MS & AD

SUSTAINABILITY REPORT 2024

MS&AD Holdings

MS&AD INSURANCE GROUP

MS&AD Holdings
MS&AD INSURANCE GROUP

INDEX Sustainability Report 2024

CEO Message
P.2

CSuO Message
P.3

MS&AD Insurance Group and Sustainability
P.5

- Our Sustainability Approach
- MS&AD's Story of Value Creation and Business Models
- Sustainability Promotion Structure
- Targets (KPI) and Results
- ESG integration and sustainability approach
- Communication with Stakeholders
- Initiatives and External Assessment

Priority Issues
P.43

Our Value Creation Approach
P.49

- Action on Climate Change
- Improvement of Sustainability of Natural Capital
- 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)
- Products and Services to Support Customer Well-being
- Implementing Activities and Dialog that Respect Human Rights
- Employee Well-being
- Quality that Earns the Trust of Society

ESG Information
P.139

ESG Data / Reference Material
P.145

Governance
P.175

- Outline of the Group
- Corporate Governance
- Compliance
- ERM and Risk Management
- Information Management
- Transaction Responsibilities
- Information Disclosure
- The Medium-Term Management Plan

Third-Party Assurance
P.235

Editorial Policy
P.241

Message from the President

The MS&AD Insurance Group was founded in 2010 with the 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 our global insurance and financial services businesses." To realize this mission, we have established our 2030 vision to become a corporate group that supports a resilient and sustainable society, and have achieved steady growth while prioritizing our relationship with the communities we serve.

In our view, a resilient and sustainable society is one that can minimize the impact of unexpected events, adapt to new environments, and continuously rebuild and develop. This also involves maintaining a balance among the economy, the environment, and society, ensuring that the global environment and social systems can be sustained well into the future. Guided by our management principle of Creating Shared Value (CSV), our Group aims to reach a new stage of growth in collaboration with society, addressing social issues such as climate change.

Turning to social conditions, global inflation has peaked and monetary policy has been shifted from a tightening phase. However global economic growth has been damaged by factors such as turmoil in financial markets, resurgent inflation, and heightened geopolitical risks due to escalating conflicts in various regions. Meanwhile, the rise in the frequency and severity of natural catastrophes caused by global warming is having a severe impact on people’s lives and business operations.

In this era of uncertainty, we believe our role is not only to provide compensation for economic losses but also to contribute to social infrastructure by offering services such as disaster prevention and mitigation. Concurrently, we will also swiftly transform our operations, viewing this as a major turning point in our business.

In Stage 2 of our Medium-Term Management Plan (2022-2025), which began in 2024, we are earnestly addressing the issues of price-fixing and our agents’ fraudulent insurance claims. We will undertake a comprehensive review of our business practices to make every effort to restore customer trust. Additionally, we will promote a comprehensive transformation of our business style through three key reforms: transformation of value provision, transformation of business structure, and transformation of productivity and profitability. Building on this foundation, we aim to innovate our products and services to offer new value both before and after compensation, invest in growth areas and digital and human assets, promote operational efficiency and quality improvement, and evolve into a risk solution platform provider that transcends the traditional insurance framework.

The MS&AD Insurance Group will continue to work with our stakeholders to help realize a society that is resilient and sustainable by creating shared value with society. We look forward to your continued support.

June 2024

Shinichiro Funabiki

President & CEO

CSuO Message

Using the challenge of solving social issues to provide insurance value

Insurance value and sustainability

The MS&AD Insurance Group believes that the role of insurance is “not only to compensate for economic losses but also to find and prevent risks and to reduce the impact of risks,” and we support the safe and secure lives and business activities of our customers accordingly. Accompanying customers in resolving the challenges they face today and in the future is the most important pillar of this effort.

In addition, the sustainability of the insurance business comes from the sustainability of society. This is because the need for insurance arises from the desire to “continue current lifestyles and businesses tomorrow and to make them better tomorrow.” Our key sustainability issues of “Symbiosis with the global environment,” “Safe and secure society,” and “Happiness of diverse people” are social issues, and at the same time, they are the foundation on which our business depends.
Working together with customers to solve social issues they face, I am convinced that this is the proper role of insurance and the only solution that will enable the sustainable growth of the Group. I also believe that these efforts come from the heartfelt feeling of all officers and employees that their “day-to-day work is connected to solving social issues.”

Incorporating sustainability into our work and making it into “earning power”

Since FY2024, we have incorporated sustainability into organizational and individual plans and targets to ensure that we put into practice the sharing of connections between the work of all officers and employees and sustainability. Then, in line with our plans and targets, we implement a cycle of working together with customers to resolve issues such as climate change, natural capital, biodiversity, and respect for human rights, then reviewing such efforts.

We position the annual “MS&AD Sustainability Contest” as one opportunity to review our efforts. This fiscal year, the purpose of the contest was to create “earning power” for the Group, and it was an opportunity to encourage employees to take on the challenge of solving our customers’ issues.

Working together for “Green Resilience”

In November 2023, we set and announced an interim target*1 for 2030 for the reduction of greenhouse gas (“GHG”) emissions by our major business partners in Japan. As part of efforts to address climate change, which is the most important issue, it should be a mission of insurance and financial service providers to reduce the GHG emissions of their business partners through insurance underwriting, investment, and loans, while also working to reduce their own GHG emissions, of course. By confronting this difficult issue head-on together with our many business partners, we hope to increase our contribution to solving the issue, while at the same time capturing business opportunities for the Group.

With this in mind, we determined that our targets will apply to all business partners for which premiums income exceeds a certain size, regardless of industry.

We have also been engaged in activities to preserve and restore the natural environment, under our approach of creating a virtuous cycle that mitigates damage from natural disasters and revitalizes communities, while making the most of nature's bounty and protecting biodiversity, which we call "Green Resilience." We intend to use the slogan "Green Resilience" as a new value that we offer to customers through the development of our products and services, as it will make it easy for our employees to feel the close connection with our Mission.

Specifically, in collaboration with a start-up company capable of analyzing river and groundwater flows, we have begun providing services to help companies assess and disclose their water-related risks, and we are developing tools to assess how the environmental and biodiversity impacts of corporate activities such as urban and agricultural land development affect companies' financial position.

We are also taking on the challenge of investing in and fostering start-ups with promising solutions through an alliance of four financial companies*2 formed in February 2023, as well as establishing a "water positive system"*3 in areas where groundwater resources might be depleted owing to the presence of large industries.

Furthermore, we intend for our "environmental and social risk assessment,"*4 which checks the risk of damage to biodiversity associated with large-scale development and the status of certification in the supply chain, to also cover some renewable energy power plants where there is large-scale development, from the perspective of preserving natural capital and disaster prevention and reduction. Addressing climate change requires a balance between both the preservation of natural capital and disaster prevention and reduction, and at the same time, the introduction of renewable energy has been expanding rapidly in recent years, and the increasing burden on the natural environment has become an issue. We will use the "environmental and social risk assessment" more proactively in our dialogues with business partners, as an effective means of reducing our impact on the environment and local communities.

*1 We will reduce GHG emissions across approximately 3,300 major domestic business partners by 37% compared with FY2019 by FY2030.
*2 "Finance Alliance for Nature Positive Solutions (FANPS)" launched with Sumitomo Mitsui Financial Group, Inc., Development Bank of Japan Inc., and Norinchukin Bank
*3 A system in which businesses that have reduced stormwater infiltration capacity through land use, alteration, etc., pay at least the equivalent amount for restoration to businesses that have increased groundwater recharge capacity through nature-based solutions.
*4 This applies to new projects in agriculture, forestry, fisheries, and hydroelectric power generation that involve large-scale development in currently undeveloped areas.

Taking pride in changing society

We expect the Group to secure a strong reputation among customers when all officers and employees believe and act on the belief that our role is to work with customers to solve the social issues they face and that this is the value we should provide to them. Through our strong reputation among customers, we will reaffirm the value of insurance and the pride we take in our work and again ensure that this is a core part of our approach. We intend to involve various stakeholders in this spiral and make it a significant movement that changes society.
That is the Group's aspiration.

Naomi Motojima
Managing Executive Officer
Group Chief Sustainability Officer (CSuO)

MS&AD Insurance Group and Sustainability

Our Sustainability Approach >

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

Organizational Structure to Promote Sustainability >

Targets（KPI） and Results >

ESG Integration and Sustainability Approach >

Communication with Stakeholders >

Initiatives and External Assessment >

Our Sustainability Approach

The MS&AD Insurance Group has set Mission, Vision, and Values in order to clarify how the Group should be. Furthermore, we have accelerated initiatives based on our sustainability approach to achieve our mission.

Our Mission

To contribute to the development of a vibrant society and help secure a sound future for the planet, by enabling safety and peace of mind through the global insurance and financial services business

Our Vision

To create a world-leading insurance and financial services group that consistently pursues sustainable growth and enhances corporate value

Our Values

Customer focus, integrity, teamwork, innovation, professionalism

Perspective of Sustainability of the MS&AD Insurance Group

The MS&AD Insurance Group will create shared value and aim toward a resilient and sustainable society through corporate activities that implement "Story of Value Creation," in order to realize our Corporate Philosophy (Mission).
We will consistently strive for supreme quality that lives up to the trust and expectations upon us, and together with our stakeholders, continue to contribute to the creation of society where everyone can pursue a stable life and take on dynamic business activities, while preserving the sustainability of the global environment and society.

(Basic Policies on Corporate Governance, Chapter 2 Section 2)

Business Activities with Consideration for Sustainability

The MS&AD Insurance Group, as insurance and financial services group which provides safety and peace of mind conduct business activities with consideration for sustainability.
We aim to enhance corporate value by contributing to solutions for sustainability issues (also known as environmental, social and governance (ESG) issues) with profound understanding through stakeholder engagement.

- Our underwriting considers issues and risks that would have a negative impact on society and the global environment. In addition, we provide products and services that respond to the demand of society.
- Our investments consider ESG factors in pursuit of long-term returns and contribution to solutions for sustainability issues.

“Action on Climate Change”, “Improving Sustainability of Natural Capital“ and “Respect for Human Rights” that require urgent actions are the Group's priorities.
We will disclose our initiatives, in line with global disclosure standards.

【Action on Climate Change】

- We contribute to climate change mitigation and adaptation as climate change may bring material impacts on our lives and ecosystems and pose substantial risks to the insurance industry.
- The establishment and implementation of innovative technologies to reduce greenhouse gas emissions, as well as next-generation energy (renewable energy, hydrogen, etc.) and the carbon recycle, are essential to achieving the goals of the Paris Agreement. We will promote engagement with our business partners and other stakeholders, and actively work to provide new risk solutions and make investments to support the transition to a net-zero society.

- We will not newly provide insurance for, nor make investments in coal-fired power plants or thermal coal mines*1.
- We will not newly provide insurance for oil and gas extraction and coal-mining projects*3 by companies whose primary business is coal*2. We will not newly provide insurance for, nor make investments in oil sands mining and oil and gas extraction projects in the Arctic*3.
- We have established medium- and long-term targets for the green house gas emissions reduction from our business processes and our business partners and the renewable energy usage ratio, and are working to reduce green house gas emissions.

< **Greenhouse gas Emission Reduction** >

<table>
<tr><th colspan="2">Scope</th><th>FY2030</th><th>FY2050</th></tr>
<tr><td colspan="2">Scope 1 , 2</td><td>-50% (Base year: FY2019)</td><td rowspan="4">Net Zero</td></tr>
<tr><td rowspan="3">Scope3</td><td>Category 1, 3, 5, 6 , 7, 13</td><td>-50% (Base year: FY2019)</td></tr>
<tr><td rowspan="2">Underwriting and Investments</td><td>-37% (Base year: FY2019)
(Category 15 / Domestic Main Business Partners)</td></tr>
<tr><td>To promote the reduction of greenhouse gas emissions with our business partners, we understand their challenges and propose solutions through dialogue.</td></tr>
</table>

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

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

Scope 3 is for indirect emissions by the Group's operations other than those in Scope 2.

<Renewable Energy Use>

FY2030	FY2050
60%	100%

【Improving Sustainability of Natural Capital】

- Natural capital is the foundation that supports our society and economy. As its conservation and sustainable use is essential to the economic development and prosperity of society, we take initiatives to conserve biodiversity and improve sustainability of natural capital.
- We will carefully determine whether or not to provide insurance or make investments in the following businesses that may have negative impacts on the environment and local communities, while taking into account the businesses' consideration for the environment and society. And, if any issues are identified, we will propose solutions to address them.

  ―New construction of coal-fired power plants and coal mines,
  oil-fired power plants and oil fields, oil sand mining, and gas fields

－New construction of hydroelectric power plants
－New construction of solar power plants in Japan
－New construction of onshore wind power plants in Japan
－New construction of biomass power plants in Japan
－New agriculture, forestry and fisheries projects involving large-scale development in unexplored areas
－Projects that could destroy natural and cultural heritage sites protected under the UNESCO Convention for the Protection of World Heritage Sites and wetlands protected under the Ramsar Convention

【Respect for Human Rights】

- As respecting human rights is the foundation of a safe society where one can enjoy peaceful lives, we conduct our business activities with respect for human rights.
- We will not provide insurance for, nor make investments in cluster munitions that may kill large numbers of people at once and biological and chemical weapons, and anti-personnel mines that may cause indiscriminate mass killing.
- We will carefully determine whether or not to provide insurance or make investments in the businesses which may violate human rights of indigenous people or local communities, while taking into account the businesses' consideration for the environment and society.

The Board of Directors and the Sustainability Committee hold discussions on the policies, plans, and the progress initiatives for the aforementioned Business Activities with Consideration for Sustainability. We keep the highly transparent disclosure and engage in dialogue with stakeholders. Revision and /or modification may be applied when necessary.

MS&AD Insurance Group participates in the following initiatives.

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

*1：Existing coal fired power plants and thermal coal mines with technologies and techniques aiming to achieve the goals of the Paris Agreement might be handled after careful consideration.

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

*3：Projects and companies planning to decarbonize to achieve the goals of the Paris Agreement are exempted.

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

The MS & AD Insurance Group's business model, "The Story of Value Creation," is centered on the insurance business, a highly public business that solves social issues and provides value to society. At the same time, we ourselves pursue the value of sales and profits.
As an insurance and financial service provider, the Group anticipates a wide range of risks, including accidents and disasters, and provides coverage in the event of an emergency based on our concept of sustainability. In addition, to lessening the occurrence of risks, we also commit ourselves to solving social issues that cause risks. We will realize the creation of common value with society through our activities by identifying and communicating risks, preventing the emergence of risks and reducing their impact, and reducing economic burdens. This is the Group's business model.

Our Sustainability Approach

MS&AD's Story of Value Creation

Our Value Creation Approach

ESG integration and sustainability approach

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

In its medium-term management plan (2022 – 2025), the Group aims to be a "corporate group that supports a resilient and sustainable society" that will grow together with society by contributing to the resolution of social issues based on our story of value creation. To put the Group's management concept into practice, each employee will engage with various social issues and help support a society where customers can live and conduct business activities with peace of mind, by providing products and services based on our company's business model.

Medium-term Management Plan (2022–2025) Stage 2

Key Performance Indicators (KPIs)

Identifying Materiality

To identify the key social issues it needs to address, the Group first selects social issues that need to be resolved, taking into account common global goals and international guidelines and frameworks. It then evaluates impacts on stakeholders and on the Group, and identifies those that are of greater importance to both as the priority issues. In principle, we review the analysis of priority issues when preparing the Group's medium-term management plan, but we also review them as necessary in response to changes in societal expectations.

[STEP 1] Analysis of social issues

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

Social Issues Covered and 21 Issues Selected

・Issues that must be addressed internationally (Global Risk Report, SDGs, etc.)

・Issues specified by international guidelines requiring companies to respond to and disclose information (ISO 26000, GRI Standard, SASB, DJSI, CDP, etc.)

・Issues identified in reports published by domestic government agencies and national and international organizations (Relevant Ministries, Non-Life Insurance Associations, Swiss Re Sigma Report, etc.)

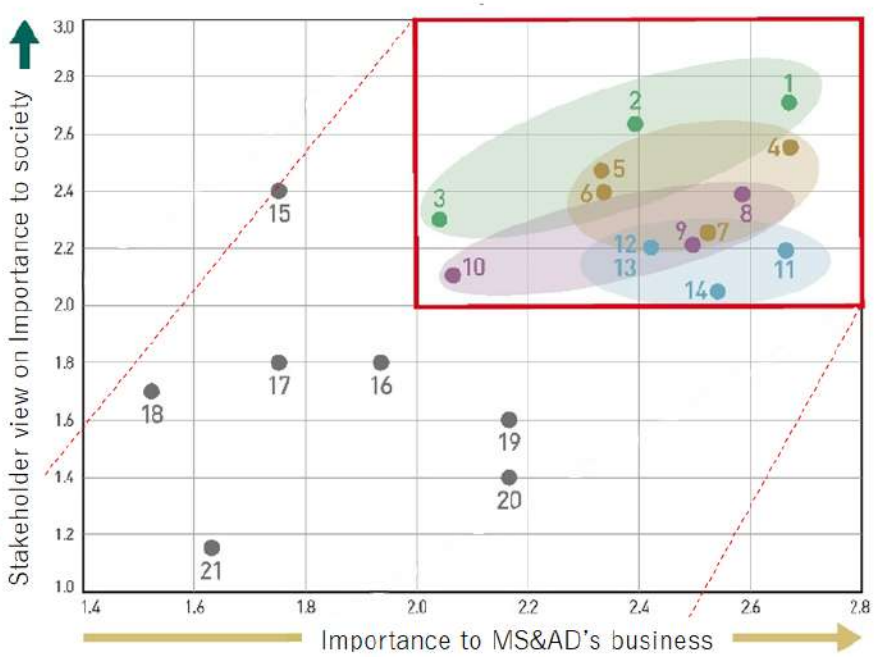
1	Acceleration of global warming	8	Aging population and declining birthrate	15	Price instability
2	Damage to natural capital (Ecosystem degradation and crisis)	9	Human rights violations and exclusion of diversity	16	Hunger and food crisis
3	Environmental pollution and non-circular economy	10	Increasing poverty and inequality	17	Debt crisis
4	Emergence of new risks	11	Customer Responsibility	18	Frequent and spreading regional conflicts and terrorism
5	Spread of infection	12	Compliance	19	Disillusionment among young people
6	Large-scale earthquake	13	Corporate Governance	20	Commodity-shock
7	Decline of local industry	14	Human Capital	21	Immigration problems

[STEP 2] Identification of sustainability priority issues

The selected social issues were then analyzed from two perspectives: 1) the impact the Group has on society (importance to our stakeholders), and the impact society has on the Group (importance to our company). This allowed us to narrow down the list to 14 social issues deemed important to both our stakeholders and our company. We then established three priority issues: 1) Symbiosis with the Global Environment (Planetary Health), 2) Safe and Secure Society (Resilience), and 3) Happiness of Diverse People (Well-being), as well as fundamental areas of initiatives (quality, human resources, and ERM).

■We have analyzed social issues from two perspectives: (1) the impact of our company on society (stakeholder view on importance to society); and (2) the impact of society on our company (importance to our business).

■We have sorted out the issues that are more than 2.0 in importance for stakeholders and our company, and set the materiality.



1	Acceleration of global warming	Planetary Health
2	Damage to natural capital (Ecosystem degradation and crisis)	
3	Environmental pollution and non-circular economy	
4	Emergence of new risks	Resilience
5	Spread of infection	
6	Large-scale earthquake	
7	Decline of local industry	
8	Aging population and declining birthrate	Well being
9	Human rights violations and exclusion of diversity	
10	Increasing poverty and inequality	

Core Initiatives		
11	Customer Responsibility	Quality Human Resources ERM
12	Compliance	
13	Corporate Governance	
14	Human Resources	

[STEP 3] Main initiatives for the priority issues

We are promoting our CSV (Creating Shared Value) initiatives in areas such as climate change, loss prevention and mitigation, and respect for human rights, taking into account risks and opportunities based on our three identified priority issues.

Priority Issues

Symbiosis with global environment (Planetary Health)

Action on climate change
– Aiming for net zero greenhouse gas emissions by 2050

Improvement of sustainability of natural capital

- Reduction of greenhouse gas emissions created by Group and its supply chain
- Reduction of greenhouse gas emissions in cooperation with our client companies and investee companies
- Provision of products and services and investment and financing that will support technological innovation and its implementation in society for a transition towards a circular economy which will lead to decarbonization and the control of environmental pollution
- Provision of solutions for adapting to the effects of climate change
- Support for the transition to business based on the restoration and protection of biodiversity and the utilization of sustainable resources

Safe and secure society (Resilience)

Measures to address new risks that emerge with the transformation of society

- Addressing new risks associated with innovation and changes in the industrial structure such as cyber risks

Loss prevention/mitigation through the utilization of data and AI

- Support to prepare for accidents, natural disasters and major earthquakes, including risk visualization and the provision of solution based on data analysis

Creation of a resilient and inclusive society (regional revitalization)

- Social implementation of green resilience, the use of the diverse functions of nature to prevent disasters, disaster mitigation, GHG emissions reduction, regional revitalization and physical and mental health
- Collaboration with local governments, commerce and industry associations and other stakeholders in communities to address social issues
- Regional revitalization through initiatives such as transition to a sustainable infrastructure, activation of regional industries, and realization of diverse mobility services

Happiness of diverse people (Well-being)

Provision of products and services that support customers' well-being

- Support for companies' health & productivity management
- Provision of products and services that will help promote customers' health, adapt to an aging society and improve QOL
- Financial inclusion: improving access to insurance and financial services

Respect for human rights

- Promotion of human rights due diligence (identification and assessment of human rights risks and prevention, mitigation and implementation of corrective activities that impact human rights within business activities) and establishment of remedy system

Employee well-being

- Improvement of mental and physical health, fulfillment and ease of working
- DE&I initiative: Creating a work environment that values diversity, equity and inclusion
- Employees and customers respecting each other's human rights

[STEP 4] Board approval

Under the Medium-term Management Plan (2022–2025), we have adopted the basic strategies of Value (value creation), Transformation (business reforms) and Synergy (demonstration of group synergy), and we consider sustainability to be one of the foundations that support these basic strategies. In order to drive sustainability, the Group has set KPIs for each priority issue, and senior management receives regular reports on the status of relevant initiatives and progress made on KPI achievement.

