MS&AD Insurance Group Holdings

FY2021 ESG Meeting

Tuesday, December 21, 2021
Today's Program

Part 1

15:00-15:30 Update on MS&AD’s ESG Initiatives
(Presentation by Mr Higuchi, CFO)

Part 2

15:30-15:50 The Role of MS&AD’s Human Capital in the Sustainable Enhancement of the Corporate Value
(Discussion by Ms Kopp, Outside Director, and Mr Higuchi, CFO)

15:50-16:30 Q&A

Tetsuji Higuchi, Executive Vice President & CFO
Rochelle Kopp, Outside Director (Appointed in June 2020)
I. Update on MS&AD’s ESG Initiatives

Tetsuji Higuchi
Executive Vice President & CFO
MS&AD Insurance Group Holdings, Inc.
Overview of MS&AD Value Creation

MS&AD’s business model

Social Issues
Diverse risks surrounding society

Stability in People’s lives
Dynamic business activities

Provision of safety and peace of mind

MS&AD’s business model

Quality that earns the trust of society

- Earn the trust of society with high quality
- Sincere, fair and just business activities
- Activities and dialog that respect human rights
- Continue efforts to reduce the burden on the environment
- Investment activities that conform to PRI (Principles for Responsible Investment)

Creating shared value

- Deal with new risks
- Create a safer mobility society
- Strive for resilient community development
- Support “good health and longevity”
- Contribute to climate change mitigation and adaptation
- Strive to improve sustainability of natural capital
- Work toward the realization of “leaving no one behind”

Management platforms that enable employees to play active roles

- Promotion of diversity & inclusion
- Encourage employees to learn and think by themselves, take on challenges and continue to grow
- Health and productivity management
- Highly transparent and effective corporate governance

Foundation to support value creation
1. Priority Issues in Sustainability (Climate Change, Natural Capital and Human Rights)
Three Priority Issues in Sustainability

1. Contribute to climate change mitigation and adaption
   - We contribute to the realization of a net-zero society by promoting the stable and sufficient supply and usage of renewable energy.
   - We do not provide insurance for, nor make investments in new coal-fired power plants.

2. Strive to improve sustainability of natural capital
   - We endeavor to conserve biodiversity to build a sustainable system between natural capital and business activities.

3. Implementing activities and dialog that respect human rights
   - We do not underwrite risks related to, nor make investments in manufacturers of cluster munitions that may cause indiscriminate mass killing.

Insurance underwriting
We consider issues and risks that could adversely impact society and the global environment, and provide products and services that respond to the demands of society.

Investments and loans
We consider ESG factors in pursuit of long-term investment returns and contribute to solutions for sustainability issues.
Set a net zero target for 2050. Adding the scope 3*1 GHG*2 emissions reduction to the target, we aim to achieve net zero emissions together with our stakeholders.

GHG emissions reduction target and renewable energy use

- **Base year**
- **Scope 1+2**
- **Scope 3**
- **Share of renewable energy**

**Targets for FY2030** are categories 1, 3, 5, 7 and 13. Aim for net zero in all categories by 2050.

1: Purchased products and services, 3: Fuel and energy activities other than Scope 1 and 2, 5: Waste from operations, 7: Employee commuting, 13: Leased assets

*1 Indirect emissions from our Group's business activities other than Scope 1 and Scope 2
*2 GHG: Greenhouse gases, shown in this graph as CO2 equivalent.
1. Responding to Climate Change: 
(2) Initiatives to cope with climate change

- TCFD Report issued in August 2021
- At a thematic meeting on climate change response in September 2021, disclosed the following details:
  ① "Climate-Related Management Systems and Initiatives toward Net Zero"
  ② "Scenario Analysis (Physical Risk, Transition Risk) and Risk Management"
2. Improving Sustainability of Natural Capital: (1) Green resilience

Green Resilience: Utilizing natural capital to simultaneously achieve disaster prevention and mitigation and regional revitalization

