companies are actively carrying out global environmental conservation/social contribution activities tailored to the needs of individual communities.</p>
<p style="text-align: center;"><b>Group-wide</b></p> <p style="text-align: center;"><b>MS&amp;AD Unison Smile Club</b></p>	<p>A social contribution activity organization operated by MS&amp;AD Group employees who support the organization by undertaking volunteer activities and making donations in 100-yen units out of their monthly salaries. The club is developing donations to NPOs and other organizations, together with employee volunteer activities.</p> <p><a href="#">MS&amp;AD Unison Smile Club</a> </p> <p><a href="#">MS&amp;AD Unison Smile Club activities (MSI) (in Japanese only)</a> </p> <p><a href="#">Fundraising activities by executives and employees (ADI) (in Japanese only)</a> </p>

## External Evaluation

- Received a commendation from the Cabinet Office Minister of State for Regional Revitalization for our initiatives associated with regional revitalization (MSI Press release)

# Adaptation to a Society of Healthy Longevity

Japan’s birthrate is declining, society is aging, and total population is declining. According to the Population Projections for Japan (2017) by the National Institute of Population and Social Security Research, the country’s population will drop below 90 million by 2060, 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.

The MS&AD Insurance Group commits to promoting good health so that people can remain active throughout their lifespans, provides 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 “adaptation to a Society of Healthy Longevity.”

## Promoting Good Health and Preventing Illness

We provide services that promote fitness so that people can enjoy long and active lives, and we collaborate with universities to carry out studies and research on promoting good health.

### < Principal Approaches >

 <p><b>Instant self health-check snapshot</b></p>	<p>A Web-based service which will enable users to check their “health age” and “risks of hospitalization due to any of three major diseases” through taking a smartphone or tablet snapshot of their medical examination results. Using the OCR function to convert image data to text data, this service helps each user develop their health awareness and physical fitness without difficulty.</p> <p><a href="#">Launched health risk forecasting Web service “Instant self health-check snapshot”(in Japanese only)</a> </p>
 <p><b>Addressing social issues through early detection of dementia</b></p>	<p>With the aim of promoting early detection of dementia, we initiated an experiment of measuring cognitive function using a smartphone app which applies U.S. FDA medical device approval technology. This method enables users to self-check their cognitive function status using the scores converted by AI from measurements of visual tests and lifestyle factors such as sleep and amount of exercise.</p> <p><a href="#">Cognitive function measurement by AI, applying U.S. FDA medical device approval technology (in Japanese only)</a> </p>
 <p><b>Assisting in maintaining physical and mental well-being</b></p>	<p>We have created the Kokokara Diary, a smartphone app that supports physical and mental well-being. The app can be used by customers to manage their health by measuring stress levels, automatically calculating and displaying calories burned by measuring steps, recording meals, weight, and sleep time, and it can be used to check medical information. In October 2021, the new functions were added to analyze photographs of meals using AI and to display consumed calories. For corporations, we support corporate health management with a dedicated “administrator-only website” that provides access to employees’ life log data, a “corporate step count ranking function,” and a “health point management function”</p>  <p><a href="#">Renewal of Kokokara Diary, a health management app for smartphones (in Japanese only)</a> </p>

<p style="text-align: center;">  </p> <p style="text-align: center;"><b>Promoting good health in collaboration with the University of Tokyo's Center Of Innovation</b></p>	<p>In fiscal 2018, our Group commenced initiatives in collaboration with the University of Tokyo Center of Innovation (COI), a hub for self-managing a healthy society, to realize a “sustainable society of healthy longevity”. Since April 2021, MSI and ADI have been selling 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. In September 2019, we initiated joint research on developing services that provide dementia prevention measures and have already begun to detect signs of MCI (Mild Cognitive Impairment, a precursor to dementia) by voice. We are aiming to implement the services by the end of fiscal 2022.</p> <p><a href="#">Initiatives to develop measures for detecting signs of and preventing dementia and mild cognitive impairment (MCI) by voice (in Japanese only)</a> </p>
<p style="text-align: center;">  </p> <p style="text-align: center;"><b>Seminars to provide information on human life and medical care</b></p>	<p>To give customers a better understanding of the importance of health, medical care, and precaution, we have been holding a variety of seminars on such topics as cancer, stroke, cardiovascular disease, and preventing dementia. We held seminars on strokes given by a specialist as part of the Cerebral Stroke Project, a joint business with the Japan Stroke Association.</p>

## Expanding Various Business Lines to Support a Super-Aging Society

We are contributing to the development of businesses that support super-aging societies by making available measures and support to address various issues related to nursing care and medical care. Furthermore, a super-aged society means we will have a continuously declining workforce. Recognizing the increasing importance of mechanisms to back up workers, we are actively supporting health and productivity management by companies in all sectors, together with realization of family/work balance.

### < Principal Approaches to Resolving Risk Issues such as Medical and Nursing Care >

<p style="text-align: center;">  </p> <p style="text-align: center;"><b>Supporting medical institutions</b></p>	<p>We contribute to the stable development of medical institutions by compensating for various risks associated with COVID-19 and online medical care.</p> <p><a href="#">Launched the Comprehensive Compensation Plan for Medical Institutions (in Japanese only)</a> </p>
<p style="text-align: center;">  </p> <p style="text-align: center;"><b>Products for welfare and nursing care providers</b></p>	<p>We provide products that offer compensation for various risks related to welfare/nursing care providers (risk of compensation liability, information leakage risk, property damage risk, etc.), which also covers consulting costs for prevention of accident recurrence.</p> <p>We also help nursing care providers establish the BCPs, which are obligatory for nursing facilities/offices.</p> <p><a href="#">Launched the Future Nursing Care Management Head Office as a support service for nursing care providers. (in Japanese only)</a> </p>

<p style="text-align: center;"><b>ADI</b></p> <p style="text-align: center;"><b>Reducing burdens on and turnover rate of caregivers utilizing AI and ICT</b></p>	<p>We have formed capital and business tie-ups with startup companies that develop CareTech (coined from Care (nursing care and welfare services) and Technology), aiming to innovate and solve issues in the field of nursing care.</p> <p><a href="#">Capital and business alliance with WELMO, which provides nursing care welfare platforms using AI and ICT (in Japanese only)</a> </p>
<p style="text-align: center;"><b>ADI</b></p> <p style="text-align: center;"><b>Medical Receivable Compensation insurance for members of the Japan Hospital Association</b></p>	<p>We have developed and provide medical receivable compensation insurance (plan for foreign patients only) for members of the Japan Hospital Association in preparation for the risk of unexpected large receivables arising from the recent increase in the number of foreign visitors to Japan. This not only stabilizes hospital management but also reduces the burden of collecting receivable insurance payments.</p> <p><a href="#">Launched the Medical Receivable Compensation insurance (plan for foreign patients only) for members of the Japan Hospital Association (in Japanese only)</a> </p>
<p style="text-align: center;"><b>MSI</b> <b>ADI</b> <b>MSI Aici Life</b> <b>InterRisk</b></p> <p style="text-align: center;"><b>Promoting health and productivity management and offering consulting services</b></p>	<p>In order to promote health and productivity management, we hold seminars and offer a consultation service. We support further promotion and improve the quality of health and productivity management by helping companies apply to the Certified Health &amp; Productivity Management Outstanding Organizations Recognition Programthe Certified Health and Productivity Management Organization Program established by the Ministry of Economy, Trade and Industry (METI), and taking incentive measures linked to METI's recognition program.</p> <p><a href="#">Promoting health and productivity management (P.127) (METI) (in Japanese only)</a> </p> <p><a href="#">Health support insurance consulting services (InterRisk) (in Japanese only)</a> </p>
<p style="text-align: center;"><b>InterRisk</b></p> <p style="text-align: center;"><b>Support services for work/family balance for companies</b></p>	<p>We provide support for human resources departments to help employees balance work and family (childcare, nursing care, treatment, etc.) and find the right work-life balance.</p> 
<p style="text-align: center;"><b>MSI</b> <b>ADI</b> <b>InterRisk</b></p> <p style="text-align: center;"><b>Supporting companies in promoting health with Health Management Support Insurance</b></p>	<p>An insurance package that includes health management support services, loss of income coverage for employees who are unable to work due to injuries and illnesses, and tools to visualize health risks for employees and help prevent disease with the health management app, My Body Forecast, developed with the University of Tokyo Center of Innovation. With employees using the app, managers can use the data for health management. Insurance premium discounts can be enjoys where initiatives are made to promote health with employees using the app. The app helps to improve employee health and prevent illness, and the insurance premiums paid by the company are discounted depending on how much the app is used.</p> <p><a href="#">Launch of Health Management Support Insurance (in Japanese only)</a> </p>

<p>ADI</p> <p><b>Mental Health Support Service for contact centers</b></p>	<p>A service for call centers, the turnover rates of which are said to be high due to an extreme level of work-related stress. This leads to rapid improvement of workplace conditions, etc. through facilitating timely identification of the occupational mental conditions of call center staff working for agents</p> <p><a href="#">Mental Health Support Service for contact centers (in Japanese only)</a> </p>
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**< Principal Approaches to Support for Making Proposals Based on Our Understanding of Customers >**

<p>MSI Primary Life</p> <p><b>Proposing Training Courses to Financial Institutions/Agents</b></p>	<p>Based on academic knowledge of financial gerontology, which studies how changes in bodily and cognitive functions due to aging affect economic and financial conduct, we developed a training course for imparting skills in dealing appropriately with elderly customers in an individual and tailored manner.</p> <p><a href="#">Developed Financial Gerontology Training (in Japanese only)</a> </p> <p>We have developed and provide the My 100-Year Life Training which is designed to enhance the consulting skills of insurance agents in an age of super-longevity. The training curriculum helps insurance agents enhance their ability to offer proposals that meet a variety of insurance needs by giving the agents opportunities to experience a realistic sense of what it might be like to live to the age of 100.</p> <p><a href="#">Developed the My 100-Year Life Training (in Japanese only)</a> </p> <p>We provide training to financial institution agents to make foreign currency insurance sales more comprehensible for the client. The aim is to reduce the number of complaints related to foreign currency-denominated insurance products. We introduce specific examples and ways of communicating in an easy-to-understand manner using audio and video. By getting to know various complaints and gaining after-sales follow-up techniques etc., agents can give a customer-oriented service to clients in their industry.</p> <p><a href="#">Renewed Training to Prevent Complaints regarding Foreign Currency Insurance Sales with Communication in an Easy-to-understand Manner (MSI Primary Life) (in Japanese only)</a> </p>	  
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**Providing Products and Services to Support a Society of Healthy Longevity**

We provide means for asset-building and products/services related to nursing and dementia, tailored to customers' needs, aiming to help people live fulfilling second lives in safe societies with peace of mind.

< Principal Products/Services >

 <p><b>Self-help style asset building</b></p>	<p>We provide individual defined contribution (iDeCo) pension plans and products to support self-help style asset building in order to meet needs for asset building for retirement and long-term living benefits. We also provide a service that allows customers to easily estimate the pension they will receive, as support when considering life insurance coverage and period.</p> <p><a href="#">Partial change to the handling of premiums paid for the Fulfilling Tomorrow plan (in Japanese only)</a> </p> <p><a href="#">Expanded scope and yen-denominated contracts for the Joy for Tomorrow 2 plan (in Japanese only)</a> </p> <p><a href="#">Pension calculation with just a picture - the life insurance industry's first public pension calculation tool using AI-OCR (in Japanese only)</a> </p>
 <p><b>Currency-selective Special Whole Life Insurance such as "Yasashisa, Tsunagu 2"</b></p>	<p>A whole life insurance policy that meets the needs of living gifts and inheritance for smooth asset succession to the next generation by having family members as recipients of survival benefits.</p> <p><a href="#">Cumulative number of policies for Currency-selective Special Whole Life Insurance such as "Yasashisa, Tsunagu 2" exceeding 200,000 (in Japanese only)</a> </p>
 <p><b>Preparing for cancer</b></p>	<p>We launched our Cancer Insurance, which can be easily taken out at any time via the machines in Seven-Eleven stores, and also formed a capital tie-up with HIROTSU BIO SCIENCE to help spread and raise awareness about cancer screening and the early detection of cancer.</p> <p><a href="#">New insurance proposal! Launched Cancer Insurance which can be taken out at any time at Seven-Eleven stores (in Japanese only)</a> </p> <p><a href="#">Capital alliance between Mitsui Sumitomo Aioi Life Insurance and HIROTSU BIO SCIENCE (in Japanese only)</a> </p>
 <p><b>Providing coverage tailored to an aging society</b></p>	<p>We offer endorsements and services to address various new issues that are emerging in an aging society, including losses arising from solitary deaths of elderly residents in rental housing, liability for damages without property damage, which has been increasing in line with the growing number of dementia patients, such as damages due to inability to operate a train, search costs when elderly persons go missing, and sharing safety information with relatives, etc. to encourage preemptive measures such as evacuation before a disaster occurs.</p> 
 <p><b>Customer consultation service</b></p>	<p>We added two new consultation services (adult guardianship, and family trust) to our nursing care health desk, a product service, where counselors qualified in nursing, etc., answer questions and concerns over the phone regarding long-term care and dementia, launching the services in July 2021.</p>

# Improvement of employee engagement

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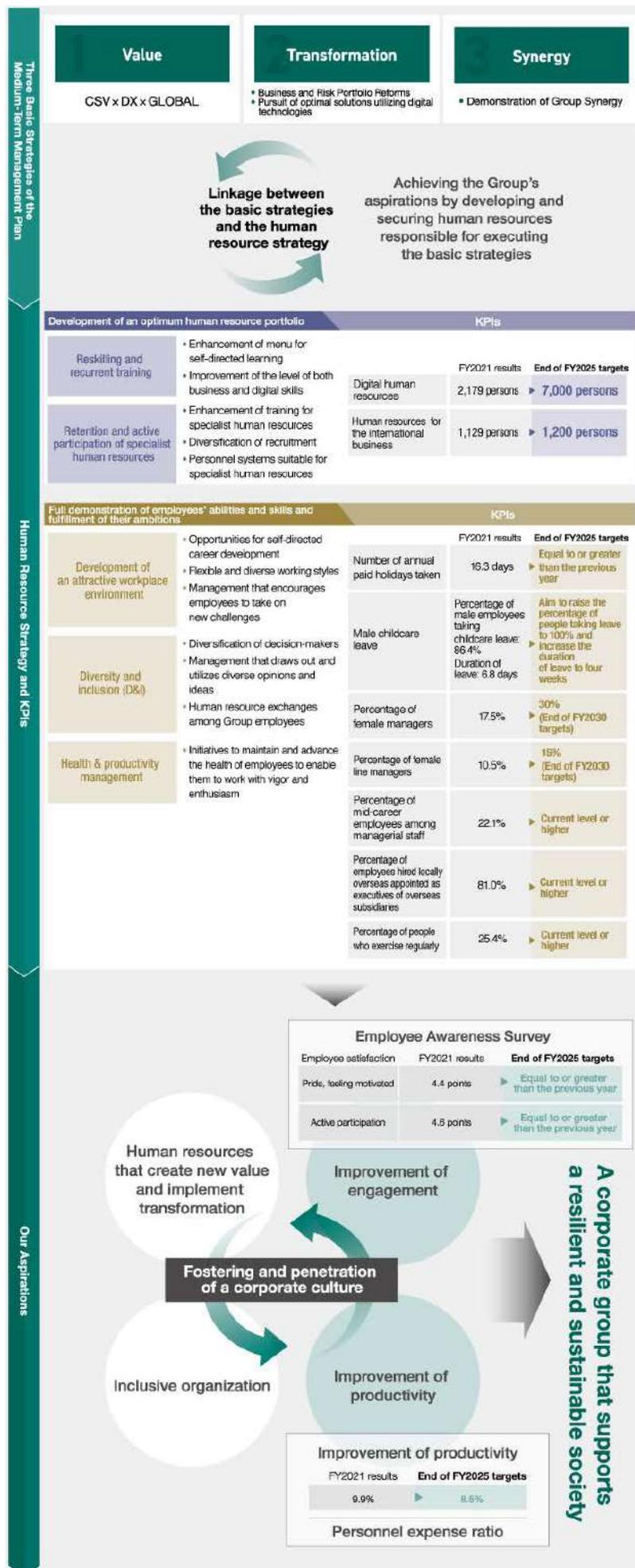
The MS & AD Insurance Group believes that providing all employees with opportunities to grow and demonstrate their abilities through their work will improve corporate competitiveness. The Medium-Term Management Plan calls for securing the human resources to support the implementation of strategies, as 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 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.

## Human resource strategy

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In conjunction with the basic strategies, we will close the gaps necessary to execute them and increase employee engagement, thereby achieving sustainable improvement in corporate value.

[Human resource strategy linked to basic strategies]



## Building an optimum human resource portfolio

We are taking actions such as clarifying the skills required to execute the basic strategies, expanding human resource investments such as reskilling and recurrent training, and securing professional human resources and promoting their active roles including the recruitment of external human resources, thereby building an optimum human resource portfolio.

### Investment in education and training hours (Domestic group companies)

Result of FY2021

Investment in education	Training hours per person
1.63 billion JPY	31.1 hours

#### Development of digital human resources

Aiming to develop human resources who will lead the CSV × DX strategy, we are implementing digital human resource development programs. For all employees, we are systematically improving skills in both “business” and “digital” aspects based on our in-house certification system and educational programs for digital human resources. For employees in high-level roles, we implement our Group’s unique digital human resource development programs through partnerships with universities and other institutions and work to improve their skills.

#### Development of digital human resources

Aiming to develop human resources capable of managing overseas entities and suitable for one of the world’s leading insurance and financial groups, we are implementing global human resource development programs. To improve our international awareness and global business skills, we have established a system in which employees in Japan and other regions of the world interact with each other and work hard to improve their skills.



Trainees of Dubai

Result of FY2021

Development programs	Number of participants in total	
Overseas training and secondment program	328 (10 years total to FY2021)	
Global trainee system	Domestic employee	385 (10 years total to FY2021)
	Overseas hired employee	559 (same with above)
Global Management Program	27 (started from FY2021)	

< Representative Initiatives >

<p><b>Development of personnel to oversee digitalization*</b></p>	<p>We have implemented the Group's unique digital human asset development program in collaboration with educational institutions such as universities.</p> <p>Examples of training and programs:</p> <ul style="list-style-type: none"> <li>• MS&amp;AD Digital Academy</li> <li>• MS&amp;AD Digital College from Kyoto</li> <li>• System x Design Thinking Workshop</li> <li>• Research with Shiga University Graduate School (ADI)</li> </ul> <p>(*) Initiatives that will not only improve the efficiency and convenience of processes and services using digital technology, but also transform our Group's overall business</p> <p><a href="#">Data scientist training support service, Aidemy Business Cloud (ADI) (in Japanese only)</a> </p>
<p><b>Support for acquiring actuarial qualifications</b></p>	<p>We are encouraging and supporting employees to take qualification examinations conducted by the Institute of Actuaries of Japan (IAJ) as part of our efforts to develop actuarial professionals capable of applying probability, statistics and other methods to product development, risk management, etc.</p> <p><a href="#">ESG Data/Reference Material (number of actuaries)</a></p>

## Maximization of Ability, Skill and Motivation of Employees

### Development of Attractive Workplace Environment

#### Provision of opportunities for self-directed career development

We will expand the use of our open recruitment system (post-challenge program), which allows employees to transfer to a position or department of their choice to develop their career. We are also providing more opportunities for self-directed career development.

#### Management that encourages employees to take on new challenges

We conduct management that changes the mindset and fosters a culture, which in turn encourages people to tackle challenges and draws out and utilizes the motivation of employees. By providing training for management and operating meetings with supervisors and subordinates, we will ensure that a culture of taking on challenges without fear of failure takes root and engage in challenging tasks.

#### Promotion of diverse and flexible working styles

We use working from home as a routine form of work. We are conducting business operations that efficiently combine working from home with working at offices and business operations such as working remotely that enable employees to work anywhere. We will also expand opportunities to improve and utilize skills by relaxing restrictions on side and second jobs. Regarding paternity childcare leave, we are working to raise the percentage of people taking leave to 100% and increase the duration of leave to four weeks.

[Implementing a completely location-free call center system \(ADI\) \(In Japanese only\)](#) 

< Our Development Program >

<b>MS&amp;AD Open College</b>	Classroom training to acquire business skills, such as problem-solving
<b>Trainee programs</b>	Voluntary in-house programs that enable employees to experience working in other departments/companies for short periods; among the aims of these programs are to further cultivate Group solidarity and improve communication  <a href="#">ESG Data/Reference Material (number of participants of the trainee system)</a>
<b>Post-challenge programs</b>	An open recruiting programs through which employees considering their own career paths can convey their plans and wishes to their companies and take on challenges to progress down these paths. Efforts to actualize autonomous career development.
<b>MSI</b> <b>In-house free agent programs</b>	A program whereby employees, with skills, experience and their own blueprints of carrier-building, can appeal to several sections desirable to them
<b>ADI</b> <b>Corporate University Program “AD University”</b>	A program that visualizes employee skills in all categories and which supports independent, self-directed learning for acquiring the abilities and skills that need to be strengthened for employee growth not bound by work or work roles.

< Examples of systems and support according to life stage >

Life Stage	Main Systems		Support Measures
<b>Marriage</b>	(Group-wide) • System for changing place of employment • System for those wanting to come back to work after retirement		
<b>Pregnancy and childbirth</b>		(Group-wide) • Prenatal and postnatal leave	(Group-wide) • Childbirth and childcare handbook
<b>Childcare leave</b>		(Group-wide) • Childcare leave system	
<b>Return to work</b>	(Group-wide) • System for working from home • System for changing place of employment • System for those wanting to come back to work after retirement	(Group-wide) • Shorter work hours/flex time system • Exemption from and restrictions on overtime • Sick/injured child care leave	(MSI,ADI,MSI Primary Life) • Discussion meeting for those returning to work after childcare leave (ADI) • Company-sponsored nursery school • In-house nursery school
<b>Nursing Care</b>		(Group-wide) • Nursing care leave, or time off • Shorter work hours system	(Group-wide) • Handbook to support balancing work and nursing care • External help desk for nursing care and health

## Diversity & Inclusion

To face various risks in times of unpredictability and uncertainty and to create shared value with society through issue-solving, we will practice and strive for inclusion that actively draws out various opinions and ideas from diverse human resources and utilizes those opinions and ideas in decision-making.

Our Group is promoting an initiative to make this the source of our Group's comprehensive capabilities by such means as setting key performance indicators (KPIs) as numerical management targets.

### < Example of Management Know-how Development to positively elicit and utilize opinions and ideas >

<p>Group-wide</p> <p><b>e-Business Seminar</b></p>	<p>"e-Business Seminar" is a small-group online seminar conducted by officers of the holding company. The purpose of this seminar was to draw out opinions and ideas based on the knowledge, experience, and sense of values of diverse human resources, and systematize the processes and methods to reach them. In FY2022, we will apply this know-how as "inclusive leadership" in training for managers at each Group company and implement it in the workplace</p>
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Diversity & Inclusion

## Issuing the Diversity & Inclusion (D&I) Promotion Report

Group-wide

Our Group issues a D&I Promotion Report and makes it publicly available on our official website. This report presents the directions the Group has taken toward D&I, the projects being pursued by Group companies toward their common goals, and introduces specific D&I measures being implemented at individual Group companies.

### < Content of the Diversity & Inclusion (D&I) Promotion Report >

[D&I Promotion Report 2021](#)



\*Latest English version of 2022 report shall be updated

- Message from Group CEO
- D&I Promotion by the MS&AD Group
- Current Group Figures
- Target Numbers
- Initiatives and Systems for Promoting Career Development for Women
- Career Development for Global Human Assets
- Career Development for People with Disabilities, LGBTQ Support, and Career Development for Seniors
- Development for Seniors
- Work-life Balance(Systems and Initiatives to Help Employees Keep Working)
- Establishing Environments for Promoting D&I
- Message from the Executive Officer



- > Targets and Results: Ratio of females in managerial positions, Ratio of taking fully paid paternity/secondary leave
- > ESG Data/Reference Material: percentage and number of females among board members and corporate auditors, percentage and number of females in managerial positions

## Appointment of female and young employees to decision-making layers

HD

For promotion of female participation and career advancement, we will increase opportunities for women to play active roles while developing pipelines, with the aim of attaining our Group's goals by the end of FY2030. In addition, we will select young employees based on their abilities in order to accelerate assignment to general manager/manager positions and appointment to line manager posts.

### Goals for Promotion of Female Participation and Career Advancement

Target Year	Aimed at	Target Ratio
End of fiscal 2030	Directors, auditors, and executives (non-consolidated)	30% or more
End of fiscal 2025	Directors and auditors (non-consolidated)	30% or more
End of fiscal 2030	Female line managers (Group domestic)	15%
End of fiscal 2030	Female managers (Group domestic)	30%

- > New targets regarding the ratio of female executives, etc.(HD) (in Japanese only) 
- > New appointment of female deputy branch managers and deputy managers (MSI) (in Japanese only) 
- > Development Program for Enhancing the Inclusion of Women in Decision Making (ADI) 

## Initiatives to Realize an Inclusive Society through Support for Athletes

MSI ADI Mitsui Direct General MSI Aioi Life

We have been striving to realize an inclusive society in which a variety of people can play active parts by supporting Paralympic sports. Initiatives taken thus far include fostering and supporting athletes who are actively engaged in competitions, co-sponsoring Paralympic sports organizations, and attending competitions around Japan to cheer on the participants. In this context, we have been employing abled and people with disabilities athletes, many of whom take part in the Olympics, Paralympics, Deaflympics, world championships, and other international competitions in order to create an environment in which people are able to dedicate themselves to both work and sports.



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- > Sports support from Group companies (in Japanese only) 

## External Evaluation

- > “Nadeshiko” Brand for fiscal 2021 (HD) (in Japanese only) 
- > Attained 2nd Stage of the “Eruboshi” Certification System Based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace (MSA Life) (in Japanese only) 
- > Certified as a Tokyo Sports Promotion Company for the fifth consecutive year (MSI)(in Japanese only) 
- > Cowon Gold Awards winner for the PRIDE Index 2021 for LGBTQ initiatives (MSI, ADI)(in Japanese only) 
- > For other awards and certifications, see the Diversity & Inclusion (D&I) Promotion Report

\*MSI and ADI has already received Company in Good Standing certification, “Eruboshi” Certification.

## Promotion of Health and Productivity Management

Keeping working employees healthy is essential, not only to improve their quality of life (QOL) but also to realize our Group’s Corporate Philosophy. Our Group provides venues that enable diverse personnel with a wide range of values to work together, and we promote work style reforms that will increase productivity while making workplaces more amenable and work more satisfying, thereby creating health-and-safety-conscious working environments in order to maintain and improve the physical and mental health of all employees.



## Promotion of Varied and Flexible Work Style

We have been promoting business operations such as efficient combination of telecommuting and physical attendance, remote working, etc. at any location. In addition, we plan to provide more opportunities for improving and utilizing skills through easing of restrictions on side business and by-business activities. Regarding paternity leave, we are targeting an acquisition rate of 100% and 4-week leave.