Key Performance Indicators (KPIs)

Risks and Opportunities

Social issues		Risks and opportunities		Time axis: Short	Medium	Long
Symbiosis with the global environment Planetary Health	1 Acceleration of global warming	Risk	Reduction of earnings due to the inability to achieve a rapid transition to a net zero society		●	●
			Loss of reputation due to insufficient information disclosure and delayed response to climate change	●	●	
			Deterioration of income and expenditure due to intensification of natural catastrophes, etc., and an increase in capital costs due to increased profit volatility	●	●	●
		Opportunity	Provision of products and services that contribute to reducing greenhouse gas emissions	●	●	
			Provision of products and services that support corporate decarbonization and climate-related information disclosure	●	●	
			Provision of products and services that prepare for natural disasters	●	●	
	2 Damage to natural capital (ecosystem degradation and crisis)	Risk	Deterioration of earnings due to business partners' stagnation of economic activities caused by the depletion of natural resources			●
			Decline in earnings caused by the deterioration in business performance of business partners due to tighter regulations on the circular economy, etc.		●	●
	3 Environmental pollution and noncircular economy	Opportunity	Increased need for risk assessment of natural capital and preservation of biodiversity and its sustainable use	●	●	
			Business opportunities to address the decline in earnings due to an inability to capture the transition to a circular economy		●	

Symbiosis with the Global Environment (Planetary Health)

Social issues		Risks and opportunities		Time axis: Short	Medium	Long
Safe and secure society Resilience	4 Emergence of new risks	Risk	Impact of an increase in large-scale cyberattacks on the Group	●	●	
			Emergence of new risks due to the spread of IoT and in the post-digital era	●	●	
		Opportunity	Creation of new markets due to the emergence of new risks such as cyberattacks	●	●	
			Building of new business models through Creating Shared Value and digital transformation (CSVxDX) and social digitalization	●	●	
	5 Spread of infections	Risk	Impact of a new pandemic on operations	●	●	●
		Opportunity	Business opportunities related to infectious disease control and healthcare providers	●	●	
	6 Large-scale earthquakes	Risk	Increase in disaster risks due to the increased probability of huge earthquakes, particularly those concentrated in urban areas	●	●	●
		Opportunity	Increased need for earthquake countermeasures	●	●	
	7 Decline of local industry	Risk	Declining regional vitality due to depopulation, lack of access to mobility and financial services, and aging social infrastructure	●	●	
		Opportunity	Increased demand for regional and customer resilience, including expansion of regional economic cycles and support for next-generation mobility services such as CASE and MaaS	●	●	

Safe and Secure Society (Resilience)

Social issues		Risks and opportunities	Time axis Short	Medium	Long
Happiness of diverse people Well-being	8 Aging population and declining birthrate	Risk: Decrease in earnings caused by a decline in the total population (labor force) and medium- to long-term contraction of the domestic market due to the ongoing depopulation of local areas		●	●
		Risk: Crisis of sustainability in social security systems and financial systems		●	●
		Risk: Loss of earnings due to inability to address needs in an aging society		●	●
		Opportunity: Increased interest in local revitalization initiatives that can revive local economies and solve labor shortages	●	●	
		Opportunity: Increased need for security systems in cooperation with local governments	●	●	
		Opportunity: Services related to nursing care and dementia, increasing the need for asset formation and asset inheritance measures in the super-aged society	●	●	
	9 Human rights violations and exclusion of diversity	Risk: Decrease in reputation due to actual or possible human rights violations	●	●	
		Opportunity: Increased awareness of respect for human rights and the increased need for corporate responses	●	●	
	10 Increasing poverty and inequality	Risk: Widening and entrenchment of the gap between the rich and poor due to the escalation of inter-state conflicts, etc., and destabilization of the economic environment from an increase in refugees	●	●	
		Opportunity: Grasping of new markets through financial inclusion	●	●	●

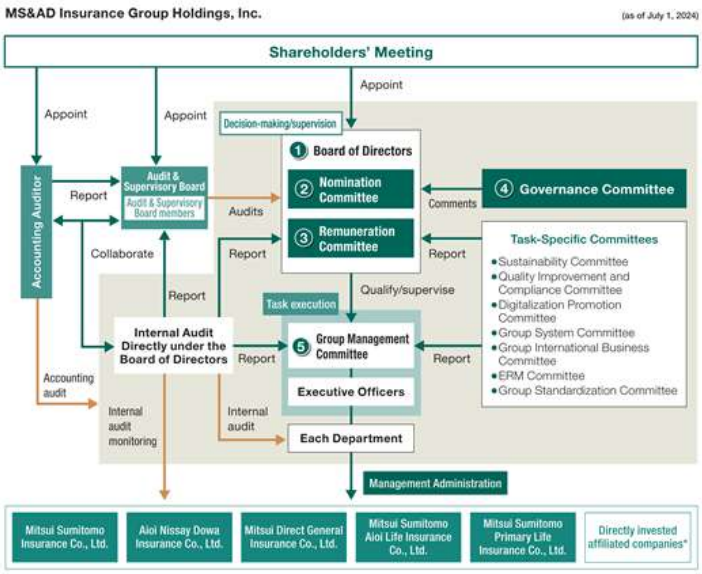
Happiness of Diverse People (Well-being)

Risks/Opportunities and Initiatives (707KB)

Organizational Structure to Promote Sustainability

Management Structure

The Group has established a governance structure for sustainability-related issues consisting of the Board of Directors, the Group Management Committee, and Task-Specific Committees.



*Related operating companies consist of the following eight: MS&AD InterRisk Research & Consulting, MS&AD Business Support, MS&AD Staff Services, MS&AD Systems, MS&AD Business Service, MS&AD Grand Assistance, MS&AD ABILITYWORKS, and MS&AD Ventures.

Board of Directors

In addition to matters stipulated by relevant laws and regulations and the Articles of Incorporation, the Board of Directors discusses and makes decisions on important sustainability-related matters critical to the Group's management strategy. These include the Group's management policies, strategies, and capital policies. It also oversees the execution of duties by directors and executive officers.
The Nomination Committee deliberates on significant human resource matters, such as the selection of director, corporate auditor, and executive officer candidates, as well as the appointment of directors and corporate auditors at domestic group insurance companies in which the Company has a direct investment. It also advises the Board on these issues. To achieve the Group’s growth strategy, sustainability has been positioned as one of the necessary expertise areas for Board members to ensure effective discussions from diverse perspectives.
The Remuneration Committee advises the Board on the compensation structure for directors and executive officers, as well as the compensation framework for directors at domestic group insurance companies in which the Company has a direct investment. Performance-based remuneration for directors is determined based on the Company’s performance, incorporating both financial and non-financial indicators, with sustainability as a key metric.

Group Management Committee

The Group Management Committee discusses key matters related to the Group’s management, including management policies and strategies. It also monitors specific areas of business operations by receiving reports on certain matters approved by executive officers.

Task-Specific Committees

Seven Task-Specific Committees have been established with the aim to deliberate on important management matters related to business execution and to facilitate coordination among relevant departments. Sustainability-related issues and initiatives are primarily discussed by the Sustainability Committee and ERM (Enterprise Risk Management) Committee, which are part of these seven committees. The outcomes are then reported to both the Board of Directors and the Group Management Committee for final decision-making.

Sustainability Committee

The Sustainability Committee is chaired by the Group Chief Sustainability Officer (CSuO), a role created in FY2023 to lead sustainability efforts. The committee comprises the presidents of Group companies, the Group Chief Financial Officer (CFO), the Group Chief Risk Officer (CRO), and the Executive Officer in Charge of Diversity, Equity & Inclusion, among others. The committee discusses policies, plans, and strategies for addressing sustainability issues, including the setting of KPIs for risks and opportunities. In FY2023, the Group CSuO chaired four meetings. All discussion outcomes are reported to the Board of Directors.

Topics Discussed

	FY2022	FY2023
Number of Meetings	4	4
Topic/Theme Examples	● FY2022 sustainability initiatives	● FY2023 sustainability initiatives
	● Promotion of DE&I	● Disclosure related to climate change and natural capital
	● Advancement of Group human rights initiatives	● Promotion of DE&I
	● Efforts for achieving Net Zero by 2050	● Advancement of Group human rights initiatives
		● Greenhouse gas emissions reduction targets for business partners

ERM Committee

The ERM Committee, chaired by the Group CFO and the Group CRO, is responsible for discussing and coordinating key matters related to enterprise risk management (ERM). It also monitors aspects such as the status of risk, return, and capital, as well as risk management efforts, including those related to sustainability. The outcomes of discussions held by the ERM Committee are reported to the Board of Directors.

Topics Discussed

	FY2022	FY2023
Number of Meetings	8	9
Sustainability-related Discussion Topic Examples	● Adding "changes in the environment surrounding human resources" as a key risk that top management must manage (major Group risk), and managing risks with a focus on climate change	● Adding "Intensifying conflicts among nations, within other nations, etc.; political, economic, and social fragmentation and polarization; and security crises" as key risks for top management to manage (major Group risks), and managing risks with a focus on climate change
	● Improving management of natural disaster risks, including climate change	● Monitoring "damage to natural capital" as a risk area that top management must be aware of (emerging Group risk) as that may affect the Group in the medium and long term.

Executive Study Sessions and Expert Opinion Exchange Meetings

A system is in place to provide directors and other executives with ongoing information and training once they are appointed and throughout their tenure. Additionally, arrangements are made to facilitate information sharing and opinion exchanges between external directors and top management, as well as executive employees. The aim is to establish the internal framework necessary for fulfilling their roles and responsibilities effectively.

Corporate Governance

Executive Study Session

In September 2024, an executive study session was held with guest speaker Yoshie Komuro, President & CEO of Work-Life Balance Co., Ltd.

Study Session Details

Date: September 2024

Format: In-person

Speaker: Yoshie Komuro, President & CEO, Work-Life Balance Co., Ltd.

Participants: MS&AD Insurance Group Holdings directors and executive officers, as well as management committee members at its five group insurance companies in Japan (approximately 80 participants)

Lecture Title: “DE&I — Transforming Work Styles to Realize a Revolutionary Shift in Business Styles”

Lecture Summary

Taking the perspective of diversity, equity, and inclusion (DE&I) and work-life balance in the workplace, the guest speaker covered the challenges and emerging trends Japan is currently facing, as well as the directions that companies should be taking. Ms. Komuro highlighted issues that should be tackled as well as the solutions needed to achieve organizational transformation, highlighting examples from various companies. With the Group in the process of promoting a “Significant Business Style Revolution,” the session participants learned about the necessity of mindset and corporate culture change, while engaging in lively discussions on these topics.

Speaker: Yoshie Komuro, President & CEO, Work-Life Balance Co., Ltd.

Executive Study Session

Employee Engagement Initiatives

With the goal of becoming a corporate group supporting a resilient and sustainable society by 2030, the Group is advancing various initiatives toward creating shared value with society (CSV initiatives). Helping to solve societal challenges through our business activities requires that every Group employee enhances their understanding of CSV and the SDGs. We believe it is essential for each employee to feel that their daily work contributes to the sustainability of society and work together with customers to address sustainability challenges.

Sustainability Contest

Group-wide

Since 2018, the MS&AD Insurance Group has held the Sustainability Contest with the aim of instilling an understanding of our story of value creation and CSV initiatives in our daily operations. The contest recognizes efforts that help solve societal and Group sustainability issues and promote CSV. To date, we have received approximately 2,200 applications from Group companies in Japan and overseas. The contest has contributed to solving sustainability issues while also sharing excellent initiatives within the Group.

6th Sustainability Contest

In the 6th edition of this contest held in FY2023, a total of 340 submissions were received, and one Grand Prize, five Excellence Awards, and ten other prizes were awarded. The presentations took place at the Shinkawa headquarters and were live-streamed, with 490 employees participating. For the Grand Prize selection, the employees cast their votes along with the directors to determine the winner.

Grand Prize Winner: InterRisk Research & Consulting
Development and sharing of a global Future Flood Hazard Map enabling quantitative assessment of climate change risks
In response to increasing needs for the quantitative analysis of future flood risks due to the growing severity of disasters caused by climate change, InterRisk identified a limited source of available tools and developed the Global Future Flood Hazard Map. The map has been available free of charge since April 2023, alongside new services for companies adopting the framework of the Task Force on Climate-related Financial Disclosures (TCFD).

- - Launched “LaRC Flood Risk Analysis Service” (in Japanese only)

Next Sustainability Contest
For the FY2024 Sustainability Contest, the aim is to create a space for many employees to participate and reflect on the cycle of sustainability initiatives. The contest will feature new theme-specific awards to recognize diverse approaches to sustainability, such as initiatives by young employees and senior employees, collaboration with external parties, and inter-group cooperation.

Sustainability Contests at Group Companies

ADI MSI Aioi Life InterRisk

In addition to the group-wide Sustainability Contest, Group companies also hold their own competitions. In addition to the annual “Sustainability CSV × DX Awards” at Aioi Nissay Dowa Insurance, and the Sustainability Contest at InterRisk, the first-ever sustainability contest at MSI Aioi Life is being launched in FY2024.
We believe these contests help every employee understand the connection between their daily work activities and sustainability and promote CSV initiatives across the entire Group as they offer tailored products and services that leverage the unique characteristics of each Group company.

Employee Engagement Initiatives for Sustainability

Principal Approaches

MSI **Study sessions for sustainability transformation (SX)**	Mitsui Sumitomo Insurance is holding study sessions to promote employee understanding and awareness of the importance of Sustainability Transformation (SX) — a management shift aimed at balancing corporate and societal sustainability. Targeting employees in departments involved in sales, claims services, and contact center activities, the training sessions present specific SX initiatives from various divisions of the company. These include using dashcams for insurance services, adopting digital technologies, utilizing chatbots and recycled parts, and tailoring communication to customer needs. To inspire new insights and ideas among employees, SX study sessions are planned for every company site across Japan.
ADI **Customer dialogue on GHG emissions reduction**	To help achieve carbon neutrality by 2050, Aioi Nissay Dowa Insurance is providing employees with information and various tools to promote decarbonization, along with study sessions. It is also encouraging all employees to obtain Carbon Accounting Advisor certification. This will enable them to propose and provide products and services that support optimal carbon neutrality measures for customers through conversations with them on GHG emissions reduction, thereby assisting customers with their decarbonization efforts.
Mitsui Direct General **Employee-participation initiatives**	・As part of its carbon reduction initiatives, Mitsui Direct General Insurance is implementing a roadmap with specific GHG emissions control measures and numerical targets. It is also encouraging employee participation in community-based social contribution activities and exchanges with nearby schools. The efforts include multifaceted programs, such as environmental protection efforts, traffic accident prevention, and donation drives to support disaster recovery organizations. ・By adopting a flexible dress code and organizing employee networking events, Mitsui Direct General aims to enhance communication among employees, boost engagement, and foster a deeper understanding of sustainability through these activities.
MSI Primary Life **Departmental goals for sustainability initiatives**	・At Mitsui Sumitomo Primary Life Insurance, each department has designated a sustainability officer responsible for promoting sustainability initiatives, facilitating internal collaboration on sustainability efforts, and enhancing employee awareness and understanding. Specifically, departments set goals for sustainability initiatives, review midyear and fiscal year-end progress, and encourage employees to consider how their daily tasks connect to priority sustainability issues and what actions are needed. ・Through sustainability training focused on themes such as the integration of sustainability into the Medium-Term Management Plan and its relevance to daily operations, the company supports employee efforts to implement effective and impactful initiatives.

Targets (KPI) and Results

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

KPI

Materiality	Metrics	Group Targets		FY2022 Achievement	FY2023 Achievement
Planetary Health	GHG emissions reduction rate (Scope 1+2)	FY2030 ▲50%vs FY2019 FY2050Net Zero		▲26.8%	▲35.3%
	GHG emissions reduction rate (Scope 3)	FY2030 ▲50%vs FY2019 Category :1、3、5、 6、7、13 *1 FY2050 Net Zero Category :All Categories		▲26.9%	▲24.8%
		Underwriting/ Investments	FY2030 ▲37% ((Base year: FY2019)(Key Japanese domestic corporate clients)*2	▲18.3%	—
			We, through engagement with clients, share challenges they have in reducing GHG emissions. We work together with them towards reduction of GHG emissions with solution proposals.	204 clients*3	
	Renewable energy usage rate	FY2030 60% FY2050 100%		21.1% *4	23.0%
	Premium growth rate of products which contribute to decarbonization and circular economy	FY2025 Annual average of 18%		17.9%	24.5%
Resilience (Resilience)	Rate of increase in the number of underwritten policies for products which help improve the resilience of society	FY2025 Annual average of 20%		29.4%	17.6%
	Instances of support for the resolution of issues faced by regional companies (Consulting services, training/seminars)	FY2025 10,000 instances a year		12,349 instances	11,892 instances
Well-being	Number of policies in force for products which help solve health-related social issues	FY 2025 2.6 million		2.17 million	2.22 million
	Number of policies in force for asset-building products to support longevity	FY 2025 0.1 million		0.05 million	0.07 million
	Instances of support for action by companies to address human rights (Consulting services, training/seminars)	FY 2025 1,000 instances a year		1,111 instances	1,047 instances

*1: Category 1: Purchased products and services (Subject: Paper and mail), 3: Fuel- and energy-related activities not included in Scope 1 or Scope 2, 5: Waste generated in operations, 6: Business travel, 7: Employee commuting, 13: Downstream leased
*2: The calculation targets are key Japanese domestic corporate clients selected based on insurance premiums (approximately 3,300 companies, which account for about 50% of the underwriting portfolio on a premium basis). Calculated based on the PCAF's (Partnership for Carbon Accounting Financials) GHG Measurement Standards for Financial Institutions (as of the end of March 2023). The measurement target categories for underwriting are automobile insurance, fire insurance, casualty insurance (excluding construction insurance), cargo insurance, marine insurance, and aviation insurance, with the GHG emissions of key Japanese domestic corporate clients calculated. The measurement target assets for investments and loans include domestic listed stocks, corporate bonds, and corporate loans, with the GHG emissions of all targets with investments and loans among key Japanese domestic corporate clients calculated.
*3: Total by end of October 2024
*4: Correction made on August, 2023 Before correction：24.1% After correction：21.1%

ESG Data

ESG Data / Reference Material

Reference: Target and Results of Vision 2021

Target and Results of Vision 2021 PDF

＜Main Efforts＞

The classification of cases may differ from "Our Value Creation Approach" in this report.
In "Our Value Creation Approach," we have adopted the classification that is most easily understood by all.

Our Value Creation Approach PDF

Human Assets KPIs

KPI	Target Year	Target	FY2022 Achievement	FY2023 Achievement
Percentage of female managers	FY 2030	30%	19.5%	21.6%
Percentage of female line managers	FY 2030	15%	12.9%	18.4%
Digital human resources	FY 2025	7,000 people	3,601 people	5,814 people
Employees for international business	FY 2025	1,200 people	1,182 people	1,189 people
Percentage of productivity improvement personnel expenses (MSI, ADI)	FY 2025	8.50%	9.2%	9.2%
Percentage of people who exercise regularly	FY 2025	Current level or higher	26.5%	27.8%
Percentage of male employees taking childcare leave	FY 2025	100%	92.5%	89.9%
Duration of male employees taking childcare leave	FY 2025	4weeks	8.1days	12.1days
Number of annual paid holidays taken	FY 2025	Equal to or greater than the previous year	16.4days	16.5days
Percentage of mid-career employees among managerial staff	FY 2025	Current level or higher	22.6%	23.0%
Percentage of employees hired locally overseas appointed as executives of overseas subsidiaries	FY 2025	Current level or higher	83.0%	83.2%
Employee Awareness Survey	•Sense of helping to create shared value (CSV)	Equal to or greater than the previous year	4.5points	4.5points
	•Constant awareness of MVV		4.6points	4.6points
	•Pride in work, job satisfaction		4.4points	4.4points
	•Active participation		4.6points	4.7points

ESG Data / Reference Material to refer Subject organizations and data coverage

ESG integration and sustainability approach

The MS&AD Insurance Group always consider sustainability in terms of the environment, society, and governance (ESG) issues in all Group business activities, including the development of products and services, underwriting and investments.
ESG-related impacts include infringements of human rights that threaten respect for basic human rights, deforestation due to illegal logging, and corruption and bribery that undermine economic growth and stability. Our company's business activities could influence ESG factors, and our company itself could be influenced by ESG factors. While we respond to such ESG-related risks to ourselves, we have been discovering business opportunities in addressing ESG concerns, e.g. offering automotive insurance with driving protection services to support safe driving, and thereby, reduce accidents, and using Big Data to present preventative measures against natural disaster. It is essential that we carefully assess ESG-related risks and opportunities, and reflect them in our business activities. We recognize the wide-ranging ESG risks such as legal risks, reputational risks, quality-related risks, business continuity risks, operational risks, transition risks, financial risks, etc., and these could potentially have a major impact on our company's business activities and our stakeholders. Accordingly, we carefully identify such ESG-related risks to control them across our entire business activities.
We give an overview of these approaches in our "Perspective of Sustainability of the MS&AD Insurance Group" that describes our policies on addressing ESG concerns.

Our Sustainability Approach

Products and services that contribute to sustainability

ESG integration and sustainability approach （practical process） (938KB)

Implementation of "Business Activities with Consideration for Sustainability"

In May 2019, we committed that it would consider sustainability in all of our business activities in line with our ESG policy "Business Activities with Consideration". In September 2020, we announced a detailed process, and we have been conducting underwriting and investments while reviewing the content in light of environmental changes.

[ESG Guideline]

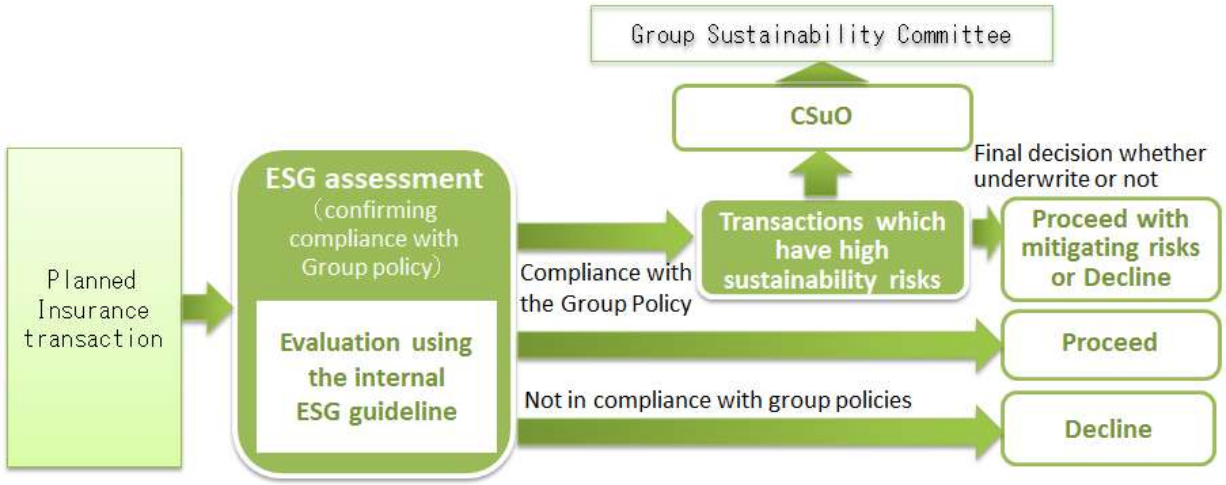
Sector	Classification	Guideline
Coal	To be excluded	Coal fired power plant, Coal mine(Mainly producing thermal coal)*1
	To be excluded	oil and gas extraction and coal-mining projects*3 by companies whose primary business is coal*2
Oil･Gas	To be excluded	Oil sand mining, Oil & Gas extraction in the Arctic region*3
	To be reviewed	Oil fired power plants and oil fields, Oil sand mining, and gas fields
Controversial weapons	To be excluded	Controversial weapon manufacturer(cluster munitions, anti-personnel mines and chemical weapons)
Agriculture, Forestry and Fisheries	To be reviewed	New agriculture, forestry and fisheries project involving large-scale development in unexplored areas
Hydroelectric power	To be reviewed	Construction of new hydroelectric power plants
Solar power	To be reviewed	Construction of new solar power plants in Japan
Onshore wind power	To be reviewed	Construction of new onshore wind power plants in Japan
Biomass power	To be reviewed	Construction of new biomass power plants in Japan
Nature conservation area	To be reviewed	Project with negative impact on UNESCO World Heritage Sites or Ramsar-listed wetlands that may have negative impact on the environment and local communities
Human rights	To be reviewed	Businesses which may violate human rights of indigenous people or local communities

*1 Existing coal fired power plants and thermal coal mines with technologies and techniques aiming to achieve the goals of the Paris Agreement might be handled after careful consideration.
*2 Companies that derive at least 25% of their revenues from coal-fired power generation, thermal coal mines or companies that generate at least 25% of their energy from coal.
*3 Projects and companies planning to decarbonize to achieve the goals of the Paris Agreement are exempted.

Process for Underwriting*

In underwriting insurance, we have established an escalation process for projects that are considered to be in compliance with the Group's policies, but are deemed to have high sustainability risks (ESG risks). Since September 2020, we have reported such transactions to the Group Sustainability Committee based on the judgment of the senior management of the responsible sections for ESG. When formulating and revising policies, we hold dialogues with our company's client companies and share an understanding of the need for initiatives to move toward decarbonization.

*For the investment and financing process, please refer to "Investment and financing considering ESG issues" and "ESG evaluation process" below.



Signatory to the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI)

The MS&AD Insurance Group has been seeking out what are the best practices for financial institutions that take into account environmental and social sustainability, and it has been participating in the United Nations Environment Programme Finance Initiative (UNEP FI) to disseminate and promote these best practices.

Our company has also signed up to the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI) published by UNEP FI. We have been working on activities such as a pilot project for considering climate change-related and nature-related risk analyses and information disclosure carried out by UNEP FI or PSI.