Connecting upstream and downstream areas to nurture a green resilience business
Use the blessings of nature sustainably and effectively to prevent natural threats

- Job creation leveraging the diversity of the region
- Urban-to-rural capital flow
- Safe and comfortable community development close to nature
Participation in Kumamoto Prefecture Green Basin Flood Control Project  
(Representative: Kumamoto Prefectural University)

2. Improving Sustainability of Natural Capital: (1) Green resilience

**Vision of the region**

Realization of a sustainable region where people can continue to live safely and securely even after a major disaster, and where the rich environment and young people can remain.

**Targets**

1. Safe and secure from flood damage  
2. Living with the rich environment  
3. Region where young people remain  
4. Achieving "green watershed" through multi-generational co-creation

**Research & development challenges**

1. Flood control technological research  
2. Environmental planning research  
3. **DX research**  
4. Industrial creation research  
5. Partnership research

Involved in the project on implementation of smart watershed flood control and safe evacuation system using DX

Source: JST (Japan Science and Technology Agency)
2. Improving Sustainability of Natural Capital: (2) Securing forest resources

**Indonesia Reforestation Project**

In 14 years to 2019

**Approx. 31,700 t**

of CO2 absorbed

- Planting a total of **400,000 trees**
- Agricultural sales:
  - 36,701,160 Rp (FY 2014 to FY 2016)
  - 24,504,312 Rp (FY 2017 to FY 2018)
  - 27,079,365 Rp (FY 2019 to FY 2020)

**Philippines Afforestation Project**

- 2009 – 2018
- Planting trees in Mihoro, Hokkaido

**Planting trees in Mihoro, Hokkaido**

- 2019 –

MS&AD Insurance Group Holdings, Inc.
2. Improving Sustainability of Natural Capital: (3) Services related to natural capital

Analyzing and evaluating the impact of business activities on natural capital and providing consulting to build sustainable relationships.

Comprehensive biodiversity consulting

1. Biodiversity Management Support Consulting

2. Biodiversity Procurement risk consulting

3. Biodiversity Business opportunity analysis

4. Biodiversity contribution type Land use consulting
2. Improving Sustainability of Natural Capital: (4) Business and biodiversity

Since its establishment in 2008, MS&AD has been involved as the Chair company, leading its activities.

**Establishment**
April 1, 2008

**Number of members**
| Full membership | 31 companies (as of July 28, 2021) |
| Network members  | 18 companies (as of October 4, 2021) |

**Purpose of the activities**

1. Research and implementationa related to business and biodiversity
2. Dialogue and cooperation with stakeholders
3. Dissemination of good practice information in japan and overseas
4. Proposals and awareness raising to promote biodiversity initiatives
5. Other projects necessary to achieve the objectives
In October 2021, our employee joined the Taskforce on Nature-related Financial Disclosures (TNFD).

Started in June 2021

Taskforce member

Makoto Haraguchi
SVP of Sustainability Section
MS&AD Insurance Group Holdings
3. Respecting Human Rights

Pursuant to the MS&AD Insurance Group Basic Policy on Human Rights, we fulfill our corporate responsibility to respect human rights.

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

- Applies not only to agents and other business partners, but also to our value chains.

**Human rights due diligence**

- Assessing human rights risks, regularly monitoring priority issues, and implementing measures to reduce risks.

**A workplace environment and business activities that respect human rights**

- Discrimination
- Occupational safety and health
- Harassment
- Rights of privacy
- Human rights issues in the supply chain
- Others
2. Investment Activities in Accordance with the PRI
1. ESG Investment Initiatives

Supporting companies’ innovation through green investment, such as investment and financing for the shift from business activities with high GHG emissions to a business model with low environmental impact.