<p><b>Diversification of work locations/hours</b></p>	<p>We are diversifying previously fixed work locations and pursuing more diverse work styles for our employees.</p> <p>Example initiatives:</p> <ul style="list-style-type: none"> <li>• Promoting remote work (use of thin client computers, phones and smartphones for business use, and use of web conferencing tools)</li> <li>• Implementing work from home programs and utilizing satellite offices</li> <li>• Introducing shift work and short-term work systems</li> </ul>
<p><b>Restructuring of roles</b></p>	<p>We are seeking to reform employees' thinking and behavior to ensure that they perform their work even better, further improving their productivity and strengthening their competitiveness.</p>
<p><b>Prevention of long-term working hours</b></p>	<p>We are maintaining the health of individual employees and supporting work-life balance by preventing long working hours.</p> <p>Example initiatives:</p> <ul style="list-style-type: none"> <li>• As a rule, employees must leave work before 19:00</li> <li>• Industrial physicians provide one-to-one guidance to employees who work on their computers beyond a certain number of hours</li> </ul>
<p><b>Encouraging employees to take paid leave</b></p>	<p>We encourage employees to take paid leave by formulating plans for regular leave in advance, and periodically confirming that employees are in fact taking leave</p> <p><a href="#">Targets and Results (the number of annual paid holidays taken)</a>  <a href="#">ESG Data/Reference Material (rate/days of paid leave taken)</a></p>

## Maintaining and Improving Employee Health

We are working to maintain and improve the physical and mental health of employees and to create better working environments

<p><b>Support to improve health</b></p>	<p>We conduct campaigns that encourage and support employees to carry out behaviors and lifestyle habits that improve health (self-care).</p> <p>Example initiatives:</p> <ul style="list-style-type: none"> <li>• Revamping day-to-day lifestyle habits by encouraging use of the Koko Kara Diary, our proprietary app</li> <li>• Planning health promotion and other campaigns, providing support to employees quitting smoking (subsidies to cover teletherapy expenses), etc.</li> <li>• Encouraging employees to come to work in sneakers, stair climbing (the 2-Up/3-Down campaign, displaying stickers on staircases showing calories burned), etc.</li> <li>• COVID-19 vaccination at workplace. Granting vaccination leave</li> <li>• Disclosing data related to initiatives for promotion of health and productivity management, and enhancing employees' health consciousness</li> </ul> <p><a href="#">Data on initiatives (MSI) (in Japanese only)</a> </p>
<p><b>Improving health literacy</b></p>	<p>Creating an environment that promotes lifestyle habits needed to improve health and which prompts employees to acquire greater knowledge and skills on mental health, etc.</p> <p>Example initiatives:</p> <p>E-learning, videos featuring top athletes promoting exercise, providing information on lifestyle habits that include physical and mental well-being, diet, exercise, sleep, smoking, and providing health education as part of health consultations and tier-specific training</p>
<p><b>Mental health care</b></p>	<p>We have set up a health and productivity management center and an employee consultation office to provide care for the mental health of employees. In addition to carrying out stress checks uniformly across the Group and bolstering mechanisms to prevent mental disorders, we are using the findings of group analysis to establish better workplace environments</p> <p>Example initiatives:</p> <p>Preventive activities: training, e-learning, stress checks, health consultations at workplaces</p> <p>Support for afflicted persons: consultations during rehabilitation</p> <p>Return-to-work support: preparations for returning to work during recovery periods, etc.</p>
<p><b>Support systems for balancing medical treatment and recuperation</b></p>	<p>Establishing a system to support the balance between work and treatment of illness or injury* [Leave system]</p> <ul style="list-style-type: none"> <li>• Paid leave (up to 32 days) is granted every year. Up to 20 unused days can be carried over, and employees can take consecutive leave for medical treatment and recuperation</li> <li>• Up to a total of 65 remaining days of carried over leave can be accumulated, and can be taken as consecutive leave for treatment of personal injury or illness</li> </ul> <p>[Support system]</p> <p>If an employee faces limitation due to injury or illness, s/he is allowed to work from home, work shorter hours, commute by personal vehicle, etc.</p> <p>(* ) The support system and number of days of leave that can be taken or saved varies depending on the group company and employee classification</p>

## Creating Safety-conscious Workplaces (Compliance with Occupational Health and Safety Act)

We are striving to ensure safety-conscious workplaces with the Group insurance companies in Japan setting up industrial health committees in accordance with the Occupational Health and Safety Act. The committees investigate/deliberate on matters pertinent to preventing health hazards and maintaining/improving health each month

<p><b>Uniform Group-wide medical checkup system</b></p>	<p>MS&amp;AD Holdings operates a uniform Group-wide medical checkup system so that employees can undergo standardized medical exams and analyses. For employees with adverse findings, based on the results of medical checks, we take measures to prevent conditions becoming severe and to follow-up through such means as health guidance and encouragement to undergo further examinations provided by industrial physicians/nurses.</p> <p><a href="#">ESG Data/Reference Material (Consultation rate of medical checkup) (in Japanese only)</a></p>
<p><b>Establishment of a suitable working environment</b></p>	<p>To improve operational efficiency among employees while ensuring their physical and mental health, we are establishing comfortable working environments with due consideration for lighting, circulation, temperature, humidity, noise, and ergonomics.</p>
<p><b>Prevention of workplace accidents</b></p>	<p>We conduct monitoring and risk assessments at workplaces in order to put in place the workplace environments needed to prevent falls and other accidents. Group insurance companies that use company-owned vehicles are managing accident rates and ensuring that employees engage in safe driving practices in keeping with the safe driving management rules for company-owned vehicles.</p> <p><a href="#">ESG data and reference material (number of workplace accidents) (in Japanese only)</a></p>

## Communicating with Employees

We think it is vital that all employees understand the direction in which the company wishes to proceed and that working environments are created in such a way that the employees can maximally apply their enthusiasm and skills to helping the company along its course, and we are arranging various opportunities for communication among employees to this end. We also incorporate opinions expressed by employees in to our efforts to improve corporate management and upgrade the quality of our products/services.

<p><b>Employee satisfaction surveys Employee Satisfaction</b></p>	<p>We conduct annual opinion surveys of all Group employees at fixed time points and utilize the results when considering company systems/measures and environmental improvement. In FY2019, we began carrying out the same surveys for employees of overseas entities.</p> <p><a href="#">Targets and results (employee satisfaction)</a></p>
<p><b>Mechanisms to make use of employee opinions in improving operations</b></p>	<p>We have set up a bulletin board on the in-house system where employees can post improvement proposals and other messages. The posted content is then examined by the various head office divisions, who then provide feedback on the proposals.</p>
<p><b>Dialogue with executives</b></p>	<p>We periodically arrange opportunities for employees and top-level executives to exchange views so that the employees' views can be incorporated into company management.</p>

## External Evaluation

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- ▶ White 500 organization (large enterprise category) for the fourth consecutive year under the 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program (MSI Aioi Life) (in Japanese only) [□](#)
- ▶ 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program (ADI, Mitsui Direct General, MSI Primary Life, InterRisk) [□](#)
- ▶ Sports Yell Company by the Japan Sports Agency (MSI) (in Japanese only) [□](#)
- ▶ Sports Yell Company by the Japan Sports Agency for the fifth consecutive year (MSI) (in Japanese only) [□](#)
- ▶ 2021 Sports Yell Company (MSI Primary Life) (in Japanese only) [□](#)

# Quality that Earns the Trust of Society

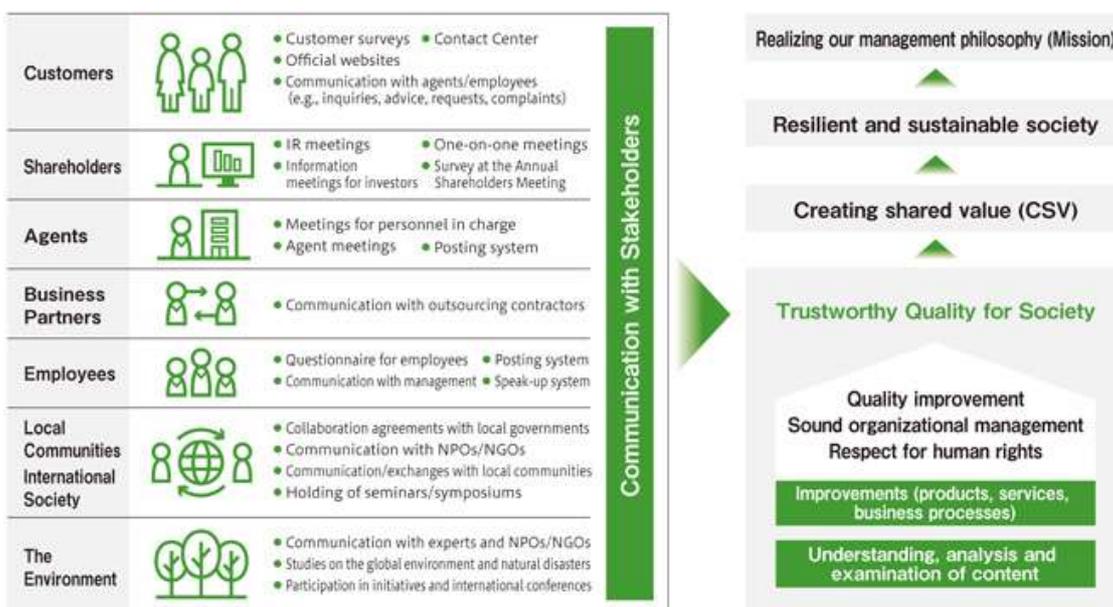
## Meeting the Trust of Society with High Quality

The MS&AD Insurance Group believes it important to pay close attention to the expectations and needs of customers and other stakeholders and to put information derived from this in to good use in improving the quality of its products/services in order to continue being a corporate group needed by society.

By putting in place a variety of schemes to solicit the views of stakeholders, we are continuing to improve our quality and operations through executive-level discussions to prove ourselves worthy of the public’s trust. For example, we provide easy-to-understand product explanations, use advanced technology to make procedures more convenient, adopt approaches that meet the needs of a diverse range of customers, including the elderly and people with disabilities, and work to improve the skills of employees.

## Quality Improvement through Communications with Stakeholders

Our Group has established the “MS&AD Insurance Group Basic Policy for Responding to Customer Communications” and provided a scheme and opportunity to listen to the voice of customers and other stakeholders for quality improvement of products and services, as well as compliance, respect for human rights and environmental initiatives.



> Communication with Stakeholders

## Schemes for Receiving Feedback from Customers

The MS&AD Insurance Group has formulated a Basic Policy for Responding to Customer Communications and is receiving a wide range of feedback from customers including through consultations, requests, and complaints. The received feedback is then used for quality improvements. In line with the aforementioned policy, Domestic Group insurance companies utilize the customers’ views to improve their business processes so they can provide products and services that better satisfy customers.

> MS&AD Insurance Group Basic Policy for Responding to Customer Communications

We disclose the substance and results of the improvement activities on our website so that the customers can see the status of the improvements.

## Reasons for customer feedback (complaints)

We listen to a wide range of customer feedback and are making company-wide improvements to provide better insurance products and services.

Customer feedback is all feedback received from customers, including inquiries, consultations, requests, complaints, disputes, compliments and words of thanks, etc. Of this feedback, complaints are defined as an expression of dissatisfaction from the customer.

	Insurance solicitation and contract	Contract management	Insurance payments	Managing customer information	Other	Total
Number of complaints*	9,685	8,636	26,694	533	2,872	48,420

\*Combined number received in fiscal 2021 for Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance

[Customer feedback \(MSI\) \(in Japanese only\)](#)

[Customer Feedback \(ADI\) \(in Japanese only\)](#)

## A Customer-first Policy in the Business Operations

The five Group insurance companies in Japan have formulated and published customer-first policy in the business operations based on the Financial Services Agency’s Principles for Customer-oriented Business Conduct. These policies align with the framework for consumer-oriented voluntary declarations advocated by the consumer-oriented management promotion organization composed of the Consumer Affairs Agency and other members.

Please see individual companies’ official websites for further information regarding these policies.

### < Customer-first policy in the business operations (in Japanese only) >

[Mitsui Sumitomo Insurance](#)

[Aioi Nissay Dowa Insurance](#)

[Mitsui Direct General Insurance](#)

[Mitsui Sumitomo Aioi Life Insurance](#)

[Mitsui Sumitomo Primary Life Insurance](#)

## Specific Initiatives in Customer-Focused Business Operations

The five Group insurance companies in Japan have formulated and published customer-first policy in the business operations based on the Financial Services Agency’s Principles for Customer-oriented Business Conduct. These policies align with the framework for consumer-oriented voluntary declarations advocated by the consumer-oriented management promotion organization composed of the Consumer Affairs Agency and other members.

Please see individual companies’ official websites for further information regarding these policies.

### < Customer-Focused Business Operations—FY2021 Overview (in Japanese only) >

- [Mitsui Sumitomo Insurance !\[\]\(d1608828bece8afa813473a5e5191332\_img.jpg\)](#)
- [Aioi Nissay Dowa Insurance Co., Ltd. !\[\]\(9c69ee76d904cfa1454dbda00711c7a1\_img.jpg\)](#)
- [Mitsui Direct General Insurance Co., Ltd. !\[\]\(b851e35c932d713f86d0a4607cd70ac0\_img.jpg\)](#)
- [Mitsui Sumitomo Aioi Life Insurance Co., Ltd. !\[\]\(d6cd6195030c75f1a20f7604cac88b86\_img.jpg\)](#)
- [Mitsui Sumitomo Primary Life Insurance Co., Ltd. !\[\]\(9dd17374b793aa917b7daa32be4e197b\_img.jpg\)](#)

### < Principal Approaches >

<div style="text-align: center;">  <p><b>Initiatives to enhance customer convenience in obtaining policies</b></p> </div>	<p>We have been developing and adopting more convenient and comprehensible procedural methods to provide information on insurance and services to a variety of customers</p> <ul style="list-style-type: none"> <li>· Reinforcement of product explanation videos for customers (MSI, ADI)</li> <li>· Procedures for applying for and obtaining policies available online (MSI, ADI, Mitsui Direct General )</li> <li>· Procedures for obtaining policies without paper utilizing tablets and other devices. (MSI, ADI, MSI Aioi Life )</li> <li>· <a href="#">New premiums payment method, "Direct Pay" introduced (MSI, ADI) (in Japanese only) </a></li> <li>· Customers can now change account information online (MSI Aioi Life)</li> </ul>
<div style="text-align: center;">  <p><b>Prompt and courteous customer service during natural disasters</b></p> </div>	<p>We are helping to rebuild customers’ livelihoods as soon as possible by increasing manpower and improving administration at our Accident Claims Center and Insurance Claim Payment Center in line with the scale of disasters, including earthquakes, typhoons, flooding, and heavy snowfall, and by rapidly settling insurance claims.</p> <p>We have established an insurance payment procedure in response to disasters that combines remote surveys done by video call to meet customer needs, streamline investigations, and speed up the whole process.</p> <p><a href="#">Strengthening our response to natural disasters during the pandemic (MSI, ADI) (in Japanese only) </a></p>
<div style="text-align: center;">  <p><b>Screening of insurance payments</b></p> </div>	<p>Claims determined not to be eligible for insurance payments but which nevertheless satisfy certain conditions are examined by a Screening Committee comprising outside attorneys and other experts.</p> <p>MSI and ADI disclose the number of claims examined and the cases examined on their websites.</p> <p><a href="#">Insurance Payment Screening Committee (MSI) (in Japanese only) </a></p> <p><a href="#">Usage status of application system for appeal review and status of screening performed by the Payment Screening Committee (ADI) (in Japanese only) </a></p>

<p style="text-align: center;"><span style="border: 1px solid black; padding: 2px;">Group-wide</span></p> <p style="text-align: center;"><b>Operational improvements utilizing customer suggestions</b></p>	<p>In accordance with MS&amp;ADI Insurance Group Basic Policy for Responding to Customer Communications, customers' opinions that are received through consultations, requests and complaints are collected, centrally managed and analyzed, then actively implemented to improve business operations. The details and outcomes of these improvement initiatives are disclosed on the website in sequence.</p> <p>We are continually upgrading our services in response to customer feedback.</p> <p><a href="#">MS&amp;AD Insurance Group Basic Policy for Responding to Customer Communications</a></p>
<p style="text-align: center;"><span style="border: 1px solid black; padding: 2px;">HD</span></p> <p style="text-align: center;"><b>Use of customer satisfaction based on customer questionnaire surveys as a KPI</b></p>	<p>Among the indicators used for measuring the level the five Group insurance companies in Japan have continued their initiatives in customer-focused business operations, customer satisfaction from customer questionnaires (completed by customers when signing up for policies or being paid insurance money) has been designated as one of the indicators for Group sustainability that earns the trust of society</p> <p><a href="#">Targets and Results: "Customer satisfaction survey about insurance contract procedures" and "Customer satisfaction survey about payment of insurance claim"</a></p>
<p style="text-align: center;"><span style="border: 1px solid black; padding: 2px;">Group-wide</span></p> <p style="text-align: center;"><b>Integrating customer-focused values among employees and agents</b></p>	<p>We have been fostering a suitable corporate climate by integrating customer-focused values into our operations through education for employees and agents.</p> <p>For employees: We conduct workplace meetings and arrange training and contests aimed at improving skills in all departments.</p> <p>For agents: We provide agents with various training and online learning opportunities, and we seek to motivate them via an agent quality certification system.</p>

## Quality Improvement Utilizing Cutting-edge Technologies

To satisfy a variety of customer needs to a high degree, we develop products/services utilizing cutting-edge ICT and other technology and employ new technologies such as artificial intelligence (AI), Big Data, and voice recognition to revamp our operational flow.

### < Principal Approaches >

<p style="text-align: center;"><span style="border: 1px solid black; padding: 2px;">MSI</span> <span style="border: 1px solid black; padding: 2px;">ADI</span> <span style="border: 1px solid black; padding: 2px;">MSI Aiol Life</span></p> <p style="text-align: center;"><b>Improvement of customer convenience</b></p>	<p>We have digitized the whole insurance process from gaining customers to making insurance payments</p> <p><a href="#">Launched the MS1 Brain Remote (MSI) (in Japanese only)</a> </p> <p>Development and provision of support apps and services using AI in order to provide insurance products and services more quickly</p> <p><a href="#">Introduction of the Ai-based auto repair quote system (MSI, ADI) (in Japanese only)</a> </p> <p><a href="#">Industry first - Launched a personalized video service that allows customers to see how their insurance premiums change when using automobile insurance (ADI) (in Japanese only)</a> </p> <p><a href="#">Industry first - Introduced an AI-based automatic voice response service for agents and customer billing (MSI Aiol Life) (in Japanese only)</a> </p>
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<p style="text-align: center;"><b>ADI</b></p> <p><b>Improving the quality of customer service</b></p>	<p>By utilizing the incoming call classification system, we can automatically classify and sort 1 million customer voices annually by category. We conduct analysis efficiently and effectively and promote initiatives to improve quality across the company.</p> <p>Industry first - Launched use of incoming call classification system to improve quality across the company (ADI) (in Japanese only) </p>
<p style="text-align: center;"><b>MSI</b> <b>ADI</b></p> <p><b>Enhancement of accident responses</b></p>	<p>We have introduced a system that uses AI and telematics technologies to automatically and accurately explain accident situations through text and diagrams. This reduces the burden on customers and enables smoother claims handling (accident response).</p> <p>New features added to the dash cam-based AI accident explanation system "Ai's" (MSI) (in Japanese only) </p> <p>New features implemented in the telematics damage service system (ADI) (in Japanese only) </p> <p>Upon receipt of an accident report from a customer, the business automation system instantly determines various factors such as "details of policy" and "accident characteristics" to select the most appropriate insurance claims settlement center and the person in charge.</p> <p>Full-scale introduction of NEVA, a business automation system, for seamless linkage of cases (ADI) (in Japanese only) </p>
<p style="text-align: center;"><b>MSI</b> <b>ADI</b></p> <p><b>Enhancement of claim settlement operations</b></p>	<p>We have introduced an insurance fraud detection solution provided by French start-up company Shift Technology, realizing prompt and appropriate settlement of accident claims other than those which are fraudulent.</p> <p>Expanded use of fraudulent claims detection solutions (MSI, ADI) (in Japanese only) </p>
<p style="text-align: center;"><b>Group-wide</b></p> <p><b>Strengthening of information security management</b></p>	<p>In line with MS&amp;AD Insurance Group Information Security Management Basic Policy, we have been pursuing consistent system security management across our Group to ensure that service can be reliably provided in the face of rising cyber risks stemming from technological advances. We are also working to develop more robust information management system through activities such as establishing in-house regulations and educating employees.</p> <p><a href="#">Information Management</a></p>

## External Evaluation (in Japanese only)

-  2020 IT Award in three areas (MSI) 
-  Special Award (IT Utilization Award) in the 2020 Best Customer Support of the Year awards sponsored by the Japan Institute of Information Technology (MSI) 
-  Three-star rating (the highest rating) in the HDI Rating Benchmarks in inquiry desks, and online support categories (MSI) 
-  Three-star rating (the highest rating) in the HDI Rating Benchmarks in the quality rating category (telephone handling) (ADI) 
-  Strategy Category Award at the 2020 Contact Center Awards (ADI) 
-  HDI five-star certification for the third consecutive year, the only company to do so in the online non-life insurance industry (Mitsui Direct General) 

# MS&AD Insurance Group Basic Policy for Responding to Customer Communications

## MS&AD Insurance Group Basic Policy for Responding to Customer Communications

The MS&AD Insurance Group shall respond to all customer communications quickly, appropriately and in good faith based on the Group's management ideology. The following principles for conduct are hereby promulgated to contribute toward greater customer satisfaction.

### 1. Definitions

#### (1) Definition of Customer

As used herein, "customer" shall refer to "a customer having a relationship with the activities of the MS&AD Insurance Group" with respect to both individuals and companies.

#### (2) Definition of Customer Communication

As used herein, "customer communication" shall refer to "any and all expressions from customers (inquiries, consultations, requests, complaints, disputes, praise, expressions of gratitude, etc.)." Here, "complaint" shall mean "an expression of dissatisfaction from a customer."

### 2. Principles for Conduct

#### (1) Basic Stance

- (i) All officers and employees shall respond to all customer communications quickly, appropriately and in good faith.
- (ii) All officers and employees shall be conscious of the fact that customer communications constitute "important information for assuring trust from customers, realizing corporate growth and further improving quality."
- (iii) All officers and employees shall compile and analyze information relating to customer communications, and while making effort to reduce complaints, shall also use this information to create measures that improve quality and raise the level of customer satisfaction.

#### (2) Management of Responses to Customer Communications

- (i) Domestic Group insurance companies shall prescribe policies for responding to customer communications that factor in the business conditions present at their respective companies consistent with the "MS&AD Insurance Group's Mission Statement" and the "MS&AD Insurance Group Basic Policy for Responding to Customer Communications."
- (ii) Domestic Group insurance companies shall prepare rules, manuals and the like regarding the procedures and specific individual actions for responding to customer communications.
- (iii) When necessary, the other Group companies shall prepare measures for responding to customer communications and put these into practice as appropriate.

# ESG Information

The following is a supplement to the MS & AD Insurance Group's sustainability approach.

Subject period:

FY2021 (April 1, 2021 - March 31, 2022)

[> ESG Data Click here](#)

## Corporate Governance

### Supplement to the performance-based remuneration for directors

See "[Corporate Governance](#)" for an overview of the system.

#### 1. Share of the CEO's short-term incentive

- Performance-linked remuneration shall be linked with the business performance of the company and determined based on financial(\*1) and non-financial(\*2) indicators. The standard ratio between financial and non-financial indicators used in the calculation of performance-linked remuneration shall be "50:50."
- The stock-based remuneration components of performance-linked remuneration shall be calculated as follows, based on standard amounts for each position  

$$\text{Standard amount per position} \times \text{business performance coefficient}$$

$$(\text{financial indicators} \times 20\% + \text{non-financial indicators} \times 80\%)$$
- The standard ratios of the components of compensation for the President and Director are as follows:

[Fixed remuneration] 50%	[Performance-linked remuneration] Monetary remuneration 25%	[Performance-linked remuneration] Stock-based remuneration 25%
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<Breakdown of 25% of Stock-based remuneration>

The ratio of financial indicators (indicators reflecting single fiscal year performance) is

$$25\% \times 20\% = 5\%.$$

The ratio of non-financial indicators (indicators to reflect medium- to long-term performance

$$\text{contributions}) is } 25\% \times 80\% = 20\%.$$

(\*1) Financial indicators are indicators that are used to reflect business performance in a single fiscal year in officer remuneration.

(\*2) Non-financial indicators are indicators that are used to reflect initiatives contributing to medium- to long-term business performance in officer remuneration.

#### 2. Performance Period for Variable CEO Compensation

- Performance-linked remuneration shall be linked with the business performance of the company and determined based on financial and non-financial indicators.
- Financial and non-financial indicators have been selected after taking into consideration the Group's Medium-Term Management Plan (FY2022-2025), which began in fiscal 2022 and will end in fiscal 2025 for a period of 4 years.

#### 3. Claw back Clause

- We have a claw back clause in place. (click [here](#))

## Management Ownership

Ratio of the amount converted into the fair value of shares to the amount of consolidated fixed remuneration of a person whose total amount of consolidated remuneration in fiscal 2021 is 100 million yen or more.

Name(s)	Position	Fixed remuneration (million yen)	Shares of the Company owned(*)		Value equivalent to Market Value of the shares held / fixed compensation
			Number of shares of the Company owned	Fair value(*) (million yen)	
Yasuyoshi Karasawa	Director	61	46,046	183	3.17
Yasuzo Kanasugi	Director	64	53,691	214	
Noriyuki Hara	Director, President&CEO	66	45,246	180	2.73

(\*) March 31,2022 end-of-day basis

## Risk Management

### Impact of Significant Risks and Mitigation Measures

#### ■Massive Cyberattack

One of the important risks for our group is the risk of information systems being shut down, malfunctioning or used illegally, or information being leaked due to unauthorized access by cyber attacks or deficiencies in information systems. While cyber attacks themselves are a risk that can occur in the present, we recognize it is increasing in light of recent geopolitical risks. Our Group makes every effort to improve information technology risk management system but in the event of a cyber attack, large-scale information system outages, malfunction or unauthorized use, and information leaks may occur. The Group also underwrites insurance to compensate for cyber risk, and in the event of a cyber- attack, the Group makes claims payments. Therefore, we recognize that this risk is equally important for MS&AD as (1) a listed company and (2) an insurer. In addition, medium- to long-term risks are expected to steadily increase due to factors as below.

- With the progress of DX and the steady use of cloud computing and remote work, the systematization domain of an organization becomes complex and the boundary with the Internet becomes ambiguous.
- The organization connected as supply chain due to the globalization of business expands significantly
- Digitization will spread at an accelerated pace through new technologies such as AI and quantum technologies.

As the scope of risks expands and becomes complex, damage to our company system and damage to customers insured by our company may become significant.

<p style="text-align: center;"><b>Impact</b></p>	<p>The impact of this risk on our Group can be summarized in accordance with the above two aspects.</p> <p>(1) As a listed company:</p> <ul style="list-style-type: none"> <li>Should this risk materialize, it will not only have the economic impact of an enormous cost input, such as investigation of the cause and impact by a specialized company, customer response, and provision of additional security measures, but it will also have a major impact of a decline in reputation/trust. In addition, the restoration of reputation is expected to take a long time over the medium to long term, and the Group's business performance is expected to be negatively affected by a decline in insurance premiums.</li> </ul> <p>(2) As an insurer:</p> <ul style="list-style-type: none"> <li>In order to respond to the progress of IT utilization and diffusion in enterprises, the Group sells insurance to compensate for cyber risk as one of its main products. However, in the event of frequent cyber attacks, there is a possibility that many insurance claims will be paid, which could have a large economic impact on the Group. The Group conducts stress tests on the assumption that a large amount of insurance claims will be paid in the event of a cyberattack, in order to confirm the amount of insurance claims paid and the amount of impact on the capital buffer(*1) in the event of stress.</li> </ul> <p>(*1) Market value net assets minus the integrated risk amount.</p>
<p style="text-align: center;"><b>Mitigation measure</b></p>	<p>(1)As a listed company:</p> <p>In order to respond to cyberattacks, multiple layers of defense are implemented, including "entry measures" to prevent unauthorized intrusion, "exit measures" to prevent information leakage, and "internal measures" such as detecting unauthorized viruses and behavior within the Group. At the same time, in light of the fact that the boundary between the organization and the Internet has become blurred due to the use of the cloud and the regularization of remote work, the introduction and examination of security measures are being promoted based on the concept of zero trust. Information on cyberattacks (mass suspicious emails, DDoS attacks, unauthorized access, etc.) on Group companies and other companies is grasped in a timely manner, and the impact on Group companies and the status of responses are confirmed. Technical measures are implemented, such as the introduction of various latest services and products for countermeasures as needed. Personnel and organizational measures are also being implemented, including employee education and training, and drills to prepare for possible attacks. In addition, an organization specializing in security (MS&amp;AD-CSIRT(*2)) has been established to collect information on vulnerabilities in information systems and to coordinate information among Group companies. In addition to the above, the status of security measures is regularly checked by Group companies, including overseas bases, using the Group's common index to continuously maintain and improve the security level of the Group. From a medium- to long-term perspective, we are studying to prepare for the expansion of risks associated with the development of new technologies, such as the establishment of an AI governance system and participation in the Quantum Technology Study Group.</p> <p>(2)As an insurer:</p> <p>The Group aims to provide one-stop support for the establishment of a system to prevent cyber risks in multifaceted ways and evaluation of the risks held by companies from the viewpoints of preventing damage, minimizing damage, and quickly recovering from damage, etc., while informing customers on cyber risks. The Group provides menus corresponding to the phases of "development of a management system" such as training on cyber security and establishment of the CSIRT system, "defense and detection" such as system diagnosis and log monitoring, and "response and recovery" in cooperation with cybersecurity specialized companies.</p> <p>(*2) Computer Security Incident Response Team: a team specialized in information security</p>

Please refer to [ERM and Risk Management](#) for other important risks.