Principles for Sustainable Insurance (PSI)	Having signed PSI in June 2012, we give careful consideration to ESG (environmental, social, and governance) issues in our business activities as an insurance company, and undertake to do our part for the sustainable development of our planet. PSI Principles for Sustainable Insurance
Principles for Responsible Investment (PRI)	Having signed PRI in June 2015, we pursue constructive dialogue with companies we invest in, taking ESG and other perspectives into account, and develop ESG-based investing practices. Signatory of: PRI Principles for Responsible Investment

Climate/Nature-related Financial Disclosure

Development of Products and Services with Consideration for ESG

The MS&AD Insurance Group has underwriting criteria adapted for respective product and service as part of risk assessment process. In each process, certain ESG criteria are considered such as natural catastrophe risks, involvement with anti-social forces or ethical risks, based on the nature of the risk. Comprehensive process including system verification are properly implemented. Underwriting decision including the Board's approval are made based on these risk evaluations.

In association with underwriting products and services, we discuss general policy to handle ESG risks at the Sustainability Committee, and we evaluate and manage individual ESG risk at the ERM Committee. Both committees shall report their decisions and conclusions to the Group Management Committee and the Board of Directors.

In developing products and services, we examine the value to society and the value for our company generated by our products and services from various angles, and we strive to create value shared with society in providing these products and services. We have also developed a variety of sustainable products and services such as insurance or risk consulting services that support renewable energy projects, discounts to drivers who take a safe driving lecture aiming at reducing traffic accidents, and automotive insurance policies that allow the same-sex partner to be beneficiaries to support diversity.

In underwriting these products and services, all employees and agencies deepen their understanding of sustainability issues, including ESG risks, through trainings and other means, and to promote initiatives to realize a resilient and sustainable society with customers through dialogue.

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

Products and Services that Contribute to Sustainability (PDF)

ESG Investment and loan

As a signatory to the Principles for Responsible Investment (PRI), the MS&AD Insurance Group takes ESG issues into account for investment and loan.

Specifically, we incorporate ESG factors into investment/loan processes and promote ESG-themed investment (Sustainability-themed investment/loan, impact investment) on the basis of profitability, taking into consideration the MS&AD Insurance Group's sustainability priorities. In addition, MSI and ADI declared their acceptance of Japan's Stewardship Code, and have since engaged in constructive dialogue in line with ESG perspectives with investee companies, to encourage them to take appropriate actions to increase medium-term corporate value by raising their awareness over ESG.

Initiatives for ESG Investment and Loan

ESG investment and loan initiatives	Content
Integration	
Reflection of the response to the Group's "Business Activities with Consideration for Sustainability"	Screening specific uses of funds and industries ("coal-fired power generation"and "inhuman weapons manufacturing" etc.) without investments and loans, and making prudent decisions on whether to engage in transactions from the perspectives of responding to climate change, improving the sustainability of natural capital, and respecting human rights
Incorporation of the Group's priority issues into the research	Focusing on "CO2 emissions", "deforestation", "water risk", and "human rights violations", evaluations by ESG evaluation companies and international initiatives (such as CDP) are used for investment decisions and monitoring.
Constructive Engagement	
Engagement	Conduct dialogue centered on stewardship activities
Positive Impact	
Sustainable/thematic investing	ESG issues, investments, and loans in themes such as renewable energy (e.g., solar, wind, hydrogen), green transition finance (greenhouse gas reduction), and regional revitalization
Impact investing	Investment in themes such as healthcare and education, focusing on climate change

Integration into Investment/Loan Processes - Systematic Incorporation of ESG factors into the investment process

Implementation of Constructive Responses as a Responsible Institutional Investor

From the perspective of fulfilling their social responsibility as institutional investors, Mitsui Sumitomo Insurance (MSI) and Aioi Nissay Dowa Insurance (ADI) have announced their support for Japan's Stewardship Code, a code of behavior laid out for institutional investors. In line with the Code, we carry out a constructive dialogue with investee companies to encourage them to enhance their medium- and long-term value and sustainable growth, and, through the dialogue, we focus on understanding their management issues, their shareholder return policy, ESG, and other non-financial information. From July, 2023 to June, 2024, MSI and ADI conducted such dialogue with a total of 342 companies.

MSI Our Policies According to Japan's Stewardship Code

ADI Our Policies According to Japan's Stewardship Code

In addition, through constructive dialogue (engagement) with our investee companies, we are encouraging them to reduce GHG emissions and disclose information in accordance with the TCFD recommendations, aiming for realization of a net-zero society, Specific matters to be confirmed include organizational structure in relation to addressing climate change, their efforts toward GHG emission reduction targets, their plans for technological innovation, and any challenges they face.

Examples of initiatives for engagement in relation to climate change

Example 1	Example 2
We reviewed the progress made and challenges remaining for a company in the wholesale sector with high GHG emissions. This included the company's coal business exit plan, new businesses contributing to GHG emission reduction, and value chain initiatives. We confirmed that they are progressing as planned toward their goals and are actively pursuing new businesses as opportunities for additional revenue.	We reviewed the status and challenges of climate change initiatives for a company handling construction products. We confirmed that the company is progressing smoothly as planned toward its sales targets for climate-friendly products that help reduce customer GHG emissions. We suggested that, going forward, they disclose the proportion of sales accounted for by their climate-friendly products and provide quantitative disclosures on the GHG reduction impact.

ESG-themed investing including action on climate change

ESG-themed investment

Net-zero transition requires technological innovation and capital investment toward a drastic reduction of GHG emissions. Factors such as growth of demand for funding and needs for new financial products and services in relevant industries will likely bring about opportunities for financial institutions. The Group is working on ESG-themed investing on the premise of ensuring profitability, such as investment in projects with themes of developing solutions for social issues, including climate change.
As part of our mission as an insurance company that manages insurance funds deposited in the form of premiums, we will continue, with an emphasis on quality, to invest in projects, including those that are profitable and can contribute to both the environment and society.

Breakdown of ESG-themed investments (end of March 2024)

By theme	Investment and loan balance
Investment in ESG-themed funds	¥232.3 billion
Support for efforts to reduce greenhouse gases	
Renewable energy (e.g., solar, wind, hydrogen)	¥73.3 billion
Transition/Sustainability-linked finance	¥28.0 billion
Green finance	¥146.6 billion
Support for sustainable global development	
Social sustainability (including supranational bonds)	¥221.3 billion
Regional revitalization, healthcare, impact investment*, etc.	¥21.5 billion
Total	¥722.9 billion

*Of the investment amount commitment to the fund, only the invested amount is included

Impact Investment

The Group's mission is "To create a world-leading insurance and financial services group that consistently pursues sustainable growth and enhances corporate value". Through this investment activity, we will aim to create positive and measurable impacts on the environment/society while earning financial returns. In addition, we will contribute to attainment of SDGs and creation of a sustainable society by accumulating findings through evaluation/management of impacts on the environment/society while earning financial returns.

Group Joint Impact Investments

*1 Investment through a Group-specific investment vehicle. Managed by MSR (investment ratio: MS 85%, LGT 15%), an investment (asset management) JV in New York. LGT, a management company in Switzerland, is one of the global leaders in the ESG field.
*2 Achievement of SDGs and realization of a sustainable society

ESG Investment/Loan Promotion Structure

As a signatory to the Principles for Responsible Investment (PRI), global standards for responsible investment, we have been reporting to FRI the status of our ESG investment/loan activities and progress, and we have received annual evaluation of our ESG initiatives.
Utilizing the results of the annual evaluation under PRI, we aim to improve our level of ESG initiatives.

Our Principal Thematic Investment

Impact Investment

MSI ADI MSI Aioi Life MSI Primary Life **The Group joint investment in overseas impact funds**	Through funds investment and with a focus on “climate change solutions,” invest in social impact themes such as “inclusive growth, healthcare, education” as well. MS&AD INSURANCE GROUP INVESTS IN IMPACT FUNDS PDF
MSI **Investment in social impact bonds**	Investment aimed at addressing social/environmental issues in such fields as medical/nursing care that the region is facing, in collaboration with Japanese local government Investment In Next Rise Social Impact Funds (in Japanese only) PDF
MSI **Investment in a bio-healthcare fund**	Investment in startups within the bio-healthcare sector Investment in a Bio-healthcare Fund (in Japanese only) PDF
ADI **Investment in a climate and nature transition fund**	Investment aimed at increasing the value of fund portfolio companies and thereby helping to achieve a sustainable society by promoting solutions to challenges related to climate change and natural capital preservation Investment in a Climate and Nature Transition Fund (in Japanese only) PDF
MSI ADI MSI Aioi Life MSI Primary Life **Investment in a forest fund**	Investment focused on forest conservation and management, with the aim of not only gaining economic returns but also creating social and environmental value through carbon credit acquisition Investment in a Forest Fund (in Japanese only) PDF

Sustainability-themed investment

ESG in general

MSI ADI **Joint investigation of a business initiative for the development of sustainable finance**	Launched collaborative discussions with institutional investors in Japan on a business initiative related to sustainable finance. The aim is to create a digital platform connecting asset managers and portfolio companies to promote mutual understanding and information disclosure on ESG matters. Initiation of joint investigation of a business initiative for the development of sustainable finance (in Japanese only)
MSI ADI MSI Aioi Life MSI Primary Life **Investment in Green/Social/Sustainable Bonds**	Invested in green bonds and social bonds, etc. issued by domestic and foreign companies.
MSI ADI MSI Aioi Life MSI Primary Life **Investment in sustainable development bonds**	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. The MS&AD Insurance Group Invests in World Bank's Sustainable Development Bond
MSI **Incorporation of ESG guidelines into the investment/loan processes for externally entrusted funds**	Incorporated ESG guidelines into the investment process of an overseas bond fund entrusted to Guggenheim, a close partner.
ADI **Investment in SDGs funds**	Among companies making positive contributions to attaining SDGs through their products and/or services, invested in those companies with potential to improve corporate value through their business activities.

Environment

MSI ADI MSI Primary Life **Financing for renewable energy power plants**	Financing and fund investment in solar, wind, and biomass power generation to promote the spread of renewable energy.
MSI ADI **Investment in Future Creation Fund**	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.
MSI ADI MSI Aioi Life MSI Primary Life **Transition Finance**	Supporting corporate efforts to reduce greenhouse gas emissions.
HD MSI ADI **Investment in Japan Climate Transition Bonds**	Invested in a fund aimed at promoting renewable energy adoption through financing for solar, wind, and biomass power generation, as well as investment in related funds. Supporting Japan's decarbonization efforts through investment in Japan Climate Transition Bonds (in Japanese only) PDF
MSI MSI Aioi Life **Investment in startups that can contribute to a sustainable society**	Invested in startups with innovative business models or technologies that can help achieve a sustainable society. Investment in startups that can contribute to a sustainable society (in Japanese only) PDF

Social

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

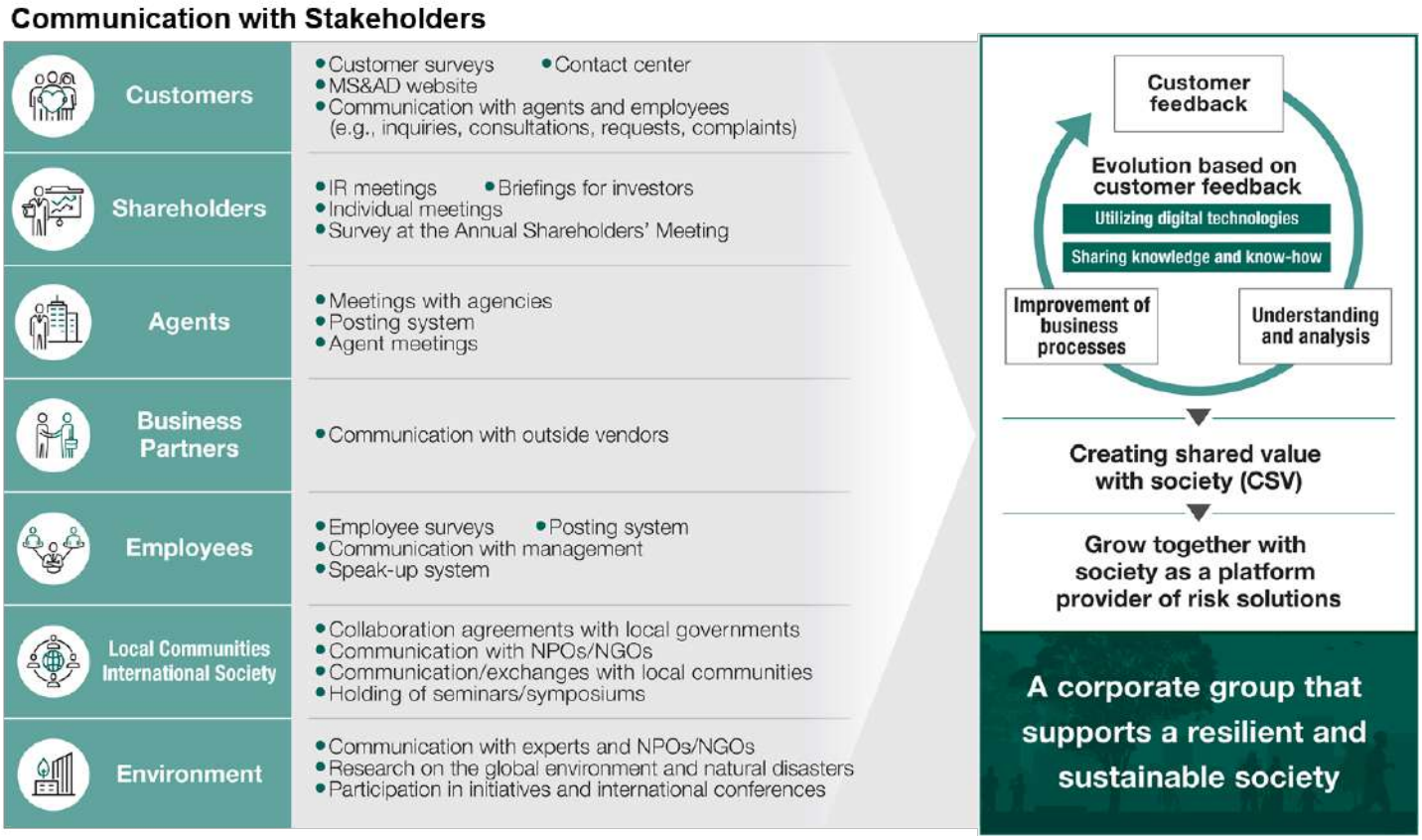
External Assessment

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

Initiatives and External Assessment

Communication with Stakeholders

We believe it is important to understand what our stakeholders expect and want from the Group and to utilize this understanding to improve the quality of products and services it provides as we continue to be valued as a corporate group that makes progress based on communication with our customers. The Group has various systems in place to facilitate communication with its stakeholders and offers quality which meets their expectations through feedback-based business improvement and highly transparent and effective corporate governance practices.
It is our role to provide the best solutions to the uncertainties and risks in society based on public expectations for the insurance and financial services. In order to provide safety and security to people and support dynamic business activities and a healthy and productive life, we listen and react to a wide variety of feedback from stakeholders, including customers, through such channels as consultations, requests, complaints, and opinions received, and utilize it for quality improvement. In addition, we publicly disclose our processes for understanding the feedback received, as well as the results and progress of counter measures.



Examples of Stakeholder Dialogue

Customers	Based on the MS&AD Insurance Group Basic Policy for Responding to Customer Communications, we listen sincerely to feedback from our customers obtained through customer questionnaires, the official website, and communication with agents/employees, and utilize it to improve business operations for quality enhancement. In addition, we have established the Customer-first policy in the business operations to ensure that we carry out business operations placing high value on the customer-first principle. We have developed various schemes that help to understand our stakeholders' needs and expectations and, to that end, to improve the quality of the products and services we offer together with management level discussions. Quality that Earns the Trust of Society **Dialogue examples:** • Customer questionnaires • Annual reports on the status of efforts to implement our Customer-First Business Operations Policy • Contact centers • Official websites • Communication with agents and employees (inquiries, consultations, requests, and complaints, etc.) • Disclosure of loss prevention and mitigation information to the public, alert delivery via app, etc.
Shareholders	We have been developing a range of IR activities such as IR meetings, briefings for investors, individual meetings, and shareholders' meeting questionnaires, in accordance with the Basic Policy to win the trust of shareholders and investors, and to enable the Group's corporate value to be fairly evaluated. The Group proactively engages in highly transparent information disclosure and constructive dialogue with shareholders and investors in an initiative to achieve sustainable growth and increase corporate value. Specifically, through highly transparent information disclosure, the Group seeks to reduce information asymmetry with shareholders and investors. The feedback gained from the constructive dialogue with shareholders and investors is shared with management and the relevant departments to be utilized in the formulation of management strategies. IR Events **Dialogue examples and results:** **FY2023 dialogue results** • 2 strategy briefings for institutional investors and analysts • 4 financial results conference calls • 1 ESG meeting • 1 thematic meeting • 4 briefings for individual investors • 223 interviews with analysts/investors worldwide, etc.

Agents	By maintaining good communication with agents, our business partners, and by thinking and acting together, we aim to provide high-quality services and optimal products to our customers, as we pursue mutual growth for both our agents and the Group. Quality that Earns the Trust of Society **Initiative examples:** • Agent meetings • Agent study sessions • Providing a CO2 emissions calculation service for motor agents
Business Partners	We will conduct fair and equitable transactions with integrity and endeavor to achieve sustainable development as well as to fulfill our corporate social responsibilities. The MS&AD Insurance Group explains its Group Environmental Basic Policy to business partners and asks for their cooperation. Transaction Responsibilities **Dialogue examples:** • Communication with contractors • Regular contractor inspections • Human rights risk management support, etc.
Employees	・Each year, the MS&AD Insurance Group carries out an employee engagement survey covering topics such as those to ascertain the degree of diffusion of the Group Mission, Vision, and Values; the degree of unity within the Group; and whether employees feel a strong sense of motivation. ・A “speak up” system encouraging whistleblowing has been put in place, creating an environment in which employees can frankly and proactively share their views or raise concerns on any problems they may have. ・A message board was established on the intranet to collect the views and improvement proposals from employees in order to incorporate them into quality improvement. The opinions are reviewed at each headquarters division and the feedback is given based on the results. ・Through the exchange of opinions between executives and employees, we continue to make initiatives to leverage employee feedback in business operations. Employee Well-being Implementing Activities and Dialog that Respect Human Rights **Initiative examples:** • Conducting employee awareness survey • A speak-up system allowing employees to report or seek advice on possible violations of laws and regulations, company rules, and conduct issues • A suggestion submission system allowing each department at the head office to consider improvement proposals and provide feedback on the results, etc.

Local Communities and International Society	As a member of both the local and international communities, the Group takes part in domestic and global initiatives. We also contribute to realization of resilient and sustainable community development by revitalizing local communities and international society through support for regional business, identification of issues by means of communication with NPOs/NGOs, etc. in each country, and collaboration and communication with various stakeholders aimed at resolving local and global issues. Initiatives and External Assessment Creation of a Resilient and Inclusive Society (Regional Revitalization) In order to promote initiatives through our insurance business to create shared value, our employees are encouraged to join environmental conservation activities and contributing activities to the local community so that they can deepen their understanding of social issues. Furthermore, through the MS&AD Unison Smile Club, a social contribution group created by the employees of the Group, donations are made that meet local needs through dialogue with local governments and various social contribution activities in collaboration with non-profit organizations. Green Earth Project (in Japanese only) MS&AD Unison Smile Club **Initiative examples:** • Collaborative agreements with local governments • Collaborative research with universities on loss prevention and mitigation and the local environment • Dialogue with NPOs and NGOs • Dialogue and interaction with local communities • Holding seminars and symposiums, etc.
Environment	Focusing on harmonious coexistence with the global environment (Planetary Health) as a priority issue, we have been promoting initiatives for responding to climate change, improving the sustainability of natural capital, and preserving and restoring biodiversity. We have also been contributing to resolution of social issues related to the natural environment through such means as conducting joint research programs with experts at universities, research institutes, etc. on global environment/natural disasters, holding seminar sessions/symposiums, and communicating with NPOs and NGOs. Action on Climate Change Improvement of Sustainability of Natural Capital Initiatives and External Assessment **Dialogue examples:** • Dialogue with experts, NPOs, and NGOs • Collaborative research with universities on climate change and natural capital • Participation in initiatives and international conferences • Employee participation in environmental and social contribution activities • Holding seminars and symposiums, etc.

Initiatives and External Assessment

Initiatives

External Assessment

Initiatives

The MS&AD Insurance Group participates in various initiatives and strives to create shared value with society. The Group will continue to work to identify and address a diverse range of sustainability issues.

Participation in the United Nations Global Compact*	The MS&AD Insurance Group strives to carry out corporate activities with respect to the principles of the UN Global Compact. Furthermore, the Group is involved in the operation and activities of the Global Compact Network Japan, a local network of the UN Global Compact, by serving as an organizer of working sessions. * 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.
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. Signatory to the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI)
Principles for Financial Action toward a Sustainable Society in the 21st Century (PFA21)	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. MS&AD Holdings, Mitsui Sumitomo Insurance, Aioi Nissay Dowa Insurance, Mitsui Direct General Insurance, Mitsui Sumitomo Aioi Life Insurance, Mitsui Sumitomo Primary Life Insurance, and MS&AD InterRisk Research & Consulting have signed, showing their intent to follow these principles.
Principles for Responsible Institutional Investors (Japan’s Stewardship Code)	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. Our Policies According to Japan’s Stewardship Code
Task Force on Climate-related Financial Disclosures (TCFD)	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. Climate/Nature-related Financial Disclosure

PCAF (Partnership for Carbon Accounting Financials)	The MS&AD Insurance Group is a member of the PCAF, which has been developing measurement/disclosure methods for GHG emissions related to loans/investments and insurance portfolios. We will promote the measurement and disclosure of GHG emissions by financial institutions with the aim of contributing to emissions reduction across society as a whole. And we will also contribute to the realization of a net-zero society by measuring and disclosing our GHG emissions of investment and underwriting portfolios.
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 changes, and corporations and organizations across the world have disclosed their greenhouse gas emissions and measures against climate change through CDP. The MS&AD Insurance Group subscribes to CDP's approaches and continuously submits new data.
Challenge Zero (innovation challenges toward a net-zero society) Declaration	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.
Japan Climate Initiative	The MS&AD Insurance Group has signed up to the Japan Climate Initiative. The Initiative was launched in 2018 with the aim of enhancing Japan's efforts to address climate change and sharing information on such efforts with the rest of the world. Under the Initiative, companies, local governments and NGOs that are actively engaged in climate change actions to cooperate toward achieving the goal.
Paris Pledge for Action	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."
Taskforce on Nature-related Financial Disclosures (TNFD)	The MS&AD Insurance Group is taking part in activities of Taskforce on Nature-related Financial Disclosures (TNFD: Taskforce on Nature-related Financial Disclosures), which is aimed at promoting nature-positive financial flow. We have also established and have been operating the TNFD Consulting Group of Japan, a forum for promoting understanding of TNFD, etc.
TNFD Forum	We participate in the TNFD Forum, which is made up of companies and organizations that support the TNFD's objectives and development work. We also established and convene the TNFD's Consultation Group in Japan, which promotes understanding of the TNFD framework among TNFD Forum members in Japan.
Japan Business Initiative for Biodiversity (JBIB)	In regards to conservation of biodiversity and sustainable use of biological resources, MS&AD Holdings has been serving as the chair company of the Japan Business Initiative for Biodiversity (JBIB), which brings companies together for joint research projects on biodiversity, since JBIB's founding in April 2008.
Association for Business Innovation in harmony with Nature and Community (ABINC)	The association was established with the purpose of encouraging businesses to work toward development of a symbiotic society in harmony with communities' local flora and fauna, such as certification of corporate green space in consideration of biodiversity (ABINC certification). MS&AD InterRisk serves as the association's secretariat.
Finance Alliance for Nature Positive Solutions (FANPS)	In February 2023, the Group formed a financial alliance with the Sumitomo Mitsui Financial Group, the Norinchukin Bank, and the Development Bank of Japan, with the aim of becoming nature positive. The alliance provides support services to companies committed to following the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and provide them with information on solutions to promote nature positivity.