Activities and Target Assets by ESG Investment Method

Integration into the investment process

| Negative screening | Excluding new coal-fired thermal power plants, cluster munitions manufacturers, etc. | All assets |
| Integration into research | Utilize ESG rating companies for investment decisions | Bonds, stocks and loans |

Sophistication of dialogue

Conducting dialogues centered on stewardship activities | Stocks |

Thematic investment

| Sustainable thematic investment | Investment and financing for renewable energy, green/sustainable/social bonds, etc. | Bonds, stocks, loans, PE |
| Impact investment | Impact investment related to climate change and other themes | Joint group investment started in December |

*1 As of the end of June 2021.
*2 As of the end of September 2021. International institutional bonds are purchased only for sustainability purposes.
*3 Impact investments are investments intended to generate measurable and positive impacts on the environment and society, in addition to investment returns.
2. Promoting Impact Investment by Group Companies

Four Group companies invested a total of US $50 million in impact investment funds. Contributing to SDGs with the aim of achieving economic benefits and creating environmental and social impacts at the same time.

MS&AD INSURANCE GROUP INVESTS IN IMPACT FUNDS

MS&AD Insurance Group Holdings, Inc. (President & CEO: Noriyuki Hara) announces that four of its subsidiary companies have jointly invested a total of USD 50 million in the impact funds "LGT Crown Impact" and "TPG Rise Climate" through an investment vehicle managed by LGT Capital Partners (Ireland) Ltd..

The MS&AD Insurance Group’s mission is “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 service businesses”. In order to contribute to the achievement of the mission, MS&AD Insurance Group will aim to generate positive and measurable environmental and social impact while earning economic returns though impact investments. Going forward, to pursue the achievement of Sustainable Development Goals (SDGs) and the realization of a sustainable society, the MS&AD Insurance Group will continue to focus on expanding its network in impact investment, and strive to accumulate knowledge on impact measurement and management.

1. **Summary of Investment**

   A) Fund Names : LGT Crown Impact, TPG Rise Climate
   B) Investment Amount : USD 50 million (approximately JPY 5.5 billion)
3. Highly Transparent and Effective Corporate Governance
1. Response to Revisions of the Corporate Governance Code in June 2021

We responded to the revision of the Corporate Governance Code in June 2021 with regard to sustainability issues.

**Corporate Governance Code Revision (Sustainability-related)**

1. **Ensuring Diversity in Core Human Assets**
   - Set voluntary targets to ensure diversity in managerial positions (promotion of women, foreigners, and mid-career employees)
   - Disclosed information on global and diverse human assets in the MS&AD Integrated Report 2021.

2. **Addressing Sustainability Issues**
   - Recognizing climate change, natural capital, and respect for human rights as important management issues, we work to resolve them and promote disclosure.
   - Disclosed the climate-related management structure and scenario analysis in the TCFD Report.
1. Response to Revisions of the Corporate Governance Code in June 2021

Corporate Governance Code Revision (Others)

3. Exercise of functions of the Board of Directors

- More than 1/3 of Directors are independent Outside Directors. (4 out of 11 Directors)
- Established the Nomination Committee and Remuneration Committee. The majority of members are independent Outside Directors who are also the Chairs.
- Appointed independent Outside Directors with management experience at other companies.
2. System for Discussing Sustainability

Sustainability Committee, which is managed by the CFO, discusses the Group's policies on sustainability, D&I promotion, and human asset enhancement.

The person in charge: CFO

The person in charge: CFO, CRO

Sustainability Committee
Chairman, Vice Chairman, President, and other Executive Officers

ERM Committee
Holdings’ Executive Officers (excluding Chairman) and others

Major Deliberations (FY2021)

<table>
<thead>
<tr>
<th>Sustainability Committee</th>
<th>Zero CO2 emissions, promotion of D&amp;I, sustainability initiatives in the next medium-term plan, TCFD information disclosure, ESG investments, brand strategies, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERM Committee</td>
<td>Natural disaster risk management, risk scenario analysis and countermeasures, advanced business and product management, asset management risk status, etc.</td>
</tr>
</tbody>
</table>
3. Skill Matrix for Directors and Auditors

After discussions and deliberations at the Nomination Committee, the skills required for overall management (knowledge, experience and abilities) were identified, and a skill matrix for each Executive was disclosed in the Integrated Report 2021.