## Contribute to Climate Change Mitigation and Adaptation

### TCFD Scenario Analysis

Scenario Analysis has been updated in August 2022 in our TCFD disclosure (link below).

[> Climate-related Financial Disclosure](#)

■ Scenario Analysis excerpt

	Business area	Contents	Result Examples	Scenario used
Physical Risk	Insurance Underwriting	Fluctuation in loss paid by typhoon and storm surge in Japan	Typhoon 2050 Effects of change                    +5 to +50% Effects of changing frequency of occurrence                    -30 to +28%	RCP4.5 RCP8.5
Transition Risk	Investment	Impact on investee companies by carbon costs	EBIT at Risk Equity 2030 Low Carbon Price Scenario:            4.66% Medium Carbon Price Scenario:        9.23% High Carbon Price Scenario:            20.29%	Developed by Trucost referring to Nationally determined contributions (NDCs), OECD and IEA.

# ESG Data / Reference Material

The following are the materials and data about sustainability approaches of the MS&AD Insurance Group.

Subject period:

FY2021 (April 1, 2021 - March 31, 2022)

Subject organizations and data coverage:

Company name	abbreviation	Group Domestic (Domestic consolidated subsidiaries)		Consolidated (MS&AD Group total)	
		Subject	Employee-based coverage	Subject	Employee-based coverage
Mitsui Sumitomo Insurance Co., Ltd.	MSI	○	76.8%	○	100%
Aioi Nissay Dowa Insurance Co., Ltd.	ADI	○		○	
Mitsui Direct General Insurance Co., Ltd.	Mitsui Direct General	○		○	
Mitsui Sumitomo Aioi Life Insurance Co., Ltd.	MSI Aioi Life	○		○	
Mitsui Sumitomo Primary Life Insurance Co., Ltd.	MSI Primary Life	○		○	
MS & AD Holdings	MS&AD Holdings	○		○	
Overseas insurance subsidiaries	Overseas			○	
Other(*)	Other			○	

(\*) Domestic group companies operating such as risk-related services

### Third-Party Assurance

Since 2015, the MS&AD Insurance Group has engaged KPMG AZSA Sustainability Co., Ltd. to perform assurance of selected environmental and social data in order to assure credibility of reported figures. The data subject to the third-party assurance for this fiscal year is indicated with ✓.

[KPMG's Independent Assurance Report](#)  (1,953KB)

[The Calculation Methodology](#)  (354KB)

-  Organizational Governance
-  Consumer Issues
-  Environment
-  Community Involvement and Development
-  Human Rights/Labor Practices

## ISO 26000 Core Subjects (Organizational Governance)

### Corporate Governance

As a company with a Audit & Supervisory Board, the Company will endeavor to improve governance by ensuring that independently appointed Audit & Supervisory Board Members appropriately act in their auditing functions, in addition to ensuring that the Board of Directors appropriately acts in its oversight functions, while strengthening the functions of each and actively disclosing information.

- [MS&AD Insurance Group Basic Policies on Corporate Governance](#)
- [MS&AD Insurance Group Basic Policy Pertaining to System for Internal Controls](#)
- [MS&AD Insurance Group Basic Policy for Management of Conflicts of Interest](#)
- [MS&AD Insurance Group Basic Policy Concerning Antisocial Forces](#)

### Directors (as of 27 June 2022)

Chairperson of the Board	Chairman (except holding concurrent post of President)
Number of Directors	11 (*1)
Number of Outside Directors	5 (*2)
Number of independent Directors	5 (*3)
Number and ratio of women at the Board of Directors	3 / 27.3%

(\*1) Board members average tenure 4.3years

(\*2) Outside directors average tenure 3.0years

(\*3) The number of outside directors with relevant work experience in our company's sector : 1

### Corporate Auditors (as of 27 June 2022)

Establishment of Board of Auditors	Established
Number of Audit and Supervisory Board Member	4
Number of Outside Audit and Supervisory Board Member	2
Number of independent Audit and Supervisory Board Member	2
Number and ratio of women in corporate auditors	2 / 50.0%

### Nomination and Remuneration

- [Detailed Information](#)

**Number of Meetings of Board of Directors etc.**

Function		FY2021
Business Execution, Oversight	Board of Directors	12 *1
	Governance Committee	2
	Group Management Committee	12
	Task-Specific Committees	
	Sustainability Committee	5
	Quality Improvement and Compliance Committee	5
	Digitalization Committee	4
	Group Systems Committee	13
	Group International Business Committee	3
	Risk Management Committee	8
Group standardization Committee	3	
Auditing, Oversight	Board of Auditors	11 *2

(\*1) Outside Directors average attendance rate 100%. All directors average attendance rate 100%

(\*2) Outside Corporate Auditors average attendance rate 100%

[> Detailed information of Corporate Governance](#)

## Information Voting Right

Classification	Number of shares (shares)	Number of Voting Rights	Description
Non-Voting shares	-	-	-
Shares with Restricted Voting Right (treasury shares, etc)	-	-	-
Shares with Restricted Voting Right (others)	-	-	-
Shares with Full Voting Right (treasury shares, etc)	(Treasury Shares) Common Stock 46,187,000	-	Share Unit Number (100 shares)
Shares with Full Voting Right (others)	Common Stock 545,874,400	5,458,744	Same as above
Fractional Shares	Common Stock 1,571,491	-	Fractional Shares (Less than 100 shares)
Total number of Outstanding Shares	593,632,891	-	-
Total number of Vote	-	5,458,744	-

## Political Donations\*

Name of Organization	Coverage	Unit	FY2019	FY2020	FY2021
The People's Political Association (Liberal Democratic Party)	Consolidated	thousand JPY	20,700	21,000	21,000

(\*) As a member of society, MS&AD Insurance Group believes that it is necessary to pay an appropriate share, and we make political donations to the extent permitted by law.

## Compliance

- [MS&AD Insurance Group Compliance Basic Policy](#)
- [MS&AD Insurance Group Basic Policy for Management of Customer Information](#)
- [MS&AD Insurance Group Basic Policy for Shared Use of Customer Information](#)
- [MS&AD Insurance Group Basic Policy for Management of Outside Vendors](#)
- [MS&AD Insurance Group Tax Policy](#)

## Speak-up system (Whistleblowing system)

Items	Coverage	Units	FY2019	FY2020	FY2021
Number of cases reported	Consolidated	cases	164	172	154 (*)

(\*)Of the cases received in FY2021, of incidents of harassment was confirmed in 16 cases (as of April 2022).

[Speak-up system \(Whistleblowing system\)](#)

## Risk Management

[MS&AD Insurance Group Risk Management Basic Policy](#)

## Information Disclosure

[MS&AD Insurance Group Basic Policy for Disclosure of Information](#)

## ISO 26000 Core Subjects (Consumer Issues)

[MS&AD Insurance Group Basic Policy for Responding to Customer Communications](#)

## Progress and KPI(key performance indicators) in relation to our customer-first policy in the business operations (In japanese only)

The Group's five domestic insurance companies have disclosed their initiatives based on their Customer-first Policy in the Business Operations and KPI used to evaluate the result of their initiatives.

[Mitsui Sumitomo Insurance Co., Ltd.](#)

[Aioi Nissay Dowa Insurance Co., Ltd.](#)

[Mitsui Direct General Insurance Co., Ltd.](#)

[Mitsui Sumitomo Aioi Life Insurance Co., Ltd.](#)

[Mitsui Sumitomo Primary Life Insurance Co., Ltd.](#)

## ISO 26000 Core Subjects (Environment)

[MA&AD Insurance Group Basic Policy on the Environment](#)

## Greenhouse Gas (GHG) Emissions in Business Activities

With our support for the Paris Agreement adopted in 2015, we have signed the Paris Pledge for Action that calls on its signatories to address climate change and global warming. On May, 2021 we have set a goal of Net Zero GHG emissions by FY 2050. In order to achieve the goal, we also set 2030 interim targets for GHG emission reduction (Scope 1, 2 and part of 3) and renewable energy use (60% in 2030). For Net Zero it is essential to reduce GHG emission in supply chain as in our own business operation. We will promote initiatives together with our customers, agents and other stakeholders.

(Percentage change from the previous year in parenthesis)

Items	Coverage	Units	FY2019	FY2020	FY2021	Third-Party Assurance
GHG emissions (Scope 1,2,3)	Consolidated	t-CO2	257,207 (▲51.5%)	224,599 (▲12.7%)	199,630 (▲11.1%)	
GHG emissions (Scope 1)	Group Domestic + Other	t-CO2	18,491 (7.7%)	15,883 (▲14.1%)	14,915 (▲6.1%)	✓
	Consolidated	t-CO2	22,870 (▲12.6%)	19,686 (▲13.9%)	17,584 (▲10.7%)	✓
GHG emissions (Scope 2)	Group Domestic + Other	t-CO2	57,063 (▲8.3%)	54,824 (▲3.9%)	51,629 (▲5.8%)	✓
	Consolidated	t-CO2	65,588 (▲8.8%)	57,569 (▲12.2%)	53,907 (▲6.4%)	✓
GHG emissions (Scope 1 and Scope 2 combined)	Group Domestic + Other	t-CO2	75,554 (▲4.8%)	70,707 (▲6.4%)	66,544 (▲5.9%)	✓
	Consolidated	t-CO2	88,458 (▲9.8%)	77,255 (▲12.7%)	71,491 (▲7.5%)	✓
GHG emissions (Scope 3)	Consolidated	t-CO2	168,748 (▲61.0%)	147,344 (▲12.7%)	128,139 (▲13.0%)	

(\*) We have revised the figures in FY2019, FY2020 by improving the accuracy of business activities' data which is the basis of calculation.

## GHG emissions (Scope 3)

(Percentage change from the previous year in parenthesis)

Items	Coverage	Units	FY2019	FY2020	FY2021	Third-Party Assurance
Category 1 Purchased goods and services (*1)	Group Domestic + Other	t-CO2	55,727 (4.0%)	47,523 (▲14.7%)	43,881 (▲7.7%)	✓
Category 2 Capital goods	Consolidated	t-CO2	60,720 (▲0.3%)	61,824 (1.8%)	50,784 (▲17.9%)	✓
Category 3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)(*2)	Consolidated	t-CO2	17,008 (65.5%)	16,003 (▲5.9%)	15,265 (▲4.6%)	✓
Category 5 Waste generated in operations(*2)	Consolidated	t-CO2	2,034 (▲41.3%)	1,295 (▲36.3%)	1,172 (▲9.5%)	✓
Category 6 Business trip(*4)	Consolidated	t-CO2	16,101 (107.6%)	4,163 (▲74.1%)	4,232 (1.7%)	✓
Category 7 Employee commuting(*3)	Group Domestic + Other	t-CO2	10,078 (36.4%)	9,956 (▲1.2%)	6,983 (▲29.9%)	✓
Category 13 Downstream leased assets	Consolidated	t-CO2	7,082 (▲6.2%)	6,581 (▲7.1%)	5,821 (▲11.5%)	✓
Category15 : investments	Group Domestic	Please refer to <b>【Underwriting · Investments】</b> for details *5				

(\*1) We have revised the boundary from FY2019.

(\*2) We have revised the figures in FY2019, FY2020 by improving the accuracy of business activities' data which is the basis of calculation.

(\*3) Regarding the amount of activity for employee commuting, the attendance rate is not taken into consideration until 2020, and the attendance rate is taken into consideration from 2021.

(\*4) From fiscal 2019, the range of business trips subject to calculation has been changed from only airplanes to all business trips including railroads and taxis.

(\*5) Please refer [HERE](#) for the Underwriting Investment details

## Data on Environmental Burden

### Scope 1 & 2 Coverage [the Group's consolidated figures (including overseas Companies)]

(Percentage change from the previous year in parenthesis)

Items	Coverage	Units	FY2019	FY2020	FY2021	Third-Party Assurance
Electricity	Consolidated	MWh	139,808 (▲1.9%)	133,440 (▲4.6%)	131,255 (▲1.6%)	
Heat supply	Consolidated	GJ	61,806 (▲10.0%)	67,767 (9.6%)	64,867 (▲4.3%)	
City gas	Consolidated	thousand m3	2,051 (▲24.9%)	1,936 (▲5.6%)	1,952 (0.8%)	
Liquefied Petroleum Gas	Consolidated	t	134 (▲11.2%)	82 (▲38.9%)	47 (▲43.3%)	
Heavy oil	Consolidated	k ℓ	55 (8.0%)	40 (▲26.9%)	45 (12.8%)	
Kerosene	Consolidated	k ℓ	51 (2.5%)	57 (11.3%)	30 (▲47.4%)	
Diesel oil	Consolidated	k ℓ	0.8 (▲89.2%)	0.6 (▲29.2%)	0.6 (2.7%)	
Gasoline	Consolidated	k ℓ	7,592 (▲8.9%)	6,410 (▲15.6%)	5,574 (▲13.0%)	
Total energy consumption (*1)	Consolidated	MWh	258,022 (▲7.1%)	239,805 (▲7.1%)	228,273 (▲4.8%)	✓
		GJ	928,880 (▲7.1%)	863,298 (▲7.1%)	821,784 (▲4.8%)	✓

(\*) We have revised the figures in FY2019, FY2020 by improving the accuracy of business activities' data which is the basis of calculation.

(\*1) The calculation of the total energy consumption in MWh and GJ is based on unit heat values specified in Japan's Act on the Rational Use of Energy except for purchased electricity, for which 3.6GJ/MWh is used.

## Scope 3 Coverage (major items)

(Percentage change from the previous year in parenthesis)

Items		Coverage	Units	FY2019	FY2020	FY2021	Third-Party Assurance
Paper(*1)		Group Domestic + Other	t	13,051 (23.8%)	10,035 (▲23.1%)	9,090 (▲9.4%)	
Proportion of paper with forest certification		MSI, ADI, MSI Aioi Life	%	23.7 (85.4%)	28.5 (20.0%)	28.3 (▲0.6%)	
Total water use		Consolidated	thousand m3	995 (0.5%)	766 (▲23.1%)	707 (▲7.7%)	✓
Disposed waste (*2)	Total	Consolidated	t	9,947 (▲2.1%)	7,818 (▲21.4%)	7,286 (▲6.8%)	✓
	Recycled		t	4,782 (5.7%)	4,643 (▲2.9%)	4,226 (▲9.0%)	✓
	Final disposal amount		t	5,165 (▲8.3%)	3,175 (▲38.5%)	3,060 (▲3.6%)	✓
	Incinerated		t	4,903 (-)	3,034 (▲38.1%)	2,988 (▲1.5%)	
	Landfilled		t	263 (-)	140 (▲46.6%)	72 (▲48.7%)	
Business trip(*3)		Consolidated	thousand passenger -km	207,808 (341.0%)	44,498 (▲78.6%)	43,998 (▲1.1%)	✓

(\*1) We have revised the boundary from FY2019.

(\*2) We have revised the figures in FY2019, FY2020 by improving the accuracy of aggregation.

(\*3) We have revised the boundary to include all type of business travel from FY2019.

## Renewable Energy Generation

We have installed solar power generation systems in our four major buildings, and are promoting to reduce GHG emissions by using such renewable energy.

(Percentage change from the previous year in parenthesis)

Items	Coverage	Units	FY2019	FY2020	FY2021	Third-Party Assurance
Energy Generation	5 Buildings (*1)	kWh	50,953 (▲11.0%)	54,441 (6.8%)	68,430 (25.7%)	✓
Energy Consumption (*2)	Consolidated	kWh	6,499,953 (-)	13,226,441 (103.5%)	18,136,730 (37.1%)	✓
Renewable energy introduction rate	Consolidated	%	4.7	9.9	13.8	

(\*1) MSI Surugadai bldg. & Surugadai Annex, MSI Osaka Yodoyabashi bldg, ADI Tokyo Customer Center bldg, Tamagawa Training Center

(\*2) Renewable energy generation and usage of 12,375,000kWh by renewable energy certificate in FY2021. The 882,000kWh certificate is used across countries.

## Cost Effect

Items	Coverage	Units	FY2019	FY2020	FY2021
Electricity *1	Consolidated	thousand JPY	5,958	▲402,627	122,348
Gasoline *2	Consolidated	thousand JPY	▲131,278	▲252,985	38,885
Copy Paper	Group Domestic + Other	thousand JPY	14,163	▲64,680	▲28,892

(\*1) We have revised the figures in FY2019, FY2020 by improving the accuracy of business activities' data which is the basis of calculation.

(\*1) Calculated from the average unit price at MS&AD Holdings.

(\*2) Calculated from the petroleum products price survey gasoline nationwide annual average unit price (Agency for Natural Resources and Energy).

## Environmental Approaches through Supply Chain

Our efforts to reduce the environmental burden are also promoted in conjunction with key business partners. We are engaged in green purchasing, prioritizing eco-friendly products in procuring the materials used in our operations, and our entire value chain is working to establish a sustainable society. In addition, we are working with policyholders on Eco insurance certificates and web policy clauses that reduce the environmental burden of business activities and, at the same time, improve the convenience of policyholders.

Items	Coverage	Units	FY2019	FY2020	FY2021
Selection rate of web policy clauses *	MSI, ADI	%	77.1	77.2	77.6
Number of trees corresponding to the reduced amount of paper	MSI, ADI	tree	23,311	25,836	24,848

(\*) Online "Terms & Conditions" in consideration of environment

## ISO 26000 Core Subjects (Community Involvement and Development)

Through our Group's social contribution activities and involvement in and support for community development, companies can help their employees become interested in understanding the community and society, be creative, and be able to build a network with the communities. Based on these ideas, the Group provides our employees with opportunities to take part in social contribution activities, and we have seen the number of participants is increasing. In fiscal 2018, over 70% of employees in Japan joined the social contribution activities. If our employees think it difficult to spare time to physically participate in these activities, they can alternatively make a monetary contribution through the employees' social contribution activity team. The monetary contributions start at 100 yen, and the contributions are withdrawn from their monthly salaries. We also strive to disclose social contribution expenditures, including conversion of social contribution activities.

Items		Coverage	Units	FY2019	FY2020	FY2021
Number of acquirer of Volunteer leave		MSI, ADI, MSI Aioi Life	people	6	21	15
Number of acquirer of Volunteer suspension		MSI, ADI, MSI Aioi Life	people	1	1	0
Number of employees engaged in social contribution activities		Group Domestic	people	27,673	26,519	23,024
MS & AD Unison Smile Club Number of members		Group Domestic	people	14,967	14,626	13,971
Disaster Relief Donation Matching Gift Program	Donated amount *1	Consolidated	thousand yen	37,673	33,381	16,939
	Number of participants *2	Consolidated	people	14,782	13,385	6,245
corporate philanthropic contributions				1,622,130	1,211,100	1,100,948
(Breakdown) Purpose	Charitable Donations	Group Domestic	thousand yen	46,070	42,020	140,543
	Community Investments			1,150,530	820,170	626,247
	Commercial Initiatives			425,530	348,910	334,158
(Breakdown) Money conversion	Cash contributions			1,491,450	1,088,020	976,940
	Employee volunteering during paid working hours			7,690	7,760	2,270
	In-kind donation, facility opening etc			16,180	15,330	23,860
	Management overheads			106,810	99,990	97,878

(\*1) Total amount of Donation Matching Gift and Donation from employees

(\*2) Total participants

## ISO 26000 Core Subjects (Human Rights) (Labor Practices)

### Breakdown of employees

Items	Coverage		Units	FY2019	FY2020	FY2021	Third-Party Assurance	
Number of Group employees *1  Temporary employees are superscripted as the average number of annual temporary hires in the bracket.	Consolidated	male-female combined total	people	41,563	41,501	39,962		
				(9,051)	(8,615)	(8,103)		
		male		19,686	19,379	18,433		
		female		21,877	22,122	21,529		
	Group domestic	male-female combined total		32,072	32,002	30,724		
				(8,362)	(7,988)	(7,321)		
		male		15,277	14,960	14,184		
		female		16,795	17,042	16,540		
		companies	MSI	14,353	14,168	13,453		
			ADI	13,775	13,933	13,503		
			MD	552	559	528		
			MSA	2,588	2,529	2,436		
	MSP		396	390	403			
	holding company	HD	408	423	401			
	Domestic employees (including group companies) /Consolidated employees			%	77.2	77.1	76.8	
	Overseas	male-female combined total	people	9,236	9,230	8,943	✓	
				(679)	(619)	(771)		
		male		4,214	4,209	4,027		
		female		5,022	5,021	4,916		
		Overseas employees/ Consolidated employees			%	22.2	22.2	22.4
Others *2	male-female combined total	people	255	269	295			
			male	195	210	222		
	female		60	59	73			
	Other employee/ Consolidated employees			%	0.6	0.6	0.7	

(\*1) The number of employees represents the number of persons in employment, and does not include executive officers and employees on leave.

(\*2) Risk-related service businesses operated by the Group Companies other than those in the domestic insurance industry. From 2019, Leadenhall Capital Partners LLPUK is included in Overseas.

## Number of Employees by Age

Items	Coverage			Units	FY2019	FY2020	FY2021
Number of Employees by Age (Group Domestic)	Under 30	male-female combined total		people	7,019	7,020	6,416
			male		2,320	2,322	2,175
			female		4,699	4,698	4,241
	30~39	male-female combined total			7,036	7,019	6,852
			male		3,057	2,984	2,825
			female		3,979	4,035	4,027
	40~49	male-female combined total			8,256	7,856	7,276
			male		3,727	3,433	3,106
			female		4,529	4,423	4,170
	50~59	male-female combined total			7,847	7,988	7,989
			male		4,657	4,652	4,498
			female		3,190	3,336	3,491
	60 and above	male-female combined total			1,914	2,100	2,173
			male		1,516	1,554	1,566
			female		398	546	607
	Others *				-	19	18

(\* )No further classification due to privacy

## Employment

Items	Coverage	Units	FY2019	FY2020	FY2021	
Average age *1	Group domestic	male-female combined total	41.7	41.9	42.3	
		male	44.6	44.7	44.9	
		female	39.1	39.4	40.0	
Average length of service	Group domestic	male-female combined total	13.1	13.4	13.9	
		male	14.0	14.4	14.9	
		female	12.3	12.6	13.1	
New-graduate recruits *2	Group domestic	male-female combined total	861	596	459	
		male	291	208	164	
		female	570	388	295	
Number of mid-career hires *3	Group domestic	male-female combined total	407	350	190	
		male	182	120	78	
		female	225	230	112	
Total turnover rate	Group domestic	male-female combined total	%	3.5	3.4	4.7
Turnover Rate (Voluntary) *4	Group domestic	male-female combined total	%	2.8	2.6	3.2
The ratio between the total annual compensation of the Chief Executive Officer and the mean employee compensation *5	HD	male-female combined total	times	12.3	12.3	12.1

(\*1) The end of March of each year

(\*2) The number of new hires in April of each next year

(\*3) Number of new employees in fiscal year

(\*4) Exclude retirees and are calculated based on voluntary resignees.

(\*5) The total CEO Compensation / Average employee salary.

## Diversity

We are promoting diversity and inclusion (D&I) initiatives in order to create a working environment where all employees with different backgrounds, characteristics, and values can fully demonstrate their abilities and play active roles. The percentage of females in managerial positions has achieved the 2020 15% target. We have set a new target, aiming for 30% in FY2030.

Items	Coverage		Units	FY2019	FY2020	FY2021	Third-Party Assurance
Employment rate and number of employees with disabilities	Group domestic		%	2.43	2.49	2.55	✓
			people	727	730	716	✓
Rehiring Program after retirement Number of users *1	Group domestic		people	1,295	1,492	1,650	
Percentage and number of females among board members and corporate auditors*2	HD	Directors	%	16.7	20.0	27.3	
			people	2	2	3	
		Corporate Auditor	%	50.0	50.0	50.0	
			people	2	2	2	
Percentage and number of females in managerial positions*3	Consolidated	Total managerial positions	%	20.0	21.30	22.7	✓
			people	1,704	1,791	1,843	✓
	Group domestic	General Managers	%	4.3	5.0	5.3	
			people	53	63	67	
		Managers	%	17.3	18.8	20.6	
			people	891	954	990	
		Total managerial positions	%	14.8	16.1	17.5	✓
			people	944	1,017	1,054	✓
	Division that contributes to sales: Total managerial positions *4	%	11.9	14.7	15.8		
		人	465	539	593		

(\*1) Number of people newly or consecutively re-employed on April 1st next fiscal year

(\*2) Approved at shareholders meeting held each next fiscal year.

(\*3) As of April 1st next fiscal year for Group Domestic. As of December 31st for Overseas insurance subsidiaries

(\*4) Number of sales and insurance payers

## Human Rights

In February 2017, the Group established MS & AD Insurance Group Basic Policy on Human Rights and implemented the Group's human rights due diligence system. We provide our employees with human rights training every year in order for them to understand human rights better and to develop an organizational culture that respects human rights.

Items	Coverage	Units	FY2019	FY2020	FY2021
Trainings of Human rights*	Group domestic	%	100.0	100.0	100.0

(\*)Rate of departments that conducted human rights trainings that required all employees to participate

Items	Coverage	Units	FY2019	FY2020	FY2021
Labor union membership rate	Group domestic	%	93.5	93.6	93.4

## Human Asset Development

Items	Coverage	Units	FY2019	FY2020	FY2021
Total training hours	Group domestic	hours	-	846,050	954,523
Average training hours per person	Group domestic	hours	-	26.4	31.1
Total training cost	Group domestic	thousand JPY	-	1,670,079	1,630,995
Average training cost per person	Group domestic	JPY	-	52,187	53,085
Number of participants of the Trainee System*1	Group domestic	people	983	633	1,258
Number of participants of the Global Trainee System*2	Consolidated	Total	92	74	195
		Domestic employee	46	0	82
		Local employee	46	74	113
Number of participants of the overseas career training program*3	Group domestic	people	43	6	7
Number of participants of the Temporary Transfer System to Headquarters from Overseas Branches*4	Consolidated	people	15	0	0 * 5
Number of actuaries*6	Group domestic	male-female combined total	111	123	127
		male	-	119	123
		female	-	4	4
Digital human resources *7	Group domestic	people	-	-	2,179
Global human resources *8	Group domestic	people	-	-	1,129

- (\*1) Short-term program which allows employees to experience work they have never done before, at the request of the employee.
- (\*2) Short-term program which allows employees in Japan to experience working at overseas subsidiaries, as well as local employees at overseas subsidiaries to experience working at the head office.
- (\*3) MBA dispatch program, and training program which allows employees to experience working for a year at overseas subsidiaries or insurance companies.
- (\*4) Transfer system for which allows the local employees from overseas experience the jobs at the head office for 6 months to 1 year in Japan.
- (\*5) Number decreased due to immigration restrictions by COVID-19
- (\*6) Number of professional actuaries employed by the MS&AD Group with specialized skills for making full use of probability, statistical and other mathematical techniques used in product development, risk management and other processes (as of April 1 of the subsequent fiscal year).
- (\*7) Employees who can utilize the latest digital technology and data (as of next April 1 of the every fiscal year)
- (\*8) Employees who have experienced expatriates and potential candidates (as of next April 1 of the every fiscal year)

**Employee satisfaction \*1**

Items	Coverage	Units	FY2019	FY2020	FY2021
Employee satisfaction (questionnaire results), "Pride, Job satisfaction"*2	Group domestic	point	4.4	4.4	4.4
Employee satisfaction (questionnaire results), "Working Vigorously"*3		point	4.5	4.5	4.6

- (\*1) The results of the opinion poll asking all Group employees (all-employee average on a 6-point scale, Scope: 45,420 all domestic employees including temporary employees at the time of survey, Response rate: 96.0%).
- (\*2) Ratio of employees feeling pride or job satisfaction
- (\*3) Ratio of employees, regardless of gender and age, feeling free and lively at workplaces.

## Programs for Promoting Work-life Balance

We have been developing an effective system that helps employees actively work with satisfaction and with the feeling of growth by balancing their work and personal life. In particular, we have set KPI for the rate of male employees taking childcare leave, and encouraged them to take part in the program.