30by30 Alliance	In order to contribute to realization of 30by30, a global target of designating at least 30% of the world's land and oceans as protected/conserved areas by 2030, the MS&AD Insurance Group has been taking part in the 30by30 Alliance for Biodiversity headed by the Ministry of the Environment. The Group is working to contribute to realization of the target by promoting conservation of its own green zone. Mitsui Sumitomo Insurance Surugadai Green Spaces as OECMs / Corporate Green Space Support Package
Green Infrastructure Public-Private Partnership Platform	This platform was established to promote green infrastructure through both physical and policy-based measures in areas such as social capital development and land use. We are active in the platform subcommittees relating to planning and public relations as well as finance.
Business for Nature	In June 2020, the MS&AD Insurance Group subscribed to the purpose of Business for Nature, a global coalition which calls on governments to adopt ambitious nature and environmental policies.
"Plastics Smart" Forum	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.
30% Club Japan	In May 2019, in line with the company's vision, the MS&AD Insurance Group Holdings became a member of the 30% Club Japan, part of a global campaign aimed at developing female board members. Regarding gender diversity as an urgent business issue that companies need to address, and placing importance on diversity among decision-makers, the Company has been mounting efforts to cultivate female executives within the Group. Diversifying of Decision-making Layers

External Assessment

ESG Indexes and Ratings

The investor approach of evaluating corporate sustainability from the perspective of environmental, social, and governance-related (ESG) criteria is becoming increasingly widespread. Accordingly. the MS&AD Insurance Group utilizes evaluations from global ESG rating agencies as feedback to improve its sustainability initiatives. As of July 2024, the Group has been evaluated by and included in the following ESG-related indexes:

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

* The inclusion of the MS&AD insurance group in any MSCI indexes, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of the MS&AD insurance group by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

Awards and Recognition

Initiatives for Loss Prevention and Mitigation Using Data and AI

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

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

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

Employee Well-being

Diversity, Equity & Inclusion (DE&I):

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

Health Management:

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

Quality that Earns the Trust of Society

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

Priority Issues

The MS&AD Insurance Group has determined “Planetary Health (Symbiosis with the global environment),” “Resilience (Safe and secure society),” and “Well-being (Happiness of diverse people)” as three key areas of focus among various social issues.
Obviously, “Happiness of diverse people” is supported by “Safe and secure society” and “Safe and secure society” are dependent on “Symbiosis with the global environment,” as indicated by the Wedding Cake Model, in which 17 SDGs are organized into three layers: “Nature,” “Society,” and “People.”
As the three goals are closely related, we need to work on them in an integrated manner.
We believe that there is still much that insurance companies, including ours, can do in cooperation with the various parties concerned, such as establishing a nature-positive, safe and secure society that is conscious of coexistence with the global environment and the happiness of people that is generated from such a society.

Symbiosis with the Global Environment （Planetary Health）

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, and to the transition to a net-zero society based on a substantial reduction in greenhouse gas emissions. Extreme weather events, which appear to be an effect of global warming, are occurring frequently, and adaptation to the climate change is required.

At Convention on Biological Diversity COP15 held in December 2022, a new global goal, the Kunming Montreal Biodiversity Framework, was established, clearly indicating the direction of "to halt and reverse biodiversity loss by 2030" or "nature positive." Achieving nature positive also requires the transformation of the entire social economy, and companies as well as national and local governments are expected to play an important role.

Our society and economy are also supported by natural capital including water resources, and terrestrial and aquatic life, in addition to the climate system. Global warming leads to severe natural disasters and physical changes, such as forest fires and desertification that undermine natural capital. The decline of forests leads to less CO2 absorption which further accelerates global warming. Rising average temperatures increase the frequency of forest fires due to hot and dry conditions, creating a worsening cycle. Climate change and natural capital issues are interconnected and affect society and the economy. The transition to net-zero and nature-positive society will bring about drastic social and economic changes.

The MS&AD Insurance Group has identified "Symbiosis with the Global Environment — Planetary Health" as one of its priority sustainability issues (materiality) in its Medium-Term Management Plan, and is promoting CSV initiatives to create common value with society by positioning responses to climate change and the improvement of the sustainability of natural capital as issues to be addressed in an integrated manner. The Group recognizes that climate-related risks and opportunities, such as large-scale natural disasters, can affect the bottom line in a single fiscal year, while others can emerge over the medium and long term. As an insurance company, we are taking steps to address the risk of large-scale accumulated damage caused by natural disasters, and are upgrading our risk management. In line with the 1.5°C target of the Paris Agreement, we set a GHG emission reduction goal of Net Zero by 2050, and established interim targets to achieve the goal. The Group is committed to promoting the transition to a net-zero society in cooperation with its stakeholders, and is advancing the necessary initiatives. We support the establishment and social implementation of next-generation energy such as renewable energy and hydrogen, as well as innovative technologies for a net-zero society. We also accelerate the assessment of climate change impacts and the provision of services to eliminate or mitigate damage and loss from natural disasters. For example, flood damage has occurred worldwide due to rainfall exceeding expectations. Against this background, nature-based solutions are attracting attention. The Group refers to this concept as “Green Resilience” and is committed to decarbonization as well as disaster prevention and mitigation through environmental restoration and conservation, along with promoting adaptation to climate change.

Rapid social and economic changes resulting from transition to a net-zero 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.

In the field of natural capital, we are working to provide new products and services that contribute to the conservation and restoration of nature and biodiversity. Some of these products mitigate negative impacts on nature, such as the oceans, forests, soil, and animals, which are also important in responding to climate change. Because it is important for society as a whole to realize nature positivity, the Group has been disseminating the latest information, conducting research, and developing solutions through the development of the TNFD (since October 2021) disclosure framework, initiatives, and partnerships with other companies, governments and academia.

In the transition to a nature-positive society, the burden on companies may increase to avoid the risk of negative impacts. It is important for companies to understand the nature-related risks involved in their business activities and prepare for the increased burden by taking measures in advance. The Group believes that its business model of “identify and inform on risks” provides an opportunity to prepare for these new risks and lead to the Group’s growth.

Basic Policy on the Environment

Transition to 2050 Net Zero PDF (3,488KB)

Action on Climate Change >

Improvement of sustainability of natural capital >

Safe and Secure Society (Resilience)

In recent years, due to the effects of climate change, natural disasters such as extreme rain, floods, and cyclones have become more severe, causing a greater damage throughout the world. As a result, there is an urgent need to promote disaster-resilient community development in terms of both physical and policy-based measures, to reduce the damage and economic losses caused by disasters. For disaster prevention and mitigation, we are working to realize a safe and secure society by promoting DX utilizing various data accumulated through its insurance business. Group will focus not only natural disasters but also focus on various risks faced by society, such as automobile accidents and infectious disease countermeasures with data analysis, risk visualization using AI, and provide solutions. In addition to these sudden events such as accidents and disasters, there is also gradual progress of issues such as declining birthrates and aging populations with declining regional vitality in Japan and in many other developed countries. To sustain long-term employment in regional communities, revitalizing local industries is also essential.

The Group's goal of creating resilient and inclusive communities is to create safe, resilient, and sustainable living spaces in communities where everyone can live with peace of mind. In order to support the safety and security of people's lives, it is important to anticipate the risks that may arise in the event of an emergency and to prepare for an emergency. It is also important to revitalize local industries in order to continue working in the community. Local revitalization is one of the important measures of the government. We are also advancing similar initiatives in collaboration with local governments and a range of regional stakeholders. These efforts include promoting industry tailored to local characteristics and supporting disaster-resilient community development. Among these initiatives, the Group's Green Resilience efforts leverage natural resources for disaster prevention and mitigation while fostering local industry, such as promoting organic agriculture. By making the most of the benefits nature provides, we aim to help realize an inclusive society where everyone can live with peace of mind, no matter where they reside.

The global pandemic has spurred significant changes in society and economic lifestyle patterns. As a result, industries and societies have rapidly digitized, giving rise to a surge in online exchanges, e-commerce, online education, and a shift to remote work. Since the release of ChatGPT in the fall of 2022, society has continued to change, marking further transformation. As technologies like generative AI advance, addressing the emerging risks associated with these advancements remains a critical focus for society. The MS&AD Insurance Group believes that anticipating, preventing, and effectively managing new risks associated with the advancement of innovation and changes in the industrial structure are vital to ensuring stable livelihoods and healthy business activities. By conducting research into new risks and offering products and services to address them, we aim to help maintain a safe, secure society while also creating growth opportunities for the Group.

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) >

Happiness of Diverse People(Well-being)

Japan’s birthrate is declining, society is aging, and total population is declining. According to the Population Projections for Japan (2023) by the National Institute of Population and Social Security Research, the country’s population will drop below 92 million by 2065, 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. We believe that a state of well-being is one in which all kinds of people are able to accept one another’s social, ethnic and cultural differences etc. for what as they are and live contented lives with peace of mind.

The MS&AD Insurance Group provides not only insurance coverage but also a range of health care services, free of charge or at preferential prices, to support the total health of customers who promote well-being, thereby helping not only individuals but also corporate customers to manage their health-related endeavors and secure human resources.

The 100-year-life span era also brings about new risks to our lives. In addition to extending healthy life expectancy, it is important to increase the so-called "asset life span," which allows us to live without financial concerns. We provide 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 customer well-being.

The Group is strengthening its efforts to respect human rights, which is at the heart of well-being. The "MS&AD Insurance Group Basic Policy on Human Rights" covers 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. The Group encourages these parties to prevent and mitigate negative impacts on human rights in their business activities. Based on the UN Guiding Principles on Business and Human Rights, we aim to enhance our corporate value by establishing and implementing a human rights due diligence system, a management system for respecting human rights, and by developing value chains and internal environments that are free from human rights violations. In addition, as human rights initiatives in the insurance and financial services group, we support the concept of "financial inclusion," in which access to insurance and financial services is not limited by poverty or social status, and everyone can utilize these services to improve their economic stability. We have activated our efforts in local subsidiaries, especially in developing countries. We are working to revitalize our efforts, especially in our overseas subsidiaries in developing countries. Expanding business with diverse markets also leads to business opportunities for us, and we are promoting services such as micro-insurance.

In order to help our stakeholders, including customers, realize well-being, it is also essential to realize the well-being of our employees. We believe that this consists of three elements: good physical and mental health, an amenable work environment, and a sense of fulfillment in one's work. It is important that the diversity of our employees is respected and that opportunities are provided for each individual to fulfill their potential, skills and motivation. We believe that the growth of our employees realized through this process will lead to an increase in our corporate values. Our medium-term management plan calls for securing and developing 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 transform and 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.

Implementing Activities and Dialog that Respect Human Rights >

Products and Services to Support Customer Well-being >

Employee Well-being >

Our Value Creation Approach

Achieving the SDGs

In order to realize a resilient and sustainable society, we need to recognize and take the initiative in solving the social issues that hinder it. Social issues include various risks in the global environment, such as climate change and natural capital issues; the emergence of new risks due to the rapid digitalization of industry and society triggered by the pandemic; the increasing severity of natural disasters due to the effects of climate change; the decline in community vitality due to the declining birthrate and aging population; and the increasing burden of care and medical care due to the aging population.
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.

Products and services that contribute to sustainability (PDF) >

ESG integration and sustainability approach >

Priority Issues

Overview of Priority Issues

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) >

Happiness of diverse people (Well-being)

- Products and Services that Support Customer Well-being >
- Implementing Activities and Dialog that Respect Human Rights >
- Employee Well-being >

Quality・Human resources・ERM

- Quality that Earns the Trust of Society >
- Human Resource Strategy >
- Corporate Governance >
- ERM and Risk Management >

Action on Climate Change

As global warming escalates, heatwaves, droughts, and wildfires are becoming more frequent and severe. Driven by glacial melting and the thermal expansion of seawater, rising sea levels are increasing coastal flooding risks, alongside heightened risks of heavy rainfall and flooding. Moreover, the impact of climate change extends beyond natural disasters. Loss of biodiversity is expected to reduce future ecosystem services, increase flood and landslide risks, exacerbate resource depletion, and worsen water quality.
Climate change and biodiversity loss are expected to have a significant impact on the activities of many companies. They are also impacting the underwriting practices of the insurance industry upon which companies depend. Accordingly, the MS&AD Insurance Group has identified "Symbiosis with the Global Environment — Planetary Health" as a priority issue and is advancing initiatives to address climate change and enhance the sustainability of natural capital in an integrated way. Through its insurance products and services, the Group is actively promoting disaster prevention and mitigation, while also advancing adaptation to climate change. To support the transition toward Net Zero by 2050, the Group has set greenhouse gas reduction targets and is working to reduce GHG emissions from its own operations. In addition, the Group is also maintaining dialogs with client companies to deepen its understanding of the challenges they face in reducing greenhouse gas emissions and is working with them to address these challenges.

Climate/Nature-related Financial Disclosure (MS&AD Green Resilience Report 2024)

Transition to 2050 Net Zero PDF (3,488KB)

Improvement of Sustainability of Natural Capital

Reduction on Environmental Burden

Creating Shared Value with Society

We need to develop initiatives for mitigating advancing climate change while also putting in place measures to prepare against rising risks. The 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 net-zero 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
・Risk analysis based on the impacts of climate change ・Risk assessment associated with transition to a net-zero society (Examples) ・Risk assessments based on long-term flooding forecasts ・Analyses of business risks associated with new technologies toward decarbonization	Proposals for risk management measures based on survey/analysis findings (Examples) ・Alert service to detect wind power generation system failure and signs of abnormal conditions ・Provision of insurance and preventive services to cover risks associated with EV use (currently in the trial phase)	Provision of needed risk coverage (Examples) ・Comprehensive coverage of various risks surrounding renewable energy businesses ・Coverage of additional costs required to meet energy-saving standards (for residential buildings)

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.

InterRisk **Service to Support Decarbonization**	The Japanese Government declared a target of "carbon neutral" by 2050 through reducing emissions of GHGs such as CO2 and requested local governments and companies in various industries to 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. Consulting menus – climate change (TCFD/Net-zero GHG emission) (InterRisk) (in Japanese only)
ADI **Joint Development of an On-site Solar Power Installation Scheme for SMEs**	Aioi Nissay Dowa Insurance has been working with the Japan Regional Resource Development for Renewable Energy Organization and Smart Energy Co., Ltd. to develop Roof Plus, a program designed to encourage companies to install on-site solar power systems for their power needs. The program aims to foster renewable energy adopters in regions across Japan and strengthen partnerships with local governments. Companies participating in Roof Plus can also share their solar power with local residents during a natural disaster through a free mobile phone charging station, thereby helping enhance energy security for local communities. Roof Plus: Jointly developed scheme to encourage on-site solar power installation by SMEs (ADI) (in Japanese only)
MSI ADI **Insurance to Support Companies' Decarbonization**	In terms of commercial property insurance, we provide the Carbon Neutral Support Clause (decarbonization measures cost compensation endorsement). While standard insurance coverage is up to restoration cost, this clause provides additional coverage and support companies' decarbonization. Launched the Carbon Neutral Support Clause for corporate fire insurance (MSI, ADI)

MSI ADI **Supporting wider use of environmentally friendly vehicles**	Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance, led the industry in developing an Endorsement for Replacement with an Electric Vehicle, etc., which covers expenses incurred when buying an electric vehicle to replace an insured gasoline-fueled vehicle damaged/written off due to a traffic accident, and they began marketing that endorsement for insurance policies with commencement dates in and after January 2023. Industry First — Developed an Endorsement for Replacement with an Electric Vehicle, etc. (MSI, ADI) (in Japanese only) Aioi Nissay Dowa Insurance also supports greater uptake of environment-friendly vehicles, including EVs, through provision of lower-premium insurance options, such as 10% discount on vehicle damage coverage for Toyota ultra-compact EVs and discounts specifically for autonomous vehicles (low-speed EVs) that use electromagnetic induction lanes, which are being introduced to secure means of local transport. Providing insurance for self-driving cars using electromagnetic induction lanes (ADI) (in Japanese only) 10% discount on vehicle damage coverage for Toyota ultra-compact EVs (ADI) (in Japanese only)
MSI ADI Mitsui Direct General **Demonstration experiment launched to address EV ownership challenges: Trial roadside charging assistance service for battery depletion incidents**	We initiated a pilot project to provide comprehensive solutions for addressing EV adoption challenges, including R&D for new insurance products and services, to provide support services and insurance to cover EV risks Supporting the realization of a net-zero society through insurance products and services — Initiated a joint pilot project in China to address EV ownership challenges (MSI) (in Japanese only) We launched a trial Roadside Charging Assistance Service to help EV drivers who run out of charge while on the road. Easing EV users' anxiety and promoting a net-zero society — Launched a trial roadside charging assistance service in anticipation of increased EV adoption (MS, AD, Mitsui Direct General, Grand Assistance) (in Japanese only)
MSI **Creation of an EV maintenance network**	Mitsui Sumitomo Insurance has formed a partnership with folofly Inc. to establish a maintenance network for EVs. By expanding the EV maintenance network nationwide, the partnership aims to promote EV adoption in Japan and help lower greenhouse gas emissions. Contributing to a safe and supportive environment for EV drivers — Partnering with folofly to establish an EV maintenance network (MSI) (in Japanese only)

ADI **Provision of service for calculating and visualizing GHG emissions** **Telematics Automobile Insurance**	Aioi Nissay Dowa Insurance launched a new service for visualizing CO2 emissions reduction through safe driving, using its unique algorism, targeting Telematics Automobile Insurance policyholders. This is an initiative whereby we aim to improve the value of telematics technologies for global environmental issues, further contributing to addressing social issues through providing a new value which is “environmental preservation” in addition to such conventionally provided added values as “reduction of accidents.” Launched a new service for visualizing CO2 emissions reduction in Telematics*1 Automobile Insurance (ADI) (in Japanese only)
MSI ADI **Products that support renewable energy businesses**	We support dissemination of renewable energies that help the transition to a net-zero 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. Products and Services that Contribute to Sustainability
MSI **Imbalance Risk Compensation Insurance for renewable energy producers/aggregators**	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. Launched on May 10, 2022 an insurance product/service, Imbalance Risk Compensation Insurance for renewable energy producers/aggregators (MSI) (in Japanese only)
ADI **Insurance Package for PPA Business Operators**	Aioi Nissay Dowa Insurance launched provision of an “Insurance Package” to cover not only risks of damage to power generation equipment but also risks of requiring alternative procurement of renewable energy and environmental values due to damage for the purpose of promoting the spread of the “PPA model*” that is increasingly being introduced as a method of procuring renewable energy. This initiative contributes to realization of net-zero through expansion of renewable energy utilization while supporting safe and secure business operation by providing coverage for various risks that could arise when operating PPA models. * Abbreviation for Power Purchase Agreement, which is a power purchase agreement between a consumer, such as a company introducing renewable energy, and a power generator Japan First — Launched provision of “Insurance Package for PPA Operators” (ADI) (in Japanese only)

MSI **Insurance to Support Carbon Dioxide Capture and Storage**	In order to achieve net-zero by 2050, it is essential to utilize CCS, a greenhouse gas reduction technology, in areas and industries where existing technologies cannot eliminate use of fossil fuels. Mitsui Sumitomo Insurance contributes to realization of net-zero through providing insurance to cover risk of damages related to CCS projects which are undergoing demonstration experiments toward commercialization. Launched Environmental Impairment Liability Insurance for CCS Operators (MSI) (in Japanese only)
MSI **Launch of J-Credit Compensation Insurance**	In partnership with Bywill Inc., Mitsui Sumitomo Insurance has developed and launched J-Credit Compensation Insurance for operators and managers of program-based projects under the J-Credit Scheme. By collaborating with partner companies that possess expertise in reducing CO2 and other greenhouse gas emissions, this initiative supports regional decarbonization efforts and is helping to realize a net-zero society. Products and services: Launch of J-Credit Compensation Insurance (MSI) (in Japanese only)
MSI ADI **Compensation for additional home rebuilding costs in order to meet energy efficiency standards**	Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance have developed a Building Energy Efficiency Cost Rider. This compensates for any additional costs necessary to meet energy efficiency standards when rebuilding a home that has been completely burned or destroyed. This rider is being offered as an optional add-on to personal fire insurance contracts starting from October 2024. The initiative aims to promote the building of energy-efficient homes and to help realize a net-zero society. The Group began offering a Building Energy Efficiency Cost Rider for personal fire insurance (MSI, ADI) (in Japanese only)
ADI **Launch of a brokerage service for GHG emissions trading**	Aioi Nissay Dowa Insurance has launched a brokerage service for GHG emissions trading. This service facilitates the selling of emissions credits generated by renewable energy businesses to various companies. The service includes an explanation of the trading process and effective ways to utilize GHG emissions credits for corporate clients who are considering purchasing them, thereby facilitating the conclusion of sales contracts and helping them to move toward net-zero. Launched a brokerage service for GHG emissions trading (ADI) (in Japanese only)

Providing Coverage for Damage/Loss Caused by Natural Disasters

We contribute to adaptation to climate changes through providing various ways of preparing against damage and loss caused by natural disasters.

MSI ADI **Weather derivatives**	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. MS&AD InterRisk Research & Consulting Sustainable Management Report (InterRisk) (in Japanese only)
MSI **Weather index insurance platform for farmers**	In collaboration with MSI Guaranteed Weather and an Australian Insurtech company, etc., we have developed a dedicated platform that enables customers to get online quotes in real time on weather index insurance, and sell 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 stabilization of farmers' businesses in countries with frequent natural disasters.
MSI **Participation in publicly funded natural disaster compensation scheme in overseas**	Mitsui Sumitomo Insurance has been participating in the Pacific Catastrophe Risk Assessment and Financing Initiative since it was 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 2023, Mitsui Sumitomo Insurance became a participant in the African Risk Capacity, Through these activities, we provide timely 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.
MSI ADI **Joint Issue of a Group catastrophe bond**	Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance have jointly issued a catastrophe bond, Tomoni Re 2024, in Singapore to cover risks associated with natural disasters in Japan. Should losses from a natural disaster in Japan exceed predefined thresholds, a portion or all of the principal intended for investor repayment will be allocated as reinsurance payouts, depending on the excess amount. This bond aims to reduce the amount of retained risk through reinsurance, diversify reinsurance procurement methods, and secure long-term stability in reinsurance coverage. Regarding the Group joint issuance of "Tomoni Re 2024" Catastrophe Bonds (MSI, ADI)

Initiatives for Research/Studies and Demonstration Related to 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 actively working on research projects/studies and demonstrations in collaboration with stakeholders and experts.

MSI InterRisk **Research on net-zero initiatives tied to business analysis**	MS&AD InterRisk Research & Consulting, in partnership with Mitsui Sumitomo Insurance and Okayama University, is conducting research on net-zero initiatives aligned with business analysis. The study aims to establish evidence showing that net-zero initiatives can yield numerous advantages for business management. The aim is to support SMEs in calculating their greenhouse gas (GHG) emissions, devising reduction plans, and taking steps toward emissions reduction. Joint research on net-zero initiatives linked to business analysis (MSI, InterRisk) (in Japanese only)
HD **Participation in GX League**	In order for Japan to realize its 2050 carbon neutral target and further contribute to realization of net-zero worldwide, and to adopt this as an opportunity for growth and increase its industrial competitiveness, it is important to lead the transformation of the entire economic and social system (GX: Green Transformation). MS&AD Holdings supports the basic concept of and is a participant in the GX League, which holds discussions on transforming the entire economic and social system and practices for creating new markets. The Group also participated in the “GX Management Promotion Working Group'' aimed at “formation of rules for market creation,'' which is positioned as part of the GX League's initiative. Establishment of the “GX Business Working Group” to Build a Framework and Promote Evaluation and Disclosure on Climate-related Opportunities (HD)
MSI **Joined the Japan Hydrogen Association**	MS&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. Joining the Japan Hydrogen Association (MSI) (in Japanese only)

MSI InterRisk **Launch of research studies on commercialization of damage protection services for offshore wind power generation system**	In April 2022, Mitsui Sumitomo Insurance and MS&AD InterRisk Research & 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. 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. Launched researches on commercialization of damage protection services for offshore wind power generation system (MSI, InterRisk) (in Japanese only) PDF
ADI **Aioi Nissay Dowa Insurance and the University of Tokyo** **Launch of a joint research project toward CO2 reduction, utilizing telematics technology**	In April 2022, Aioi Nissay Dowa Insurance and the University of Tokyo fully launched a joint research project aimed at promoting net-zero emissions through utilization of telematics technology. 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 net-zero in Japan. Launched a joint research project with the University of Tokyo toward CO2 reduction by utilizing telematics technology (ADI) (in Japanese only) PDF
MSI **Launch of Blue Economy Project**	Mitsui Sumitomo Insurance launched a cross-company project aimed at developing insurance products/services which support development of the blue economy through analysing new risks arising out of initiatives with themes such as renewable energy from oceans and seabeds, and negative emissions technologies Launched Blue Economy Project (MSI) (in Japanese only) PDF
HD **Joint research for seagrass bed restoration and expansion**	In partnership with the town of Minamisanriku in Miyagi Prefecture, the local Center for Sustainable Society, and Kajima Corporation, MS&AD Holdings has begun research aimed at the restoration and expansion of seagrass beds near Minamisanriku. This project seeks to systematize techniques and frameworks for seagrass bed restoration and conservation. The ultimate goal is to help enhance biodiversity and revitalize fisheries all around Japan, as well as promoting a net-zero society through seagrass bed restoration. Joint research for seagrass bed restoration and expansion near Minamisanriku, Miyagi Prefecture (HD) (in Japanese only) PDF

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

The Group is promoting initiatives that focus on the assessment and analysis of climate change risks.