**Directors and Corporate Auditors Skill Matrix**

<table>
<thead>
<tr>
<th>Corporate Officer</th>
<th>Corporate Management</th>
<th>Internationality</th>
<th>IT and Digital</th>
<th>Sustainability</th>
<th>Human Resources and Asset Development</th>
<th>Legal Affairs and Compliance</th>
<th>Risk Management</th>
<th>Finance and Accounting</th>
<th>Insurance Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director Karasawa</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Director Kanasugi</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Director Hara</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Director Higuchi</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Director Fukuda</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Director Endo</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Outside Director Bando</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Outside Director Arima</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Outside Director Tobimatsu</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Outside Director Kopp</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Auditor Jinno</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Auditor Suto</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Outside Auditor Chiyoda</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Outside Auditor Uemura</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
</tbody>
</table>
4. Reflection of Achievement of Non-financial Indicators in the Compensation System for Executives

Reflecting the achievement status of non-financial indicators such as Sustainability Priority Issues (seven CSV initiatives) in the Executive compensation system to reflect medium- to long-term initiatives for enhancing the corporate value.

<table>
<thead>
<tr>
<th>Non-financial indicators (medium to long term)</th>
<th>Sustainability</th>
<th>Key strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Key sustainability issues</td>
<td>• Pursue the Group’s comprehensive strengths</td>
</tr>
<tr>
<td></td>
<td>• Deal with new risks</td>
<td>• Promote digitalization</td>
</tr>
<tr>
<td></td>
<td>• Create a safer mobility society</td>
<td>• Reform the portfolio</td>
</tr>
<tr>
<td></td>
<td>• Strive for resilient community development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Support “good health and longevity”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Contribute to climate change mitigation and adaptation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Strive to improve the sustainability of natural capital</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Work toward the realization of “leaving no one behind”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Quality that earns the trust of society</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Management platforms that enable employees to play active roles</td>
<td></td>
</tr>
</tbody>
</table>
4. Management Platforms That Enable Employees to Play Active Roles (Human Asset Development, D&I, and Health Management)
The Role of Employees in Achieving the Group's Aspiration

Aspiration of the MS&AD Group
A Group that supports a resilient and sustainable society

Employee aspiration
Diverse and highly professional employees creating and delivering products and services that meet the needs of customers and society and thereby supporting the Group’s sustainable growth

Workplace aspiration
Realization of a corporate culture in which all employees can participate actively and exercise their abilities to the full so as to achieve results through teamwork

Human Asset Development (Capacity Development)
1. Training
2. Career development

Empowering the individual

Strengthening organizational capabilities

Energizing the organization
3. D & I
4. Health management

Medium- to long-term growth strategy
CSV x DX x Global
1. Human Asset Development: 
(1) Digital and global training

Implemented various human asset development programs in Japan and overseas to promote the Group's growth strategy "CSV x DX".

### Digital human assets

Human asset development program in collaboration with universities and other educational institutions.

<table>
<thead>
<tr>
<th>Training program</th>
<th>Number of participants (total)</th>
<th>Efforts</th>
<th>FY2020 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MS&amp;AD Digital Academy</strong></td>
<td>497 persons</td>
<td>Overseas dispatch training system</td>
<td>FY2020: 18 participants (e.g. MBA)</td>
</tr>
<tr>
<td>(INIAD: Information Networking, Toyo University)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MS&amp;AD Digital College from Kyoto</strong></td>
<td>150 persons</td>
<td>Global Trainee System</td>
<td>FY2020: 48 domestic employees 74 employees from overseas bases</td>
</tr>
<tr>
<td>(KUAS: Kyoto University of Advanced Science)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>System X Design Thinking Training</strong></td>
<td>16 persons</td>
<td>Secondment system for employees from overseas bases</td>
<td>A total of 103 employees have been engaged in operations in Japan.</td>
</tr>
<tr>
<td>(From FY2020)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. Human Asset Development: (2) Opportunities for capability development

We provide a place to voluntarily learn necessary skills and know-how as a business professional, and provide highly practical training that can be used in daily operations and organizations.