Items	Coverage*1		Units	FY2019	FY2020	FY2021
Temporary leave before / after childbirth Number of acquirers	Group domestic		people	809	737	767
Number of employees taking childcare paid leave	Group domestic	male-female combined total	people	1,052	937	1,092
		male	people	286	265	355
		female	people	766	672	737
Acquisition rate of childcare paid leave	Group domestic	male-female combined total	%	86.3	85.9	92.7
		male	%	64.6	69.0	86.4
		female	%	98.7	95.0	96.1
Flexible working hours for childcare Number of acquirers	Group domestic	shorter hours	people	1,308	1,437	1,246
		flextime	people	122	132	101
		change of Starting / finishing time	people	76	94	99
Temporary retirement for nursing Number of acquirers	Group domestic	male-female combined total	people	18	14	19
		male	people	1	1	2
		female	people	17	13	17
Flexible working hours for nursing Number of acquirers	Group domestic	number of acquirers	people	20	15	21
Paid leave	Group domestic	ratio of days taken*2	%	67.5	68.1	74.3
		days taken	days	15.6	15.0	16.3

(\*1) Includes temporary employees

(\*2) Number of days acquired / granted

## Occupational Health and Safety (OHS)

In accordance to the Occupational Safety and Health Act, a health committee has been established to research and discuss relevant topics to preventative measures for OHS-related concerns and initiatives to support employees' health. We strive to provide a workplace environment that considers employee's health and safety. In addition, we have a group-wide health checkup system, a health management center, and a consultation room for employees in order to ensure that our employees can maintain their good health even better.

Items	Coverage	Units	FY2019	FY2020	FY2021	Third-Party Assurance
Number of claims for work related injuries	Total	cases	162	156	189	
	Work-related accident	cases	74	83	78	
	Accident during commute	cases	88	73	111	
	Fatality accident	cases	0	0	0	
Consultation rate of Medical Checkup*1	Group domestic	%	100.0	100.0	100.0	
Absentee rate*2	Group domestic	%	0.511	0.433	0.548	✓

(\*1) Number of employees undergoing medical checkup consultation / number of employees

(\*2) Total days lost due to absenteeism / Total days scheduled to be worked

## Underwriting Investments

[>](#) ESG integration and sustainability approach

## Products and services that contribute to achieving Sustainable Development Goals (SDGs)

Item	Scope	FY2021
Products and services that contribute to achieving Sustainable Development Goals (SDGs)※1 < Target Products > Products and services that contribute to “Planetary Health” Products and services that contribute to “Resilience” Products and services that contribute to “Well-being”	Group Domestic + Others	about 64%

(※1) Percentage of net premiums written

## Green Products and Services that Contribute to “Planetary Health”

Item	Scope	FY2021
Annual growth rate of green underwriting※1	MSI, ADI	19.98%

(※1) Annual average growth in premiums of insurance products that contribute to planetary health

## Greenhouse gas emissions in investment portfolio (Scope3 Category15)

Methodologies for GHG emission in investment portfolio is under development and has not been well established yet.

Our company is upgrading our methodologies in line with developments.

The following table shows the carbon footprints of investee companies. Scope 1 and Scope 2 GHG emissions are calculated through using Trucost's tool for calculating.

We calculated in different manners previously. (FYI please find samples of previous years beneath tables)

(Absolute Unit : kt-CO2e, Intensity Unit:t-CO2e/US\$M)

Asset Class		2020※1	2021※2
Stocks	Absolute	2,223	2,453
	Intensity	111.0	129.5
Corporate bonds	Absolute	3,052	2,410
	Intensity	148.0	139.5

(Absolute Unit : kt-CO2e, Intensity Unit:t-CO2e/US\$M)

Region			2020※1	2021※2
Japan	Stocks	Absolute	2,122	2,305
		Intensity	95.2	110.7
	Corporate bonds	Absolute	2,513	1,818
		Intensity	103.7	87.1
Americas	Stocks	Absolute	71	114
		Intensity	11.8	15.5
	Corporate bonds	Absolute	305	324
		Intensity	30.8	32.4
Asia	Stocks	Absolute	24	21
		Intensity	3.1	2.1
	Corporate bonds	Absolute	71	140
		Intensity	5.3	11.4
Europe	Stocks	Absolute	5	13
		Intensity	1.0	1.2
	Corporate bonds	Absolute	139	101
		Intensity	5.9	6.1
Other	Stocks	Absolute	0	0
		Intensity	0.0	0.0
	Corporate bonds	Absolute	24	27
		Intensity	2.2	2.4

(※1)Calculated in FY2020 using portfolio as of end of March 2020. Coverage for Stock 99%, Corporate Bonds 56%

(※2)Calculated in FY2021 using portfolio as of end of March 2021. Coverage for Stock 98%, Corporate Bonds 68%

**< Reference >**

Samples of our previous calculations. (Continuous comparisons of time series are not possible due to the calculation method used in prior years differ from the above table.)

・ 2018 : Stocks 3,518,872t-CO2e、223.1t-CO2e/US\$1M Corporate bonds 3,605,006 t -CO2e、410.1t-CO2e/US\$1M Coverage for Stock 90%, Corporate Bonds 83%

・ 2019 : Stocks 3,196,641t-CO2e、198.7t-CO2e/US \$ 1 M、Corporate bonds 3,670,703t-CO2e、319.7t-CO2e/US \$ 1M Coverage for Stock 83%, Corporate Bonds 60%

# Governance

The MS&AD Insurance Group have established “Our Mission, Our Vision and Our Values” as aspirations that all Group officers and employees should prioritize in all aspects of their work, and we are working to disseminate these aspirations to all of the officers and employees of the Company and Group companies. In addition, we have set corporate governance, compliance, and risk management as priority issues within our Group Medium-Term Management Plan and are making active efforts to promote them.

<a href="#">Outline of the Group</a> >	<a href="#">Corporate Governance</a> >
<a href="#">Compliance</a> >	<a href="#">ERM and Risk Management</a> >
<a href="#">Information Management</a> >	<a href="#">Transaction Responsibilities</a> >
<a href="#">Information Disclosure</a> >	<a href="#">Medium-Term Management Plan</a> >

# Outline of the Group

The MS&AD Insurance Group supports the business and life activities of its customers with the all-around capability of its Group companies.

[Company Information](#) >

[Financial and Non-Financial Highlights](#) >

- > [Company Overview](#)
- > [Organizational Chart](#)
- > [History](#)

[Group Structure](#) >

[Our Business](#) >

## Company Overview

MS&AD Insurance Group Holdings, Inc. is the insurance holding company of the new Group formed in April 2010 through the merger of Aioi Insurance Co., Ltd., Nissay Dowa General Insurance Co., Ltd., and Mitsui Sumitomo Insurance Group.

The purpose of MS&AD insurance Group is to achieve sustainable growth and to enhance enterprise value through the creation of a world-leading insurance and financial services group that operates globally, by rapidly and significantly improving quality and expanding its operating presence and corporate resources.

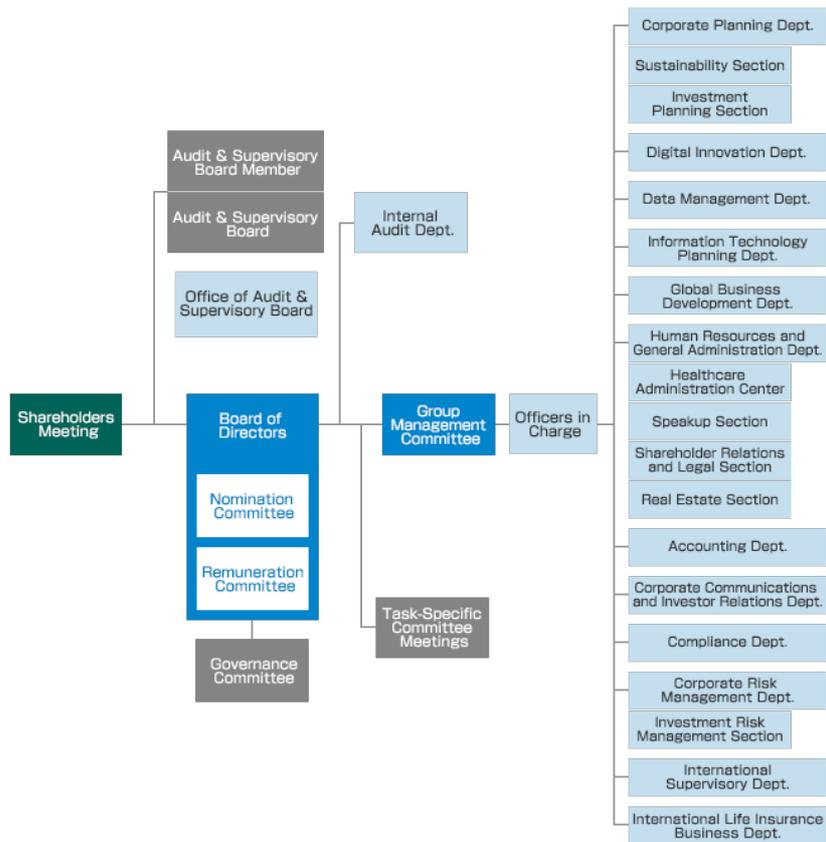
<b>Corporate Name</b>	MS&AD Insurance Group Holdings, Inc. Abbrev.: MS&AD Holdings
<b>Date Established</b>	Apr. 1, 2008 (Name changed in Apr. 1, 2010)
<b>Headquarters</b>	Tokyo Sumitomo Twin Building (West Tower) 27-2, Shinkawa 2-chome, Chuo-ku, Tokyo, Japan <a href="#">Map</a>
<b>Representative</b>	Noriyuki Hara, Representative Director, President & CEO
<b>Paid-in Capital</b>	100,808 million yen (As of July 26, 2022)
<b>Number of Employees</b>	401 (As of March 31, 2022)
<b>Business Description</b>	Our activities as an insurance holding company are: <ol style="list-style-type: none"> <li>1. Management of non-life and life insurance companies and companies qualified to become subsidiaries under insurance business law.</li> <li>2. Any business associated with previous body.</li> </ol>
<b>Stock Listing</b>	Tokyo Stock Exchange (Prime Market) Nagoya Stock Exchange (Premier Market)

## Related Information

[Corporate Video](#) 

[Group Structure](#)

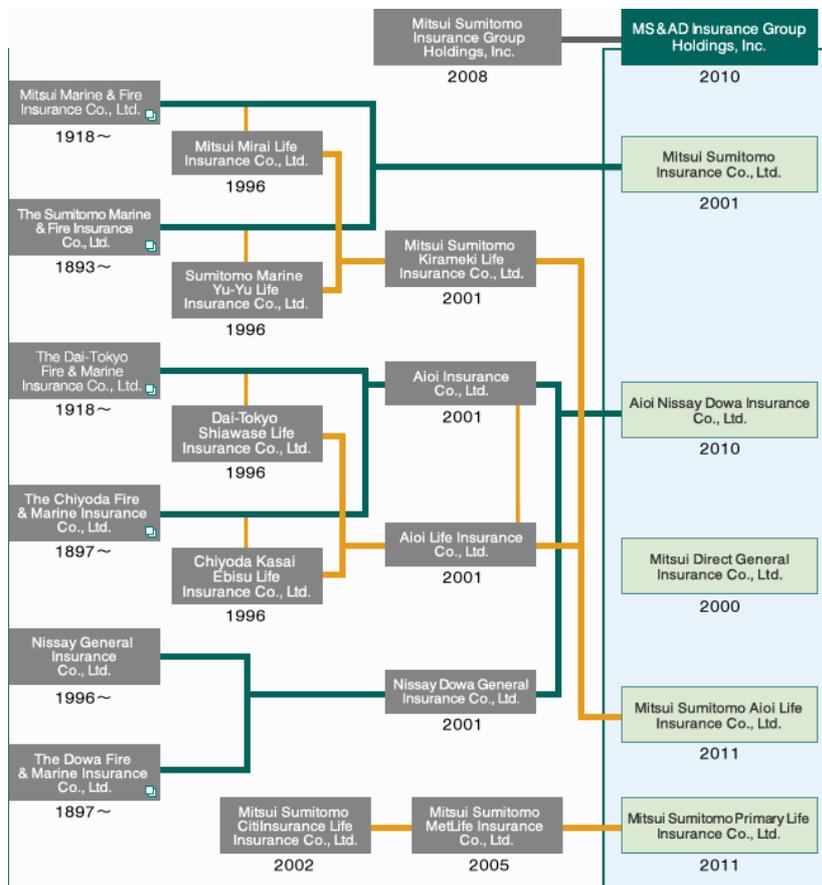
# Organizational Chart



# History

- ▼ Background of Group Integration
- ▼ History of Holdings

## Background of Group Integration



## History of Holdings

April 2008	Mitsui Sumitomo Insurance Group Holdings, Inc. is incorporated.
	Mitsui Sumitomo Insurance Group Holdings, Inc. Listed on Tokyo Stock Exchange and Osaka Securities Exchange and Nagoya Stock Exchange.
September 2009	Aioi Insurance Co., Ltd., Nissay Dowa General Insurance Co., Ltd., and Mitsui Sumitomo Insurance Group Holdings, Inc. reach basic agreement on business integration. In conjunction, announced integration plan, president of the holding company, address, descriptions and corporate name, etc.
April 2010	Mitsui Sumitomo Insurance Group Holdings, Inc. changed its name to MS&AD Insurance Group Holdings, Inc.
October 2010	Aioi Insurance Co., Ltd. and Nissay Dowa General Insurance Co., Ltd. merged into "Aioi Nissay Dowa Insurance Co., Ltd."
April 2011	MS & AD Insurance Group Holdings, Inc. converted Mitsui Sumitomo MetLife Insurance Co., Ltd. into a wholly owned subsidiary and renamed it Mitsui Sumitomo Primary Life Insurance Company, Limited
October 2011	Mitsui Sumitomo Kirameki Life Insurance Co., Ltd. and Aioi Life Insurance Co., Ltd. merged into "Mitsui Sumitomo Aioi Life Co., Ltd."

 [History of Mitsui Sumitomo Insurance \(link to website\)](#) 

## Five Business Domains

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Harnessing the distinguishing features of each Group company, every effort is being made to provide a wide range of products and services to address diversifying risks and meet customer needs.

### Domestic Non-Life Insurance Business

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No. 1 position in the domestic non-life insurance market, making group-wide efforts to comprehensively meet diverse customer needs

#### **MS&AD** Mitsui Sumitomo Insurance

**【Features】** Comprehensive capabilities and global business development

**【Products】** Product development that creates social value in response to customer needs

#### **MS&AD** Aioi Nissay Dowa Insurance

**【Features】** With a focus on innovation, diversity, close relationships with local communities; striving to become a unique company with its own distinctive character

**【Products】** Innovative product development as a pioneer in the field of telematics insurance

#### **MS&AD** Mitsui Direct General Insurance

**【Features】** Professional claims handling (accident response) based on smartphones

**【Products】** Easy-to-understand products and services and reasonable premiums

### Domestic Life Insurance Business

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Leveraging the distinctive strengths of two group companies in protection-type and asset-building products

#### **MS&AD** Mitsui Sumitomo Aioi Life Insurance

**【Products】** Protection-type products

As Japan increasingly becomes a super-aged society, there is a growing need for medical/nursing care products as well as death benefit and other protection-type products

**【Sales channels】**

The Group has developed diverse sales channels centered on cross-selling through the agents of the Group's two core non-life insurance companies, financial institutions, professional life insurance agents and direct sales personnel

#### **MS&AD** Mitsui Sumitomo Primary Life Insurance

**【Products】 Asset-building and asset-inheritance products**

Suitable to the diversification of customer needs as Japan increasingly becomes a super-aged society, asset-inheritance products that can be used for inheritances or living donations and asset-building type insurance products

**【Sales channels】**

Over-the-counter sales by financial institutions (e.g., banks, securities companies)

## International Business

An overseas network covering 49 countries and regions \* No. 1 in terms of non-life gross premiums written in the ASEAN region



\* Excluding the Cayman Islands, where SLI Cayman Limited (financial services business) is located. (As of April 1, 2020)

## Financial Services Business

Leveraging the full range of its capabilities as an insurance and financial services group to provide new financial products and services



## Risk-Related Services Business

Creating synergies with the insurance business by deploying global risk solution services

- MS&AD** InterRisk Research Institute & Consulting, Inc.
- MITSUI SUMITOMO INSURANCE** Care Network Co., Ltd.
- MS&AD** MS&AD GRAND ASSISTANCE Company, Limited
- Fureai Do-Life Services Co., Ltd.**

**MS&AD Group companies that support the five business domains**

- MS&AD** MS&AD Business Support Co., Ltd.
- MS&AD** MS&AD Systems Co., Ltd.
- MS&AD** MS&AD ABILITYWORKS Company, Limited
- MS&AD** MS&AD Staffing Service Co., Ltd.
- MS&AD** MS&AD Business Service Co., Ltd.
- MS&AD** MS&AD VENTURES

# Group Structure

MS&AD Holdings is a listed holding company with five directly invested Group insurance companies in Japan: Mitsui Sumitomo Insurance Co., Ltd. (MSI), Aioi Nissay Dowa Insurance Co., Ltd. (ADI), Mitsui Direct General Insurance Co., Ltd. (Mitsui Direct), Mitsui Sumitomo Aioi Life Insurance Co., Ltd. (MSI Aioi Life) and Mitsui Sumitomo Primary Life Insurance Co., Ltd. (MSI Primary Life); and eight affiliated operating companies: MS&AD InterRisk Research Institute & Consulting, Inc., MS&AD Business Support Co., Ltd., MS&AD Staffing Service Co., Ltd., MS&AD Systems Co., Ltd., MS&AD Business Service Co., Ltd., MS&AD GRAND ASSISTANCE Co., Ltd., MS&AD ABILITYWORKS Co., Ltd., and MS&AD VENTURES INC.

## MS&AD Insurance Group Holdings, Inc.

[Company Overview](#)

### [MITSUI SUMITOMO INSURANCE CO., LTD. \(MSI\)](#)

Responsible for non-life insurance business, which is a core business of the MS&AD Insurance Group, MSI is exercising its comprehensive capabilities to offer insurance and financial services business globally.

[Outline](#)

### [AIOI NISSAY DOWA INSURANCE CO., LTD. \(ADI\)](#)

Responsible for non-life insurance business, which is a core business of the MS&AD Insurance Group, ADI is leveraging its strong relationships with the Toyota Group and the Nippon Life Group and engaging in business based on close relationships with local communities.

[Outline](#)

### [MITSUI DIRECT GENERAL INSURANCE CO., LTD. \(Mitsui Direct General\)](#)

Mitsui Direct General is a non-life insurance company that specializes in directly selling personal voluntary automobile insurance to customers via the Internet and phone calls.

[Outline](#)

> MITSUI SUMITOMO AIOI LIFE INSURANCE CO., LTD. (MSI Aioi Life) 

MSI Aioi Life is a life insurance company that offers protection-type life insurance products, while leveraging the Group's marketing network and customer base. The company is realizing a growth model that involves a combination of strategies to utilize unique marketing channels.

▼ Outline

> MITSUI SUMITOMO PRIMARY LIFE INSURANCE CO., LTD. (MSI Primary Life) 

Specializing in the over-the-countersales via financial institutions, MSI Primary Life is a life insurance company that offers asset-building products centered on individual annuity insurance and whole life insurance.

▼ Outline

#### Directly Invested Affiliated Operating Companies

> MS&AD InterRisk Research & Consulting, Inc. 

MS&AD InterRisk Research & Consulting is one of the major risk consulting companies in Japan. It provides companies and government entities with consulting, risk survey, research and investigation, information provision and other services related to diverse kinds of risks.

With overseas bases in Singapore, Thailand, and China, the company is seeking to provide risk solutions throughout the world.

▼ Outline

> MS&AD Business Support Co., Ltd. 

MS&AD Business Support provides the MS&AD Insurance Group with such infrastructure support as printing and logistics and also provides employee welfare services and real estate management services, etc.

▼ Outline

[> MS&AD Staffing Service Co., Ltd. !\[\]\(1e09ed52585a3da062d174f513b6af8e\_img.jpg\)](#)

As the MS&AD Insurance Group's comprehensive human resource company, MS&AD Staffing Service provides each Group company with human resource services and also dispatches and introduces staff to insurance agencies and other customers.

[v Outline](#)

[> MS&AD Systems Co., Ltd. !\[\]\(44399bbde00059e0556d9f0b9bbd1201\_img.jpg\)](#)

MS&AD Systems supports each MS&AD Insurance Group company by taking responsibility for information systems strategy and by planning, designing, developing, and operating information systems.

[v Outline](#)

[> MS&AD Business Service Co., Ltd. !\[\]\(b5954957509651630b70be5ce9af4d09\_img.jpg\)](#)

MS&AD Business Service delivers contract administration services, services related to data entry, the creation of documents and forms, and other services to MS&AD Insurance Group companies.

[v Outline](#)

[> MS&AD GRAND ASSISTANCE Co., Ltd. !\[\]\(e421fba23ea1454f333067be9921e530\_img.jpg\)](#)

As a top-quality call center specializing in assistance services, MS&AD GRAND ASSISTANCE provides such support services as roadside assistance, home assistance and overseas medical assistance.

[v Outline](#)

[> MS&AD ABILITYWORKS Co., Ltd. !\[\]\(8c041a11aa8597eea5234b6dea5f951d\_img.jpg\)](#)

MS&AD Insurance Group is promoting diversity & inclusion by creating a working environment where employees with disabilities can fully utilize their potential and competence.

[v Outline](#)

[> MS&AD VENTURES INC. !\[\]\(8e982d77470b883c016c4a165c3e9220\_img.jpg\)](#)

MS&AD Ventures Inc. is a corporate venture capital firm. It seeks to invest in startups that may lead to new business models and technologies, enabling MS&AD Insurance Group to establish a competitive advantage as an innovation leader across different markets and global territories.

[v Outline](#)

# Corporate Governance

- ▼ Basic Policies on Corporate Governance    ▼ Corporate Governance Stance    ▼ Supervision System (Board of Directors)
- ▼ Support Systems for Outside Directors and Outside Audit & Supervisory Board Members    ▼ Auditing    ▼ Nomination and Remuneration
- ▼ Remuneration Committee    ▼ Criteria for the Selection and Independence of Outside Directors and Outside Audit & Supervisory Board Members
- ▼ Appointment of Outside Directors and Outside Audit & Supervisory Board Members and Related Matters

Our group aims for a "resilient and sustainable society" by 2030, and is working to achieve this through corporate activities that create "stories of value creation."

As a management foundation to support this, we will implement transparent and highly effective corporate governance in our medium-term management plan (2022 -2025).

- > Basic Policies on Corporate Governance
- > Responses to the Corporate Governance Code
- > Internal Control
- > Internal Control Systems
- > Corporate Governance Report (last update : November 18, 2022)  (1,906KB)

## Basic Policies on Corporate Governance

- In line with its Corporate Philosophy (Mission), MS&AD, as a holding company overseeing all group businesses, has established a management framework that ensures transparent, fair, swift and decisive decision-making that takes into account the standpoint of all stakeholders. The Company's objectives are to sustain stability and consistent growth over the long term by using corporate resources efficiently and managing risks properly and ultimately, to further increase enterprise value.
- To this end, the "MS&AD Insurance Group Corporate Philosophy (Mission), Corporate Vision, and Values" were formulated as something all officers and employees of the Group should adhere to in all situations. In addition to working to disseminate these principles among all officers and employees of the Company and its Group companies, corporate governance, compliance, and risk management are positioned as important management issues in the medium-term management plan, and efforts shall be made to actively promote that plan.

※There is a movement to set "Purpose" as an expression of the raison d'etre of a company separate from the management philosophy. However, because our group's Management Philosophy (Mission), which expresses the raison d'etre of a company in a simple and easy to understand manner, has already permeated throughout the Group, our group has determined that "Purpose" is the same as the Management Philosophy.

## Corporate Governance Stance

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- As a company with an Audit & Supervisory Board, the Company will endeavor to improve governance by ensuring that independently appointed Audit & Supervisory Board Members appropriately act in their auditing functions, in addition to ensuring that the Board of Directors appropriately acts in its oversight functions, while strengthening the functions of each and actively disclosing information.
- The Company has formed the Governance Committee (made up of all outside directors, the Chairman of the Board, the Vice Chairman of the Board and the President) in addition to the Nomination Committee and Remuneration Committee (a majority of the members and a chairperson each have been appointed from among the Outside Directors) as internal committees of the Board of Directors, thus building a highly effective and transparent corporate governance system.
- The Company has introduced an executive officer system and is proceeding to delegate authority over business execution to these executive officers to ensure swift execution.

 [Management Structure of MS&AD Insurance Group Holdings, Inc.](#)

## Supervision System (Board of Directors)

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### Role of the Board of Directors

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- In addition to matters specified by law and the Articles of Incorporation, the Board of Directors discusses and decides upon important matters involving Group management strategy and corporate management, including the Group's management policies, management strategies and capital policy, in addition to overseeing the duties of directors and executive officers.
- The Board of Directors allocates management resources according to risk appetite controlled with a balance of risk, return and capital, and aims to increase enterprise value in the medium-to-long term by achieving sustainable growth and improvement in earnings and capital efficiency with a foundation of soundness.
- In addition to appointing executive officers, the Board of Directors aims to separate management decision making and oversight by the Board of Directors from business execution by executive officers by clarifying their respective roles.
- Executive officers are responsible for executing business in the respective areas of business entrusted to them by the Board of Directors, and report on the status of business execution to the Board of Directors.

### Composition of the Board of Directors

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#### Composition of the Board of Directors

More than one-third of the Board of Directors which has eleven members (eight men and three women) are nominated as Outside Directors to incorporate perspectives independent from management, strengthen monitoring and oversight functions, and conduct highly transparent management. As shown below, we are striving to ensure diversity including gender, race, and nationality, while considering the balance of knowledge, experience and abilities of the Board of Directors as a whole. Please refer to Policies on the Board of Directors' Overall Balance of Expertise, Experience, Capabilities, Diversity, and Scale below.

## Expected Roles of Outside Directors

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Outside Directors are expected to perform the following roles:

- Provision of advice from a broad perspective on management policies and management improvement based on their knowledge and experience, with the aim of promoting sustainable corporate growth and increasing enterprise value over the medium-to-long term
- Supervising of management through important decision making at the board level
- Monitoring of conflicts of interest between the Company and related parties such as management\* and/or major shareholders
- Realizing supervising from a standpoint independent of management by fulfilling accountability for stakeholders, including shareholders

\* Collectively refers to the directors, Audit & Supervisory Board Members, and executive officers of the Company and domestic insurance companies in the Group in which the Company has a direct investment.

## Committees Comprised Mainly of Outside Directors / Providing Opportunities for Opinion Exchanges

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Aiming to enable Outside Directors to engage freely in constructive discussions and opinion exchanges, we have formed the following committee and meetings.

- Governance Committee (meets about twice a year)
- Outside Directors Council
- Outside Directors and Outside Audit & Supervisory Board Members Joint Council

## Support Systems for Outside Directors and Outside Audit & Supervisory Board Members

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Support for the activities of the Outside Directors is provided by the Corporate Planning Department, and support for the Outside Audit & Supervisory Board Members is supplied by the Internal Audit Department. The agenda for the Board of Directors' Meetings is explained to the Outside Directors and Outside Audit & Supervisory Board Members in advance of the meetings by the Corporate Planning Department, which acts as the secretariat for the Board of Directors. In addition, information, such as important risk information, is reported on an ongoing basis to all Directors and Audit & Supervisory Board Members, internal and external.

## Support Systems for Directors and Audit & Supervisory Board Members / Training Policy

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The Company has the following systems in place as required for Directors and Audit & Supervisory Board Members to effectively fulfill their roles and responsibilities:

1. The Company has assigned a person in the secretariat of the Board of Directors to each of the Outside Directors and Outside Audit & Supervisory Board Members (hereinafter referred to as "Outside Officers") to provide support in areas such as providing briefings in advance.
2. The Company has established a system for ongoing provision of information and training at the time of appointment and during the term of Directors and Audit & Supervisory Board Members.
3. The Company provides appropriate opportunities for Outside Officers to share information and exchange opinions with management and senior employees.
4. The Company bears the expenses required to enable Outside Officers to fulfill their roles.