InterRisk **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 net-zero society, 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 m x 90 m 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 (InterRisk) (in Japanese only) Launched climate change impact assessment service for TCFD with Jupiter Intelligence (InterRisk) (in Japanese only) Launch of a climate change windstorm risk analysis service (InterRisk) (in Japanese only)

Enhancing knowledge of flood risks

The MS&AD Insurance Group Holdings and InterRisk Research & Consulting launched in 2018 “Large-scale risk assessment of Climate change for Flood (LaRC-Flood®)“ Project in collaboration with the University of Tokyo, Shibaura Institute of Technology.
With support from the New Energy and Industrial Technology Development Organization (NEDO), a national research and development agency, as of FY2021, we correct errors included in climate models and realize highly accurate estimation of inundation depth distributions based on the effects of climate change.
In order to encourage society to respond to climate risks, this inundation depth distribution has been made available free of charge as a global-scale flood hazard map since April 2023.

Developed/opened to the public future wide area flood map (InterRisk) (in Japanese only)

In September 2023, free access was expanded worldwide.

Released the free global version of the Future Flood Hazard Map (InterRisk) (in Japanese only)

In addition, MS&AD InterRisk Research & Consulting has launched a new consulting service that utilizes this hazard map. The map enables quantitative impact assessments all around the world and supports identification of physical risks in the event that climate change is actualized.

Launched “LaRC Flood Risk Analysis Service” (InterRisk) (in Japanese only)

InterRisk has also launched its Flood Risk Finder, a SaaS platform capable of assessing global climate change and flood risks. This platform enables companies expanding into regions lacking flood hazard maps or those seeking a global understanding of future flood risks to gain a comprehensive view of both current and future flood risks. In this way, it is helping to mitigate climate change risks worldwide.

Launched Flood Risk Finder, a platform for global climate change and flood risk assessment (InterRisk) (in Japanese only)

Climate/Nature-related Financial Disclosure

In August 2023, the MS&AD Insurance Group became the first company in Japan to issue a stakeholder report concerning both climate and nature — our Climate/Nature-Related Financial Disclosure (TCFD/TNFD Report). Then, in December 2024, we published an integrated disclosure based on the TCFD and TNFD recommendations as the MS&AD Green Resilience™ Report 2024 (TCFD/TNFD Report).
For us, the increasing frequency and severity of natural disasters represent the most significant climate/nature-related risks. To put it in another way, an insurance business can only grow within a sustainable society and economy that is in harmony with the natural environment. We have established the Group's strategy for realizing a resilient and sustainable society under the concept of "Green Resilience." It involves promoting decarbonization, supporting disaster prevention and mitigation, revitalizing communities, preserving nature, and protecting biodiversity.

- Green Resilience Report 2024 (TCFD・TNFD Report) (5,954KB)
- What is TCFD? (Ministry of Economy, Trade and Industry)
- Introduction to TNFD (Ministry of Environment) (in Japanese only)

Reduction on Environmental Burden

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

MS&AD Green Earth Project (in Japanese only)

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.

Scope	All companies in the MS&AD Insurance Group
Promotion Structure and Roles	At MS&AD Insurance Group Holdings, initiatives are promoted by the Sustainability Department, consisting of the executive in charge of the Sustainability Division and other members. The department has a promotion secretariat and a general secretary responsible for planning, setting annual targets for, and promoting environmental initiatives of the company and the entire Group, and for managing their progress. Target setting, progress, and summaries are reported to the director in charge as appropriate, and the reviews are used to improve our initiative. Each Group company also has a promotion secretariat in its sustainability and environmental department and appoints a general secretary in charge to plan and promote environmental initiatives. Each company sets and promotes goals, manages and evaluates progress, and reports to executives on an annual basis to drive continuous improvement.
Monitoring	The promotion secretariat holds quarterly meetings to check progress.
Education	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.
Compliance with laws and regulations	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 the Group are actively working to reduce GHG emissions, including through our supply chains.

Medium- to Long-term Targets

Reducing Electricity, Gasoline and Paper Consumption, etc.

Group-wide

By reducing business-related commuting and office space requirements through operational reforms such as remote working, Web-conferencing, and telecommuting, we are lowering our organization’s consumption of electricity, gasoline and paper. We will make further reductions in these areas through measures such as introducing state-of-the-art energy-saving equipment in our own buildings, installing solar panels, replacing current company cars with more fuel-efficient vehicles, better managing expenses, and green purchasing. We are also working to reduce waste by promoting recycling and thorough separation of waste generated in buildings, which also contributes to reducing Scope 3 greenhouse gas emissions.

Promoting use of FSC-certified paper

Initiatives to Promote Circular Economy

Group-wide

The concept of a circular economy, which creates added value by treating what has previously been waste in economic activities as resources and effectively utilizing and recycling it, is becoming important.
In addition to the water cycle that filters and reuses rainwater, the entire Group is working to promote the circular economy, including efforts at the Surugadai Building of Mitsui Sumitomo Insurance to contribute to urban flood mitigation, efforts at the Tokorozawa Building of Aioi Nissay Dowa Insurance to introduce office chairs made from recycled ocean plastic waste (plastic resource recycling), and Group-wide efforts to reduce plastics use and raise awareness of ocean plastic issues.

MSI InterRisk **Reducing the impact of mass tourism near Mt. Fuji with IoT smart trash cans**	We installed “SmaGO” IoT-enabled smart trash cans made by Forcetec, Inc. in a popular tourist district in Fujiyoshida City. Powered by solar energy and equipped with a storage battery, the smart garbage bin automatically compresses accumulated waste to about one-fifth of its original volume. Moreover, SmaGO’s communication capabilities allow for the management and analysis of waste accumulation in the busy district. Accordingly, this initiative is promoting efficient waste collection, while helping to prevent littering and encourage recycling.
Group-wide **Promoting the use of FSC-certified paper***	The Group has been making a switchover to FSC-certified* paper for copy paper as well as for pamphlets and other printed material since fiscal 2010. Using paper made with wood sourced from properly managed forests enables us to help preserve biodiversity through forest protection. *Paper manufactured from wood sourced from properly managed forests in the interest of sustainable forest use and environmental conservation
MSI **Serving sustainable seafood**	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. In February 2024, as part of a collaborative initiative with the MS&AD Green Earth Project, the cafeterias served fried oysters using oysters sourced from Minamisanriku, one of the project’s activity areas. This effort aims to raise employee awareness concerning sustainable seafood and the Green Earth Project. *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 to be Promoted in Cooperation with Our Stakeholders

Our initiatives for reducing our impact on the environment are also promoted in conjunction with our customers and key business partners. We, together with our stakeholders, will aim at contributing to realization of a sustainable society.

MSI ADI Mitsui Direct General MSI Aioi Life MSI Primary Life **Paperless initiatives for policies and clauses**	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 the progress of each initiative. MS&AD Green Earth Project/ Eco-insurance policies and Web clauses (MSI) (in Japanese only) Paperless insurance policies and Web clauses (ADI) (in Japanese only) Web clauses (MSI Aioi Life) (in Japanese only) Web clauses and notification regarding policy status (MSI Primary Life) (in Japanese only) e-Service (Non-issuance of Policies) Endorsement (Mitsui Direct General) (in Japanese only)
MSI ADI **Initiatives to promote EVs**	With regard to environment-friendly Electric Vehicles (EVs), we are promoting expansion of the EV maintenance network through partnerships with relevant automotive manufacturers.
MSI **Support for Certification under EcoAction 21**	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.
MSI **Eco-maintenance and Eco-inspection**	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.
MSI ADI **Eco-Safety Driving**	We prepare and propose support tools to promote Eco-Safety Driving, an eco-friendly approach designed to reduce fuel costs and vehicle accidents.
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)

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

Improvement of Sustainability of Natural Capital

The severity of damage caused by natural disasters is influenced not only by weather conditions but also by the health of the impacted natural environment. The loss of natural areas such as forests and seaweed beds also contribute to global warming. Accordingly, the issues of climate change and natural capital protection are interrelated. This is why the MS&AD Insurance Group is taking an integrated approach to climate change actions and the improvement of biodiversity and natural capital sustainability and taking measures to create shared value with society, known as CSV initiatives.

Our daily lives and business activities depend on many benefits provided by nature, making the sustainability of natural capital essential for ensuring resilience. The Group is committed to "Green Resilience," a term that covers its efforts to harness the multifaceted functions of nature in disaster risk reduction, decarbonization, and promoting regional revitalization. These initiatives are summarized in the MS&AD Green Resilience™ Report 2024 (TCFD/TNFD Report), which outlines risks and opportunities related to climate and nature, along with the Group's response measures and initiatives.

- Climate/Nature-related Financial Disclosure (MS&AD Green Resilience Report 2024)
- Action on Climate Change
- Reduction on Environmental Burden
- Basic Policy on the Environment

Providing Natural Capital Products and Solutions

The MS&AD Insurance 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.

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

InterRisk **Provision of Nature-related Risk Analysis Support in Line with TNFD**	In line with the guidance of the Taskforce on Nature-Related Financial Disclosures (TNFD), we provide support for scoping of analysis targets, analysis of priority regions and dependencies/impacts, including value chains, and consideration of business risks/opportunities, and we disclose information based on such results. Further progress in developing analytical techniques is underway, including a partnership with Think Nature Inc., a natural capital big data company, since November 2022. Entered into a co-creation agreement between Think Nature Inc. and MS&AD (InterRisk) (in Japanese only) Consulting Menu: TNFD/Natural Capital-related Support Consulting (InterRisk) (in Japanese only) Launched TNFD consulting service for urban real estate in Japan (InterRisk) (in Japanese only) Launched TNFD consulting service for regional financial institutions (InterRisk) (in Japanese only) Launched TNFD support service focused on freshwater resources (InterRisk) (in Japanese only)
HD **Support for companies through FANPS**	In February 2023, the Group formed a financial alliance with the Sumitomo Mitsui Financial Group, the Norinchukin Bank, and the Development Bank of Japan, with the aim of becoming nature positive. Toward this goal, in September 2023, we began offering support services for companies committed to following the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), and released a catalog of solutions that can help companies become nature positive. Announcement concerning the launch of TNFD support services for achieving nature positivity (HD) (in Japanese only) Release of a solutions catalog for companies aiming to become nature positive (HD) (in Japanese only)
ADI **Initiation of development for a business risk quantification app related to environment and biodiversity**	Aioi Nissay Dowa Insurance has begun developing an app with Natural Capital Research, a UK-based company that supports corporate decision-making concerning nature and the environment. Scheduled for release during FY2024, this app is designed to quantify the potential costs of business risks arising from the impacts of corporate activities on the environment and biodiversity. Japan First — Announcement concerning the development of app for quantifying business risks related to the environment and biodiversity (ADI) (in Japanese only)
MSI **Blue Economy Project**	With a view to medium- to long-term social transformation associated with the conservation of natural capital/biodiversity and decarbonization, we will analyze new risks arising out of initiatives for "responses to climate change and decarbonization" such as renewable energy from the oceans/seabed and negative emissions technologies, and “responses to digital transformation of offshore/submarine business" utilizing oceanographic data and AI, etc., and will promote development of insurance products/services that support realization of the “blue economy” through a system deployed across internal and external organizations. Launched Blue Economy Project (MSI) (in Japanese only)
InterRisk **Biodiversity-conscious Land-use Consulting**	A growing number of companies which regard initiatives to conserve biodiversity as both risks and opportunities for their businesses have been taking 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. Biodiversity-conscious land-use consulting (InterRisk) (in Japanese only)

MSI ADI **Supporting reduction of roadkill incidents**	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. From FY2022, we have been making donations based on sales of such dashcams to organizations, including those working on protection of rare animals and reduction of roadkill incidents. Rolling-out of products and services which contribute to conservation and restoration of natural capital and biodiversity. (MSI) (in Japanese only) Expansion of our products and services which contribute to conservation and restoration of natural capital and biodiversity. (ADI) (in Japanese only)
MSI **Providing coverage of additional expenses for dealing with marine contamination**	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. Launched Endorsement for Additional Expenses for Dealing with Marine Contamination under hull insurance (MSI) (in Japanese only)
MSI ADI **Providing extensive coverage of expenses associated with contamination damage**	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. Launched Endorsement for Extended Coverage of Contamination Damage under facility owner's (manager's) liability insurance (MSI) (in Japanese only) Launched Endorsement for Extended Coverage of Contamination Damage, which contributes to conservation and restoration of natural capital and biodiversity. (ADI) (in Japanese only)
MSI ADI **Providing coverage of reforestation expenses, etc.**	We cover expenses necessary for reforestation of forests damaged by fire, etc., which have been outside the coverage of conventional forest fire insurance. Launched Forest Keeper, an insurance product for those engaged in forestry (MSI) (in Japanese only) Launched Endorsement for Coverage of Reforestation Expenses etc., which contributes to conservation and restoration of natural capital and biodiversity (ADI) (in Japanese only)
MSI InterRisk **Package for Supporting Corporate Green Space Initiatives**	Recent trends such as Nature Positive and TNFD and other factors have increased the importance of corporate green space that reflect consideration for biodiversity as a concrete approach to corporate land use. Utilizing the know-how and experience of Mitsui Sumitomo Insurance, which has been engaged in the development of Surugadai Green Spaces at its head office site over many years, and MS&AD InterRisk Research & Consulting, which has been carrying out research and consulting services related to natural capital and biodiversity, we offer insurance products/related services packaged with "Surugadai Green Space Inspection Guide," "Corporate Green Space Consulting Service," and "Corporate Green Space Insurance" to support corporate green space initiatives that take into consideration natural capital and biodiversity Corporate Green Space Insurance/related services to support corporate green space initiatives (MSI, InterRisk) (in Japanese only)

MSI **Provision of Liability Insurance for "Noyaki (Open Burning)"**	In February 2023, we launched Japan's first liability insurance for accidents related to "Noyaki," an early spring tradition in Aso, Kumamoto Prefecture. In Aso, open burning has long been carried out for the purposes of maintaining and restoring grasslands, conserving biodiversity, storing carbon, and recharging downstream water sources, but ensuring safety and security is an issue as fire accidents occur. We maintain functions of the open burning through providing coverage for damage related to the spread of fire to other properties during the open burning period, thereby contributing to conservation of the natural environment.
MSI **"No-Burn Insurance" to promote the recycling of clothing**	This rider is the first of its kind in the industry and compensates businesses for the additional costs incurred to recycle or upcycle clothing that has been damaged, which would typically end up as incinerated waste in Japan. By offering this product, Mitsui Sumitomo Insurance aims to promote clothing recycling and help realize a circular economy. Industry First — No-Burn Insurance (clothing recycling cost compensation) (MSI) (in Japanese only) PDF

Initiatives Related to TNFD

HD

By selecting members from financial institutions and companies in 14 countries worldwide, the Taskforce on Nature-related Financial Disclosures (TNFD) is working to build a framework for companies to disclose relevant information. MS&AD Holdings supports this objective and participates in the TNFD Forum. Since the task force's inception in 2021, the Company's employees have been selected as task force members, contributing to the development and widespread adoption of a global disclosure framework.

To help advance framework adoption, the Company is working as the convener of the TNFD's Consultation Group in Japan. Consisting of domestic TNFD Forum members, the panel is promoting awareness and adoption of the framework.
In October 2023, the month after the release of the first version of the TNFD framework in September 2023, we held an event with TNFD Co-Chair David Craig and TNFD Executive Director Tony Goldner. The aim was to urge executives and top management to adopt TNFD measures, and thereby help promote the framework among Japanese companies.

- Participation in the Taskforce on Nature-related Financial Disclosures (TNFD) to promote the disclosure of nature-related risks (in Japanese only)
- Establishment of the TNFD's Consultation Group in Japan and the holding of the first meeting (in Japanese only)
- 80 Japanese companies registered as TNFD Early Adopters, and began working on nature-related financial information disclosure (in Japanese only)
- What is the TNFD and why is it indispensable to corporate management? (interview article) (in Japanese only)
- What is the TNFD Consultation Group Japan (in Japanese only) PDF (613KB)

Initiatives Through Partnerships

To effectively protect and utilize natural capital while addressing relevant issues, it is essential to build partnerships with various companies and organizations. The Group is leveraging existing networks while also creating new ones to advance its initiatives.

Japan Business Initiative for Biodiversity (JBIB)

HD

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 (14 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&AD Holdings has been serving as the chair company since JBIB’s founding in April 2008.

Total number of official members and network members: 64 (as of June 30, 2024)

Japan Business Initiative for Biodiversity (JBIB)

Association for Business Innovation in harmony with Nature and Community (ABINC)

InterRisk

The association was established with the purpose of encouraging businesses to work toward development of a symbiotic society in harmony with communities’ local flora and fauna, such as certification of corporate green space in consideration of biodiversity (ABINC certification). MS&AD InterRisk serves as the association’s secretariat.

Number of ABINC-certified green spaces: 155 (as of June 2024)

Association for Business Innovation in harmony with Nature and Community (ABINC) (in Japanese only)

Finance Alliance for Nature Positive Solutions (FANPS)

HD

In February 2023, the Group formed a financial alliance with the Sumitomo Mitsui Financial Group, the Norinchukin Bank, and the Development Bank of Japan, with the aim of becoming nature positive. Toward this goal, in September 2023, we began offering support services for companies committed to following the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), and released a catalog of solutions that can help companies become nature positive.

Finance Alliance for Nature Positive Solutions (FANPS) (in Japanese only)

“The Story of Biodiversity Told by Companies”

HD

Every year until 2023, the Company held its annual symposium, “The Story of Biology Told by Companies.” The symposium program was launched in 2007 as an opportunity to provide information on corporate initiatives for biodiversity and, in February 2023, we hosted the 16th symposium This program has been highly rated with the symposiums featuring in the Guidelines for Private Sector Engagement in Biodiversity.

- 2023 “The Story of Biology Told by Companies” symposium
- 2022 “The Story of Biology Told by Companies” symposium
- 2021 “The Story of Biology Told by Companies” symposium

MS&AD Green Earth Project (Environmental Conservation Initiatives)

Group-wide

MS&AD Green Earth Project is a project through which the Group has been addressing conservation/restoration of natural environments, environmental burden reduction, disaster prevention and mitigation, and regional revitalization in a unified manner. We are working to promote “Green Resilience,” a concept to address climate change and improve the sustainability of natural capital in an integrated manner. These efforts include reduction of resource utilization through paperless business processes, etc. and resource circulation through recycling, and drawing out the functions of nature, such as disaster prevention/mitigation and decarbonization, by preserving the natural environment toward resolving social issues (Nature based Solutions) utilizing the power of nature.

- MS&AD Green Earth Project

Environmental Conservation and Restoration Initiatives at Three Sites in Japan

Group-wide

To promote collective action toward a nature-positive approach, the Group is engaged in nature conservation and restoration activities in wetlands, satoyama foothills, and seaweed beds, in collaboration with research institutions and local businesses, NPOs, and other stakeholders. These initiatives aim to implement various solutions, such as disaster prevention and mitigation by utilizing the benefits of nature, water resource conservation, and becoming nature positive. The goal is to establish models that help ensure safe, secure, and vibrant communities.

- Conservation Activities for Marshlands, Secondary Forest, Seaweed Beds in Japan

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

MSI

Over the past 19 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.

Local elementary school students participating in conservation activity

Indonesia Reforestation Project

Afforestation Activities at the Aioi Nissay Dowa Insurance Forest

ADI

In FY 2019, we launched a tree-planting activity called the Aioi Nissay Dowa Insurance Forest in Bihoro Town, Hokkaido, as an activity for Connecting a Healthy Global Environment to the Future. Our environmental donation initiatives through customers' selection of paperless insurance/Web policies, etc. are being utilized for tree-planting activities. We planted three types of moisture-resistant, broad-leaved trees (Mizunara: Quercus cuspidate, Japanese white birch: Betula platyphylla Sukaczev, and Manchurian Ash) on 15.5 hectares of land in accordance with the soil characteristics of the plantation area.

Mitsui Sumitomo Insurance Surugadai Green Spaces as OECMs / Corporate Green Space Support Package

MSI InterRisk

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 October 2023, the Ministry of the Environment designated these green spaces as a "nature symbiosis site." The Group aims to help achieve the global "30 by 30" goal of conserving at least 30% of land and sea by 2030. With this designation, the Surugadai Green Spaces have been registered in an international database.
Mitsui Sumitomo Insurance and MS&AD InterRisk Research & Consulting provide a "Corporate Green Space Support Package", utilizing the know-how and experience of both companies, to support corporate green space initiatives through corporate green space insurance and related services.

- Surugadai Building Green Spaces
- Supporting corporate green space initiatives through corporate green space insurance and related services (in Japanese only)
- Green zones surrounding the Surugadai Building and the Surugadai New Annex of Mitsui Sumitomo Insurance certified as OECMs by the Ministry of the Environment (in Japanese only)

Participation in Initiatives

Biodiversity conservation is as a key focus area of the MS&AD Insurance Group Basic Policy on the Environment. In addition, we actively participate in various initiatives aimed at enhancing the sustainability of natural capital, advancing efforts aligned with these goals.

- Initiatives and External Assessment

Measures to Address New Risks Occurring in Line with Social Changes

Adaptation to technological innovation and changes in lifestyles and business styles is essential to realizing a resilient and sustainable society. Construction of sustainable energy systems through efficient and smart use of distributed energy resources such as renewable energy, storage batteries, electric vehicles, and heat pumps, development of technologies for energy conservation, decarbonization, resource circulation, and biotechnology, etc., and research and development, etc. related to AI to support widespread deployment of such technologies are progressing, and risks are diversifying in response to environmental changes and social conditions.
The rapid changes in social conditions in recent years are having a major impact on our lifestyles and on the way we do business. Digitalization of industry and society is accelerating, and the number of platforms that facilitate people's online interactions, e-commerce, online education, remote work, etc. is rapidly increasing. Improving digital safety and preparing for the “new normal” is becoming increasingly important. To prepare for new risks, it is important to assess risks using reliable models and to control them based on such assessments. The MS&AD Insurance Group has been supporting transformation of society by providing new risk preparedness through activities such as collaboration with other industries, while making maximum use of the Group’s knowledge and accumulated information.

We also believe that it is important for people's lifestyle stability and for efficient business activities to predict, prevent, and appropriately manage new risks associated with progress in innovation and changes in industrial structure. We will contribute to realization of a resilient and sustainable society through providing products/services that respond to new risks.

Providing Research, Studies, Development and Information on New Risks

We offer effective information and implementation of research and investigation, such as surveys on evolving technologies and the environment, research on utilization of big data and assessment and identification of risks.