<table>
<thead>
<tr>
<th>Career management training</th>
<th>Specialized human assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>A web-based training system designed to help employees think about their career vision for the next three to five years.</td>
<td>Support for the acquisition of specialized qualifications such as support for actuaries.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Open College</th>
<th>Training for job positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary training to help employees acquire business knowledge and skills (reskilling).</td>
<td>Training on the skills required for new roles.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>In-house paper contest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fostering a corporate culture that supports employees’ self-development by providing opportunities to publish papers that contribute to the realization of the management philosophy.</td>
</tr>
</tbody>
</table>
1. Human Asset Development:
(3) Opportunities for career development

### Expanding the range of activities within the Group

<table>
<thead>
<tr>
<th>Post Challenge</th>
<th>Internal FA (Free agent)</th>
<th>Shift between employee classifications and course classifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>• A system for transferring to the post or department of one's choice</td>
<td>• A system that enables employees to use their abilities and skills to appeal to the departments they designate.</td>
<td>• Challenge to new business areas&lt;br&gt;• Shift to employee classifications that involve changes in the scope of relocation</td>
</tr>
</tbody>
</table>

### Supporting startups and career change

<table>
<thead>
<tr>
<th>Career Challenge Support System</th>
<th>Startup Support System</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Support for changing jobs, becoming independent, or starting own business.</td>
<td>• After reviewing the business plan, the company supports necessary start-up funds.</td>
</tr>
</tbody>
</table>
2. Engagement: Employee Awareness Survey

**Employee Satisfaction Survey**
- "Pride and job satisfaction"
  - 4.4 pt (out of 6 pt)
- "Working vividly"
  - 4.5 pt (out of 6 pt)

**CSV Practices**
- Connection between my work and CSV (Japan)
  - 4.6 pt (out of 6 pt)
- Connection between my work and CSV (overseas)
  - 5.2 pt (out of 6 pt)

**Understanding and penetration of MVV**
- MVV awareness (Japan)
  - 4.7 pt (out of 6 pt)
- MVV awareness (overseas)
  - 5.2 pt (out of 6 pt)

**Personal growth**

**Achievement of organizational goals**

**Direction of corporate growth**

**Match vectors**

**Sustainable enhancement of corporate value**

*Mission, Vision, Values*
3. D&I: (1) Group’s common themes

In order to promote D&I throughout the Group, we are promoting the following four common themes.

- Creating a workplace with a wide variety of opinions
- Creating an environment where it is easy to continue working and be active
- Overcoming managerial unconsciousness bias
- Coexistence of diverse human assets including all genders, nationalities, persons with disabilities and LGBTQ community
3. D&I: (2) Inclusive leadership

Penetration of workplace management and inclusive leadership that draws out opinions and ideas based on the knowledge, experience, and values of diverse human assets, encourages active exchange of opinions, and utilizes them in organizational decision-making.

**Ensuring psychological safety**
Establishing a corporate culture that accepts diverse values and opinions and encourages free expression.

**Overcoming unconscious bias**
Controlling own biases and assigning work appropriately.

**Inclusive leadership**
Using diverse knowledge and values of employees as a driving force to promote sustainable growth of the organization.
3. D&I: (2) Inclusive leadership

Holding e-Business Seminars as a place to practice inclusive leadership.