## Evaluation of Board of Directors Effectiveness and the Analysis Process

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### Analysis and evaluation process

#### (1) Questionnaires conducted for Directors' self-evaluation and its summary

- A questionnaire consisting of 12 questions (concerning the roles and responsibilities of the Board of Directors, its operation, etc.) was distributed to each Director in advance and the secretariat conducted an interview with each Director based on the questionnaire\*.

\*Excluding the Chairman & Director, the Vice Chairman & Director, and the President & Director

- Evaluation responses mainly focused on whether or not Directors had carried out initiatives to enhance the effectiveness of the Board of

Directors in accordance with the improvement measures (measures for improving capabilities in FY2021) that had been formulated based on the evaluation of the Board of Directors in FY2020.

#### (2) Exchange of opinions at the Outside Director Council

- At a meeting of the Outside Director Council (consisting of all the Outside Directors), Outside Directors exchanged opinions about analysis and evaluation based on the results of the questionnaire.

#### (3) Analysis and evaluation by the Governance Committee and formulation of measures for improving capabilities

- The Governance Committee (consisting of all the Outside Directors, the Chairman & Director, the Vice Chairman & Director, and the President & Director) conducted analysis and evaluation, also taking into account the results of exchanges of opinion at the Outside Director Council and formulated this as measures for improving capabilities in FY2022.

#### (4) Measures for improving capabilities in FY2022 include rapid start and strengthening of initiatives and operation of a PDCA cycle for improving effectiveness

## Summary of the Results of Analysis and Evaluation

Taking into consideration factors such as the content of deliberations at meetings of the Board of Directors, the fulfillment of functions by the Board of Directors, its operation, and efforts to train and provide information to Outside Officers in FY2021, the results were as follows.

<p>FY2021 initiatives and Board of Directors' evaluation result</p>	<ul style="list-style-type: none"> <li>· Constructive discussions were conducted aiming to improve corporate value over the medium to long term, including growth strategies taking into account the environment surrounding the Company and other factors, with a view to formulating the next medium-term management plan. In the discussions, active use was made of meetings outside of the Board of Directors (Outside Officers Study Sessions, etc.)</li> <li>· In regard to sustainability initiatives, the content of initiatives related to climate change risk was proactively disclosed and communicated, including reporting aligned with TCFD.</li> <li>· Sufficient explanation was provided regarding the investment objectives and risks, particularly around overseas business investments, and in-depth discussions and examinations were conducted.</li> <li>· An atmosphere that allows free and direct discussion has been fostered in the Board of Directors, and frank discussions were held, mainly on important proposals.</li> <li>· By holding all types of meetings in online format, it became difficult to have informal exchanges of opinions among fellow Outside Officers and with Inside Officers. Developing a picture of Inside Officers and understanding their thinking requires provision of opportunities to exchange opinions with Inside Officers in small groups.</li> </ul>
<p>FY2022 capability improvement measures</p>	<ul style="list-style-type: none"> <li>· Expand opportunities for Outside Officers to talk with management teams of overseas subsidiaries in order to grasp the potential risks at outside subsidiaries.</li> <li>· Provide opportunities for Outside Officers to observed operating companies and opportunities for them to talk directly with operating company members.</li> <li>· Provide opportunities for free exchanges of opinion between Outside Officers and small groups of Executive Officers.</li> </ul>

※Our company will exchange opinions with third-party organizations regarding the results of the "Analysis and Evaluation of the Effectiveness of the Board of Directors" for fiscal 2021. The results will be reflected in our efforts in fiscal 2022.

## Auditing

### Audit & Supervisory Board Members and Audit & Supervisory Board

#### 1. Responsibilities of Audit & Supervisory Board Members

As an independent entity entrusted with authority by the shareholders, the Audit & Supervisory Board Members are responsible for ensuring the sound and sustainable growth of the Company, and establishing good corporate governance in response to the public trust by supervising the performance of duties of the Directors.

#### 2. Authority and Roles of Audit & Supervisory Board Members

Each Audit & Supervisory Board Member shall appropriately exercise his/her legal investigating authority, including the authority to audit operations and assets, and supervises the performance of duties of the Directors by attending meetings of the Board of Directors and other important meetings, viewing important approval documents, investigating departments within the Company, and investigating subsidiaries in accordance with the auditing policies and plans stipulated by the Audit & Supervisory Board.

#### 3. Composition and Roles of the Audit & Supervisory Board

- The Audit & Supervisory Board comprises two Audit & Supervisory Board Members (Full-time) and two Outside Audit & Supervisory Board Members, for a total of four members (two men and two women). Candidates for Audit & Supervisory Board Member are nominated by the Board of Directors with the approval of the Audit & Supervisory Board, based on the [“Criteria for the Selection of Director Candidates and Audit & Supervisory Board Member Candidates”](#).
- The Audit & Supervisory Board receives reports from Audit & Supervisory Board Members on the status of performance of duties and reports from officers and employees on important matters related to auditing, and also makes decisions regarding auditing policies and auditing plans.

## Internal Auditing

- The Company has established the “MS&AD Insurance Group Basic Policy for Internal Audits.” Under this basic policy, the Company and domestic Group insurance companies have formed the Internal Audit Department that acts as an independent body with auditing functions.
- The Company's Internal Audit Department has been established as an organization to report directly to the Board of Directors. The General Manager of the Internal Audit Department (General Manager of the Audit Department) shall report important matters that have been discovered as a result of internal audits of the Company and domestic Group insurance companies to the Board of Directors and the Group Management Committee. In addition, the Internal Audit Department cooperates with auditing conducted by the Audit & Supervisory Board Members.

## Accounting Auditors

- The Company has appointed KPMG AZSA LLC as its independent audit corporation. Please note that there are no special conflicts of interest between this company and MS&AD Holdings.
- The Board of Directors and the Audit & Supervisory Board endeavor to take appropriate action to ensure adequate auditing by the Accounting Auditors.
- The Audit & Supervisory Board makes decisions regarding proposals submitted to the General Shareholders' Meeting on the appointment or dismissal of Accounting Auditors. It also has the right to consent to decisions regarding remuneration of the Accounting Auditors.
- The Audit & Supervisory Board prepares criteria for appropriately selecting and evaluating Accounting Auditor. To promote appropriate accounting by the Accounting Auditors, measures are taken to confirm the independence, specialist capabilities, and other requisite characteristics of the Accounting Auditors.

## Accounting Auditor Remuneration

(¥ million)

Scope	FY2020		FY2021	
	Compensation for audit services	Compensation for non-audit services	Compensation for audit services	Compensation for non-audit services
The Company	92	0	108	0
Consolidated subsidiaries	588	3	753	3
Total	680	3	862	4

\* Non-audit operations at our company are compliance support operations. Non-audit operations of consolidated subsidiaries include the preparation of comfort letters.

## Nomination and Remuneration

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For the purpose of maintaining high transparency, the Company has formed the Nomination Committee and Remuneration Committee as internal committees of the Board of Directors. Please note that these two committees comprise eight members each, and the chairpersons and other members are appointed from among members of the Board of Directors. With respect to each of the two committees, a majority of the members and the chairperson have been appointed from among the Outside Directors.

### Nomination Committee (Nomination Process)

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- The Nomination Committee deliberates on major management personnel matters and provides advice on these matters to the Board of Directors. Such matters include the selection of candidates for the positions of Director, Audit & Supervisory Board Member, and Executive Officer of the Company as well as the selection of Directors and Audit & Supervisory Board Members for domestic insurance companies in which the Company has direct investments.
- With respect to the evaluation of candidates for Director and candidates for Executive Officer, evaluation items include performance evaluations (corporate performance and personal performance) and other items.
- The Board of Directors appoints candidates for Director as well as candidates for Audit & Supervisory Board Member and Executive Officers based on advice from the Nomination Committee. The consent of the Audit & Supervisory Board must be obtained for candidates for Audit & Supervisory Board Member. In fiscal 2022, the Committee has eight members made up of all five outside directors, the Chairman of the Board and the President.
- From the perspective of making effective discussions to strengthen corporate governance at the Nomination Committee, policy for selecting candidates for Directors and Audit & Supervisory Board Members is added to the deliberation items. It has been clarified that the Nomination Committee shall meet about twice a year.
- In fiscal 2021, the Nomination Committee met six times, and held a discussion on the candidates for outside directors etc.

### Remuneration Committee

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- This committee advises the Board of Directors regarding the remuneration of Directors and Executive Officers of the Company as well as the remuneration systems for management of domestic insurance companies in which the Company has direct investments.
- From the perspective of making effective discussions to strengthen corporate governance at the Remuneration Committee, policy for remuneration of Directors and Executive Officers is added to the deliberation items. It has been clarified that the Remuneration Committee shall meet about twice a year.
- In fiscal 2021, the Remuneration Committee met one times.

### Policies for determining the content of individual remuneration for Directors, etc.

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The Board of Directors of the Company passed the following resolution on policies for determining the content of individual remuneration for Directors, etc. at its meetings held on February 14, 2019, May 20, 2019 and May 20, 2021 after deliberation by the Remuneration Committee of which a majority of the members are Outside Directors.

#### a. Basic policy

- The purpose is to strengthen governance and enhance the medium- to long-term corporate value of the Group.
- The officer remuneration system shall function as an appropriate incentive for sustainable growth, linking with the business performance of the Company.
- The level of remuneration shall be competitive as a global company.

**b. Decision process**

(a) Remuneration for Directors

- To ensure transparency, it shall be decided by resolution of the Board of Directors after deliberation by the Remuneration Committee, of which a majority of the members are Outside Directors, within a range determined by resolution of the Shareholders Meeting.
- The Remuneration Committee provides advice to the Board of Directors on the amount of remuneration for Directors and policies regarding decisions on the determination of officer remuneration.
- The Board of Directors respects the advice of the Remuneration Committee to the maximum possible extent. And the amount of remuneration is determined after confirmation that it is in line with the remuneration system established by resolution of the Board of Directors.

Furthermore, the Board of Directors has confirmed that, in regard to the individual remuneration of Directors for the relevant fiscal year, the advice of the Remuneration Committee has been respected to the maximum possible extent and it is in line with the remuneration system established by resolution of the Board of Directors. The Board of Directors has therefore judged that it is in line with this basic policy for determining the remuneration of Directors.

(b) Remuneration for Audit & Supervisory Board Members

- It shall be decided by discussion among Audit & Supervisory Board Members within a range determined by resolution of the Shareholders Meeting, taking into consideration full-time/part-time, audit operation assignment, the details and level of Directors' remuneration.

**c. Overview of remuneration**

(a) Composition of remuneration

	Fixed remuneration	Performance-linked remuneration	
		Monetary remuneration	Stock-based remuneration
Directors (excluding Outside Directors)	○	○	○
Outside Directors	○	—	—
Audit & Supervisory Board Members	○	—	—

- Composed of fixed remuneration and performance-linked remuneration. Outside Directors and Audit & Supervisory Board Members shall be provided only fixed remuneration.
- Fixed remuneration is determined in accordance with officers' position.
- Performance-linked remuneration is determined based on business performance.
- Performance-linked remuneration is composed of monetary remuneration and stock-based remuneration.
- Fixed remuneration is paid on a monthly basis, and performance-linked remuneration is paid after the end of each fiscal year.
- The standard proportions of the components of officer remuneration differ depending on the officer's position, as shown below. (This excludes Outside Directors and Audit & Supervisory Board Members.)

<President & Director>

The proportion of performance-linked remuneration is higher than for other positions.

(Standard ratios)

[Fixed remuneration] 50%	[Performance-linked remuneration] Monetary remuneration 25%	[Performance-linked remuneration] Stock-based remuneration 25%
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<Other positions>

The composition is such that the proportions of fixed remuneration and performance-linked remuneration differ depending on the officer's position

(Standard ratios)

[Fixed remuneration] Approx. 60% - approx. 70%	[Performance-linked remuneration] Monetary remuneration Approx. 20%	[Performance-linked remuneration] Stock-based remuneration Approx. 10% - approx. 20%
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(b) Contents of stock-based remuneration

- Restricted stock shall be provided as stock-based remuneration and in principle, the Transfer Restrictions shall be released upon retirement of the related Director.
- If it is found that a Director was involved in a fraudulent act while in office, the Company acquires the restricted stock for free during the Transfer Restriction Period or the Director is made to return it after the transfer restriction is released. (Malus Clawback Clause)

Overview of restricted stock remuneration plan	
Eligible Directors	Directors excluding Outside Directors
Amount of monetary remuneration to be provided (maximum)	200 million yen per year
Type of shares to be allotted	Common shares (with transfer restrictions under a restricted stock allotment agreement)
Number of shares to be allotted (maximum)	130,000 shares per year
Transfer restricted period	Period from the allotment date to the date on which the related Eligible Director resigns or retires as the Company's Director or from another position which the Board of Directors has determined.

d. Key performance indicators pertaining to performance-linked remuneration

- Performance-linked remuneration shall be linked with the business performance of the Company and determined based on financial and non-financial indicators.
- Financial and non-financial indicators have been selected after taking into consideration the Group's Medium-Term Management Plan, "Vision 2021," and the details of indicators and reasons for their selection are as follows.

(a) Financial indicators

- Financial indicators are indicators that are used to reflect business performance in a single fiscal year in officer remuneration.

Indicator	Reasons for selection
Group Adjusted Profit(*1)	These indicators have been selected based on the fact that Group Adjusted Profit and Group Adjusted ROE are given as numerical targets in the Group Medium-Term Management Plan, "Vision 2021," as well as the fact that Consolidated Net Income is a key indicator of business performance for the Group.
Consolidated Net Income	
Group Adjusted ROE (*2)	

\*1: Group Adjusted Profit

Consolidated net income + provision for catastrophe loss reserve and others – other incidental factors (amortization of goodwill and other intangible fixed assets, and others) + equity in earnings of the non-consolidated group companies

\*2: Group Adjusted ROE

Group Adjusted Profit ÷ average of beginning and ending amounts on BS of adjusted net assets (consolidated net assets + catastrophe reserves, and others – goodwill and other intangible fixed assets)

## (b) Non-financial indicators

- Non-financial indicators are indicators that are used to reflect initiatives contributing to medium- to long-term business performance in officer remuneration.

	Evaluation item	Reasons for selection
Sustainability	<ul style="list-style-type: none"> <li>○ Key sustainability issues                             <ul style="list-style-type: none"> <li>• Deal with new risks</li> <li>• Create comfortable mobility society without accidents</li> <li>• Strive for resilient community development</li> <li>• Support “good health and longevity”</li> <li>• Contribute to climate change mitigation and adaptation</li> <li>• Strive to improve sustainability of natural capital</li> <li>• Work toward realization of “leaving no one behind”</li> </ul> </li> <li>○ Quality that earns the trust of society</li> <li>○ Management platforms that enable employees to play active roles</li> </ul>	These indicators have been selected as non-financial evaluation items in order to ensure that, under the “key sustainability issues” raised in “Vision 2021,” officers contribute to the creation of “quality that earns the trust of society” and “management platforms that enable employees to play active roles,” as well as to create shared value with society.
Key Strategies	<ul style="list-style-type: none"> <li>○ Pursue the Group’s comprehensive strengths</li> <li>○ Promote digitalization</li> <li>○ Reform portfolio</li> </ul>	The three items on the left have been selected as non-financial evaluation items because they are “Key Strategies” under “Vision 2021.”

## (c) Application methods for financial and non-financial indicators

- The standard ratio between financial and non-financial indicators used in the calculation of performance-linked remuneration shall be “50:50.”
- The application coefficients for financial and non-financial indicators shall vary within ranges of 0 to 3.0 and 0.5 to 1.5, respectively, with 1.0 as the standard.
- The monetary remuneration and stock-based remuneration components of performance-linked remuneration shall each be calculated as follows, based on standard amounts for each position.

Monetary remuneration: Standard amount per position × business performance coefficient (financial indicators × 80% + non-financial indicators × 20%)

Stock-based remuneration: Standard amount per position × business performance coefficient (financial indicators × 20% + non-financial indicators × 80%)

- Monetary remuneration is structured such that it more strongly reflects business performance in a single fiscal year, by having a higher ratio for financial indicators than non-financial indicators.
- Stock-based remuneration is structured such that it more strongly reflects an evaluation of initiatives contributing to the enhancement of corporate value over the medium- to long-term, by having a higher ratio for non-financial indicators than financial indicators.

## (d) Actual financial and non-financial indicators in the fiscal year under review

## &lt;Financial indicators&gt;

	Actual	Target	Vs. target
Group Adjusted Profit	¥347.1 billion	¥315.5 billion	110.0%
Consolidated Net Income	¥262.7 billion	¥232.1 billion	113.2%
Group Adjusted ROE	9.5%	8.5%	1.0 point

<Non-financial Indicators>

Evaluation item	Results of evaluation
Sustainability	As a result of evaluation based mainly on the following points, performance is evaluated to be at a standard level: <ul style="list-style-type: none"> <li>Development and provision of products and services that correspond to new risks and businesses</li> <li>Development and provision of products and services that contribute to safe driving and the prevention of accidents</li> <li>Customer satisfaction, etc.</li> </ul>
Key Strategies	As a result of evaluation based mainly on the following points, performance is evaluated to be at a standard level: <ul style="list-style-type: none"> <li>Promotion of synergy initiatives (products, claim services, etc.) that capitalize on the knowhow of group companies</li> <li>Progress in digitalization initiatives</li> <li>Portfolio transformation, etc.</li> </ul>

**e. Resolutions related to officer remuneration at the Shareholders Meeting**

<Remuneration of Directors>

Shareholders Meeting held on June 25, 2018 [10th Annual Shareholders Meeting] Resolved that the maximum amount of remuneration of Directors in total (exclusive of wages as an employee payable to a Director also serving as an employee) shall be 500 million yen per year (of which remuneration for Outside Directors shall be no more than 100 million yen per year). The number of Directors was twelve (12) (including five (5) Outside Directors) as at the close of the Annual Shareholders Meeting.

Shareholders Meeting held on June 24, 2019 [11th Annual Shareholders Meeting] Resolved to introduce a new restricted stock remuneration plan with delayed delivery and that the total amount of monetary remuneration receivables to be paid for the allotment of restricted stock to Directors other than Outside Directors shall be up to 200 million yen per year. The number of Directors other than Outside Directors was seven (7) as at the close of the Annual Shareholders Meeting.

<Remuneration of Audit & Supervisory Board Members>

Shareholders Meeting held on June 25, 2009 [1st Annual Shareholders Meeting] Resolved that remuneration shall be up to 110 million yen per year. The number of Audit & Supervisory Board Members was four (4) as at the close of the Annual Shareholders Meeting.

## Performance-Based Remuneration

- The Company has introduced performance-based remuneration (linked to corporate and personal performance) into its corporate officer remuneration system.
- In order to realize a director remuneration system functioning as an appropriate incentive for improving linkage between director remuneration and business performance and achieving sustainable growth for the purpose of strengthening governance and increasing medium term corporate value of the Group, the Company has introduced a restricted stock remuneration plan for Directors (excluding Outside Directors). The plan involves granting treasury stock or new stock (allotment of restricted stock) by replacing a portion of the Company's performance-based monetary remuneration with monetary remuneration receivables provided by means of contribution in kind.
- The Company introduced the same system as mentioned above and granted treasury stock or new stock (allotment of restricted stock) to the Company's executive officers and the Directors (excluding Outside Directors) and Executive Officers of Group domestic insurance companies in which the Company has direct investments, by replacing a portion of the Company's performance-based monetary remuneration with monetary remuneration receivables provided by means of contribution in kind.

## Directors' and Audit & Supervisory Board Members' Remuneration

We disclose the total amounts of remuneration to all Directors and to all Audit & Supervisory Board Members according to the category (Directors/Audit & Supervisory Board Members) and according to the types of remuneration. We also disclose total amounts of consolidated remuneration to officers amounting to 100 million yen or more.

## Total Amount of Remuneration by Directors/Audit & Supervisory Board Members Category, and the Number of Recipients (fiscal 2021)

Category	Number	Total Remuneration (¥ million)
Directors (excluding Outside Directors)	8	330
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	3	56
Outside Directors/Audit & Supervisory Board Members	6	81

## Persons with consolidated Remuneration (including remuneration for corporate officer posts at main subsidiaries, etc.) of ¥100 Million or More (fiscal 2021)

Name	Corporate Officer Posts	Company	Total consolidated remuneration, etc. (¥ million)
Yasuyoshi Karasawa	Director	The Company	123
	Director	MSI	
Yasuzo Kanasugi	Director	The Company	122
	Director	ADI	
Noriyuki Hara	Director	The Company	133
	Director	MSI	

Our company has established the Guidelines for Ownership of Treasury Shares in order to enhance corporate value over the medium to long term by encouraging directors and executive officers (excluding outside officers) to own treasury stock and further raising the motivation and morale of directors and executive officers.

# Criteria for the Selection and Independence of Outside Directors and Outside Audit & Supervisory Board Members

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## 1. Policies on the Board of Directors' Overall Balance of Expertise, Experience, Capabilities, Diversity, and Scale

- Five of the eleven Directors (eight men and three women) and two of the four Audit & Supervisory Board Members (2 men and 2 women) have been appointed from outside the Company to incorporate perspectives independent from management, strengthen monitoring and oversight functions, and conduct highly transparent management. Please note that there are no concerns that the interests of these Outside Directors and Outside Audit & Supervisory Board Members of the various companies will be in conflict, in terms of human, capital, transactions, or other relationships, with the interests of shareholders in general. These Directors and Audit & Supervisory Board Members are independent, and their names as independent outside officers have been filed with the Tokyo Stock Exchange Co., Ltd., and Nagoya Stock Exchange Co., Ltd.
- Outside Director candidates must satisfy the eligibility requirements as defined in the Companies Act and the Insurance Business Act. In addition, with the goal of selecting candidates able to accurately and fairly supervise the overall management of insurance companies, candidates are selected based on consideration of specialized expertise such as that stemming from experience working as a general business company corporate officer, government administration officer, lawyer, and academic as well as specialized expertise regarding social, cultural, and consumer issues.
- Director candidates other than Outside Director candidates must meet legal eligibility requirements. In addition, with the goal of selecting candidates able to accurately and fairly supervise the overall management of insurance companies, candidates are selected based on consideration of specialized expertise, such as that stemming from extensive experience working as a manager in an insurance company as well as on consideration of varied experience, highly specialized experience, and the ability to exercise leadership in accordance with the Company's corporate philosophy.
- At least one candidate for Audit & Supervisory Board Member must have sufficient knowledge of accounting or finance.

## 2. Criteria for the Selection of Director Candidates and Audit & Supervisory Board Member Candidates and Criteria for Determining the Independence of Outside Corporate Officers

- Outside Director candidates must satisfy the eligibility requirements as defined in the Companies Act and the Insurance Business Act. In addition, with the goal of selecting candidates able to accurately and fairly supervise the overall management of insurance companies, candidates are selected based on consideration of specialized expertise such as that stemming from experience working as a finance-related government administration officer, general business company corporate officer, lawyer, and academic as well as specialized expertise regarding social, cultural, and consumer issues.
- Director candidates other than Outside Director candidates must meet legal eligibility requirements. In addition, with the goal of selecting candidates able to accurately and fairly supervise the overall management of insurance companies, candidates are selected based on consideration of specialized expertise, such as that stemming from extensive experience working as a manager in an insurance company as well as on consideration of varied experience, highly specialized experience, and the ability to exercise leadership in accordance with the Company's corporate philosophy.
- In addition, the Company has instituted the "Criteria for the Selection of Director Candidates and Audit & Supervisory Board Member Candidates" below. The determination of "independence" when selecting Outside Director candidates is undertaken in accordance with the criteria described in section "1. (3) Independence" below.

## Criteria for the Selection of Director Candidates and Audit & Supervisory Board Member Candidates

### 1. Outside director candidates and outside Audit & Supervisory Board Member candidates

Candidates must meet the following requirements.

- Must not be disqualified from serving as a director or Audit & Supervisory Board Member pursuant to the Companies Act.
- Must not be disqualified from serving as a director or Audit & Supervisory Board Member of an insurance holding company pursuant to the Insurance Business Act.
- Must have a sufficient level of public credibility.
- An outside Audit & Supervisory Board Member must satisfy the eligibility requirements for an Audit & Supervisory Board Member pursuant to the Insurance Business Act.

Additionally, candidates must satisfy the following three requirements

#### (1) Eligibility

A candidate must have the qualities listed below that are necessary to monitor the overall management of the company and provide advice, based on a general knowledge of company management and a basic understanding of the roles of the directors and board of directors.

- Ability to discern facts from materials and reports
- Capability to detect problems and risks and apply own knowledge to solve them
- Capacity to appropriately monitor business strategy and provide advice
- Mental independence to openly question, debate, re-examine, continuously deliberate, and propose ideas in opposition to a resolution

#### (2) Expertise

Must have knowledge in a specialized field such as management, accounting, finance, law, administration, or social/cultural affairs, and have a record of achievement in that field.

#### (3) Independence

The following persons are ineligible.

[1] An executing person of the Company or a subsidiary of the Company.

[2] A director or Audit & Supervisory Board Member of a subsidiary of the Company.

[3] A person for whom the Company is a major business partner (i.e. a person who received payments from the Company or subsidiaries of the Company that represent 2% or more of annual consolidated sales for the most recent fiscal year), or an executing person thereof (in the case of a consulting firm, auditing firm or law firm, a consultant, accounting professional, or legal professional who belongs to said corporation, partnership, etc.).

[4] A major business partner of the Company (i.e. a person who made payments to subsidiaries of the Company representing 2% or more of the Company consolidated direct premiums written excluding deposit premium from policy holders for the most recent fiscal year), or an executing person thereof.

[5] Any of the Company's top 10 largest shareholders (or, if the shareholder is a corporation, an executing person thereof).

[6] An executing person of a company to which the Company or a subsidiary of the Company has appointed a director.

[7] A consultant, accounting professional, or legal professional who has received, other than officer compensation, average cash or other financial benefits of at least 10 million yen per year for the past three years from the Company or subsidiaries of the Company.

[8] A person falling under any of the items [2] through [7] during the past five years.

(Note) "During the past five years" means five years from the time the content of a proposal to the General Shareholders Meeting to elect the outside director or outside Audit & Supervisory Board Member was resolved by the Board of Directors.

[9] An individual who was an executing person of the Company or subsidiaries of the Company in the past (in the case of an outside Audit & Supervisory Board Member, including an individual who has been a director of the Company or a subsidiary of the Company.)

[10] A spouse or second-degree or closer relative of a person listed in items [1] through [9] above (an executing person means an executive director, executive officer or an employee in a position of general manager or higher.)

**(4) Term limits**

The total terms of office for newly elected outside directors and outside Audit & Supervisory Board Members from April 1, 2015 onwards are as listed below.

[1] For outside directors, the expectation is 4 terms, 4 years, renewable for a maximum of 8 terms, 8 years.

[2] For outside Audit & Supervisory Board Members, in principle the total term is 1 term, 4 years, but this is renewable for a maximum of 2 terms, 8 years.

**2. Candidates for director other than outside director and candidates for Audit & Supervisory Board Member other than outside Audit & Supervisory Board Member**

Candidates must meet the following requirements.

- Must not be disqualified from serving as a director or Audit & Supervisory Board Member pursuant to the Companies Act.
- Must not be disqualified from serving as a director or Audit & Supervisory Board Member of an insurance holding company pursuant to the Insurance Business Act.
- Must satisfy the eligibility requirements for a director or Audit & Supervisory Board Member who engages in daily business at an insurance company pursuant to the Insurance Business Act.

Additionally, a candidate must have varied experience as well as highly specialized experience and must embody our corporate philosophy in the exercise of leadership.

