

May 20, 2021

## Notice regarding MS & AD Insurance Group Initiatives To Achieve Net Zero By 2050

MS&AD Insurance Group Holdings, Inc. (President and CEO: Noriyuki Hara) , announced and published “MS & AD Insurance Group Initiatives To Achieve Net Zero By 2050” as attached including targets on renewed CO2 emission reduction and renewable energy usage ratio, on the Group's website.

The Group, in line with these new targets, will contribute to realization of decarbonized society accelerating reduction of own CO2 emission and working with stakeholders such as customers, agents and investees through provision with risk solutions such as insurance products and consulting services.

### 1. CO2 Emission Reduction

#### (1) Scope (1 + 2) (accelerated)

(before)

Base Year	Target Year	Reduction
FY 2009	FY 2020	▲ 30%
	FY 2050	▲ 70%

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(updated)

Base Year	Target Year	Reduction
FY 2019	FY 2030	▲ 50% <sup>*1</sup>
	FY 2050	Net Zero

\*1 ▲ 60.3% compared to FY2009, the base year of the previous target, and  
▲ 63.9% compared to FY2013, the base year announced by the Japanese government

#### (2) Scope 3 (newly set)

Base Year	Target Year	Reduction	Categories
FY 2019	FY 2030	▲ 50%	1, 3, 5, 7, 13
	FY 2050	Net Zero	All Categories

### 2. Renewable Energy Use

With targets for renewable energy usage ratio, we systematically switch to renewable energy.

Target Year	Renewable Energy Usage Ratio
FY 2030	60%
FY 2050	100%

Attachment...“MS & AD Insurance Group Initiatives To Achieve Net Zero By 2050”

[Attachment]

## MS & AD Insurance Group Initiatives To Achieve Net Zero By 2050

Based on our mission "Contributing 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 MS & AD Insurance Group has set a goal of Net Zero CO2 emissions by FY 2050 to resolve the global risk of climate change. In order to achieve the goal, we also set 2030 interim targets for CO2 emission reduction and renewable energy use. For Net Zero 2050 it is essential to reduce CO2 emission in supply chain as in our own business operation. We will promote initiatives together with our customers, agents and other stakeholders.

### 1. Group's Own CO2 Emissions

In line with the 1.5 ° C goal set in the Paris Agreement, we have renewed targets for CO2 emission reduction and have set new one for increasing renewable energy use.

#### (1) CO2 Emission Reduction

1) Scope (1 + 2) \*<sup>1</sup> (accelerated)

(before)

Base Year	Target Year	Reduction
FY 2009	FY 2020	▲ 30%
	FY 2050	▲ 70%

=>

(updated)

Base Year	Target Year	Reduction
FY 2019	FY 2030	▲ 50%
	FY 2050	Net Zero

2) Scope 3 \*<sup>2</sup> (newly set)

Base Year	Target Year	Reduction	Categories
FY 2019	FY 2030	▲ 50%	1, 3, 5, 7, 13 * <sup>3,4</sup>
	FY 2050	Net Zero	All Categories

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

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

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

\*3 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), Category 3: Non-scope 1 and 2 fuel and energy activities, Category 5: Waste from operations, Category 7: Employee commuting, Category 13: Lease assets

\*4 Setting medium-term goals for investment (Category 15) is under consideration.

#### (2) Renewable Energy Use

With targets for renewable energy usage ratio, we systematically switch to renewable energy.

Target Year	Renewable Energy Usage Ratio
FY 2030	60%
FY 2050	100%

### 2. Initiatives To Achieve Net Zero By 2050

#### (1) Reduction of Group CO2 Emissions

We will promote business style innovations such as remote work and telecommuting, and reduce the use of gasoline and electricity by reducing business travel and office space. We will also reduce energy consumption and promote the use of renewable energy by installing state-of-the-art energy-saving

equipment in our office buildings, installing solar power generation equipment, replacing company-owned vehicles with fuel-efficient vehicles, and purchasing renewable energy certificates. In addition, we will reduce paper consumption by promoting paperless operations through the Web, such as insurance policy applications, insurance claim procedures, and various announcements.

## **(2) Reduction CO2 Emissions in Society Working with Stakeholders**

### **1) Initiatives with Customers**

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, including next-generation energy such as renewable energy and hydrogen, and CCUS<sup>\*5</sup> carbon recycling, by providing risk solutions such as insurance cover and consulting services for disaster prevention and mitigation. In addition, with the aim of creating a society in which the implementation of technologies for the promotion of decarbonization will lead to local growth, we will actively engage in support for local revitalization on the renewable energy business.

Recognizing the importance of communicating the risks associated with climate change to customers, our group collaborate with universities, research institutes and start-up companies to provide services that assess the impact of climate change on business based on the latest knowledge. We will continue to engage with stakeholders to promote risk recognition, provide solutions to reduce CO2 emissions, and provide adaptation measures to cope with the effects of climate change, and create a more resilient society.

\*5 Carbon dioxide Capture, effective Utilization, and storage

### **2) Initiatives with Agents**

We are working with agents, our group's business partners, to jointly promote CSV initiatives related to climate change, such as proposing preparations for natural disasters (wind and water) to customers. We will also promote business process reform through the use of digital technology and other means, as well as energy and resource conservation in agent operations through face-to-face sales and paperless sales. We will also support agents' own efforts to reduce CO2 emissions.

### **3) Initiatives with Investee Companies**

Our group signed the United Nations Principles for Responsible Investment<sup>\*6</sup> in June 2015, and is working to ensure mid- to long-term investment returns and to contribute to solving sustainability issues. Achieving a decarbonized society requires a large amount of funds and, as an institutional investor, we have been investing in project finance and funds for the construction of renewable energy power plants, such as wind and biomass power generation. In addition to continuing to make such green investments, we will support companies that are taking on the challenge of developing innovative technologies that achieve significant reductions in greenhouse gases through investment and financing, and contribute to the steady transition to a decarbonized society. Through constructive dialogue and engagement, we will encourage investee companies to reduce CO2 emissions and disclose information based on TCFD recommendations.

We will consider setting medium-term CO2 emission reduction goal for category 15 (Investment) in the future as we have set goals for categories 1, 3, 5, 7, and 13, those which can be quantified and should be emphasized from the perspective of employee behavior change and natural capital conservation.

<sup>\*(6)</sup> PRI (Principles for Responsible Investment): The principle that the environmental, social, and corporate governance (ESG) initiatives of investee companies should be considered in investment decisions

### **(3) CO2 Absorption Utilizing Natural Capital**

In order to achieve the goals set out in the Paris Agreement, it is necessary to reduce greenhouse gas emissions and secure resources that absorb CO<sub>2</sub>, such as forests (absorption source). In our group, we promoted the "Indonesia Tropical Forest Restoration Project" and 14 years up to 2019 made it able to absorb approximately 31,000 tons of CO<sub>2</sub>. In 2019, we began tree-planting activities in Bihoro-cho, Hokkaido.

Natural capital is an indispensable foundation for a healthy planet, and it provides us with a variety of solutions to the threat of natural disasters and drastic changes in the climate that will increase with the progress of climate change. We will continue to work with a wide range of stakeholders to conserve and utilize natural capital to address the challenges of climate change adaptation and mitigation.

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