**e-Business Seminars to Experience Inclusion**

Executives became lecturers for participants from Group companies and discussed business issues.

**Five seminars**

- MS&AD Group stock price research
- Human asset strategy for sustainable enhancement of corporate value
- What kind of company makes you want to join?
- "Do Not Force" Reform
- Aiming to become a truly global company

Kickoff meeting with Executives
3. D&I: (3) Overcoming unconscious bias

There is a need for assignment skills and leadership to identify individual capabilities that are not subject to your biases and leverage them in organizational decision-making.

Overcoming Unconscious Bias

- Bringing out individual abilities without focusing on fixed concepts
- Controlling own biases and assigning work appropriately

"Manager Challenge"

Middle-rank female employees experience positions of new line managers in other departments.

- It’s dangerous for a woman to go on an overseas business trip alone.
- Men are mobile. Women are stable.
- Young people these days have no willpower.
- Men are mobile. Women are stable.
- "Manager Challenge"
3. D&I:
(4) Creating an environment where people can easily continue working actively while balancing work and life.

A variety of systems have been put in place to enable employees to continue working actively while balancing work and life.

- **Marriage**
- **Pregnancy and childbirth**
- **Parental leave**
- **Reinstatement**
- **Nursing care**

Work area change system, reinstatement system after resignation

- **Childbirth and Childcare Handbook**
- **Obstetrics and Gynecology Online**
- **Job support system**
- **MS Cloud Sourcing**
- **Self-study and understanding of company trends**
- **“Hokatsu Concierge”**
- **Child care leave benefits**

- **Handbook of support for balancing work and nursing care**
- **External consultation on care and health**
- **“Tomocare” community**
- **Internet TV "Balancing Work and Nursing Care"**
- **Dementia TESTER**
- **Nursery school matching service**
- **Pediatrics Online**
- **Discussion meeting on childcare leave and reinstatement**
- **“Balancing childcare and work” community**
- **Childcare balance support benefits**
- **Company-led daycare centers and on-site daycare centers**
3. D&I:
(5) Gender diversity

A new target of the ratio of female directors (including executive officers) and female managers by the end of fiscal 2030 has been set as 30%.

**Ratio of female directors**

Target for FY2030-end: 30% or higher
(Directors, Auditors and Executive Officers) * 26% at the end of September 2021

**Ratio of female managers**

<table>
<thead>
<tr>
<th>Year</th>
<th>Japan</th>
<th>Group total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2017</td>
<td>9.9%</td>
<td>15.7%</td>
</tr>
<tr>
<td>2018</td>
<td>12.4%</td>
<td>18.1%</td>
</tr>
<tr>
<td>FY2019</td>
<td>14.8%</td>
<td>20.0%</td>
</tr>
<tr>
<td>FY2020</td>
<td>16.1%</td>
<td>21.3%</td>
</tr>
<tr>
<td>FY2030</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Goal: 30%

- Joined 30% Club Japan at the time of its establishment

**Ratio of female line managers**

End of FY2030
Goal 15% (8.3% as of April 2021)

**Paternity leave uptake rate**

Same or higher vs. previous FY
FY2021: End at least 69.0%

**Number of annual paid leave days taken**

Same or higher vs. previous FY
FY2021: At least 15.0 days
3. D&I:
(5) Gender diversity

Continuing initiatives such as the Association of Women Managers and appointment of female general managers as part-time directors of affiliated companies. In addition, new positions of female deputy branch manager and deputy general manager were created.

<table>
<thead>
<tr>
<th>Group-wide initiatives</th>
<th>Group companies' initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 &quot;Association of Women Managers&quot; Participating members: 68</td>
<td>1 New positions for female deputy branch managers and deputy general managers</td>
</tr>
<tr>
<td>2 Appointment as part-time directors of affiliated companies FY2021: 9 directors</td>
<td>2 Senior position mentoring system Support for career development of female general managers by current directors</td>
</tr>
</tbody>
</table>
3. D&I:
(6) Persons with disabilities

With the aim to create a workplace where everyone can work with joy and pride, we promote employment of people with disabilities and work on improvement of the retention rates.