Principal Approaches

Group-wide **Collaborations with overseas startups**	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. Launched a demonstration experiment for advanced automotive cybersecurity countermeasures (MSI) (in Japanese only) PDF

MSI InterRisk **Research through participation in communities**	Through participating in the Value Add Femtech™ Community, we securely utilize the data, services, and solutions held by each company, and consider development of new products and services that lead to improvements in women's QOL (quality of life). Participated in the "Value Add Femtech™ Community," a community for business co-creation and data utilization in the femtech area (MSI) (in Japanese only) In order to help realize a net-zero society, the Group is participating in the BaaS Expansion Task Force to support activities such as international standardization for the battery supply chain and development of a battery ecosystem. Participation in the Battery Association for Supply Chain's "BaaS Expansion Task Force" (MSI, InterRisk)(in Japanese only)
MSI InterRisk **Cross-organizational project (within and outside of the company)**	In respect of one of the remaining frontiers, the ocean seabed, we analyze new risks arising out of economic activities, decarbonization, and marine ecosystem conservation efforts, and promote development of insurance products and services that support development of the blue economy through a cross-organizational framework that includes both internal and external organizations. Launched "Blue Economy Project" (MSI) (in Japanese only)
Group-wide **Joint research with universities**	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 that will be useful to the next generation in relation to evolving technologies and ever-changing lifestyles. Example initiative: Concluded a comprehensive cooperation agreement between Tokyo University of Agriculture and Technology and Aioi Nissay Dowa Insurance (ADI) (in Japanese only)
InterRisk **Offering of risk information/reports**	In addition to delivering the latest and most practical information related to corporate and organizational risk management initiatives, we also provide solutions tailored to specific risks. InterRisk RM NAVI (in Japanese only) RM NAVI リスクマネジメント ナビ

Providing Solutions to Risks

To prepare for new risks, it is imperative to assess risks through reliable models and to control them based on the results of such assessments, as well as understanding the social situation and having advanced expertise in the target area. The 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 menu offered by MS&AD InterRisk Research & Consulting
A list of online and remote risk management services is also available.

Consulting Menu by MS&AD InterRisk Research & Consulting (in Japanese only)

Support for Research and Development of Next-generation Mobility Services

“Next-generation mobility” refers to different forms of transportation that utilize cutting-edge technologies, and research and development thereof has been active in recent years.
Next-generation mobility is not only changing the conventional means of transportation but is also attracting attention as a means of addressing energy issues such as utilization of renewable energy, including solar power generation. The Group is participating in research and collaboration initiatives in cooperation with other industries, local government bodies, etc. with the aim of implementing next-generation mobility services and developing new insurance products and services that match those mobility services.

Principal Approaches

MSI ADI InterRisk **Flying cars**	Flying cars are attracting attention as the next generation of air mobility, and development and efforts to make them a reality are underway in several countries. Example initiatives: Participation in the Public-Private Conference for future Air Mobility (MSI) (in Japanese only) Aioi Nissay Dowa Insurance × MS&AD InterRisk Research & Consulting × Hosei University: Joint Research on Promoting the Adoption of Flying Cars (ADI, InterRisk) (in Japanese only)
MSI InterRisk **Drones**	Use of automated driving and autonomous delivery robots is attracting attention as a means of resolving regional issues including population decline, aging, and logistics and disaster prevention due to an increase in natural disasters as well as improving efficiency and labor-saving in transportation. Accordingly, various local governments and companies are accelerating efforts to commercialize autonomous drones. Example initiatives: Promotion of new logistics services in remote island areas using drones (MSI) (in Japanese only) Support for verification of drones and autonomous delivery robots (InterRisk) (in Japanese only)
ADI **Other next-generation mobility**	Initiatives implemented to address needs in the advancing next-generation mobility and other areas of societal needs. Concluded a business alliance agreement aimed at expanding use of a locality-based service using electric kickboards BIRD. (ADI) (in Japanese only) Launched collaboration to establish a safe and secure riding environment for electric kickboards (ADI) (in Japanese only) Capital and business partnership agreement signed between Aioi Nissay Dowa Insurance and BRJ to expand the adoption of micro-mobility devices (ADI) (in Japanese only)

Providing Products and Services that Address New Risks

Use of automated driving and automatic delivery robots is attracting attention as a means of resolving regional issues including population decline, aging, and logistics and disaster prevention due to an increase in natural disasters as well as improving efficiency and labor-saving in of transportation. Accordingly, various local governments and companies are accelerating efforts to commercialize autonomous drones

Responses to new risks related to actions on climate change and nature capital are posted in the content below:

Action on Climate Change

Improvement of Sustainability of Natural Capital

Providing Products and Services that Address New Risks

Use of automated driving and automatic delivery robots is attracting attention as a means of resolving regional issues including population decline, aging, and logistics and disaster prevention due to an increase in natural disasters as well as improving efficiency and labor-saving in of transportation. Accordingly, various local governments and companies are accelerating efforts to commercialize autonomous drones

Responses to new risks related to actions on climate change and nature capital are posted in the content below:

Action on Climate Change

Improvement of Sustainability of Natural Capital

Main Products and Services

MSI ADI InterRisk

Addressing cyber risk

・Group companies cooperate closely in the area of cyber risk to develop a comprehensive service.
・Consulting service by MS&AD InterRisk Research & Consulting to offer one-stop support for companies to build a multi-layered system to protect against risks.
・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.

サイバープロテクター
サイバーセキュリティ特約付帯専門事業者賠償責任保険

サイバーセキュリティ保険

中小企業専用！次世代セキュリティ「EDR」
防検サイバー

Launched a comprehensive support menu for supply chain countermeasures against cyberattacks (MSI, ADI, InterRisk) (in Japanese only)
Set up cybersecurity call center (MSI, ADI) (in Japanese only)
Collaboration agreement signed between the National Police Agency's Cyber Police Bureau and Aioi Nissay Dowa Insurance to prevent and mitigate cyber-related losses (ADI) (in Japanese only)
Launched the MS&AD Cyber Risk Finder (MSI, ADI, InterRisk) (in Japanese only)
Launched the “MS&AD Cyber Risk Finder: Business Partner Assessment Service” (MSI, ADI, InterRisk) (in Japanese only)

MSI ADI **Preparing for new businesses**	・An insurance policy developed to cover egg freezing (fertility preservation) to help expand choices and options for women, while enhancing peace of mind ・Coverage for costs incurred by companies in the event of intellectual property infringement or data leaks involving generative AI ・Coverage for risks from launch to landing on the Moon in lunar-related business activity, which is anticipated to expand in the future ・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. ・Service introduced to track and identify recipients when cryptocurrency or NFTs are unintentionally transferred to third parties ・Coverage targeting exhibitors of digital artworks for damage sustained when their owner information is falsified through unauthorized access by a third party. Promoting egg bank services with the launch of dedicated egg freezing insurance (MSI) (in Japanese only) PDF Japan First — Launched Generative AI Insurance that covers corporate risks associated with generative AI (ADI) (in Japanese only) PDF Developed the world's first "Lunar Insurance" to cover risks arising out of navigation to/from and landing on the Moon in collaboration with ispace, inc. (MSI) (in Japanese only) PDF Launched comprehensive support services for space-economy businesses (MSI, InterRisk) (in Japanese only) PDF Launch of streaming event cancellation insurance (MSI, ADI) (in Japanese only) PDF Launch of tracking service linked to cryptocurrency and NFT insurance products (ADI) (in Japanese only) PDF Japan First — Launch of Ddedicated Iinsurance Ccoverage for NFT Aart (MSI) (in Japanese only) PDF
ADI InterRisk **Preparing for next-generation mobility society**	Provision of insurance products and services aimed at implementation of next generation mobility services. <Regional Revitalization x Automated Driving >Japan first! Support for safety in operation of the Level 3 remote unmanned automated mobility service (ADI, InterRisk) (in Japanese only) PDF

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.

Provision of services utilizing metaverse

ADI Mitsui Direct General

Aioi Nissay Dowa Insurance has started development of the metaverse in the “Fortnite,” a popular online game with over 400 million registered users worldwide, together with support activities for creators aimed at establishment of insurance products/services/customer contact points, prior to the creation of a new economic zone.

Industry First — Launched initiatives in “Fortnite” toward creation of a new economic zone (ADI) (in Japanese only)

Mitsui Direct General Insurance has introduced an avatar system that allows customers to consult with an “Avatar Concierge,” as the first service of its kind in the online insurance sector. This service merges human interaction with digital technology, with the aim of providing smoother communication and more personalized responses to customer inquiries and concerns regarding insurance.

Online insurance industry first: Avatar-based insurance consultation service launched (Mitsui Direct General) (in Japanese only)

Preparing for risks related to the Metaverse

ADI

While the metaverse offers business opportunities in all industries, such as unprecedented communication experiences and creation of new economic zones, and with expectations for the future growing, there are concerns about a new series of risks, such as privacy, security, legal systems, business practices, and culture. We will contribute to development of the metaverse through researching currently unknown risks that may occur in the metaverse, where remarkable technological innovation is taking place, to develop and provide insurance products and services that respond to market evolution and change.

Japan First — Launched exclusive package insurance for metaverse (ADI) (in Japanese only)

Communicating within and outside of the company, utilizing avatars

As the first action in commencing business activities in the metaverse, we created an avatar of the president of Aioi Nissay Dowa Insurance, which has been providing digital points of contact between the Group and its customers at every opportunity for communication.

Development of Data Sharing Platform Across the Group

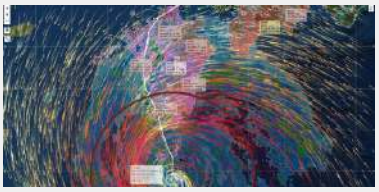
In order to prepare for and cope with a wide range of risks, it is essential to maximize use of the Group's knowledge and accumulated information. We convert the various data held by each group company into "pseudonymized information" so that it cannot be associated with a specific individual, and share such information using cutting-edge data virtualization technology. Virtualizing data makes it possible to share updated data in a timely manner with no need to copy data from the data storage location of each Group company to the sharing platform, and it is possible to always link the latest data quickly, enabling safe and timely sharing of data held by each company.

Developed “Group Data Sharing Platform,” to share data across the Group (Group-wide)(in Japanese only)

Loss Prevention/Mitigation through the Utilization of Data and AI

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.

MSI InterRisk **Loss prevention and reduction system for local governments "Loss Prevention Dashboard"**	Developed and launched "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 30 hours in advance, and post-disaster damage estimation using AI, and supports regional loss prevention/mitigation. Launched a new loss prevention/mitigation and reduction support system through "Weather/Disaster Data x AI" (MSI, InterRisk) (in Japanese only) PDF Developed AI-based damage estimation method jointly with the National Research Institute for Earth Science and Disaster Resilience under the Public/Private R&D Investment Strategic Expansion PrograM (PRISM). Developed a natural disaster damage estimation system utilizing non-life insurance data and machine learning (MSI, InterRisk) (in Japanese only)
ADI **Real-time loss prediction website, cmap.dev**	 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. Real-time loss prediction website, cmap.dev (ADI) (in Japanese only) Real-time loss prediction and prevention cmap app visualizes risk information posted by users on a map (ADI) (in Japanese only) PDF

MSI **Japan Consortium for Adaptation Finance**	Established in collaboration with NEC Corporation, the Japan Consortium for Adaptation Finance promotes the social implementation of climate adaptation finance, which can encourage expansion of the investment market. The consortium applies digital technologies to predict and analyze adaptation value (disaster risk mitigation and environmental effects) and provide the information in a clear, quantitative manner to investors. Japan Consortium for Adaptation Finance established by NEC and Mitsui Sumitomo Insurance (MSI) (in Japanese only)
MSI **Loss prevention alerts and hailstorm alerts**	With this service for individual policyholders, AI is used to calculate the natural disaster risks for insured properties and sends out early alerts and disaster preparedness advice to customers deemed to be at heightened risk. Launched personalized loss prevention alerts (MSI) (in Japanese only) The Hailstorm Alerts uses mobile text messaging (SMS) to send customers hail forecast information, which is typically not covered by standard disaster alerts, along with preventive advice. Launched Hailstorm Alerts (MSI) (in Japanese only)
ADI **Evacuation insurance plan**	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. *Elderly and disabled persons, etc. who have difficulty evacuating themselves or living in evacuation shelters. Started providing “evacuation insurance plan” to support development of an evacuation scheme when disaster occurs (ADI) (in Japanese only)
MSI ADI InterRisk **Research through Industry-Government-Academia Collaboration on damage due to typhoons**	Universities, insurance companies, and meteorological companies initiated joint research on "Creating virtual weather warning/advisories and damage estimation data based on typhoon simulation data, and devising a virtual disaster training menu for local governments," leveraging their respective strengths. Yokohama National University, Mitsui Sumitomo Insurance, MS&AD InterRisk Research & Consulting, Weathermap Co., Ltd., and Aioi Nissay Dowa Insurance initiated joint research to develop weather warnings/advisories and damage estimates based on typhoon simulations, together with a virtual disaster training menu for local governments (MSI, ADI, InterRisk) (in Japanese only)

MSI ADI InterRisk **Estimation of flood inundation areas using fire insurance accident data and big data from social media**	A flood inundation area prediction algorithm was developed by utilizing the fire insurance accident data and having big data from social media collected and analyzed by JX Press Corporation. Leveraging methods to enhance the accuracy of predictions, we launched a demonstration experiment to quickly identify risk areas and customers who may be impacted. Launched a demonstration experiment for estimating flood inundation areas using fire insurance accident data and big data from social media (MSI, ADI, InterRisk)（in Japanese only）

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

InterRisk **Flood disaster countermeasure support service**	(1) Assessing inundation risks by identifying locations with a high risk of inundation based on hazard maps (2) Simulations to evaluate inundation conditions in the vicinity of target sites with a fine mesh (3) Training simulated for before and past wind and water disasters hit. (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 Water-related disaster risk consulting(in Japanese only)
InterRisk **Sediment-related disaster risk diagnosis**	Simulations of slope failures at individual sites based on largest recorded and potential largest rainfall scenarios are used for risk assessments Sediment-related disaster risk assessment services(in Japanese only)

InterRisk **Wind disaster risk diagnosis**	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. Wind disaster risk diagnosis(in Japanese only)
InterRisk **Collective confirmation system for flood disaster risk information(Sui Search)**	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. Flood risk information integrated confirmation system (Sui Search)(in Japanese only)
InterRisk **Volcanic eruption measures service**	In line with the 2021 revision of the Hazard Map of Mt. Fuji, which had not been revised for about seven years, we are providing a service to comprehensively support identification of risks relating to volcanic eruption, emergency responses, business continuity measures, training in normal times, etc. Launch of service relating to volcanic eruption measures(in Japanese only)
MSI **Inland flooding prediction system**	Based on rainfall forecast data from the Japan Meteorological Agency, this system simulates flood activity to predict inland flood locations and floodwater levels Development of an Inland Flooding Prediction System to reduce the damage from urban inundation disasters (MSI) (in Japanese only)

Products/Service for Mitigating Natural Disaster Risks

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

InterRisk **Natural disaster response support service**	We developed the Natural Disaster Response Support Service, a digital solution to help companies with multiple locations to carry out swift and appropriate initial response in the event of a natural disaster. Launched the Natural Disaster Response Support Service(in Japanese only)

MSI **Weather information alert service**	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: ・Customers can use an exclusive website to access at any time weather information and forecasts for up to five preset locations ・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.
MSI **Evacuation Support Insurance for supporters/persons requiring assistance**	We offer insurance products to cover provision of compensation for accidents to persons requiring support during evacuation activities, etc. based on individual evacuation plans that compile information on such persons and on evacuation methods, as well as covering injuries to supporters or persons requiring assistance during evacuation support activities. Launched insurance for supporting evacuation activities based on individual evacuation plans (MSI) (in Japanese only)
InterRisk **Support for rapid issuance of disaster certificates**	By providing estimated damage counts and templates for post-disaster survey plans, this service helps to automatically estimate the number of damage cases and determine survey needs after an earthquake or flood, thereby supporting effective post-disaster survey planning. Launched the Damage Assessment Planning Support Service for local governments (InterRisk) (in Japanese only)
ADI **Products/Services for supporting rapid evacuation in the event of large-scale disasters**	We provide the “Endorsement for Lump-sum Payment in the Event of Evacuation Due to Specific Emergency Disasters, etc.,” whereby a lump sum payment will be made in the event of need to relocate to an evacuation shelter, etc. due to a disaster of a certain size or greater, such as a locality being designated as a specified emergency disaster area, regardless of whether or not there is damage to the insured object. We also provide the “TOUGH Housing Insurance App,” which is equipped with functions to support disaster preparedness during normal times, dissemination of disaster information and warning information in the event of a disaster, and accident reporting and claims settlements after a disaster occurs. Support for prompt evacuation in the event of a large-scale disaster with insurance and apps – Developed “Endorsement for Lump-sum Payment in the Event of Evacuation Due to Specific Emergency Disasters, etc.” and “TOUGH Housing Insurance App” (ADI) (in Japanese only)

MSI ADI InterRisk

Preparing against natural disasters

In response to growing customer interest in storm/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.

We support the Cabinet Office's disaster preparedness collaboration initiative and further promote awareness-raising activities to enhance national disaster preparedness awareness through business activities.

Endorsed the Cabinet Office's Disaster Preparedness Collaboration Initiative (InterRisk) (in Japanese only)

(MSI) (ADI) (MSI) (ADI)

Flyer highlighting the need for coverage

Information on preventing and mitigating disasters

InterRisk

ResiRead: BCP development subscription service for SMEs

This is the first service in the world to provide long-term support for small and medium-sized enterprises to develop business continuity plan (BCP) initiatives independently, which are often abandoned due to time constraints and the challenges involved.

Launched ResiRead: BCP development subscription service for small and medium enterprises (InterRisk) (in Japanese only)

MSI ADI Mitsui Direct General

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 (MSI) (in Japanese only)
cmap app (ADI) (in Japanese only)

ADI **DX solutions package**	As part of efforts to help prevent and mitigate accidents and build a sustainable business environment, this is a package of effective solutions and insurance coverage that supports companies in the area of accident prevention and damage minimization. Full-scale deployment of the DX Solutions Package to support corporate loss prevention and mitigation (ADI) (in Japanese only)
MSI ADI **Coverage for costs to prevent incident recurrence and support for effective loss prevention and mitigation efforts**	This product covers costs incurred by customers for actions to prevent the reoccurrence of large-scale incidents, such as fires or explosions, on company premises, thereby supporting their proactive efforts for reoccurrence prevention. Began sales of an incident reoccurrence prevention cost rider for corporate fire insurance (MSI, ADI) (in Japanese only)
MSI Aioi Life **Employee safety check system for disaster drills and emergency situations**	We launched a safety confirmation system that helps companies check whether all employees are safe in the event of a sudden disaster, which is also useful for regular disaster preparedness drills. Created the “Anpiler” Safety Status Sharing System for small and medium-sized enterprises and sole proprietors (MSI Aioi Life) (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. Utilizing telematics, we are providing insurance products and services which contribute to accident prevention, safe driving, and reduction of accident frequency by identifying/analyzing our customers' driving situations, etc. and also reduce impacts in the event of accidents and support recovery.

MSI ADI Mitsui Direct General InterRisk

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

Launched function to detect suspected road rage (MSI) (in Japanese only)
Prevention of accidents on public roads by utilizing smartphone location information (MSI, InterRisk) (in Japanese only)
Launched Accident Risk AI Assessment (MSI, ADI, InterRisk) (in Japanese only)
Enhanced efforts under the government's School Routes Traffic Safety Program using an AI accident risk assessment (MSI, ADI, InterRisk) (in Japanese only)
Initiated joint research on the correlation between driver behavior and health (ADI) (in Japanese only)

Tips for safe driving that leads to mitigation/prevention of disasters (Mitsui Direct General) (in Japanese only)

MSI ADI Mitsui Direct General

Telematics- based automobile insurance

・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 out 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. (MSI, ADI, Mitsui Direct General)

* Mitsui Direct General launched “Rescue Dashcam (Dashcam Optional Policy)” in January 2023.

・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 such as a constant reporting function and a portability function, to increase safety and security. (MSI)

・Automobile insurance with a comprehensive lineup of features to meet customer needs that provides incentives for safe driving (driving characteristics discounts) and services leading to safety and security. (ADI)

“Mimamoru” dashcam-based automobile insurance/“Mimamoru” premium dashcam-based automobile insurance (MSI) (in Japanese only)

Launched “Mimamoru” premium dashcam-based automobile insurance (MSI) (in Japanese only)

Launched “TOUGH Mimamoru Automobile Insurance NexT,” a type of telematics-based insurance available exclusively via smartphone (ADI) (in Japanese only)

Expanded telematics services with “Telematics Powered by ADI” (ADI) (in Japanese only)

Introduced a discount program for telematics automobile insurance for users of “My TOYOTA+” service for Toyota connected cars (ADI) (in Japanese only)

Launched a new service for visualizing “CO2 emissions reduction effects” in Telematics automobile insurance (ADI) (in Japanese only)

Initiatives for reducing CO2 emissions in relation to Telematics auto insurance are posted in the content below:

Action on Climate Change

MSI ADI **Demonstration experiments with local governments using data**	In collaboration with local governments, we are conducting a demonstration experiment to enhance and streamline firefighting and emergency response activities using video and driving data. We are also exploring traffic accident prevention measures for elderly drivers (MSI, ADI) Launched a demonstration experiment utilizing dashcam footage for firefighting and emergency response activities (MSI) (in Japanese only) Industry First — Launched a demonstration experiment using telematics (driving) data from ambulances (ADI) (in Japanese only) Initiated a demonstration experiment in collaboration with the Miyazaki Prefectural Police to prevent traffic accidents among elderly drivers by visualizing driving behaviors using telematics technology (ADI) (in Japanese only)
MSI ADI **Automobile insurance for businesses**	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. Supporting the establishment of an alcohol check management system in line with the mandatory use of alcohol detectors — Launch of F-Dora's new service “Alcohol Check Plan” (MSI) (in Japanese only) Contributing to realization of an accident-free and amenable mobility society by enhancing employees' awareness of safe driving - Daito Trust Construction Co., Ltd. introduced the Mitsui Sumitomo Insurance safe driving support service "F-Dora" for all 6,500 company vehicles(MSI) (in Japanese only) Save up to 10% on car insurance (fleet contracts) with safe driving initiatives (ADI) (in Japanese only)

Working to Reduce and Prevent Accidental Injuries

With the number of accidental injuries among preschool children on the rise each year in daycare facilities, we are providing support for the creation of environments and systems for these facilities that can give parents greater peace of mind.

Principal Approaches

ADI **Collaboration to reduce and prevent accidents among preschool children**	By installing next-generation network cameras in facilities such as daycares, kindergartens, and certified childcare centers, data from these cameras is being utilized for creating measures to reduce and prevent accidents. Aioi Nissay Dowa Insurance has begun collaboration with technology company MOYAI to use video data from preschool facilities for measures to reduce and prevent accidents among young children (ADI) (in Japanese only)

Assisting in Swift Post-disaster Recovery

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

Principal Approaches

MSI ADI **Damage surveys utilizing drones (unmanned aerial vehicles)**	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
MSI ADI **Operational automation with software robots**	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.
MSI ADI InterRisk **Support for early disaster certificate issuance**	In light of increased severity and frequency of natural disasters, we provide 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. Industry First — Start of a supporting service for victims' life reconstruction support in the event of a flood disaster (MSI) (in Japanese only) Nationwide deployment of support in applying disaster certificates through fire insurance claims settlement (ADI) (in Japanese only) Launch of "Support Service for Formulation of Damage Identification Investigation Plan" for local governments (InterRisk) (in Japanese only)

Response to Infectious Disease Risks

We are providing a range of products and services in light of various social changes such as increased risk of infectious diseases.

Main Products and Services

MSI ADI InterRisk **Support to formulate a BCP in preparation for infectious disease risk**	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 Measures against infectious diseases (InterRisk) (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 supporting local governments to develop disaster-resilient communities.
Under the banner of “Green Resilience,” the Group has also been an early adopter of nature-based solutions, which utilize ecosystems to tackle challenges such as mitigating and adapting to climate change. We aim to create a virtuous cycle in which the benefits of nature are utilized to mitigate the damage caused by natural disasters while protecting biodiversity, and in which the inherent appeal of nature is used to help revitalize local communities. We are advancing a variety of initiatives to promote inclusive society where everyone can enjoy peace of mind, wherever they live.

- Green Resilience: The Group’s initiatives for loss prevention/mitigation and for local community revitalization through the conservation and restoration of the natural environment (in Japanese only)

Contribution to Disaster-resilient Community Development

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.