## Appointment of Outside Directors and Outside Audit & Supervisory Board Members and Related Matters

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## Outside Directors

Name	Date of Selection	Reason for Selection	Attendance at Board of Directors Meetings*
Mariko Bando	June 2017	Ms. Mariko Bando has gained a wealth of insight and experience in the administrative and educational fields as well as diversity promotion from previously serving as Director General of Gender Equality Bureau of the Cabinet Office, Consul General of Japan in Brisbane, Australia, President of Showa Women's University, etc. We expect to continue to draw that insight and experience and have her supervise the management and provide advice on management overall from her expert perspective, particularly in regard to promoting diversity.	12 of 12 meetings
Akira Arima	June 2018	Mr. Akira Arima has a wealth of insight and experience concerning telecommunications business as a management executive gained from previously serving as Director of Nippon Telegraph and Telephone Corporation, President, Chief Executive Officer, Representative Director of NTT Communications Corporation, etc. We expect to continue to draw that insight and experience and have him supervise management and provide advice on management overall from his expert perspective, particularly in regard to promoting digitalization and global management.	12 of 12 meetings
Junichi Tobimatsu	June 2018	Mr. Junichi Tobimatsu has a wealth of insight and experience concerning overall corporate legal affairs including those of overseas companies as an attorney-at-law. We expect to continue to draw that insight and have him supervise management and provide advice on management overall from his expert perspective, particularly in regard to securing soundness of the management of the Group.	12 of 12 meetings
Rochelle Kopp	June 2020	Ms. Rochelle Kopp has a wealth of insight into cross-cultural communication and experience in both Japan and the U.S. as a management consultant. We expect to continue to draw that insight and experience and have her supervise management and provide advice on management overall from her expert perspective, particularly in regard to the Group's global expansion.	12 of 12 meetings
Akemi Ishiwata	June 2022	Ms. Akemi Ishiwata has a wealth of insight on sustainability gained from previously serving as Executive Officer of Kao Corporation, leading its ESG activities. She also has experience as a general manager in charge of public relations and corporate branding. We expect to draw that insight and experience and have her supervise management and provide advice on management overall from her broad perspective.	

\* The number of Board of Directors' meetings attended during fiscal 2021.

## Outside Audit & Supervisory Board Members

Name	Date of Selection	Reason for Selection	Attendance at Board of Directors/ Audit & Supervisory Board Members
Kunio Chiyoda	June 2016	Mr. Kunio Chiyoda is an expert in accounting and auditing and has served as a university professor and a member of a public institution. He has been stating opinions at meetings of the Company's Board of Directors and on other occasions based on his knowledge and experience. We appointed him as Outside Audit & Supervisory Board Member to reflect his wealth of knowledge and experience in the management of the Company.	Board of Directors meetings: 12 of 12 Audit & Supervisory Board meetings: 11 of 11
Kyoko Uemura	June 2017	As a legal professional, Ms. Kyoko Uemura has held a number of posts, including a judge and attorney-at-law. She has been stating opinions at meetings of the Company's Board of Directors and on other occasions based on her knowledge and experience. We propose to reappoint her as Outside Audit & Supervisory Board Member in order to draw on her knowledge and experience in the management of the Company.	Board of Directors meetings: 12 of 12 Audit & Supervisory Board meetings: 11 of 11

\* The number of Board of Directors' meetings and Audit & Supervisory Board meetings attended during fiscal 2021.

## Skills Matrix of Directors, Audit & Supervisory Board Members, and Executive Officers

In order to promote debate from diverse viewpoints in our efforts to reach the goal of achieving growth strategy for the MS&AD Group, the Group deliberated regarding skills necessary to assure the effectiveness of the Board of Directors (knowledge, experience, and capability), and from the standpoint of supervising the decisions made and execution of duties on matters required for management strategy, we set forth the following.

**(1) Base skills that are generally required**

“Corporate management,” “human resources and human asset development,” “legal affairs and compliance,” “risk management,” and “finance and accounting”

**(2) Skills complementing the fact that the core business of the MS&AD Group is insurance, and that we engage in business globally**

“Insurance business” and “internationality”

**(3) Skills that take into account our current business environment and that are necessary to address business reform and issues considered important by the market**

“IT and digital” and “sustainability”

Furthermore, regarding Audit & Supervisory Board Members, we also consider “finance and accounting” to be important skills.

Officers	Skill								
	Corporate Management	Internationality	IT and Digital	Sustainability	Human Resources and Human Asset Development	Legal Affairs and Compliance	Risk Management	Finance and Accounting	Insurance Business
Director Karasawa	●	●		●	●	●	●	●	●
Director Kanasugi	●	●		●	●	●			●
Director Hara	●	●		●	●		●		●
Director Higuchi	●	●	●	●	●	●	●	●	●
Director Fukuda					●	●			●
Director Shirai				●		●	●		●
Outside Director Bando	●	●		●	●	●			
Outside Director Arima	●	●	●	●	●				
Outside Director Tobimatsu		●				●			
Outside Director Kopp	●	●		●	●				
Outside Director Ishiwata				●					
Audit & Supervisory Board Member Jinno						●	●	●	●
Auditor Suto							●	●	●
Outside Auditor Chiyoda		●						●	
Outside Auditor Uemura						●			

In addition, we have installed an executive officer system. The skills for Executive Officers who are not Directors are as follows.

Executive Officer Tamura		●	●	●	●				●
Executive Officer Funabiki	●	●	●	●	●				●
Executive Officer Motojima	●			●	●				●
Executive Officer Ippongi	●		●	●					●
Executive Officer Niiro	●	●		●	●				●
Executive Officer Hitotsuyanagi					●	●			●
Executive Officer Kawate	●	●					●		●
Executive Officer Shimazu		●	●	●	●	●	●		●
Executive Officer Kawabe		●		●	●				●
Executive Officer Hayakawa	●	●						●	●
Executive Officer Tsuda	●	●	●		●				●
Executive Officer Owada		●		●	●			●	●
Executive Officer Arakawa	●			●					●
Executive Officer Suzuki							●	●	●

## Related Information

[Board Members](#)

# Compliance

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## Compliance Basic Policy

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We formulated the Compliance Basic Policy and "MS&AD Insurance Group Compliance Basic Policy" which is compliance criterion of the Basic Policy. Based on this Basic Policy or each policy, we and MS&AD insurance companies work positively to develop thorough compliance. All officers and employees carry out our social responsibility with responding to confidence of all the stakeholders including customers through the corporate activities based on the high ethical sense without failing to comply with laws and company internal rules.

- [> MS&AD Insurance Group Compliance Basic Policy](#)
- [> Basic Policy Concerning Antisocial Forces](#)
- [> Basic Policy for Management of Conflicts of Interest](#)

## Compliance Promotion Structure

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The Company has formed Quality Improvement and Compliance Committee, as one of the task-specific committees under the Board of Directors, to monitor as well as discuss and make necessary adjustments in the compliance structure. For important matters related to compliance, Quality Improvement and Compliance Committee reports to the Board of Directors after discussion in the committee.

The Company established its Compliance Department as the organizational unit to integrate and manage Group compliance matters. This department is responsible for integrating compliance initiatives within the Company and domestic Group insurance companies.

Each unit in the domestic Group insurance companies that is in charge of compliance matters is responsible for the preparation and implementation of policies, internal rules, and measures related to compliance and for planning and operating activities related to business operating rules pertaining to insurance solicitation and sales. These units are also the focal points for fact finding and confirmation as well as conducting investigations related to activities where there are concerns about violations of internal rules and other compliance issues.

## Activities

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### Compliance Program

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We and MS&AD insurance companies, as a part of the compliance implementation plan, resolve the Compliance Program at the Board Meetings and pursue the specific issues. The implementation and issues of the Program and responding issues are regularly submitted to each company's Compliance Committee and/or the Board Meetings.

## Compliance Manual

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We and MS&AD insurance companies have each Compliance Manual that states their compliance-related policies and regulations, with examples and interpretations, for board members and employees. The Manual is distributed to board members and employees, and its content is familiarized through training and examinations. Procedures for reporting inappropriate behavior is stipulated in the Manual for the speedy handling of misconduct.

## Compliance-related Training

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Based on the Compliance Program, we and MS&AD insurance companies organize annual education / training programs for employees and agencies to raise the knowledge of laws and company internal rules and to enhance the knowledge of compliance.

## Compliance-related Inspection

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MS&AD insurance companies conduct compliance-related inspections for prevention and early detection of unlawful acts that may violate laws or company internal rules.

## Monitoring Group Companies

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The Compliance Department monitors and reports on compliance-related activities of MS&AD insurance companies. Group Compliance Division Meetings are held to share knowledge and know-how on compliance-related issues in order to reinforce compliance throughout the group.

## Speak-up system (Whistleblowing system)

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The MS&AD Insurance Group has established the Speak-up system (whistleblowing systems) . Group company employees, etc. can contact the speak-up desk to make a report if a compliance-related issue arises. A contact desk has also been established at an external legal office to make it easier for whistleblowers to speak up a case. The identity of whistleblowers is protected and their information is handled carefully to protect them and ensure that they do not suffer any unfair treatment.

We have also established a global contact point for officers and employees working overseas. It is available in 15 languages and can be reported directly to our Group Head Office in Japan via a dedicated website or e-mail.

## Anti-Money Laundering and Countering the Financing of Terrorism

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The MS&AD Insurance Group has formulated a “Policy on the Anti-Money Laundering and the Countering Financing of Terrorism” and is promoting initiatives to prevent the products and services of Group companies from being used in money laundering or the financing of terrorism.

Moreover, measures to prevent money laundering and the financing of terrorism are implemented at overseas entities of the MS&AD Insurance Group, where “Guidelines on Measures for Anti-Money Laundering and Counter Financing of Terrorism” are stipulated in the “Compliance Manuals for International Operations”.

## Prevention of Corruption and Bribery

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The MS&AD Insurance Group has formulated a “Policy on Fair Operating Practices” and implements fair operating practices (“prevention of Corruption including bribery” and “compliance with laws and regulations regarding political activities and political funds”).

As for the international operation of MS&AD Insurance Group, “counter measures of Anti-Bribery” are stipulated in the “Compliance Manuals for International Operations” and the establishment of adequate rules and training has been implemented properly.

[> Policy on Fair Operating Practices](#)

## Compliance Promotion Structure in International Business Operations

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All executives and employees of the overseas offices of the MS & AD Insurance Group give top priority to compliance and respect the culture, customs, and history of their respective countries and regions, as well as act in a manner that contribute to the development of the community.

As a department that supervises and manages matters related to compliance at overseas offices of the Group, the Company established the International Supervisory Department to monitor the status of compliance-related initiatives of these overseas offices, while providing them guidance and support.

This department works with the Compliance Department, which is in charge of overall integration of Group companies' compliance matter, to provide periodic reports regarding the status of overseas compliance framework to the Company's Board of Directors, also engages in activities to improve and expand the overseas compliance promotion structure based on the discussion with other relevant departments.

## Tax compliance efforts

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### Our Global Tax Strategy

In achieving a resilient and sustainable society, we believe that MS&AD Insurance Group should build trust as a social entity by supporting people live in stability and encouraging companies develop their business. We believe that is the basis of insurance business and our value to become a trusted and reliable partner.

In order to earn the trust from the society, we always consider tax compliance. The environment surrounding taxation has changed significantly in recent years, with the increasing focus on securing transparency in taxation as corporate responsibility and strengthening the international tax framework. Our Group believes it is important as a responsible insurer to fully recognize the importance of fair and transparent taxation and to disclose the Group's approach to and initiatives for tax compliance both throughout the Group and to the outside.

### ■MS&AD Insurance Group Tax Policy

In order to ensure that each and every employee of the Group has a high ethical standard concerning taxation and to implement appropriate tax practice and procedures, we are working to ensure thorough tax compliance in accordance with the “MS&AD Insurance Group Tax Policy” adopted by the Board of Directors in April 2018.

Pursuant to the “Tax Management Principles” (please see below), MS&AD Insurance Group will promote a greater awareness of tax compliance to build trust from all stakeholders by ensuring to act transparently in each jurisdiction.

**Basic Policies (“Tax Management Principles”)**

1. MS&AD Group values the trust and confidence of its stakeholders and is committed to managing tax matters with integrity and responsibility while recognizing the importance and social significance of appropriate tax payments.
2. MS&AD Group, in performing our business operations, complies with all applicable tax laws and the relevant regulations of each jurisdiction in which it operates.
3. MS&AD Group is committed to both optimizing tax-related costs as well as making appropriate tax filings and tax payments.
4. MS&AD Group does not conduct any transactions only intended to avoid tax without business purposes in a way contrary to the national and local tax laws.
5. MS&AD Group develops and maintains trusting relationships with the tax authorities in each jurisdiction in which it operates through sincere and transparent behavior in a timely and appropriately cooperative manner.

**■Our Approaches Underpinned by “MS&AD Insurance Group Tax Policy”**

"MS&AD Insurance Group Tax Policy" is managed and operated by the Group's tax department under the responsibility of the Director/Senior Executive Officer in charge of tax and practical management of global tax governance.

Based on the "MS&AD Insurance Group Basic Policy Pertaining to System for Internal Controls", the Group's tax department annually inspects whether a system has been developed in accordance with the "MS&AD Insurance Group Tax Policy" and appropriately operated and report to the responsible Director/Senior Executive Officer and the Board of Directors.

**• Global tax governance framework**

Our Group is working to strengthen its tax governance framework on a global level by creating a system in which the Group's tax department monitors the status of tax compliance and tax risks at major Group companies on a regular basis and checks tax treatment prior to the execution of important transactions.

Moreover, for manage tax risks, we carry out necessary due diligence and consults with external experts and tax authorities.

**• Tax transfer pricing**

We understand the purpose of the OECD's BEPS (Base Erosion and Profit Shifting) project. We are committed to ensuring that we meet our tax obligation in the jurisdictions where we engage in business activities. Intragroup transactions are conducted at appropriate prices determined on an arm's length basis under the group transfer pricing policy. We pay a fair allocation of taxes corresponding to profits reported to the tax authorities in the jurisdictions where value is created within commercial activity.

**• Tax planning**

We do not conduct tax planning only intended to avoid tax, such as through the transactions or organizations without business purposes or economic substance, using tax-free or low tax jurisdictions (known as tax havens).

**• Relationship with tax authorities**

We endeavor to reduce unexpected tax risks by developing sound relationships with the tax authorities in each country through sincere behavior, such as providing appropriate information in response to requests from the tax authorities in each country.

**Current income tax by country (FY2021)**

(Unit : 100 million yen)

Country	Number of employees (persons)	Main revenue	Income before tax	Current income tax	
					Share
Japan	31,019	42,205	3,586	585	81.2%
U.S.A.	565	338	90	28	4.0%
U.K.	1,635	1,865	11	23	3.3%
Singapore	725	269	132	18	2.5%
Malaysia	1,034	301	115	17	2.4%
Belgium	471	1,026	64	8	1.2%
Switzerland	156	1,804	▲ 335	▲ 0	▲ 0.1%
Other	4,357	1,846	169	39	5.5%
Consolidation adjustments	-	-	▲ 134	-	-
<b>Total</b>	<b>39,962</b>	<b>49,658</b>	<b>3,700</b>	<b>720</b>	<b>100%</b>

\*Country by country data is aggregated by country where headquarters of group companies are located.

\*"Main revenue" represents the total of net premiums written for non-life insurance business and premium income for life insurance business.

\*Income tax paid for major countries (FY2020, The figures shown are based on the Country-by-Country Report (CbCR))

(Unit : 100 million yen)

Country	Income tax paid
Japan	33
U.S.A.	28
U.K.	20
Malaysia	14
Netherlands	12
Germany	9
Thailand	9
Singapore	9
Other	14
<b>Total</b>	<b>153</b>

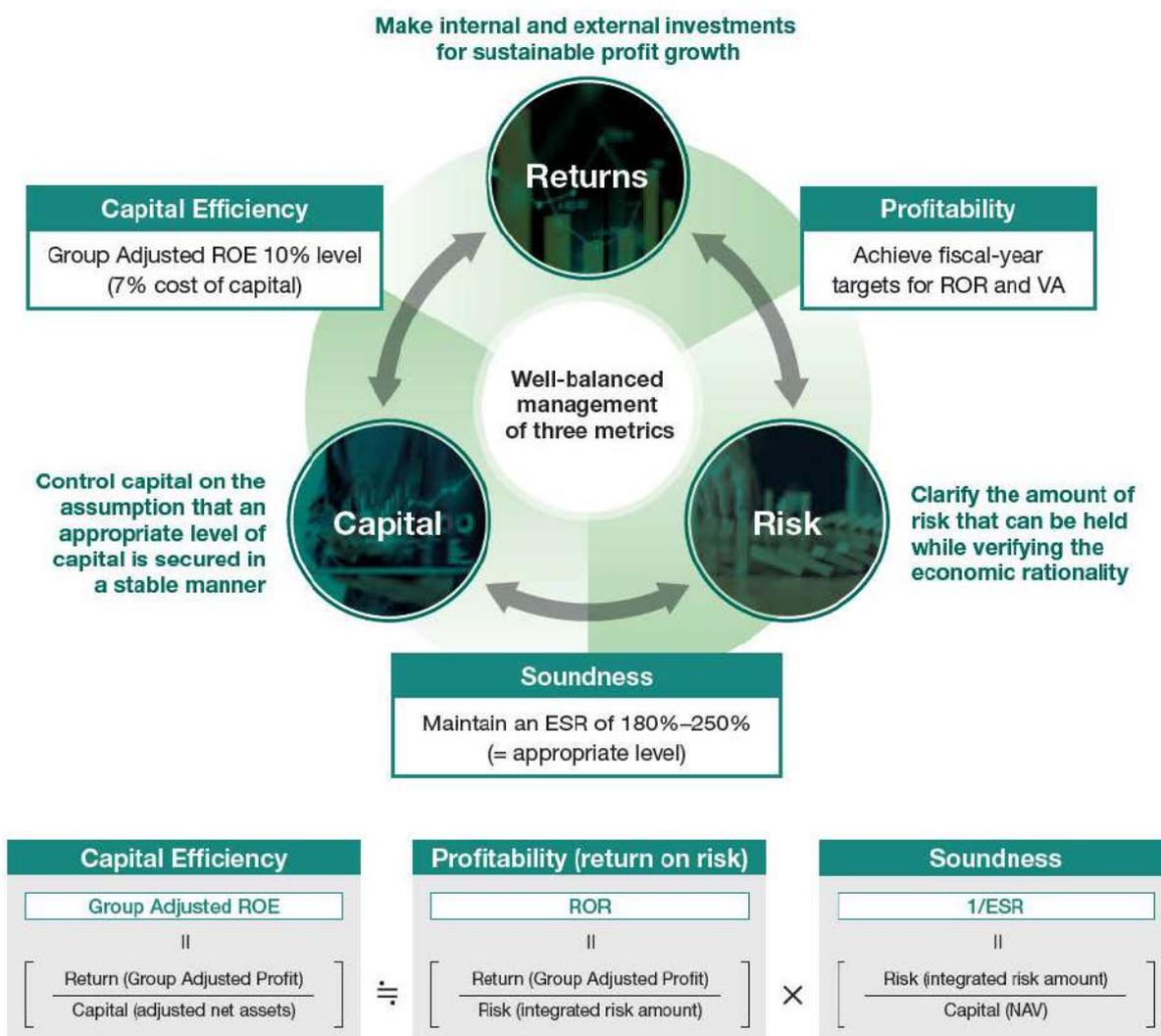
# ERM and Risk Management

## ERM-based Group Management

The MS&AD Group endeavors to increase its earnings power and capital efficiency while maintaining financial soundness. Toward this end, it practices Group management based on an enterprise risk management (ERM) cycle. It allocates capital to its businesses in accord with its Group Risk Appetite Statement. Its businesses take risks with the allocated capital. The Group exercises appropriate risk control, through monitoring of return on risk (ROR) and other metrics. Under the Medium-Term Management Plan (2022–25), the ERM Committee will work to enhance the evaluation and management of each business in the Group, taking into account capital, risk, and return, and to improve the Group’s capital efficiency by flexibly allocating capital to more capital-efficient business opportunities, such as investments in growth businesses.

## Integrated Management of Risk, Returns and Capital

To realize its management vision, the Group formulates medium-term management plans in accord with its Group Risk Appetite Statement and holistically manages risk (integrated risk amount), returns (Group Adjusted Profit), and capital (NAV) with the aim of maintaining financial soundness and boosting capital efficiency and risk/return.



## ERM Cycle

<b>Planning phase</b>	1) Formulate strategies based on the Group Risk Appetite Statement and establish capital allocation amounts after confirming the amount of risk that can be taken.
<b>Execution phase</b>	2) Take risks within the risk limits based on the capital allocation amounts and others.
<b>Monitoring phase</b>	3) Conduct regular monitoring of financial soundness, profitability, capital efficiency, etc. 4) Based on the outcome of monitoring, examine and Implement any necessary measures.



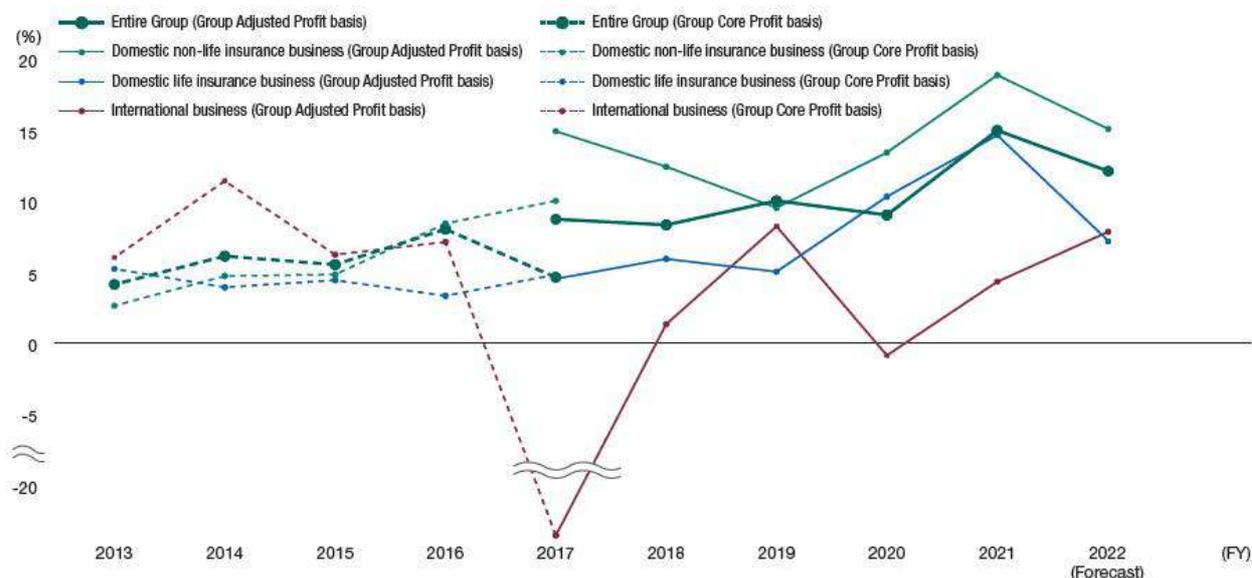
## Initiatives to Boost Profitability

To boost capital efficiency while maintaining financial soundness, the MS&AD Insurance Group seeks to earn adequate risk/return through the following initiatives in each of its business domains.

<b>Product development/sales/initiative management</b>	<b>P/L management by product/line</b>						
	<table border="0"> <tr> <td style="background-color: #008080; color: white; padding: 5px;"><b>Domestic non-life insurance</b></td> <td>Refinement of risk/return management tailored to insurance lines' distinctive attributes Enhancement of income and expenditure management for fire insurance, which is particularly affected by natural catastrophes and major accidents</td> </tr> <tr> <td style="background-color: #0056b3; color: white; padding: 5px;"><b>MSI Aiol Life*</b></td> <td>Assessing ROR for new policies when products are developed and revised and a sales policy is formulated</td> </tr> <tr> <td style="background-color: #0056b3; color: white; padding: 5px;"><b>MSI Primary Life*</b></td> <td>Product-by-product profitability assessment</td> </tr> </table>	<b>Domestic non-life insurance</b>	Refinement of risk/return management tailored to insurance lines' distinctive attributes Enhancement of income and expenditure management for fire insurance, which is particularly affected by natural catastrophes and major accidents	<b>MSI Aiol Life*</b>	Assessing ROR for new policies when products are developed and revised and a sales policy is formulated	<b>MSI Primary Life*</b>	Product-by-product profitability assessment
	<b>Domestic non-life insurance</b>	Refinement of risk/return management tailored to insurance lines' distinctive attributes Enhancement of income and expenditure management for fire insurance, which is particularly affected by natural catastrophes and major accidents					
<b>MSI Aiol Life*</b>	Assessing ROR for new policies when products are developed and revised and a sales policy is formulated						
<b>MSI Primary Life*</b>	Product-by-product profitability assessment						
<b>Asset management strategy</b>	Promoting diversified investment in assets with relatively high expected returns coupled with appropriate risk control						
<b>Retention/reinsurance policy</b>	Establishment of a retention and outward reinsurance scheme that maintains financial soundness and stability of periodic profit and loss and contributes to improving profitability Reduction of a net retained risk amount associated with natural catastrophes						

\*MSI Aiol Life: Mitsui Sumitomo Aiol Life Insurance MSI Primary Life: Mitsui Sumitomo Primary Life Insurance

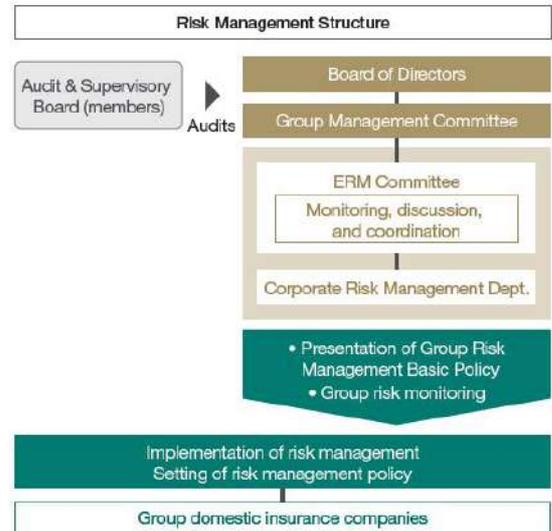
### ROR trends



## Control of Risk

Our Group has established the “MS&AD Insurance Group Risk Management Basic Policy” and is implementing risk management based on the basic philosophy shared within the Group.

Specifically, our Group promotes risk management by identifying major risk events affecting our business portfolio and evaluating their risk factors both quantitatively and qualitatively.



### > Risk Management

- Risk Management Basic Policy
- Risk Management Structure
- Insurance Business Risks
- Risk Management in International Business
- Crisis Management System (Including Business Continuity Management System)

## Identification and Management of Risks

Our Group designates important risk events that should be addressed by management as “Group Material Risks,” formulates a management action plan, and periodically monitors the status of each risk. In addition to considering the correspondent relationship of each risk event, we are working to control risks based on the scenario of the occurrence of the risk event to be addressed.