**Promotion of employment of persons with disabilities**

- **MS&AD Ability Works**
  Established with the aim of creating a workplace where employees with mental disabilities can fully utilize their abilities. There are currently 42 employees.

- **Community-based model**
  Employment of students with intellectual disabilities from regional special needs schools. There are currently 35 employees.

**Improvement of employment retention rate for persons with disabilities**

- **Team WITH**
  A team to promote the establishment of workplaces where people with disabilities can fully utilize their abilities.

- **Introduction of UD Talk**
  Using UD Talk, a communication support application, we are creating a barrier-free environment for hearing-impaired employees.
3. D&I:
(7) Promoting LGBTQ awareness

In order to respect the human rights of LGBTQ employees and create a comfortable workplace environment, we are working to deepen employee understanding and foster diverse values through group-wide human rights training.

**PRIDE Index Gold Award**

Two Group companies were awarded Gold in the PRIDE Index 2021, an evaluation index for LGBTQ inclusion initiatives.

**Measures to raise awareness**

- **LGBTQ Awareness Promotion Handbook**
  Explaination about the needs of LGBTQ community members, advice on ways of communication, etc.

- **LGBT Ally**
  SNS Community to support LGBTQ members and share information.
3. D&I:
(8) Diverse human assets

<table>
<thead>
<tr>
<th>Items</th>
<th>Monitoring indicators</th>
<th>Results for the previous fiscal year</th>
<th>KPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreigners</td>
<td>Ratio of overseas employees</td>
<td>22.2%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ratio of overseas employees among directors of overseas subsidiaries</td>
<td>77.7%</td>
<td>○ (New)</td>
</tr>
<tr>
<td>Mid-career hires</td>
<td>Ratio of mid-career hires in managerial positions</td>
<td>21.4%</td>
<td>○ (New)</td>
</tr>
<tr>
<td>Persons with disabilities</td>
<td>Employment rate of employees with disabilities</td>
<td>2.49%</td>
<td></td>
</tr>
<tr>
<td>Senior employees</td>
<td>Number of employees using rehiring program after retirement</td>
<td>1,492 people</td>
<td></td>
</tr>
<tr>
<td>Respect for human rights</td>
<td>Rate of participation in human rights training</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>
4. Health Management

Aiming to improve the quality of life of employees by maintaining and promoting their physical and mental health, we are creating a workplace that considers health and safety.

### Work style reform

- **Common stance of the Group**
  MS&AD creates an environment in which all employees can work energetically and feel fulfillment and growth.

- **Diversification of work places and hours**
  - Promoting remote work and use of satellite spaces
  - Staggered working hours, shift work system

### Building mental and physical health

- **Mental health care**
  - Stress checks to prevent mental disorders
  - Utilization of group analysis results

- **Support for health promotion**
  E-learning, exercise promotion videos, provision of information on lifestyle habits.
# 4. Health Management

<table>
<thead>
<tr>
<th>Items</th>
<th>Monitoring indicators</th>
<th>Results for the previous fiscal year</th>
<th>KPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work-life balance</td>
<td>Number of annual paid leave days taken</td>
<td>15 days</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Number of employees participating in social contribution activities</td>
<td>26,159 persons</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Paternity leave uptake rate</td>
<td>69.0%</td>
<td>○</td>
</tr>
<tr>
<td></td>
<td>Maternity leave uptake rate</td>
<td>95%</td>
<td></td>
</tr>
<tr>
<td>Health management</td>
<td>Health checkup participation rate *¹</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Absence rate *²</td>
<td>0.433%</td>
<td></td>
</tr>
</tbody>
</table>

(*¹) Number of participants/number of employees
(*²) Total number of days lost due to absenteeism/total number of working days
II. Discussion