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

InterRisk **Launch of a pre- and post-natural disaster damage estimate service**	We have developed a service that estimates damage costs for corporate locations, such as stores, based on observed data following an earthquake or typhoon (high wind) event.* *In the case of typhoon- or high wind-related damages, an analysis is conducted in advance for each location based on forecast information. Launched the Pre- and Post-Disaster Damage Estimate Service: Supporting corporate business continuity activities (InterRisk) (in Japanese only)
ADI **Coverage for companies' costs incurred in evacuating vehicles based on issuance of evacuation information**	We support evacuation before a disaster strikes through provision of "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 is issued by local governments in relation to a natural disaster. 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 (ADI) (in Japanese only)
MSI **Launch of automobile insurance for fire brigade members, etc. to cover their own vehicles used during fire-fighting activities**	This product covers private vehicles, etc. of fire brigade members or others 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, etc. to engage in disaster rescue operations with "safety and security," thereby contributing to further enhancement of local communities' disaster prevention capabilities. Launched automobile insurance for fire brigade members to cover their vehicles used during fire-fighting activities (MSI) (in Japanese only)
Group-wide **Donations in response to disasters**	In order to help disaster-affected policyholders rebuild their lives as quickly as possible, we collect donations from employees of the Group companies. Utilizing our Disaster Relief Donation Matching Gift Program, through which we make additional donations to match employee contributions, a total of some JPY800 million, including company contributions, has been donated since the system was established in 2004. Disaster Relief Donation Matching Gift Program
Group-wide **Disaster volunteer activities**	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.

Creation of Communities where People can Continue to Live Their Lives with Safety and Security

In order to help create a community in which everyone can live with safety and security, 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

The Group is providing support for various risks, consulting services for regional revitalization, and conducting other activities to support realization of regional revitalization through agreements with relevant partners, including prefectural and municipal governments, local commercial/industry groups, and financial institutions. We are 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

MSI ADI InterRisk **Provision of SDGs initiatives support menu**	We support SDGs initiatives by local governments, commercial/industrial groups, regional financial institutions, and small/medium-size companies. Promoted utilization of the renewal version of online SDGs platform “Platform Clover” to co-create a sustainable society (MSI, ADI, InterRisk) (in Japanese only) Launched “Children KYT (Kiken Yochi Training) + Super-basics of SDGs” for nursery schools, pre-schools, and certified kindergartens. (ADI) (in Japanese only) Provided small and medium-sized enterprises throughout the country with Simplified Diagnosis Service for SDGs-oriented Management by Business Type (ADI) (in Japanese only)
MSI ADI InterRisk **Provision of business continuity plans (BCP)**	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. Provision of BCP/BCM (Business Continuity Management) Support (InterRisk) (in Japanese only)
ADI **Regional revitalization support site**	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.
ADI **Regional revitalization comprehensive partnership agreement: urban wheelchair experience event**	Under a comprehensive partnership agreement for regional revitalization, Aioi Nissay Dowa Insurance, WheeLog, and Kobe City joined forces to hold the “WheeLog in Kobe 2023” wheelchair experience event, where participants experience what it is like to move around the city in a wheelchair. Held an urban wheelchair experience event in Sannomiya, Kobe (ADI) (in Japanese only)

Mitsui Sumitomo Insurance - Contributing to Regional Revitalization (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 focusing on particular issues which each region is facing.

Principal Approaches

ADI **Contribution to regional revitalization through addressing issues associated with unoccupied houses**	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. Started partnership to promote distribution and utilization of unoccupied houses (ADI) (in Japanese only)
MSI **Support for optimization of road inspection and management services through automatic detection of road damage using AI analysis "DORA-RECO (Dashcam) Road Manager"**	Through AI analysis of data collected from dashcams owned by Mitsui Sumitomo Insurance, road damage is automatically detected, thereby realizing optimization of conventional road DORA-RECO (Dashcam) Road Manager (MSI) (in Japanese only)
MSI **Development of U-Medical Support for veterinarians and livestock farmers**	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 confirmation of post-treatment conditions of cattle with electronic terminals such as smartphones but also contributes to enhancing the efficiency of administrative tasks such as preparation of electronic charts and electronic medical instructions. Started development of U-Medical Support for veterinarians and livestock farmers (MSI) (in Japanese only)

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 safety and security, we are implementing a range of initiatives, including provision of insurance products and services, investment, and social contribution activities.

Principal Approaches

MSI ADI InterRisk **Contribution to addressing issues in remote island areas**	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. Support for demonstrations of drones and automatic delivery robots (InterRisk) (in Japanese only)
ADI **Launch of automobile insurance for self-driving vehicles utilizing electromagnetic induction lanes**	Providing 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. Launched automobile insurance for self-driving vehicles utilizing electromagnetic induction lanes (ADI) (in Japanese only)
MSI **Development of an accident relief system linked to dementia ordinances (dementia "Kobe Model")**	We are entrusted with the administration of the accident relief system linked to Kobe's dementia ordinance. We have developed Japan's first comprehensive coverage scheme for dementia based on a trinity of: (1) Accident relief (insurance), (2) System expansion (promotion of early dementia testing), and (3) Prevention of accidents (GPS tracking services operated by security companies)
Group-wide **Provision of easy-to-understand information**	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.
MSI Primary Life **Introduction of Heartful Line Service**	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.
MSI Primary Life **Handling of endorsement for social contribution**	In response to customers' wide variety 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). In July 2023, we made the first donation to Kyoto University's CiRA Foundation in the form of coverage by an insurance contract. *The current designated public interest organizations: ・Japanese Red Cross Society ・Japan Committee for UNICEF ・Kyoto University's CiRA Foundation

Mitsui Direct General **Mitsui Direct General Insurance Tsuyoyasa (Strong and Kind) Fund, which donates to organizations according to the number of votes cast by policyholders**	The Mitsui Direct General Insurance Tsuyoyasa Fund was launched in 2014, allowing policyholders to easily make social contributions with a single click. Total donations: 34.19 million yen Number of participants: Approx. 330,000 (as of October 2023) Mitsui Direct General Insurance Tsuyoyasa Fund (Mitsui Direct General) (in Japanese only)
ADI **Affixing of Bell Marks to insurance products**	As the only co-sponsor from the non-life insurance sector (as of July 2023), 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. Information on insurance products with bell mark (ADI) (in Japanese only)
ADI InterRisk **Contribution to realization of an inclusive society**	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. Started joint initiatives with WheeLog to promote universal urban design (ADI) (in Japanese only) Aioi Nissay Dowa Insurance and Sophia University jointly established Institute of Inclusive Community (ADI) (in Japanese only) Provided support for verification of autonomous driving and MaaS (InterRisk) (in Japanese only)
Group-wide **Social contribution activities carried out nationwide**	The Group companies are actively carrying out global environmental conservation/social contribution activities tailored to the needs of individual communities.
Group-wide **MS&AD Unison Smile Club**	A social contribution activity organization operated by MS&AD Insurance 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. MS&AD Unison Smile Club MS&AD Unison Smile Club activities (MSI) (in Japanese only) Fundraising activities by executives and employees (ADI) (in Japanese only)

Products and Services to Support Customer Well-being

Japan's birthrate is declining, society is aging, and total population is declining. According to the Population Projections for Japan (2023) by the National Institute of Population and Social Security Research, the country's population will drop below 92 million in 2065, with an elderly population rate – the percentage of the population aged 65 and older – of approximately 38%. The rising elderly population necessitates an environment in which the elderly can live with safety and security. 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 is promoting business activities that can help sustain a super-aging society and will continue to provide products and services that support the well-being of its customers.

Support for Corporate Health and Human Capital Management

While providing support for individual customer well-being and corporate health management, the MS&AD Insurance Group continues to enhance its workplace environments so that all employees can thrive. The health of employees is not only essential for improving their own quality of life, but it is also a key element in realizing the Group's management philosophy (Our Purpose). Accordingly, employee health management is part of the Group's Medium-Term Management Plan, and efforts are being made to create workplace environments that prioritize the health and safety of employees, thereby maintaining and enhancing their physical and mental well-being.

Principal Approaches

MSI ADI **Supporting human capital management by SMEs**	In June 2024, we launched a premium discount system for businesses engaged in human capital management, for occupational accident insurance policies. In addition to providing coverage with premiums based on risk level, we support the creation of a sound business environment for small and medium-sized enterprises (SMEs) by offering consulting services related to human capital management. Introduction of a premium discount system for businesses that have adopted human capital management (MSI, ADI) (in Japanese only) PDF

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

MSI Aioi Life **Instant self health-check snapshot**	Since October 2022, we have been expanding a healthcare service brand, MSA Care, which is aimed at providing total support for customers' health. In addition to providing life insurance coverage in the event of illness, we provide support before and after illness, such as prevention/early detection of illness, prevention of serious illness/recurrence, and consultation regarding health, as “a set of services.” Launched MSA Care Web Services: Including new healthcare services (MSI Aioi Life) (in Japanese only) PDF (Examples of services) Z4C (zen place for cancer) for prevention of serious illness/recurrence (MSI Aioi Life) (in Japanese only) Instant self health-check snapshot (in Japanese only) Hany Blood Sugar Advice (in Japanese only) e-CogniCare (in Japanese only) Lifestyle Improvement Support Program LITE (in Japanese only)
MSI Aioi Life MSI Primary Life **Addressing social issues through early detection of dementia**	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. Cognitive function measurement by AI, applying U.S. FDA medical device approval technology (MSI Aioi Life, MSI Primary Life) (in Japanese only) PDF

MSI

Assisting in maintaining physical and mental well-being

We began offering the healthcare app “HELPO” that assists employees in addressing their mental and physical health concerns. By providing solutions to support employee health and supporting the management of small and medium-sized enterprises, we aim to improve employee productivity and ensure talent retention

Healthcare app “HELPO” (MSI) (in Japanese only)

HD MSI ADI MSI Aioi Life

Promoting good health in collaboration with the University of Tokyo’s Center Of Innovation

In fiscal 2018, the 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.

Self check for cognitive function by Instant snapshot (MSI Aioi Life) (in Japanese only)

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

ADI InterRisk **Services for welfare and nursing care providers**	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. We also help nursing care providers to establish BCPs and hold abuse prevention training sessions, which are obligatory for nursing facilities/offices. Medical Care, Nursing Care, Welfare for the Disabled, etc. (InterRisk) (in Japanese only) Support for Abuse Prevention Training (InterRisk) (in Japanese only)
ADI **Reducing burdens on and turnover rate of caregivers utilizing AI and ICT**	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. Capital and business alliance with WELMO, which provides nursing care welfare platforms using AI and ICT (ADI) (in Japanese only)
MSI ADI MSI Aioi Life InterRisk **Promoting health and productivity management and offering consulting services**	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 & Productivity Management Outstanding Organizations Recognition Program the 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. Promoting health and productivity management (P.127) (METI) (in Japanese only) Health support insurance consulting services (InterRisk) (in Japanese only)
InterRisk **Support services for work/family balance for companies**	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. Support for Balancing Work and Family Life (Nursing Care, Treatment) (InterRisk) (in Japanese only)

MSI ADI InterRisk **Supporting companies in promoting health with Health Management Support Insurance**	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 enjoying 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. Launch of Health Management Support Insurance (MSI, ADI, InterRisk) (in Japanese only) Health Management Consulting Services (InterRisk) (in Japanese only)
ADI **Mental Health Support Service for contact centers**	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 Mental Health Support Service for contact centers (ADI) (in Japanese only)

Principal Approaches to Support for Making Proposals Based on Our Understanding of Customers

Proposing Training Courses to Financial Institutions/Agents

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 and provide a training course for imparting skills in dealing appropriately with elderly customers in an individual and tailored manner.
Developed Financial Gerontology Training (MSI Primary Life) (in Japanese only)

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.
Developed the My 100-Year Life Training (MSI Primary Life) (in Japanese only)

MSI Primary Life **Smartphone-completed Asset-building/Management Type Life Insurance "AHARA"**	We developed a first-in-Japan variable annuity insurance, AHARA, which can be completed using only a smartphone. All procedures can be completed via smartphone to apply for/purchase the insurance with a premium from JPY500 at minimum and an additional reserve can be made on a regular basis or at any time This was launched in May 2023 as a savings type asset-building product that meets the needs of customers who "want to start asset-building casually." Life Insurance Product AHARA (MSI Primary Life) (in Japanese only)

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 safety and security.

Principal Products/Services

MSI ADI MSI Aioi Life MSI Primary Life **Self-help style asset building**	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. Launched "Fulfilling Tomorrow (Ashita mo Jujitsu) 2," individual pension insurance with stable premiums for long-term survival assurance (interest rate-linked) (MSI Primary Life) (in Japanese only) Expanded scope and yen-denominated contracts for the Joy for Tomorrow 2 plan (MSI Primary Life) (in Japanese only) Pension calculation with just a picture - the life insurance industry's first public pension calculation tool using AI-OCR (MSI Aioi Life) (in Japanese only) Launched "Selective Lifestyle Support Pension," currency-selective individual pension insurance for long-term survival assurance (MSI Aioi Life) (in Japanese only) Launched variable insurance (fixed-term type) "Shiawase Tsumitate (happiness accumulation)" (MSI Aioi Life, MSI Primary Life) (in Japanese only) Launched variable insurance (fixed-term type) "Irodoru Mirai (Vibrant Future)" (MSI Primary Life) (in Japanese only)

MSI Primary Life **Currency-selective Special Whole Life Insurance such as “Yasashisa, Tsunagu 2”**	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. In June 2024, the cumulative sales amount for this product surpassed 3 trillion yen. New functions added to Currency-selective Special Whole Life Insurance “Yasashisa, Tsunagu 2” (MSI Primary Life) (in Japanese only) The cumulative sales amount for currency-selective special whole life insurance (such as “Yasashisa, Tsunagu 2”) surpassed 3 trillion yen. (MSI Primary Life) (in Japanese only)
MSI Aioi Life **Preparing for cancer**	In order to promote and raise awareness of the importance of cancer screening and early detection, we have formed a capital tie-up with Hirotsu Bioscience to offer N-NOSE®, a simple, inexpensive, and highly accurate primary cancer screening test, at a preferential price. In addition, we launched a new “&LIFE Cancer Insurance S Select” with enhanced lump sum payments in 2022. This encompasses all insurance coverage for cancer, starting from the earliest stages of the disease. &LIFE Cancer Insurance S Smart Select (MSI Aioi Life) (in Japanese only) N-NOSE® (MSI Aioi Life) (in Japanese only)
MSI ADI **Providing coverage tailored to an aging society**	 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.
MSI Aioi Life **Preemptive preparation for long-term care and dementia**	Under its healthcare service MSA Care, which aims to provide total support for customer health, MSI Aioi Life has introduced new services well-suited for potential long-term care and dementia needs. Taking the form of a comprehensive package, the product offers integrated services for health maintenance, disease prevention, early detection, health consultations, and prevention of disease worsening or recurrence, and includes both pre- and post-coverage services. New product launch — &LIFE Long-Term Care Insurance C (Care) Select — and introduction of new services under MSA Care: Offering both insurance coverage and pre/post-coverage services (MSI Aioi Life) (in Japanese only) MCI Screening Plus (MSI Aioi Life) (in Japanese only) Long-Term Care Health Desk (MSI Aioi Life) (in Japanese only) Care Facility Referral Service (MSI Aioi Life) (in Japanese only) Meal Delivery Service (MSI Aioi Life) (in Japanese only)

MSI MSI Aioi Life **Starting development of BPSD onset prediction service to support elderly persons living at home**	By combining the sensor and AI technology of NEC with the insurance products of Mitsui Sumitomo Insurance and Mitsui Sumitomo Aioi Life Insurance and the results of the "Establishment of the Tokyo Approach to Solving Elderly Dementia Issues from Multiple Perspectives through AI and IoT,"[1] we aim to socially implement services that improve the QOL (Quality of Life) of elderly persons and reduce the burdens on families and nursing care personnel. Started development of BPSD onset prediction service (MSI, MSI Aioi Life) (in Japanese only)

Financial Inclusion: Improving Access to Insurance and Financial Services

The MS&AD Insurance Group strives to improve access to our insurance products and financial services for people who face difficulties in accessing financial institutions or conducting financial transactions. By developing and offering suitable products and engaging in financial and insurance education, we aim to support people and their families who are in difficult situations, thereby contributing to the improvement of their living standards.

Principal Approaches

MSI **Provision of insurance for small loans to micro-entrepreneurs (Philippines)**	Launched Micro-insurance for loans in Autumn 2019, in cooperation with BPI Direct BanKo, which provides small loans to micro-entrepreneurs. The insurance supports the operations of micro-entrepreneurs through insurance even in the event of an unforeseen occurrence such as an accident or disaster. Number of policies sold in FY2023: 180,240 Total premium amount approximately: PHP 10,800,000 (Philippines Peso)
MSI **Provision of fire insurance dedicated to housing for indigenous people (Malaysia)**	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 safety and security to the indigenous people living there and encourages participation in the support scheme by potential donors. Cumulative total of houses for indigenous people covered by our insurance in FY2023 : 111 Cumulative fire insurance premiums for indigenous homes: MYR 18,223 (Malaysian Ringgit) Press release (MSIG Malaysia)
MSI **Promotion of insurance and job creation (India)**	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. 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 Cumulative total number of shops in FY2023: 315 Cholamandalam MS General Insurance official website

MSI **Insurance for small loans to micro-entrepreneurs (India)**	The microinsurance is needed to be an affordable (Prices are determined by the customer's ability to pay) and meets to priority for risk protection (Examples: property insurance, health insurance, life insurance). Total of houses for the people covered by our insurance in FY2023: 366,754 Fire insurance premiums for homes: IRN 121,028,820 (Indian Rupee)
MSI **Provision of financial education (non-life insurance) for young people (Japan)**	Conducting classes to improve financial literacy for high school students following the April 2022 revision of the Civil Code that lowered the adult age from 20 to 18. These classes provided opportunities for students to learn life skills to achieve an independent, secure and prosperous life, and contributed to the improvement of living standards in the future. Number of schools: 48 (Tokyo, Kanagawa, Nagano, Kagoshima, Fukuoka)/Number of classes: 16 frames/ Number of participating students: 1,000
Mitsui Direct General **Special lectures and social experience opportunities for local schools**	To promote children's social participation and support their independence, we provide special lectures and social experience opportunities to neighboring schools. Additionally, as part of the career education program at a support school for a correspondence high school, we conduct lectures on insurance. Number of participating students: 110
Group-wide **Development of Dementia Supporters**	The Group has been conducting joint promotion of training courses for employees to foster development of dementia supporters. MSI Aioi Life has entered into cooperation agreements with local governments to take part in community monitoring activities. By enhancing employees' knowledge and understanding of dementia, we leverage these efforts to improve quality with a focus on diverse customers. MS&AD Group's Dementia Supporter Training Achievements for FY2023 (including Caravan Mates) Total: 11,608 supporters

Customer-Oriented Business Operations

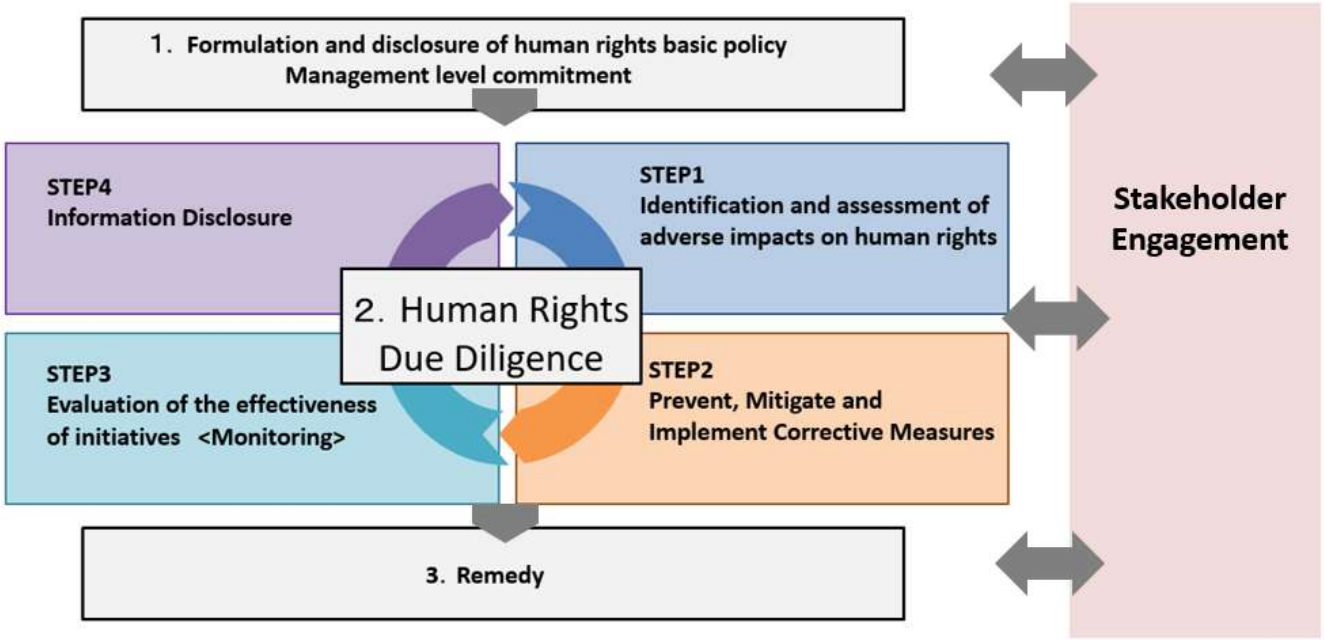
In accordance with the " Principles for Customer-Oriented Business Conduct " published by the Financial Services Agency, we have created manuals pertaining to insurance solicitation for elderly and person with disability. This is to promote appropriate customer service and to improve our operations through the analysis of survey data provided by customers and dialogue with insurance agents. Additionally, by providing meticulous responses tailored to each customer's situation, we work to prevent complaints and offer reasonable accommodations. Furthermore, we conduct training on dementia for both internal and external audiences to deepen understanding of dementia, utilizing these efforts to improve quality with a focus on a diverse range of customers. In addition, we engage in exchanges of opinions with external experts and have external specialists evaluate our customer-facing tools, aiming to incorporate customer perspectives into our operations. The promotion of such customer-oriented business operations and the various issues related to quality improvement are discussed within the Quality Improvement and Compliance Committee.

Implementing Activities and Dialog that Respect Human Rights

MS&AD Group will fulfill its corporate responsibility to respect human rights and contribute to the realization of a sustainable society based on the United Nations "Guiding Principles on Business and Human Rights".
In order to achieve the Group's management philosophy (mission), which 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 services business, it is important to consider and act on the mutual impact between our business activities and society, including the environment and human rights.
In the "MS&AD Insurance Group Human Rights Policy", which applies to all employees of the Group, business partners such as agents, and a wide range of stakeholders associated with the Group, we clarify that the Group has a responsibility to respect and protect human rights. Under this human rights policy, we identify and evaluate the adverse impacts on human rights that may occur in our business activities, and work with a wide range of stakeholders to prevent and mitigate them through our commitment to respecting human rights (human rights due diligence).

Human Rights Management System

The Group is committed to respecting human rights and is promoting initiatives in accordance with the management system for respecting human rights, such as the formulation of human rights policies, implementation of human rights due diligence, and providing remedies.



Created with reference to the Ministry of Economy, Trade and Industry's“Reference Material on Practical Approaches for Business Enterprises to Respect Human Rights in Responsible Supply Chains”

MS&AD Insurance Group Basic Policy on Human Rights

In February 2017, MS&AD Group established the "MS&AD Insurance Group Basic Policy on Human Rights" following the approval of Board of Directors.
Our group fulfills its responsibility to respect human rights in accordance with this policy.
The initiatives for respecting human rights are reported to and overseen by the Board of Directors.

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.

Established, February 1, 2017

Revised on March 1, 2019

Last Amended, October 11, 2022

UK Modern Slavery Act 2015 and Australia Modern Slavery Act 2018

MS&AD Holdings, has been publishing annual statements since 2015 in accordance with the UK Modern Slavery Act 2015. Similarly, Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance have also published statements based on the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018, respectively, for their overseas operations. In order to prevent human rights abuses in value chains and supply chains, such as forced labor and child labor, we will continue to conduct reporting and engage with our business partners.

UK Modern Slavery Act 2015 MS&AD Holdings

- FY2023 Slavery and Human Trafficking Statement
- FY2022 Slavery and Human Trafficking Statement
- FY2021 Slavery and Human Trafficking Statement
- FY2020 Slavery and Human Trafficking Statement
- FY2019 Slavery and Human Trafficking Statement
- FY2018 Slavery and Human Trafficking Statement
- FY2017 Slavery and Human Trafficking Statement
- FY2016 Slavery and Human Trafficking Statement
- FY2015 Slavery and Human Trafficking Statement

Implementation of Human Rights Due Diligence

The Group relies on the UN "Guiding Principles on Business and Human Rights" and has established a human rights due diligence mechanism as part of our management system for respecting human rights. We are committed to implementing this mechanism continuously. In line with our Human Rights Policy, established on February 2017, we are conducting human rights due diligence as follows.