No.	Group Material Risks (Main scenarios assumed* are surrounded by a dotted border.)	Correspondence (◎: High ~ △: Low)				
		A Rapid digitalization	B Climate change	C Falling birthrate and aging population	D Protraction of the COVID-19 impact	E Intensified antagonism among nations and tighter economic security
1	<p><b>Occurrence of large-scale natural catastrophes</b></p> <ul style="list-style-type: none"> <li>Occurrence of large-scale windstorms, floods, earthquakes and other natural catastrophes in Japan and overseas</li> <li>Change in the nature of large-scale natural disasters, including frequency and scale, due to climate change</li> <li>Development of situation in which the occurrence of a large-scale natural disaster prevents the Group from properly executing business or delivering services</li> </ul>		◎			
2	<p><b>Significant changes in financial markets</b></p> <ul style="list-style-type: none"> <li>Fall in the value of stocks and other assets held on concerns of the stagnation of economic activity as a result of protraction of the COVID-19 impact, intensified antagonism among nations and other factors</li> <li>Financial market volatility as a result of inflation concerns, rising interest rates as a result of changes in monetary policy around the world</li> </ul>		△		◎	○
3	<p><b>A significant increase in credit risk</b></p> <ul style="list-style-type: none"> <li>Sharp fall in the value of assets caused by disruptions to the credit market</li> <li>Frequent defaults due to protraction of the COVID-19 impact and deterioration in the real economy</li> <li>Decline in the value of assets held by the Group due to the emergence of "transition risk" as companies tackle climate change (includes but not limited to the tightening of environmental policies and regulations, advances in decarbonization technologies, changes in demand for products and services, increased litigation, and damage to social image or image among consumers)</li> <li>Deterioration in the performance of investees due to supply chain disruptions and other obstacles caused by increased sanctions between world powers and tighter economic security-related regulations around the world</li> </ul>		○		◎	○
4	<p><b>Occurrence of an act that results in serious damage to the Group's enterprise value and the loss of social credibility</b></p> <p>*An act that results in serious damage to enterprise value or the loss of social credibility refers to acts such as a breach of laws and regulations related to Group business, a serious labor issue (long working hours, harassment, etc.), a human rights violation or elimination of diversity, deficient data governance as well as acts arising from deviation from social norms (including deviation arising from inaction) and a failure to adopt or fully adopt a customer oriented perspective (conduct risk).</p> <ul style="list-style-type: none"> <li>Damage to the Group's reputation or financial burden as a result of Group's insufficient response to sustainability-related issues, for example, its response to climate change, and any ensuing litigation</li> <li>Increase in fraud or misconduct as a result of more widespread remote working</li> <li>Occurrence of serious error in disclosed information due to delayed or insufficient preparation for disclosure of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) or negative response among investors to new IFRS-based business management indicators</li> <li>Damage to the Group's reputation as a result of an infringement of human rights or intellectual property rights or an economic security-related issue within the Group or at a subcontractor or other business partner</li> </ul>	○	○	△	○	○
5	<p><b>Large-scale and serious business delay, information leak or payment of insurance claim as a result of cyber attack</b></p> <ul style="list-style-type: none"> <li>Occurrence of a cyber attack on the Group or on a subcontractor or other business partner which brings operations to a standstill or results in information leaks</li> <li>Increase in claims paid as a result of increasingly elaborate and diverse cyber attacks</li> <li>Escalation of damage caused by cyber attacks on a global scale as a result of developments such as working from home, digitalization and intensified antagonism among global powers</li> </ul>	◎			○	○
6	<p><b>Frequent occurrence of system failure or occurrence of serious system failure, progress delay and shortfall in the plans of large system development projects, budget overrun and failure to achieve desired outcome</b></p> <ul style="list-style-type: none"> <li>Occurrence of system failures which have a greater impact due to increased working from home or digitalization</li> <li>Occurrence of a large-scale natural disaster or other event which affects system-related facilities and brings businesses and services to a standstill</li> <li>Occurrence of a large-scale fault in an out-of-hours system for customers and insurance agents which leads to delays in dealing with customers and others</li> <li>Delays in system development or degradation of services due to a change in subcontractor or other business partner as a result of tighter economic security-related regulation worldwide</li> </ul>	◎	○		○	○
7	<p><b>Spread of a new strain of influenza or other infection</b></p> <ul style="list-style-type: none"> <li>Contraction of economic activity as a result of the outbreak and protraction of a pandemic</li> <li>Increase in claims and benefits paid</li> <li>Expansion in regions where infections are endemic due to global warming or changes in the climate and occurrence and widespread transmission of new variants</li> <li>Pandemic which prevents the Group from properly executing business or delivering services</li> </ul>		○	△	○	
8	<p><b>Changes in the insurance market</b></p> <ul style="list-style-type: none"> <li>Developments such as the emergence of digital platforms which bring business model transformation (innovations such as built-in insurance and more efficient calculation of insurance premiums through the use of AI) and a change in consumer awareness</li> <li>Changes in the automobile insurance market due to the decline in the number of car accidents resulting from advances in driver assistance and autonomous driving technologies</li> <li>Expansion of services before and after coverage and protection, leading to reputation damage as a result of problem with app, system, IoT equipment or other technology or fraud or administrative error at a subcontractor or other business partner, or to a problem in the supply chain for equipment, etc. such as supply constraint or an intellectual property right violation which affects sales strategy</li> <li>Changes in the market size or structure due to factors such as action on climate change, protraction of the COVID-19 impact, a falling birthrate and aging population and population decline, and price volatility (primarily inflation) which affects insurance payments and business expenses</li> <li>Interruption or restriction of business or restriction of overseas travel and capital movements as a result of export restriction, supply chain disruption, a change to regulations, riot, military action or other development associated with intensified antagonism among world powers</li> </ul>	○	△	○	○	○

Listed below are events with the potential for medium- to long-term impacts on Group management and events for which the impact and timing are difficult to grasp at present but about which we need to maintain awareness. As Group Emerging Risks, our Group periodically monitors these events.

Group Emerging Risks	
1	Appearance or emergence of new systems or innovative technologies that will significantly change or transform the economy, consumer behavior and business models
2	Damage to natural capital (depletion of resources, ecological degradation and crisis, man-made pollution or accident which causes enormous damage to the environment)
3	Establishment, revision or abolition of Japanese or foreign laws, regulations, systems, regimes, etc. which may significantly affect the Group
4	Major changes in labor supply and demand
5	Major disruption, failure and collapse of national governance and politics, or a national security crisis

## Management of Natural Catastrophe Risk

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[Climate-related Financial Disclosure](#) >

## Control of the Retained Amount of Natural Catastrophe Risk

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[Climate-related Financial Disclosure](#) >

# Information Management

## Basic View and Policy

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The MS&AD Insurance Group will observe the laws and regulations for information security, and will continuously implement measures to strengthen information management. These measures include setting internal rules, upgrading system security, conducting thorough information management training for staff and agents, and taking steps to mitigate the risk of information leakage.

In order to proactively strengthen information security management to the entire group, we have established the "MS&AD Insurance Group Information Security Management Basic Policy."

In light of the importance of protection for personal information, and in the interest of compliance with related laws and regulations as well as proper handling of customer information, we have formulated the "MS&AD Insurance Group Basic Policy for Management of Customer Information" and the "MS&AD Insurance Group Basic Policy for Shared Use of Customer Information".

[Information Security Management Basic Policy](#) >

[Basic Policy for Management of Customer Information](#) >

[Basic Policy for Shared Use of Customer Information](#) >

## Structure of Information Security Management

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The holding company appoints the Group Chief Information Security Officer (CISO) to build a framework and enhance information security management. The MS&AD Group maintains a framework to detect threats to information assets and always understands changes in the external environment, such as those related to cybersecurity, to ensure information security and respond to emergencies quickly.

In accordance with the "MS&AD Insurance Group Basic Policy for Management of Customer Information", the domestic insurance companies in the Group determine guidelines and internal rules related to information management, and instate security initiatives. They also plan and operate programs for the education of employees and agents, and perform related checks and monitoring. In addition, they make arrangements for response in the event of incidents such as information leaks, take steps for prompt post-incident correction and recurrence prevention, and otherwise work for appropriate handling in this respect.

## Monitoring Activities

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The holding company monitors the status as regards arrangements for information security management at domestic insurance companies in the Group, and reports of its findings to management. In addition, it applies the findings of its monitoring activities in its efforts to reinforce arrangements for information security management in the entire Group, through steps such as sharing of know-how with and provision of requisite support to domestic insurance companies in the Group.

## MS&AD Insurance Group Holdings, Inc. Declaration of Personal Information Protection (Privacy Policy)

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The holding company and the domestic insurance companies in the Group have formulated privacy policy for various items related to the handling of customer information, including a declaration of commitment to compliance with related laws and regulations, appropriate acquisition, and limitation of the purposes of use. They have disclosed these declarations on their respective websites.

[> Declaration of Personal Information Protection \(Privacy Policy\)](#)

# Transaction Responsibilities

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## Basic Concept and Policy

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In the MS&AD Insurance Group Compliance Basic Policy, the MS&AD Insurance Group stipulates that all of our officers and employees should take sincere, fair, and proper actions to respond to the expectations and requests of society by complying with all laws and regulations related to our corporate activities with a constant awareness of our corporate social responsibility.

### Compliance Basic Policy

Furthermore, we established the MS&AD Insurance Group Basic Policy on Human Rights in February 2017, in which we recognize our responsibility for the actual and potential adverse impact that our business activities have on human rights, including in the value chain. We have begun efforts to implement activities and dialog that respect human rights.

### Basic Policy on Human Rights

Based on the fact that there are situations in business activities where various activities are entrusted to outside vendors, we have formulated the MS&AD Insurance Group Basic Policy for Management of Outside Vendors as our basic policy regarding outsourcing. Based on the above, the Group companies maintain and properly control the management of outside vendors.

### Basic Policy for Management of Outside Vendors

## Specific Initiatives

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### Initiatives for Human Rights and the Environment

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Through its human rights due diligence, the MS&AD Insurance Group is making efforts for the safe management of customer information by making the prevention privacy infringement arising from the leakage of customers' personal information a priority issue. The Group also conducts procurement that takes into account the sustainable use of resources.

#### Human Rights Due Diligence and Remedial Measures

#### Information Management

#### Promoting Use of FSC-Certified paper

## Confirming the Appropriateness of Outside Vendors

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The Group's domestic insurance companies have established standards for selecting new outside vendors and conduct regular inspections of vendors, in principle annually, to check the vendors' customer personal information management system, the soundness of business management, and the appropriateness of business execution.

## Initiatives in the Value Chain

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### Consideration for Human Rights

#### Basic Policy on Human Rights

The MS&AD Insurance Group urges related parties such as business partners, including suppliers, who are involved in the procurement of services, and agencies, to prevent and/or reduce the risk of adverse impacts on human rights through their business activities.

### Environmental Consideration

We have signed the Paris Pledge of Action. To achieve net zero in 2050, we have established a policy that consideration for sustainability in all business activities.

In order to achieve net zero emissions in 2050, it is important to reduce emissions not only in our company but also throughout the supply chain. We will therefore work with our customers, agents, and other stakeholders to promote initiatives that contribute to the transition to a decarbonized society and the reduction of CO2 emissions in society.

As the chairman of the Japan Biodiversity Initiative (JBIB), we are demonstrating leadership in conserving biodiversity and improving the sustainability of natural capital.

MSI and ADI annually explain the MS&AD Insurance Group Basic Policy on the Environment to clients and ask for their cooperation in environmental consideration.

We are encouraging agencies and clients to obtain Eco Action 21 certification (MSI only) , a simplified environmental ISO certification, as well as spreading Eco-maintenance\* and promoting the use of recycled automobile parts.

#### Support for Certification under Eco Action 21

#### Support for the Spread of Eco-maintenance and Eco-inspection

\* Encouraging the spread of Eco-maintenance (engine cleansing)

“Engine cleansing” has been stipulated by the government as one of the designated items of Green Purchase Method in April 2008. Support for obtaining Eco Action 21 certification has directly lead to the spread of engine cleansing.

# Group Basic Policy for Management of Outside Vendors

Based on the fact that there are situations in business activities where various activities are entrusted to outside vendors, the MS&AD Insurance Group has formulated the Group Basic Policy for Management of Outside Vendors as the basic policy regarding outsourcing. Based on the above, the Group companies maintain and properly control the management of outside vendors.

## MS&AD Insurance Group Basic Policy for Management of Outside Vendors

The MS&AD Insurance Group maintains proper management of outside vendors based on the below management policy in situations when it entrusts work externally.

### 1. Outside Contracting Subject to This Policy

When the MS&AD Insurance Group delegates all or part of the administrative work necessary for it to conduct business to an outside vendor, there must be an assurance that such is appropriate in conjunction with the execution of business bearing in mind the need to assure that customers are protected and management is conducted soundly. As used herein, "customer" shall refer to "a customer having a relationship to the activities of the MS&AD Insurance Group" with respect to both individuals and companies.

### 2. System for Management of Outside Vendors

MS&AD Holdings and the domestic Group insurance companies shall create the following system for managing outside vendors and properly implement the same:

- (1) Establish a supervisor and business unit responsible for managing outside vendors.
- (2) Establish and disseminate rules pertaining to the management of outside vendors.
- (3) Conduct inspections and supervision over outside vendors.
- (4) Conduct appropriate management of subcontractors.
- (5) Establish procedures for responding to inquiries, complaints and other communications from customers pertaining to outside vendors.
- (6) Create other procedures necessary for managing outside vendors and revise the same as appropriate.

Other Group companies shall also create system for managing outside vendors and properly implement the same consistent with the above.

# Information Disclosure

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The MS&AD Insurance Group stipulates its external information disclosure policy for each Group domestic insurance company in "MS&AD Insurance Group Basic Policy for Disclosure of Information". In accordance to the policy, each Group company has thoroughly put the disclosure rules in practice as set forth by the Financial Instruments Exchange and is engaged in disclosing information so that respective stakeholders can have a correct understanding of the true status of the Group companies without delay.

[➤ Basic Policy for Disclosure of Information](#)

## Disclosure of Information and Investor Relations (IR)

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We are conducting investor relations (IR) activities according to the basic policies (IR policy) to win trust from shareholders and other investors as well as to have our corporate value assessed fairly and properly.

[➤ Disclosure of Information and Investor Relations \(IR\)](#)

## Capital Management Policies and Shareholder Return Policy

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On the premise of ensuring the soundness of its operations, our Group aims to increase its corporate value through sustained growth and to provide continuous and stable returns to shareholders.

[➤ Capital Policy and Shareholder Return Policy](#)

### < References >

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We provide reference materials for our shareholders/investors, such as the dividends trend of recent years and basic information, which includes the securities identification code and the number of MS&AD Holdings shares.

[➤ Dividend Policy](#)

[➤ Stock Overview](#)

## Climate-related Financial Disclosure

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The MS&AD Insurance Group endorses the Task Force on Climate-related Financial Disclosures (TCFD) and promotes the disclosure of financial information.

[➤ Climate-related Financial Disclosures](#)

# Disclosure of Information and Investor Relations (IR)

The MS&AD Insurance Group is actively conducting appropriate information disclosure to earn trust from a wide variety of stakeholders, including our customers, shareholders, investors, and business partners, so that our corporate value is assessed fairly and properly.

## Basic Policy and the Structure of Our Approach

Our Group has compiled its stance relating to information disclosure in the “MS&AD Insurance Group Basic Policies on Corporate Governance.” Based on this basic policy, we have established the “Policy for Constructive Dialogue with Shareholders” as a guideline for dialogue with shareholders, and the “MS&AD Insurance Group Basic Policy for Disclosure of Information,” etc. as a guideline for adequate disclosure, to ensure that the Group implements accurate, timely, and fair information disclosure.

[MS&AD Insurance Group Basic Policies on Corporate Governance](#)

## Basic Policies

### MS&AD Insurance Group Basic Policy for Disclosure of Information

The “MS&AD Insurance Group Basic Policy for Disclosure of Information” is an external information disclosure policy established for domestic Group insurance companies. In accordance with this policy, all domestic Group insurance companies strive to thoroughly comply with the disclosure rules stipulated by laws, regulations and the disclosure rules of financial instruments exchange. At the same time, the domestic Group insurance companies disclose information to ensure that their respective stakeholders can be made aware of important information in an accurate, timely, and fair manner.

[MS&AD Insurance Group Basic Policy for Disclosure of Information](#)

### Policy for Constructive Dialogue with Shareholders

Towards sustainable growth and improvement of corporate value in the medium and long term, our Group works to carry out constructive dialogue with shareholders, and is working to further create value by taking advantage of the dialogue in management.

[Policy for Constructive dialogue with shareholders](#)

### IR Policy

The “IR Policy” is the basic policy for IR activities established by MS&AD Holdings. Not only disclosing corporate information required under statutes and regulations of financial instruments exchanges, our Group proactively releases information for investment decisions, ranging from basic policies and management plans to business strategies of the Group, thereby improving the quality of our disclosure. In addition, by disclosing such information, we strive to put out information that is timely, fair, and easy-to-understand.

[IR Policy](#)

## Information Disclosure Framework

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To ensure timely and adequate disclosure and evaluate the effectiveness of information disclosure controls, our Group has established a “Risk Management Committee” and built a timely disclosure system.

### Risk Management Committee

The Risk Management Committee was established by a resolution of the Board of Directors, and it is the institution at the core of the timely disclosure system.

The Committee is composed of directors and general managers responsible for the planning, accounting, and other departments involved in information disclosure. It convenes to deliberate on information disclosure and verify the appropriateness of disclosed information.

The overview of the structure for timely disclosure is provided in the Corporate Governance Report.

 [Corporate Governance Report \(last update:September 30, 2020\)](#)  (1,179KB)

## Communication with Shareholders and Investors

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Our Group is actively engaging in dialogues with shareholders, investors, and analysts with the Group management at its core. In addition to holding the various information meetings for institutional investors and analysts, we provide highly convenient and clear information disclosure to shareholders and investors via the MS&AD Holdings website. The Group responds in good faith to enquiries from investors/shareholders and securities analysts. We will share the requests and opinions that we received during the course of our IR activities within the Group companies and will use them to enhance our corporate value.

 [Policy for Constructive dialogue with shareholders](#)

# The Medium-Term Management Plan

**MS&AD Group  
Medium-term Management Plan (FY2022-2025)  
Grow Together with Society As a Platform Provider of Risk Solutions**



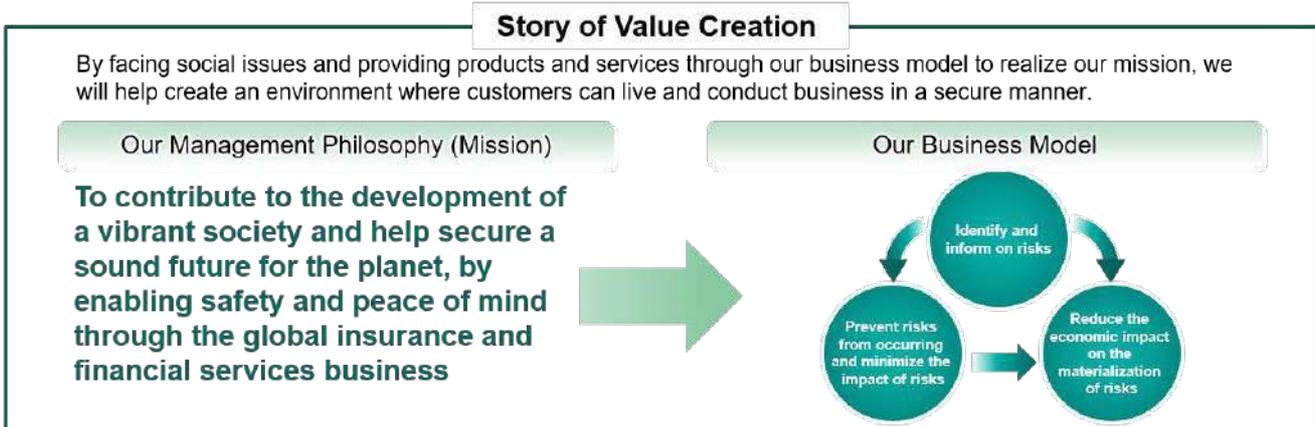
- > The Medium-Term Management Plan (2022~2025) (4,572KB)
- > FY2022 First Information Meeting (11,893KB)

## Our Aspirations: (1) Qualitative Targets

**A corporate group that supports a resilient and sustainable society**

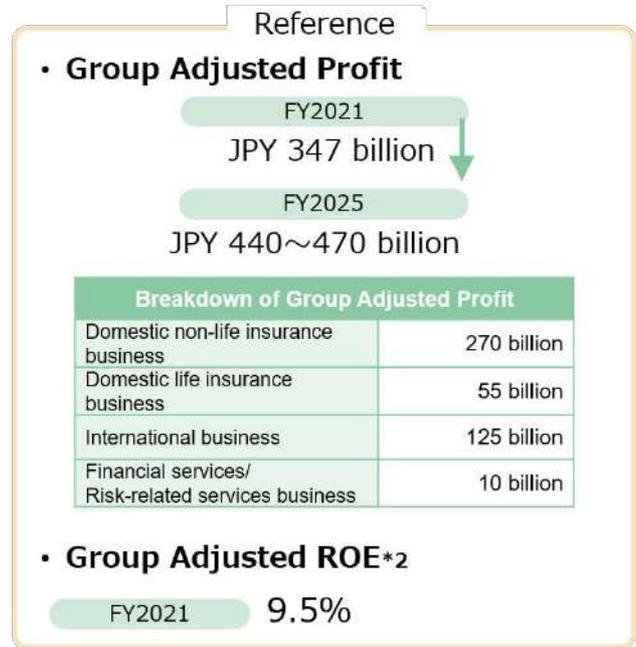
**As a platform provider of risk solutions,**  
we will help solve climate change and other social issues, while growing together with society.

- 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.



## Our Aspirations: (2) Quantitative Targets

- Net income of JPY 470-500 billion on an IFRS basis and stable realization of adjusted ROE of 10% or higher by FY2025



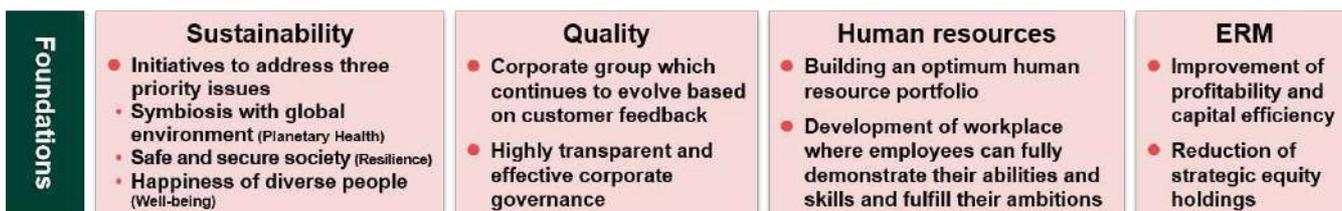
\*1.Net profit on IFRS basis ÷ (Net assets on IFRS basis – Unrealized gain/loss from strategic equity holdings)

(Since, under IFRS, gain/loss on sale of strategic equity holdings is no longer included in net profit, unrealized gain/loss from strategic equity holdings is excluded from net assets to align the denominator (net assets) and numerator (net profit) used to calculate ROE.)

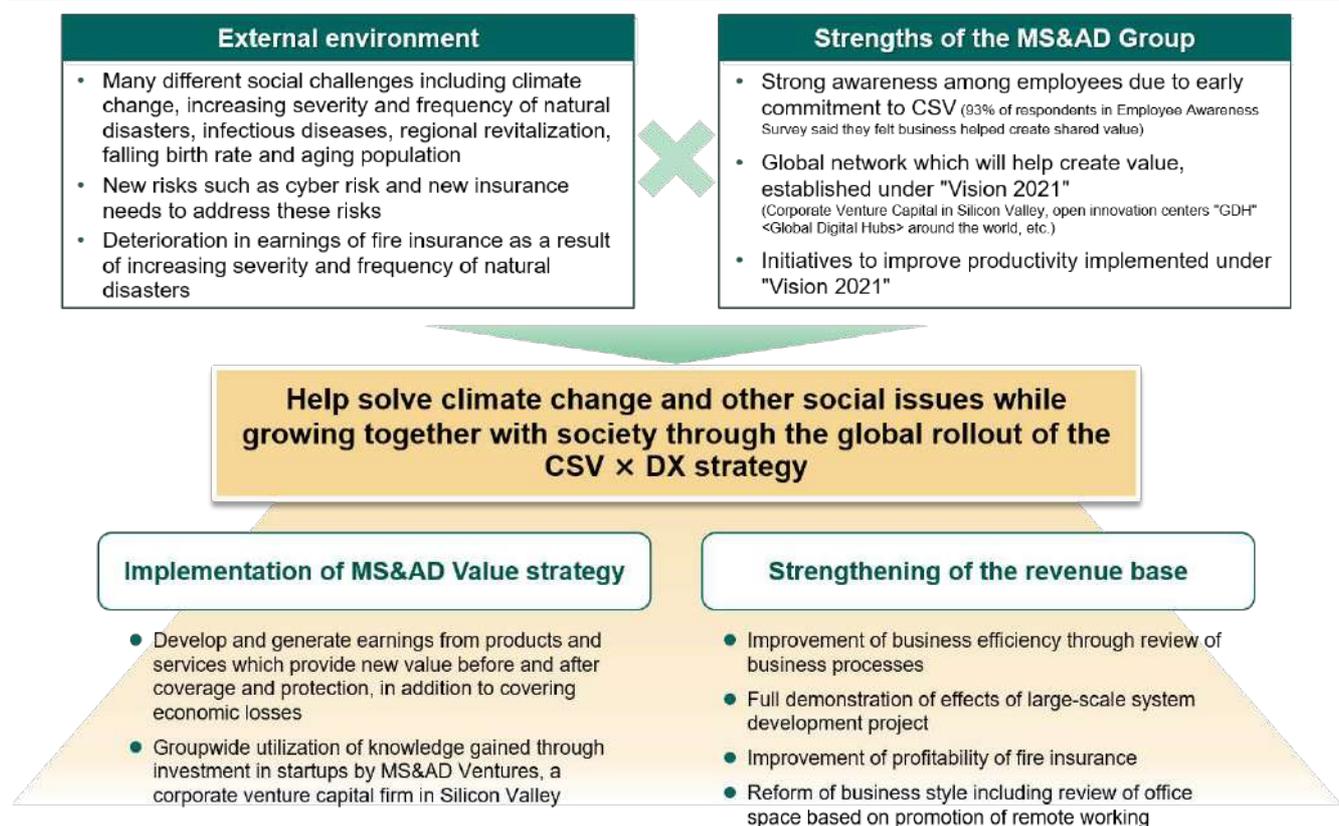
\*2.Group Adjusted Profit ÷ average of beginning and end amounts on BS of adjusted net assets (consolidated net assets + balance of catastrophe reserves etc. - balance of goodwill and other intangible fixed assets)

## Basic Strategies and Foundations Supporting Basic Strategies

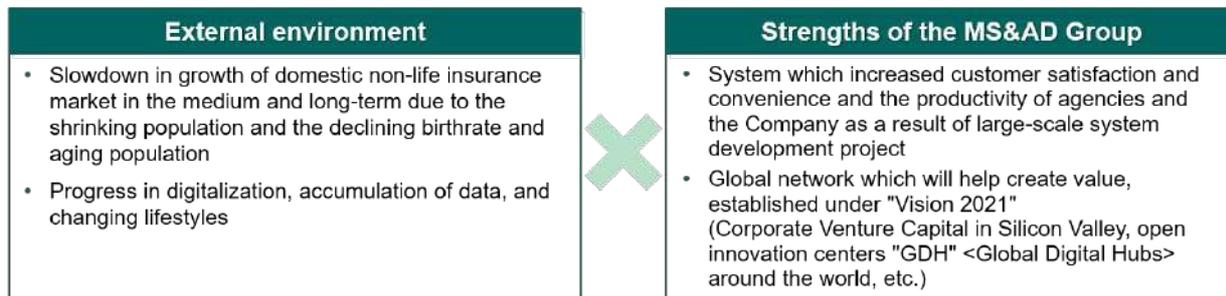
- Our basic strategies for realizing our aspiration of becoming a "corporate group that supports a resilient and sustainable society" are "Value (value creation)," "Transformation (business reforms)" and "Synergy (demonstration of group synergy)."
- "Sustainability," "Quality," "Human Resources" and "ERM" are the foundations supporting the basic strategies.