The Role of MS&AD’s Human Capital in the Sustainable Enhancement of the Corporate Value
# Introduction of Ms. Rochelle Kopp

**Ms. Rochelle Kopp**  
Outside Director  
(Joined BOD in June, 2020)

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>Graduated from Yale University, B.A. in History</td>
</tr>
<tr>
<td>1992</td>
<td>The University of Chicago Booth School of Business, MBA</td>
</tr>
<tr>
<td>Jul. 1994</td>
<td>Managing Principal, Japan Intercultural Consulting (present)</td>
</tr>
<tr>
<td>Jan. 2015</td>
<td>Professor of Global Leadership Course, Business Break Through University</td>
</tr>
<tr>
<td>Apr. 2019</td>
<td>Professor of Faculty of Foreign Studies, The University of Kitakyushu</td>
</tr>
<tr>
<td>Jun. 2020</td>
<td>Director, the Company (present)</td>
</tr>
</tbody>
</table>
The percentage of engaged employees was 6%; No. 132 among 139 counties.
## Gender Gap Index (2021) – Top 5 and other major countries –

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Score</th>
<th>Score</th>
<th>Rank change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2021</td>
<td>2020</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Iceland</td>
<td>0.892</td>
<td>0.877</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Finland</td>
<td>0.861</td>
<td>0.832</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Norway</td>
<td>0.849</td>
<td>0.842</td>
<td>-1</td>
</tr>
<tr>
<td>4</td>
<td>New Zealand</td>
<td>0.840</td>
<td>0.799</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>Sweden</td>
<td>0.823</td>
<td>0.820</td>
<td>-1</td>
</tr>
<tr>
<td>11</td>
<td>Germany</td>
<td>0.796</td>
<td>0.787</td>
<td>-1</td>
</tr>
<tr>
<td>16</td>
<td>France</td>
<td>0.784</td>
<td>0.781</td>
<td>-1</td>
</tr>
<tr>
<td>23</td>
<td>United Kingdom</td>
<td>0.775</td>
<td>0.767</td>
<td>-2</td>
</tr>
<tr>
<td>24</td>
<td>Canada</td>
<td>0.772</td>
<td>0.772</td>
<td>-5</td>
</tr>
<tr>
<td>30</td>
<td>United States</td>
<td>0.763</td>
<td>0.724</td>
<td>23</td>
</tr>
<tr>
<td>63</td>
<td>Italy</td>
<td>0.721</td>
<td>0.707</td>
<td>13</td>
</tr>
<tr>
<td>79</td>
<td>Thailand</td>
<td>0.710</td>
<td>0.708</td>
<td>-4</td>
</tr>
<tr>
<td>81</td>
<td>Russian Federation</td>
<td>0.708</td>
<td>0.706</td>
<td>-</td>
</tr>
<tr>
<td>87</td>
<td>Viet Nam</td>
<td>0.701</td>
<td>0.700</td>
<td>-</td>
</tr>
<tr>
<td>101</td>
<td>Indonesia</td>
<td>0.688</td>
<td>0.700</td>
<td>-16</td>
</tr>
<tr>
<td>102</td>
<td>Korea, Rep.</td>
<td>0.687</td>
<td>0.672</td>
<td>6</td>
</tr>
<tr>
<td>107</td>
<td>China</td>
<td>0.682</td>
<td>0.676</td>
<td>-1</td>
</tr>
<tr>
<td>119</td>
<td>Angola</td>
<td>0.657</td>
<td>0.660</td>
<td>-1</td>
</tr>
<tr>
<td>120</td>
<td>Japan</td>
<td>0.656</td>
<td>0.652</td>
<td>1</td>
</tr>
<tr>
<td>121</td>
<td>Sierra-Leone</td>
<td>0.655</td>
<td>0.668</td>
<td>-10</td>
</tr>
</tbody>
</table>