

June 25, 2021

Initiatives to Achieve Net Zero by 2050 (Part 2)

MS&AD Insurance Group Holdings, Inc. (President and CEO: Noriyuki Hara) is working to create shared value (CSV), aiming to achieve a “resilient and sustainable society” with the SDGs as leading marks. As part of this initiative, we are working to address climate change. In May 2021, we set a target of net zero CO2 emissions by fiscal 2050*1.

In order to achieve this goal, it is important to reduce CO2 emissions by our Group and to reduce emissions throughout the supply chain. Therefore, we will work together with our customers and other stakeholders to achieve a decarbonized society. Specific initiatives are as follows.

*1 [Click here](#) for the May 20, 2021 release, “Initiatives to Achieve Net Zero by 2050”

1. Initiatives to Reduce CO2 Emissions by Society

(1) Restriction of insurance underwriting and investment in new coal-fired power plants

We will not provide insurance for, nor make investments in new coal-fired power plants.

<Policy on underwriting insurance and investment in coal-fired power plants (excerpt from “Business Activities with Consideration for Sustainability”*)>

Current Policy Wording		Updated Policy Wording
In principle, we will not provide insurance for, nor make investments in new coal-fired power plants. However, we may do so after prudent consideration, for cases where such plants are essential for to the stable supply of energy to the country concerned.	=>	We will not provide insurance for, nor make investments in new coal-fired power plants.

*2 Click [Business Activities with Consideration for Sustainability](#)

(2) Supporting the penetration and expansion of renewable energy

In order to realize a decarbonized society, we will support the establishment and implementation of innovative technologies that contribute to the penetration and expansion of renewable energy and penetration of environmentally friendly vehicles by providing risk solutions such as insurance products and consulting services.

2. Initiatives to Reduce and Prepare for the Impacts of Climate Change

Our Group believes that communicating the risks associated with climate change to customers is an important responsibility, and provides services to assess the impact of climate change on businesses based on the latest knowledge obtained through collaboration with universities, research institutes, and startup companies.

3. Future Initiatives

With the aim of achieving the new targets and implementing initiatives, we will set a road map for the future and KPIs to promote each initiative, and will steadily advance our efforts.

<Appendix> Examples of Initiatives

1. Initiatives to Reduce CO2 Emissions by Society

● Supporting the Penetration and Expansion of Renewable Energy

Initiatives	
1	<p><u>Sales of insurance supporting stable supply of “Green Energy Certificates”</u></p> <p>We provide insurance that covers the costs required for the issuer of Green Energy Certificates to temporarily procure green energy from other power generators due to the suspension of operations of green energy generators.</p>
2	<p><u>Participation in the Hydrogen Value Chain Promotion Council</u></p> <p>We are participating in the “Hydrogen Value Chain Promotion Council” where various industries are working together on social implementation projects for the early establishment of a hydrogen society. In cooperation with our member companies, we are working to resolve issues that will accelerate the construction of a hydrogen society and to create opportunities for utilization to realize a hydrogen society.</p>
3	<p><u>Support for local governments’ “Zero Carbon City Initiatives”</u></p> <p>Local governments are promoting renewable energy projects such as local production for local consumption of renewable energy and supply and demand procurement in order to promote regional economic growth through the implementation of decarbonization technologies. Our Group will support initiatives aimed at regional revitalization based on renewable energy through alliances with startup companies that have collaborated with local governments to support decarbonization and regional revitalization.</p>
4	<p><u>Participation in Renewable Energy Aggregation Demonstration Project</u></p> <p>We participate in the FY2021 Renewable Energy Aggregation Demonstration Project*¹ of the Ministry of Economy, Trade and Industry, and develop new insurance products to compensate for the imbalance risk of renewable energy aggregators*² and renewable energy power producers, and contribute to the construction of stable and efficient power systems.</p>
5	<p><u>Supporting offshore wind power generation</u></p> <p>We have established a specialized unit for marine renewable energy and conduct research and development of products and services related to the offshore wind power generation business in cooperation with external parties such as academic research institutes and industry associations. We will support risk management in the offshore wind power generation business and contribute to the spread of offshore wind power generation by providing compensation.</p>

● Supporting the Penetration of Environmentally Friendly Vehicles

Initiatives	
6	<p><u>Supporting penetration of electric vehicles with automobile insurance discounts</u></p> <p>We have introduced the "Discounts for autonomous vehicles (low-speed EVs) using electromagnetic induction wires, which are being introduced to secure local means of transportation" and the 10% discount on automobile insurance for Toyota ultra-compact EVs in its automobile insurance, and is</p>

	supporting the spread of environmentally friendly electric vehicles by providing inexpensive insurance premiums. As a pioneer in telematics automobile insurance, we will promote safe driving and eco-driving, and contribute to resource conservation in the repair of accidents and reduction of environmental impact.
7	<u>Participation in the Electric Vehicle Utilization Promotion Consortium</u> We participate in the Electric Vehicle Utilization Promotion Consortium, which aims to realize a sustainable society through the electrification of commercial vehicles. In addition to reducing CO2 emissions, we are working to build disaster-resistant communities by utilizing electric vehicles as emergency power sources.

*1 FY2021 Subsidy for Next-Generation Technology Development Demonstration Project utilizing distributed energy resources such as storage batteries (Renewable energy aggregation demonstration projects among demonstration projects of aggregation technology such as renewable energy power generation)

*2 Businesses that supply electricity by bundling distributed power sources such as renewable energy and storage batteries

2. Initiatives to Reduce and Prepare for the Impacts of Climate Change

- Prevention of accidents and disasters, minimization of damage, and quick recovery from accidents

Initiatives	
8	<u>Site for predicting the number of buildings damaged by typhoons, torrential rains, and earthquakes</u> In collaboration with Yokohama National University and Aeon Group Japan Co., Ltd., we are providing the world's first website "cmap" which provides real-time forecasts of the number of buildings and damage rates affected by typhoons, torrential rains, and earthquakes.
9	<u>Dissemination of information on climate change risks</u> We provide a variety of consulting services and disseminates information on climate change risks. In July 2021, we will hold a seminar titled "Plan to Strengthen Business Continuity in Response to Climate Change" on the theme of preparing for weather disasters, which is an urgent issue for corporate management.

- Assessing the impact of climate change

Initiatives	
10	<u>Assist in assessing the impact of climate change risks on corporate management</u> Jupiter Intelligence, a venture company specializing in climate change risk analysis that MS&AD Ventures Inc. invested in, and MS&AD InterRisk Research & Consulting have partnered to quantitatively assess the impact of climate change on business for corporate clients, and to support them in formulating strategies and disclosing information based on scientific evidence.

1, 2, 3: Initiatives by Mitsui Sumitomo Insurance Co., Ltd. and Aioi Nissay Dowa Insurance Co., Ltd.

4, 5: Initiatives by Mitsui Sumitomo Insurance Co., Ltd.

6, 7, 8: Initiatives by Aioi Nissay Dowa Insurance Co., Ltd.

9, 10: Initiatives by MS&AD InterRisk Research & Consulting, Inc.