### Basic Strategy: Value (Value Creation)



## Basic Strategy: Transformation (Business Reforms)



**Adapt to changes in the business environment through business portfolio reforms and the utilization of digital technologies**

**Business and risk portfolio reforms**  
(Shift towards international/life insurance/new businesses)

- Realization of diversified business portfolio through expansion of the international business and life insurance business
- Provision of new services and solutions which will help solve the issues faced by society, companies and regions through the use of digital data and AI

**Pursuit of optimal solutions utilizing digital technologies**

- Expansion of digital sales including e-commerce sites with a built-in insurance sales process
- Business style transformation through the introduction of new solutions to business processes

**Digital Transformation**

Strengthen "digital human resource development," "systems," "business investment" and "data management," which are the foundations of DX, and implement business transformation through the use of digital data for the realization of "creation of stakeholder value" and "enhancement of profitability"

**Business and risk portfolio reforms (creation of new businesses)**

- Creation of services and solutions which will help solve the issues faced by society, companies and regions through alliances with companies, local governments and others and the utilization of digital technologies and data
- Establishment and utilization of Group data integration platform for the rapid and secure sharing of data inside and outside the Group
- Identification of and carefully selected investment in investment projects which will lead to improvement in corporate value through the strategic generation of returns from MS&AD Ventures' exploratory investment and maximization of their use across the Group and the acquisition of technologies and business models



**Pursuit of optimal solutions utilizing digital technologies**

- Improvement of customer convenience and expansion of sales channels through the deployment of digital sales including built-in insurance on e-commerce sites through collaboration with platformers
- Adoption of an agile approach, which will provide the foundations for the speedy development and provision of products and services and creation of new businesses in response to change, and the development of a culture that allows employees to take on challenges, tolerating failure
- Business style transformation through initiatives such as the digitalization of customer touchpoints, the real-time aggregation of performance data and other KPIs, the completion of sales activities on smartphones, the automatic recording of activities, and the automation of insurance claim procedures
- Improvement of income and expenditure and market expansion through more sophisticated underwriting and realization of more efficient underwriting operations through the utilization of AI

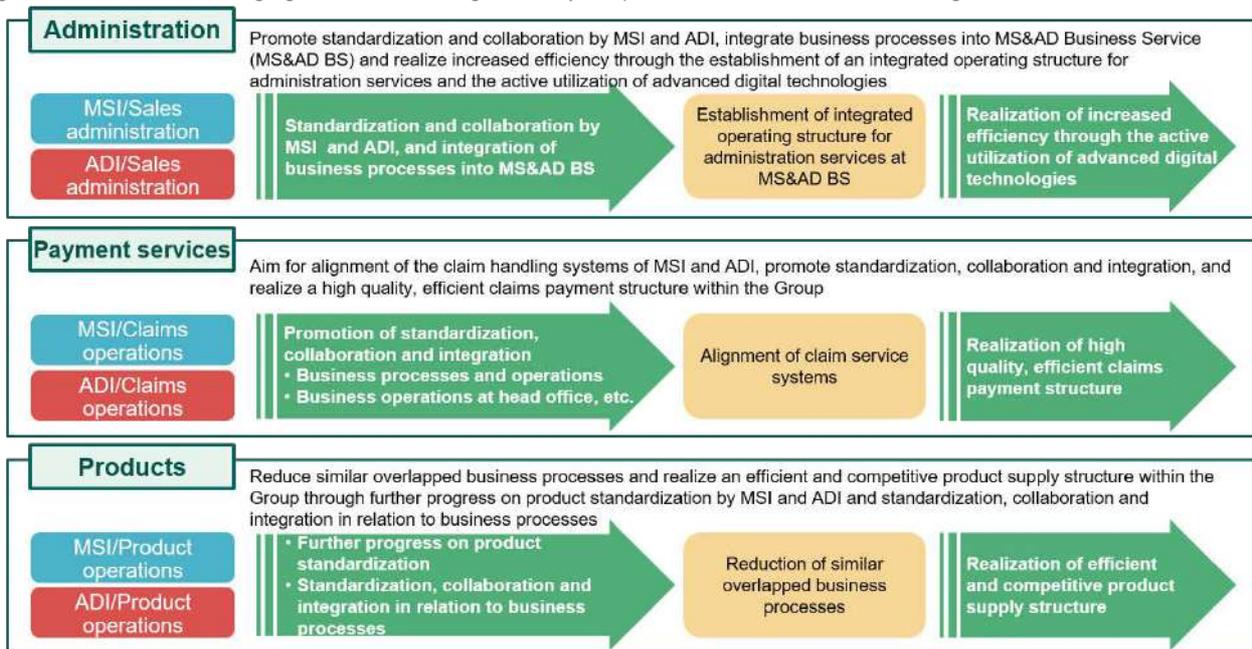


## Basic Strategy: Synergy (Demonstration of Group Synergy)



### One Platform Strategy (standardization, collaboration and Integration in Middle- and Back-office Operations)

Further promote standardization, collaboration and integration within the Group focusing on the middle- and back-office operations of Mitsui Sumitomo Insurance (hereinafter "MSI") and Aioi Nissay Dowa Insurance (hereinafter "ADI") to fully utilize the economies of scale achieved by having the largest share of the domestic non-life insurance. Seek to improve the efficiency and quality of business processes and invest the generated resources in strategic growth areas to strengthen Group competitiveness and achieve sustainable growth



\* Includes details of initiatives from FY2026

## Foundation Initiatives: Sustainability

- Aim to solve social issues that are important both for stakeholders and for the Company, and focus on the three priority issues

Priority issues	Social issues	Main initiatives
<p><b>Symbiosis with global environment</b> (Planetary Health)</p>	<ul style="list-style-type: none"> <li>• Global warming</li> <li>• Damage to natural capital</li> <li>• Environmental pollution</li> <li>• Linear economy</li> </ul>	<ul style="list-style-type: none"> <li>• Action on climate change                             <ul style="list-style-type: none"> <li>— Aiming for net zero carbon emissions by 2050</li> </ul> </li> <li>• Improvement of sustainability of natural capital</li> </ul>
<p><b>Safe and secure society</b> (Resilience)</p>	<ul style="list-style-type: none"> <li>• Emergence of new risks</li> <li>• Major earthquakes</li> <li>• Spread of infectious diseases</li> <li>• Decline of regional industry</li> </ul>	<ul style="list-style-type: none"> <li>• Measures to address new risks</li> <li>• Loss prevention/mitigation</li> <li>• Regional revitalization                             <ul style="list-style-type: none"> <li>— Creation of a resilient and inclusive society</li> </ul> </li> </ul>
<p><b>Happiness of diverse people</b> (Well-being)</p>	<ul style="list-style-type: none"> <li>• Aging population and declining birthrate</li> <li>• Human rights violations</li> <li>• Elimination of diversity</li> <li>• Poverty and widening income disparity</li> </ul>	<ul style="list-style-type: none"> <li>• Adaptation to a society of healthy longevity</li> <li>• Promotion of respect for human rights</li> <li>• Improvement of employee engagement</li> </ul>

- Implement initiatives with stakeholders to achieve net zero by 2050

### Symbiosis with global environment (Planetary Health)

<p><b>Action on climate change</b> — Aiming for net zero carbon emissions by 2050</p> <ul style="list-style-type: none"> <li>• Reduction of greenhouse gas emissions created by Group and its supply chain</li> <li>• Provision of products and services and investment and financing that will support technological innovation and its implementation in society for a shift towards a circular economy which will lead to decarbonization and the control of environmental pollution</li> <li>• Provision of solutions for adapting to the effects of climate change</li> </ul>	<p><b>Improvement of sustainability of natural capital</b></p> <ul style="list-style-type: none"> <li>• Implementation of initiatives that will help improve the sustainability of natural capital whilst addressing climate change, such as nature-based loss prevention/mitigation (green resilience)</li> <li>• Support for the transition to business based on the restoration and protection of biodiversity and the utilization of sustainable resources</li> <li>• Participation in the Taskforce on Nature-Related Financial Disclosures (TNFD) and promotion of visualization of the impact of corporate activities on nature</li> </ul>
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KPI		
<p><b>GHG emissions reduction rate</b></p> <p>FY2030</p> <p><b>Down 50%</b> (from FY2019) <b>FY2050: Net zero emissions</b></p>	<p><b>Renewable energy usage rate</b></p> <p>FY2030</p> <p><b>60%</b> <b>FY2050: 100%</b></p>	<p><b>Premium growth rate of products which contribute to decarbonization and a circular economy</b></p> <p><b>Annual average of 18%</b></p>

**Safe and secure society (Resilience)**

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

- Provision of products and services which address 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)**

- Pursuit of solutions to social issues in collaboration with regional stakeholders including local governments and industrial groups
- Promotion of 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)**

**Adaptation to a society of healthy longevity**

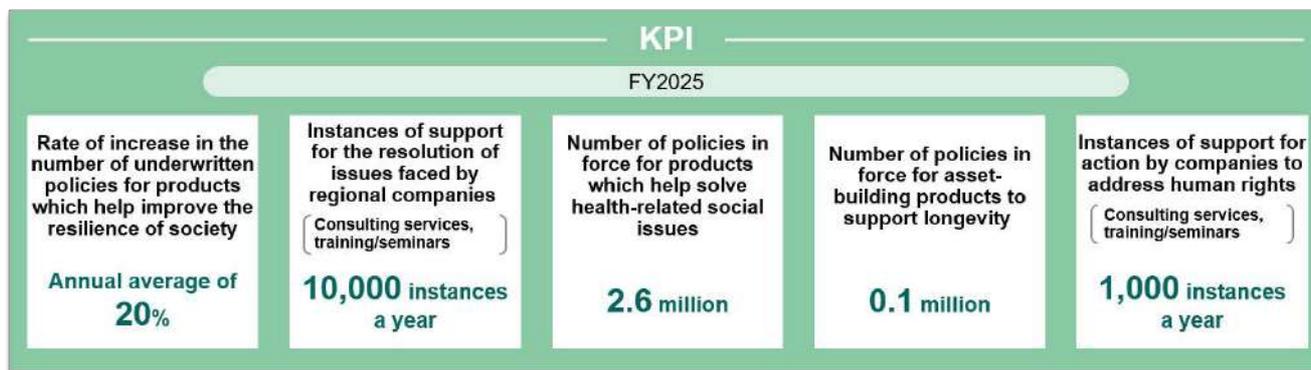
- Support for companies' health & productivity management
- Provision of products and services which help advance people's health and prevent disease
- Provision of products and services which support extension of the human wealth span in the era of the 100-year life

**Respect for human rights**

- Assessment of the impact of the Company's business activities on human rights and the implementation of preventive measures (human rights due diligence)
- Improvement of access to insurance and financial services

**Improvement of employee engagement**

- See "Foundation Initiatives: Human Resources (P.21)"

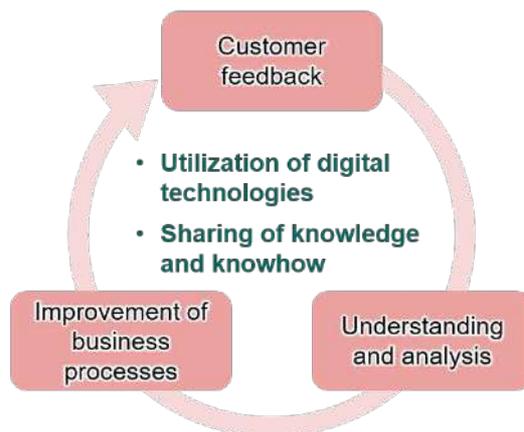
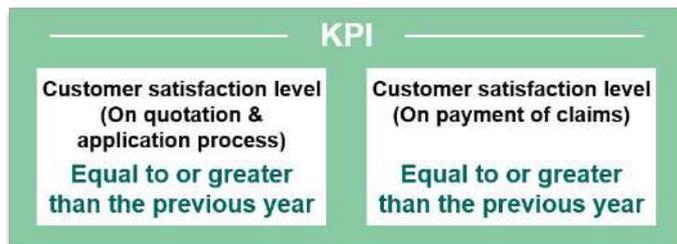


**Foundation Initiatives: Quality**

- Earn trust from society and customer satisfaction, to support the execution of strategies

**Corporate group which continues to evolve based on customer feedback**

- Initiatives to improve customer experience value through the improvement of business processes and the utilization of digital technologies based on customer feedback
- Advancement of the Group as a whole through the groupwide sharing of knowledge and knowhow for improving customer satisfaction gained through the initiatives of each Group company



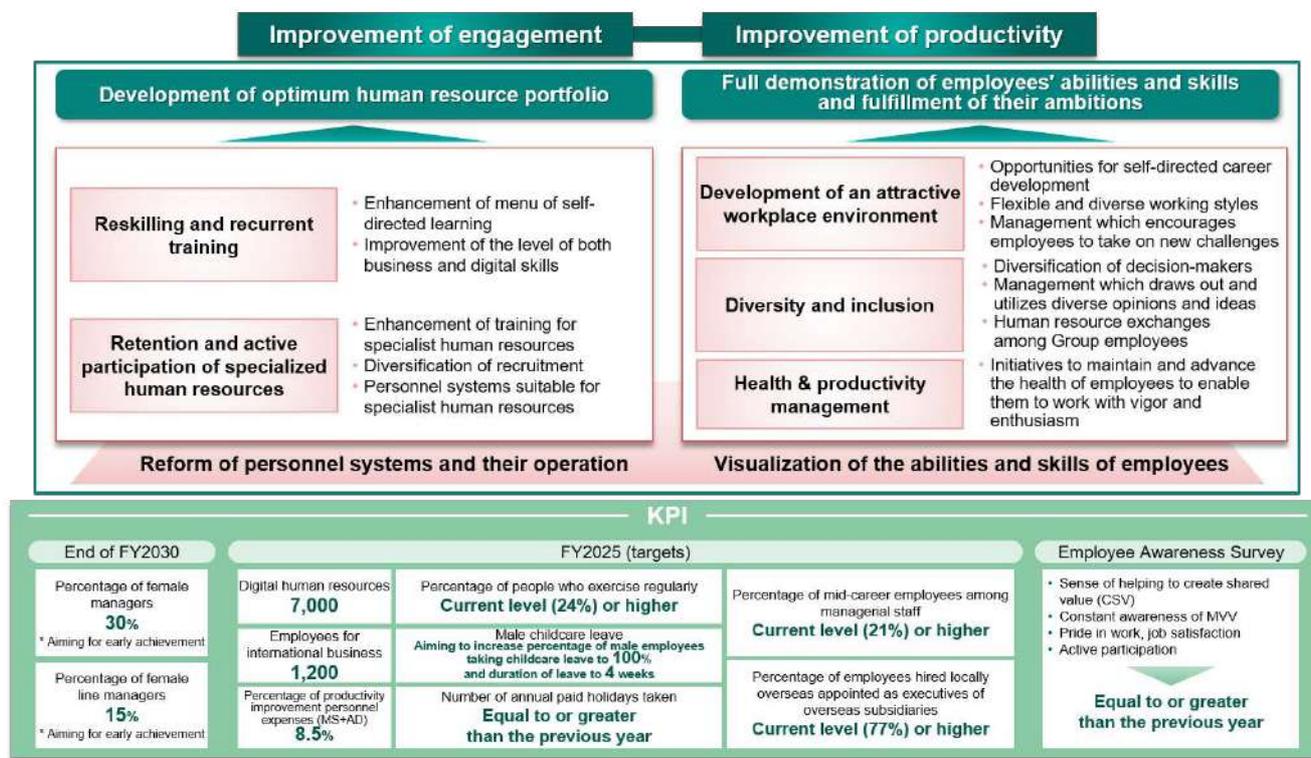
**Practice of highly transparent and effective corporate governance**

- Continuous enhancement of the oversight function of the Board of Directors and the audit function of the Audit & Supervisory Board Members
- Implementation of fair, accurate and prompt information disclosure



## Foundation Initiatives: Human Resources

- Secure human resources to support the execution of strategies and also develop an environment for their active participation and career advancement



## Foundation Initiatives: ERM

- Allocate management resources in such a way that strikes the right balance between risk, returns and capital by using the ERM cycle

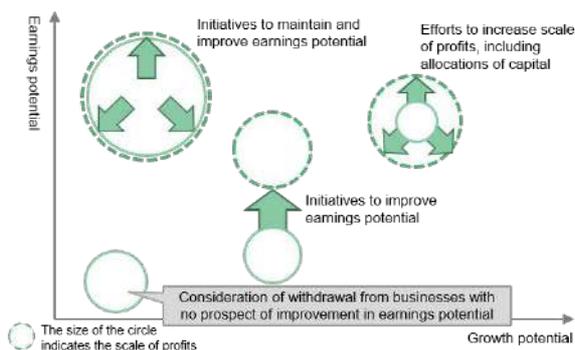
### Improvement of profitability and capital efficiency through the integrated management of risk, returns and capital

- Improvement of corporate value through enhancement of business management  
Improvement of corporate value by monitoring each business segment of every Group company to clarify issues and implementing initiatives to solve issues, with a view to improving ROE
- Effective utilization of capital within the Group  
Flexible movement of capital within the Group for the allocation of capital to more capital efficient business opportunities, including investment in growth businesses  
Optimization of Group capital and improvement of Group's capital efficiency

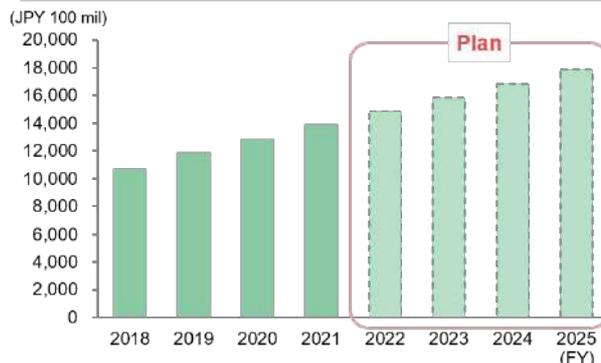
### Reduction of strategic equity holdings

- Reduction amount  
Strengthening of financial position through continued reduction by JPY 100 billion a year
- Weight in consolidated total assets  
Target weight of less than 10%
- Weight in risk amount  
Target weight of less than 30%

### Conceptual diagram of sophistication of business management



### Actual reduction (cumulative) and planned reduction in strategic equity holdings



## Capital Strategy

### Shareholder returns policy

- Provide shareholder return based on shareholder dividends and repurchase of own shares by adopting a benchmark of 50% of Group adjusted profit in Stage 1 (FY2022-FY2023) of the Medium-term Management Plan and 50% of return base profit\* in Stage 2 (FY2024-FY2025)
- \* Profit for accounting purposes (net profit on an IFRS basis) after adjustment to avoid significant fluctuations from Group adjusted profit under the previous Medium-term Management Plan, taking continuity into consideration
- Provide additional returns in an agile and flexible manner, in light of market trends, the business environment, capital status and other factors

Calculation formula for return base profit

$$\text{Return base profit} = \text{Net profit on an IFRS basis} - \text{Adjustments* from net profit on an IFRS basis} + \text{Gain/loss on sale of strategic equity holdings}$$

\* Impact of market fluctuations, impact of deferred policy acquisition costs, gain/loss related to unfavorable policies, amortization of intangible assets, goodwill impairment

### Investment policy

#### Strengthen

Investment to strengthen the competitiveness of existing businesses

- We will carry out investments that demonstrate a strong awareness of ROI, including investments aimed at promoting digitalization, such as investments in information systems.

#### Expand

Investment to diversify and expand the business portfolio

- We will consider the investments from the perspectives of shared values, sustainable growth models and risk diversification in terms of geography and business category.
- Targets will include specialty investments and MGAs in the United States and the retail insurance market in Asia

#### Innovate

Investment to create new business territories

- Investment to search for technologies and business models that will be game changers over the next 3 to 5 years

### ESR

- Set target range at 180-250%.
- Set the upper bound of the ESR target range at 250%, 30 points higher than the previous Medium-term Management Plan, to build up capital corresponding to the business investments to be implemented during this Medium-term Management Plan.

## Previous Medium-Term Management Plan

- > [Vision 2021-Stage2 \(2020~2021\)](#)  (4,032KB)
- > [Vision 2021 \(2018~2021\)](#)  (5,655KB)
- > [Next Challenge 2017-Stage2\(FY2016-FY2017\) \(May 26, 2016\)](#)  (451KB)
- > [Next Challenge 2017 \(June3, 2014\)](#)  (5,709KB)

# Third-Party Assurance

## Third-Party Assurance

Since 2015, the MS&AD Insurance Group has engaged KPMG AZSA Sustainability Co., Ltd. to perform assurance of selected environmental and social data in order to assure the credibility of reported figures. The data subject to the third-party assurance for this fiscal year is indicated with ✓.

[KPMG's Independent Assurance Report](#) 

[The Calculation Methodology](#) 



## Independent Assurance Report

To the President and CEO of MS&AD Insurance Group Holdings, Inc.

We were engaged by MS&AD Insurance Group Holdings, Inc. (the “Company”) to undertake a limited assurance engagement of the environmental and social performance indicators marked with ✓ (the “Indicators”) for the period from April 1, 2021 to March 31, 2022 included in its MS&AD Sustainability Report 2022 (the “Report”) for the fiscal year ended March 31, 2022.

### The Company’s Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company’s reporting criteria”), as described in the Report.

### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company’s responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and recalculating the Indicators.
- Visiting the Company’s Aioi Nissay Dowa Insurance Ebisu Building selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

### Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Report.

### Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Kazuhiko Saito, Partner, Representative Director

KPMG AZSA Sustainability Co., Ltd.

Tokyo, Japan

December 2, 2022

## Scope and Method of Calculating Environmental Data

Item	Method of calculating amounts of energy used, amounts of disposed waste, and passenger-kilometers traveled		CO <sub>2</sub> emission factor
Amount of electric power, gas, cold and hot water, heavy oil, and kerosene used	Japan	Actual measured energy usage	Emission factor by energy source based on the Act on Promotion of Global Warming Countermeasures as published by Japan's Ministry of the Environment and emission factor by electric power utility. For overseas electric power, emission factor by country published by IEA (*2).
	Overseas	Actual measured energy usage or calculated from energy purchase costs and unit price by country as published by JETRO (*1).	
Amount of gasoline and diesel oil used	Japan	In principle, actual measured amounts of gasoline and diesel oil are used. When an actual measured amount of gasoline is unknown, the amount is calculated from the gasoline purchase cost and the domestic national average unit price as published in a survey of gas station retail prices conducted by Japan's Agency for Natural Resources and Energy.	
	Overseas	In principle, the amount used is calculated from gasoline purchase costs and unit price by country as published by JETRO. When the cost of gasoline is unknown, it is calculated from the amount of gasoline used per car and the number of cars at overseas sites, or the amount of gasoline used per person at overseas sites and the number of employees overseas.	
Total amount of waste	Japan	In principle, the actual amount of general waste disposed from Company-owned buildings is measured (data acquisition rate at 68.9%). When an actual amount is unknown, it is estimated from the cost of waste disposal and the unit cost. The amount of general waste disposed from non-Company-owned buildings is calculated from the amount of disposed general waste per person in Company-owned buildings and the number of employees in non-Company-owned buildings. The amount of disposed industrial waste is the actual measured amount.	/
	Overseas	Calculated from the amount of disposed general waste per person in Company-owned buildings in Japan and the number of employees overseas.	
Amount of recycled waste	Consolidated	In principle, the actual amount of general waste disposed from Company-owned buildings is measured. When an actual amount is unknown, it is calculated by multiplying the ratio of the quantity (measured value) for which recycling processing was confirmed to the total amount of waste (measured value) by the total estimated amount of waste based on the cost of waste disposal and unit cost. The amount of general waste disposed from non-Company-owned buildings is calculated from the amount of disposed general waste per person in Company-owned buildings and the number of employees in non-Company-owned buildings. The amount of disposed industrial waste is the actual measured amount.	/
Amount of disposed waste	Consolidated	Total amount of waste minus actual measured amount of recycled waste	/
Amount of	Japan	The percentage of the actual measured amount of water	/

water used		used in Company-owned buildings is 89.8%. The amount of water used in non-Company-owned buildings is calculated from the amount of water used per person in Company-owned buildings and the number of employees in non-Company-owned buildings.	
	Overseas	Calculated from water use per person in Company-owned buildings in Japan and the number of employees overseas	
Business Japan travel	Japan	Calculated from domestic and international air travel expenses estimated from domestic and international business travel expenses (assuming that 10% of domestic business travel expenses and 50% of international business travel expenses are air travel expenses), train travel expenses (assuming that 60% of domestic business travel expenses are train travel expenses) , taxi travel expenses emissions unit values per amount of transportation costs incurred as published by Japan's Ministry of the Environment, and emissions unit value per thousand passenger-kilometers traveled by type of transportation.	
	Overseas		

Organizational boundary: MS&AD Insurance Group Holdings, Inc. and its consolidated subsidiaries and following non-consolidated affiliate

1	Aioi Nissay Dowa Claims Adjusting Company, Limited
2	Aioi Nissay Dowa Insurance Service Co.,Ltd
3	Fure-Ai Do Life Services Co., Ltd
4	Aioi Nissay Dowa Automobile Research Center Company, Limited

However, for gasoline and diesel oil, only Aioi Nissay Dowa Claims Adjusting Company, Limited Co., Ltd., which is in charge of insurance payment business, is included as non-consolidated affiliated companies.

\*1 JETRO: Japan External Trade Organization

\*2 IEA: International Energy Agency

## Scope and Method of Calculating Scope3

Category	Boundary	Calculation method	Emission source unit
Purchased Goods and Services	MS&AD Insurance Group Holdings, Inc. (hereinafter Holdings) and its major domestic consolidated subsidiaries	○Cost of paper materials Cost × emission source unit ○Postal charges Postal charges × emission source unit	The Ministry of the Environment's database*3 [5] Input-output table base emission source units (paper) (post)
Capital goods	Holdings and its consolidated subsidiaries	Facility investment amount x emission source unit per price of capital goods	The Ministry of the Environment's database*3 [6] emission source units per price of capital goods (financial/insurance)
Fuel- and energy-related activities (not included in scope 1 or scope 2)	Holdings and its consolidated subsidiaries	Usage amount of fuel and energy Usage amount x emission source unit	①The Ministry of the Environment's database*3 [7] emission source units per usage of electricity and heat ②IDEA DB *4 emission source units per amount of fuel
Waste generated in operation	Holdings and its consolidated subsidiaries	Amount of recycled industrial waste, incineration processing, and direct landfill processing x waster type/emission source unit by processing method	The Ministry of the Environment's database*3 [8] emission source units by waste type / processing method (including waste transportation), [9] emission source units by waste type (including waste transportation)
Business travel	Holdings and its consolidated subsidiaries	○Cost of business travel Cost of air flight/ train/ taxi × Emission source unit per transportation expenses	The Ministry of the Environment's database*3 [11] Emission source unit per transportation expenses
Employee commuting	Holdings and its major domestic consolidated subsidiaries	○Commutation allowance Calculate the allowance for commuting by multiplying the remote working rate Commutation allowance x emote working rate x Emission source unit per transportation expenses	The Ministry of the Environment's database*3 [11] Emission source unit per transportation expenses
Lease property	Holdings and its consolidated subsidiaries	○Electricity and gas used in the lease property  • energy and gas consumption amount × Emission source unit per consumption amount for electricity and gas	Emission factor by energy source based on the Act on Promotion of Global Warming Countermeasures as published by Japan's Ministry of the Environment

\*3 : The Ministry of the Environment's emission source unit database (ver. 3.2) for calculating greenhouse gas emissions through the supply chain (March 2022)

\*4 : IDEA Database (for calculating greenhouse gas emissions through the supply chain) ver.2.3 (27, Dec, 2019)

# Editorial Policy

## Concept of Sustainability Information Disclosure

The MS&AD Insurance Group issues an annual Sustainability Report so that stakeholders can better understand the sustainability-related activities at the Group. In addition to including information that is considered important by stakeholders and the Group, the report is published via a website in order to save natural resources.

- This report focuses on the following priority areas: “contributing to climate change mitigation and adaptation” “striving to improve sustainability of natural capital,” and “implementing activities and dialog that respect human rights,” as well as three priorities which consist "sustainability," which is one of the foundations stated in the Medium-Term Management Plan (2022 -2025): Symbiosis with global environment, Safe and secure society and Happiness of diverse people.
- The report also mentions unique initiatives being carried out at Group companies (please refer below for the scope of the report).
- The report includes a collection of sustainability-related data.

## Scope of the Report

Target period
Fiscal 2021 (April 2021 through March 2022) * Also includes some activities in and after April 2022.
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.)
<ul style="list-style-type: none"> <li>• MS&amp;AD Insurance Group Holdings, Inc. ⇒ “MS&amp;AD Holdings” or “HD”</li> <li>• Mitsui Sumitomo Insurance Co., Ltd. (★) ⇒ “Mitsui Sumitomo Insurance” or “MSI”</li> <li>• Aioi Nissay Dowa Insurance Co., Ltd. (★) ⇒ “Aioi Nissay Dowa Insurance” or “ADI”</li> <li>• Mitsui Direct General Insurance Co., Ltd. (★) ⇒ “Mitsui Direct General Insurance” or “Mitsui Direct General”</li> <li>• Mitsui Sumitomo Aioi Life Insurance Co., Ltd. (★) ⇒ “Mitsui Sumitomo Aioi Life” or “MSI Aioi Life”</li> <li>• Mitsui Sumitomo Primary Life Insurance Co., Ltd. (★) ⇒ “Mitsui Sumitomo Primary Life” or “MSI Primary Life”</li> <li>• MS&amp;AD InterRisk Research &amp; Consulting, Inc. ⇒ “MS&amp;AD InterRisk Research” or “InterRisk”</li> </ul>

## Timing of Publication

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This issue
December 2022
Previous issue
November 2021
Next issue
Scheduled for October 2023

## Referred Guidelines

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- GRI, Sustainability Reporting Guidelines (Standard)

[> Linkage with GRI Guideline](#)

- ISO26000:2010 Guidelines on social responsibility (Japanese Standards Association)

## Past Sustainability Reports

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[> MS&AD Insurance Group Sustainability Report](#)

[> Mitsui Sumitomo Insurance's CSR Report !\[\]\(f805dc3072442c96382704ea4198730f\_img.jpg\)](#)

[> Aioi Nissay Dowa Insurance's Communication Report \(in Japanese only\) !\[\]\(804455c5fc2dbae0f9f008e782d67314\_img.jpg\)](#)