STEP1: Identification and assessment of adverse impacts on human rights

The Group has organized points of contact where human rights risks may arise within our value chain and stakeholders and identified priority issues in human rights initiatives. Steps taken are as follows.

<Priority Issues>
(i) Fair and impartial customer service
(ii) Consideration of human rights measures by underwriters, investors and external contractors
(iii) Consideration for employee health and a workplace environment free of discrimination.

We conduct the identification and assessment of adverse impacts on human rights every three years as a general principle. We regularly review and determine priority issues based on changes in the Group and the surrounding society and environment within our value chain. The initial evaluation was conducted in the fiscal year 2021, taking into account the Ministry of Economy, Trade and Industry's "Reference Material on Practical Approaches for Business Enterprises to Respect Human Rights in Responsible Supply Chains" as well as the overall reflection of human rights initiatives at our overseas entities. The reevaluation of the 2021 assessment was carried out in the fiscal year 2023.

Process of Identification and assessment of adverse impacts on human rights

Identification and assessment Process①	Identify and organize any contact points among the Group's value chain and stakeholders whence human rights risks may arise. 【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 (including investments and loans), information management, procurement (materials and real estate), human resources/recruitment 【Stakeholders】 Customers, shareholders, business partners, agents, employees, local and international communities, and environment 【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
Identification and assessment Process②	Assess and analyze such risks identified in terms of [1] severity*1 and [2] impact・probability of occurrence (creation of a risk map*2) (*1) Severity is assessed based on the scale, scope, and difficulty of remediation of the estimated damage
Identification and assessment Process③	Based on the results of the assessment process 2, we have identified significant risks and organized them by stakeholder. From these, we have determined the priority for our human rights-respecting initiatives, prioritizing the issues that require immediate attention. [Priority Issues] (1) Fair and impartial customer service (2) Consideration of human rights measures for underwriters, investors, and external contractors (3) Consideration for employee health and a workplace environment free of discrimination
Identification and assessment Process④	Consideration and implementation of necessary preventive and improvement measures, and review of their effectiveness.

(*2) Risk Map (92KB)

STEP 2 : Prevent, Mitigate and Implement Corrective Measures

For each identified priority issues in our human rights-respecting initiatives, we have taken preventive and mitigating measures, as well as corrective actions when necessary. Practical measures for prevention and mitigation include conducting training programs, educational and awareness activities, and establishing internal systems and environments are examples.

■Key preventive and mitigating measures for each priority issue in human rights initiatives

Operational sites with preventive and mitigating measures 46 Entities*	Key preventive and mitigating measures
Fair and impartial customer service	■Comprehensive implementation of customer-first operations ・Implementing initiatives in accordance with A Customer-first Policy in the Business Operations and strive for continuous quality improvement and business enhancement. ■Comprehensive Customer Information Management ・Implementation of information management training to improve information literacy and training on e-mail targeted attacks ・Promoting understanding of human rights initiatives while confirming the information management system through regular inspections and audits for insurance agents, outsourcers, and employees. Information Management Group Basic Policy for Management of Outside Vendors ■Consideration for the elderly and persons with disabilities ・Adoption of universal design principles ・Establishment of a dedicated dial-up call service for the elderly and preparation of a response manual ・Introduction of sign language interpretation services
Consideration of human rights measures for underwriters, investors, and external contractors	■Underwriters and investors In September 2020, we formulated the "Business Activities Considering Sustainability" group policy and implemented business activities considering ESG factors. We consider human rights, including respect for human rights, in insurance underwriting and financing. In July 2022, we established that we will not engage in insurance underwriting and financing for cluster munitions manufacturers that can lead to indiscriminate killings and for manufacturers of inhumane weapons such as biological and chemical weapons and anti-personnel landmines that can lead to indiscriminate killings. We globally conduct insurance underwriting and financing in line with these guidelines. Additionally, for businesses that may potentially violate the human rights of indigenous peoples and local communities, we carefully assess the appropriateness of conducting transactions based on considerations for the local communities of our business partners. ■External Contractors/Agents To ensure that our business partners (all external contractors) understand the Group's commitment to respecting human rights, we distribute our human rights basic policy. For external contractors selected based on risk assessment, we conduct investigations into their organizational structure and provide human rights awareness training tools (such as the human rights policy development guide and internal training materials), as well as communicate and share relevant information on human rights initiatives.
Consideration for employee health and a workplace environment free of discrimination	■Promotion of health management ・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 ■Measures against harassment ・In addition to systematic management of working hours, the Group is promoting workstyle reforms for employee health and safety ・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 Speak-Up system ■Promotion of understanding and awareness concerning LGBTQ ・Implementation of internal seminar to promote understanding of LGBTQ ■Protecting employees from unreasonable customer complaints (mainly in Domestic Companies) ・ Develop and implement manuals at each group company based on the Group's Basic Human Rights Policy ・ Conduct harassment awareness training to employees ・Implement a system in the claims service department to detect keywords that correspond to malicious complaints in real-time and notify managers ・Establish a support system with lawyers for claims service departments

*The primary businesses undertaken by MS&AD Holdings and its Group companies (subsidiaries and affiliates), and the main Group companies undertaking each business as of March 31, 2023

■Organizational structure for promoting human rights initiatives

The Sustainability Promotion Department of MS&AD Holdings takes the lead and collaborates with the department responsible for overseas compliance and the department responsible for promoting human rights awareness in business companies to promote human rights initiatives both domestically and internationally. Business companies, primarily organized around officers in charge of human rights awareness, aim to deepen the understanding of human rights and corporate social responsibility, foster a culture of human rights within the organization, and enhance awareness of respecting human rights among employees.

＜Major initiatives＞

• Planning and formulating as well as implementing and managing workplace training programs for all employees

• Raising role awareness of employees involved in human rights education.

ESG Data / Reference Material（Human Rights）

■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.

＜Measures to prevent various types of harassment＞

In the Group, we declare our commitment to respect human rights, in accordance with our Human Rights Policy and Compliance Policy. We pledge not to engage in discrimination or harassment based on race, nationality, gender, age, occupation, region, creed, disability, or any other factor, including sexual harassment, workplace harassment, and other forms of harassment. In the event that a case requiring remedy arises, we have established the following system to receive reports and consultations from employees and others and provide appropriate remedial measures.

ESG Data/Reference Material (Labor union membership rate)

ESG Data / Reference Material (Speak-up System)

STEP3: Evaluation of the effectiveness of initiatives (Monitoring)/ STEP4: Information Disclosure

We conduct regular evaluations (monitoring) on the effectiveness and implementation of prevention, mitigation, and corrective measures for human rights issues identified and assessed through STEP 1 and STEP 2. Additionally, we provide explanations and disclose information on various initiatives related to respecting human rights through our annual Sustainability Report, website, and other channels.

■Example Initiatives of evaluations(monitoring)

Fair and impartial customer service	■Protection of personal information Each Group company establishes internal regulations on information management, introduces security measures, and provides education to employees and agents, according to the MS&AD Insurance Group Basic Policy for Management of Customer Information. 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. ＜Fiscal Year 2023 inspections and audits＞ Internal inspections were carried out at the Company and the Group's domestic insurance companies. We inspected and audited around 25,000 agents and outside vendors, and provided instructions including to strengthen security to approximately 393 companies. Information Management Group Basic Policy for Management of Outside Vendors
Consideration of human rights measures for underwriters, investors, and external contractors	■Underwriting and Investments Based on our "Business Activities with Consideration for Sustainability" group policy, we annually review the underwriting situation to ensure compliance with the policy and make improvements or corrections as necessary, including suspending underwriting if needed. In the regular reassessment of the impact on human rights, we identify countries or regions with high human rights risks based on the Fragile States Index. For our business operations in Myanmar, we conduct due diligence on our investees to confirm that there are no human rights issues. ■External Contractors/Agents We regularly confirm the implementation of a system for respecting human rights and provide support for necessary organizational improvements as needed. ■Agents/ Foreign technical intern trainees Regarding the employment status of foreign technical intern trainees, we conducted interviews with relevant departments within the Group. While no specific problem cases have been identified, we will continue to follow up on this matter. Additionally, we regularly conduct audits of the labor environment and conditions by third parties to ensure and maintain appropriate working conditions.
Consideration for employee health and a workplace environment free of discrimination	■Creating a safe workplace environment (compliance with labor safety and health laws) Within the Group's domestic insurance companies, we have established hygiene committees based on the Labor Safety and Health Act to investigate and deliberate on matters related to preventing occupational health disorders and promoting health. These committees hold monthly. ・We conduct an annual survey to gauge the awareness of the Group's employees, which we use to consider improvements to company systems, policies, and environmental arrangements. Since fiscal year 2019, this survey has also been extended to employees based in overseas locations Targets (KPI) and Results

Remedy (Consultation Desk)

In the Group, we have established a system to promptly address any voices or reports regarding potential human rights violations and ensure appropriate remedial measures are taken if necessary.

■Schemes for Receiving Feedback from Customers

Schemes for Receiving Feedback from Customers	We widely accept various voices such as "consultations," "requests," and "complaints" from customers, and stipulate that they will be used to improve quality. Quality that Earns the Trust of Society

■Reporting System from Employees (Speak-up System)

In the Group, we declare our commitment to respect human rights, in accordance with our Human Rights Policy and Compliance Policy. We pledge not to engage in discrimination or harassment based on race, nationality, gender, age, occupation, region, creed, disability, or any other factor, including sexual harassment, workplace harassment, and other forms of harassment. In the event that a case requiring remedy arises, we have established the following system to receive reports and consultations from employees and others and provide appropriate remedial measures.

Reporting System from Employees (Speak-up System)	In order to prevent violations of laws and regulations, violations of internal regulations and inappropriate conduct from being neglected, the MS&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, the Group pushes ahead with compliance with ethics, laws, and regulations. ＜Examples of cases which could be reported and consulted＞ • Any matters related to non-compliance • Issues related to violation of MS&AD Insurance Group Basic Policy on Human Rights • Issues related to employees' mental and physical health and other issues caused by sexual harassment, power harassment, or any other types of harassment • Any matters related to working environment, such as work hours and overtime work We have made efforts to enable informers and consulters to easily use the system. 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. We have also set up an external contact point at an outside law firm. For officers and employees working at overseas entities, we have established a global reporting contact in addition to the reception desks at our domestic offices. We respond to reports in 16 languages, and it is possible to report to the Japanese head office from overseas. <Corrective Measures> In response to reports or consultations: - Depending on the nature of the report or consultation, the appropriate department will conduct a factual investigation. - If the reported information is confirmed to be violating laws and regulations, internal regulations and inappropriate conduct from being neglected, appropriate actions will be taken, such as disciplinary measures, warnings, or guidance. ESG Data / Reference Material (Speak-up System)
Harassment Consulting Desk	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.

■Whistleblowing and Consultation System for Value Chain and Supply Chain (External Contractors):

Human Rights Issues Consulting Desk	Establishment of consultation desk mainly for the Group's outsourcing partners, utilizing the platform of a specialized organization that relies on the UN "Guiding Principles on Business and Human Rights". Through this consultation desk, we are working to promptly identify information on human rights violations in our value chain, further strengthen the corrective activities, and improve transparency in problem-solving processes. Japan Center for Engagement and Remedy on Business and Human Rights (JaCER)

Engaging dialogue with our various stakeholders

In order to promote our commitment to respecting human rights, it is important to understand how our business activities are perceived by stakeholders and the impact they have. In the Group, we engage in dialogue with stakeholders throughout the processes of human rights due diligence, which is our management system for respecting human rights. We leverage these dialogues to inform and enhance our initiatives.

Dialogue1: Discussion with NGO on the Group's Human Respect Initiatives

In December 2023, a discussion on "Respect for Human Rights Initiatives" took place between Mr. Hideki Wakabayashi (Board member of the Japan NGO Center for International Cooperation (JANIC) / Director of THINK Lobby) and MS&AD Holdings CSuO and members from the Sustainability Promotion Department.

【Outline of the Discussion】

・Date: December 2023

・Method: In-person meeting. Prior to the discussion, a survey was conducted to gather opinions on the Group's initiatives. The discussion was based on the survey questions.

・Participants: Mr. Hideki Wakabayashi, board member of the Japan NGO Center for International Cooperation (JANIC) and Director of THINK Lobby, MS&AD Holdings CSuO and members from the Sustainability Promotion department.

【Human rights due diligence and operations 】

After receiving a briefing on the latest developments in business and human rights in Japan and various countries from Mr. Wakabayashi, we had a lively exchange of opinions based on the questionnaire on our company group's commitment to respecting human rights that was previously answered. It was pointed out that human rights risks are risks to people, and that enhancing corporate value should ultimately be achieved through addressing these risks. It was also emphasized that all employees need to understand that human capital, including human rights, is supported by social and natural capital.

MS&AD Holdings will reflect the insights and opinions obtained through the discussion, and strive for further enhancement of our commitment to respecting human rights and disclosure of information.

●The risks pointed out through this dialogue have been reflected in the risk map revised on March 2024

Dialogue2: Discussion with NPO on the Group’s LGBTQ Rights Initiatives

Ms. Maki Muraki

In December 2023, a discussion on "Respect for LGBTQ Rights Initiatives" took place between Ms. Maki Muraki (Founder/Director of NPO Nijiiro Diversity) and members of the Sustainability Department at MS&AD Holdings.

【Outline of the Discussion】

・Date: December 2023

・Method: Online meeting. Discussion on the Group efforts and issues under review.

・Participants: Ms. Maki Muraki, Founder and Director of NPO Nijiiro Diversity,
and members of the Sustainability Department at MS&AD Holdings.

【The Group’s LGBTQ Rights Initiatives】

Ms. Muraki briefed us on the latest developments in LGBTQ-related issues in the Japanese government and companies, as well as the difficulties and mental/physical health faced by LGBTQ people. Following that, we held a discussion on the Group's LGBTQ rights initiatives, focusing mainly (i) Initiatives for customers and (ii) Initiatives for the Group employees.

(i) Initiatives for customers

It was pointed out that as expected from insurance companies, we need to recognize the LGBTQ issues in underwriting and procedures, promote understanding of LGBTQ initiatives for the Group employees and agents, and improve our responsiveness to LGBTQ people.

(ii) Initiatives for the Group employees

We discussed various initiatives, including the establishment of employee groups for LGBTQ understanding and support (ALLY), the operation of an employee consultation desk, employee education and awareness programs, and recruitment practices. We also exchanged opinions on the specific methods of these initiatives and effective ways to inform them to our employees.

MS&AD Holdings will reflect the insights and opinions obtained through discussions into the development of internal guidelines and take specific initiatives, to promote the Group’s LGBTQ Rights Initiatives.

●Valuable insights discussed through this dialogue have been reflect to the making of inhouse guidelines.

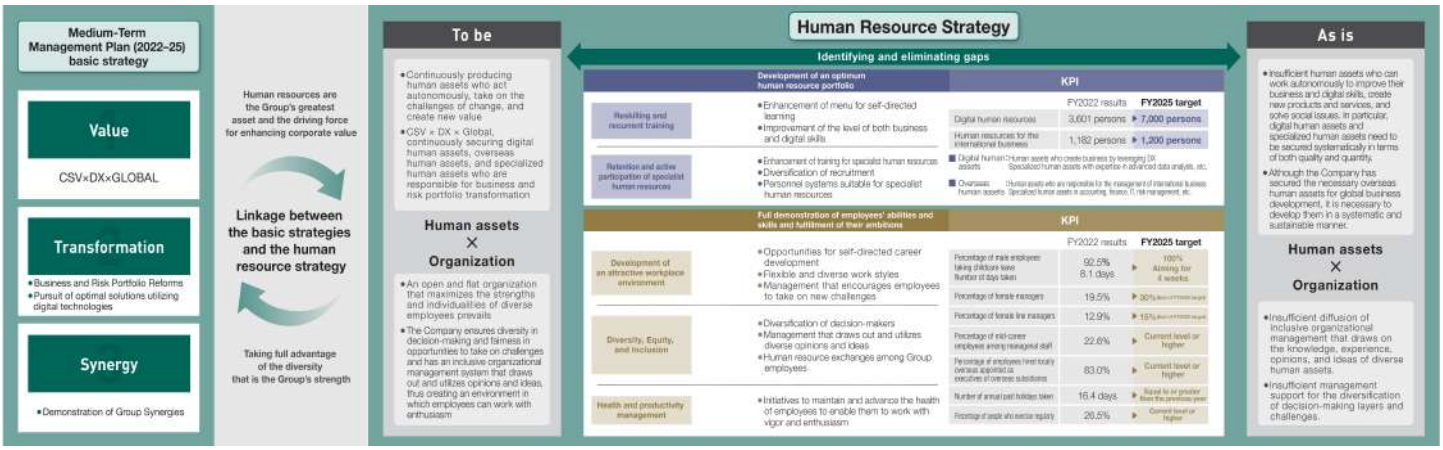
Employee Well-being

The Group's greatest asset is its human resources, and every employee of the Group is the driving force behind the improvement of corporate value.
Under our human asset strategy linked to the basic strategy of the Medium-Term Management Plan (2022–2025), we are working on "building an optimal portfolio of human resources" and the "full demonstration of employees' abilities and skills and fulfillment of their ambitions," and we are focusing on "Value (value creation)," "Transformation (business reforms)," and "Synergy (pursuit of Group synergies)."
In addition, to improve employee engagement, we are developing a working environment that includes opportunities for self-directed career development; flexible, efficient, and effective work styles; and a corporate culture that encourages a spirit of taking on new challenges.

Human Resource Strategy

In the Medium-term Management Plan (2022-2025), for realizing our aspiration of becoming a "corporate group that supports a resilient and sustainable," we have set forth "Value (Creation of value)," "Transformation (Business reforms)" and "Synergy (Demonstration of Group synergy)" as basic strategies. Those who will realize the strategies are individual Group employees and we will identify any gaps between the Group's aspiration (To be) and the current situation (As is) of human resources and/or the organization, which is necessary for implementation of the strategies, and we will execute a human resources strategy that will serve as a roadmap for eliminating any such gaps.

Human resource strategy linked to basic strategies



Human resource strategy linked to the basic strategies details

Targets (KPI) and Results

Building an Optimum Human Resource Portfolio

We aim to be a company that continues to produce human assets who are not bound by the existing framework of the insurance business, but who act autonomously and take on the challenge of reform utilizing advanced knowledge and cutting-edge technology. We will build an optimal human resources portfolio through employee development by expanding investment in self-directed learning menus such as reskilling and recurrent training, and by securing specialist human resources and promoting their playing active roles, including hiring external human resources.

Reskilling and recurrent training

Retention and active participation of specialized human resources

Examples of Initiatives to Develop Specialist Human Resources

Development of digital-specialist human resources	We have implemented the Group's unique digital human asset development program in collaboration with educational institutions such as universities. Examples of training and programs: ・MS&AD Digital Academy ・MS&AD Digital College from Kyoto ・System x Design Thinking Workshop ・Research with Shiga University Graduate School (ADI) Initiatives that will not only improve the efficiency and convenience of processes and services using digital technology, but also transform the Group's overall business
Support for acquiring actuarial qualifications	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. ESG Data/Reference Material (number of actuaries)
MSI **Support for companies to provide recurrent training aimed at creating innovation**	We have introduced "MS&AD Digital College from Kyoto," a recurrent education program in the digital and EV (electric vehicle) fields jointly developed by Kyoto University of Advanced Sciences and MS&AD Insurance Group Holdings and have been marketing this program to companies/organizations/local governments since April 2023. Launched a Recurrent Education Program in Partnership with a University (MSI) (in Japanese only) PDF

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 an employee to transfer to a position or department of his/her choice, and will revitalize initiatives for personnel transfers, human resources development, and career development among Group companies. We are also providing more opportunities for self-directed career development such as utilization of free agent programs whereby employees, based on the abilities/skills, etc. that they have cultivated to date, can promote themselves to several departments designated by them as immediate assets to the company, and provision of a mechanism to enable employees to participate in company measures beyond the frameworks of their current organizations.

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 are promoting business operations that utilize remote work by efficiently combining telecommuting and on-site working. We will also expand opportunities to improve and utilize skills by introducing job-based employment and relaxing restrictions on side and second jobs. We will allow employees to flexibly choose whether or not to relocate depending on their career visions, life events, etc.

Implementing a completely location-free call center system (ADI) (in Japanese only)

Performance appraisal system in employee development

Management by objectives and review meetings

As a system for employee development aimed at achieving job satisfaction and growth for each employee, we set objectives and career visions and manage them through review meetings with managers. All employees act based on the Group's "Mission, Vision, and Values" and set individual goals that incorporate sustainability perspectives. Employees engage in several dialogues with their managers every year. By sharing goals, challenges, and achievements, we aim to enhance the transparency and fairness of performance evaluations, while also fostering employee development through the sharing of career visions.

360-Degree Feedback

The annual 360-degree feedback is a comprehensive performance appraisal system in which an employee receives feedback from multiple sources, including colleagues, managers, and subordinates. Regarding the "behaviors expected according to employee's role or position," employees reflect on observations from themselves and others, leading to effective role performance and ultimately aiming for self-growth.

Training and Education Initiative Examples

MS&AD Open College	Classroom training to acquire business skills, such as problem-solving
Trainee programs	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 ESG Data/Reference Material (number of participants of the trainee system)
Post-challenge programs	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.
MSI MSI Aioi Life **In-house free agent programs**	A program whereby employees, with skills, experience and their own blueprints of carrier-building, can appeal to several sections desirable to them
ADI **Corporate University Program "AD University"**	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.

Human Resources Development for Addressing Social/Regional Issues

ADI **Required acquisition of qualification regarding CO2 emissions calculation methods**	We have enhanced human resources development aimed at addressing social/regional issues by making it mandatory for approximately 10,000 employees to acquire Level 3 qualification in the "Carbon Accounting Advisor Qualification System" related to CO2 emissions calculation methods. Made it mandatory for approximately 10,000 employees to acquire qualification related to CO2 emissions calculation methods (ADI) (in Japanese only)

Examples of Systems and Support According to Life Stage

Life Stage	Main Systems		Support Measures
Marriage	(Group-wide) • System for changing place of employment • System for those wanting to come back to work after retirement		
Pregnancy and childbirth		(Group-wide) • Prenatal and postnatal leave	(Group-wide) • Childbirth and childcare handbook
Childcare leave	(Group-wide) • Childcare leave system		
Return to work	(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
Nursing Care		(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

Initiative to promote one month childcare leave for male employees (MSI) (in Japanese only)

Diversity, Equity & Inclusion

In order to develop an environment whereby employees of all kinds can fully demonstrate their individual abilities, create new innovations, and contribute to enhancement of corporate value, we have incorporated the perspective of “Equity” into “Diversity & Inclusion (D&I)” and are now promoting it as “DE&I (Diversity, Equity & Inclusion)”.

Example of Management Know-how Development to Positively Elicit and Utilize Opinions and Ideas

Group-wide **e-Business Seminar**	"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. We have applied this know-how as "inclusive leadership" in training for managers at each Group company and implement it in the workplace

Diversity, Equity & Inclusion

Issuing the Diversity, Equity & Inclusion (DE&I) Report

Group-wide

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

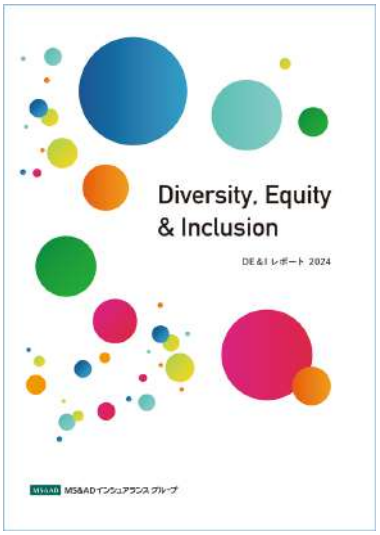
Content of the Diversity, Equity & Inclusion (DE&I) Report

DE&I Report 2024 >

To Achieve DE&I
- Message from the CEO
- Our Resolve
- New Challenges and Steps for the Future
- Actions to Create the Future

Current Initiatives
- Empowering Women
- Diverse and Flexible Work Styles
- Work-Life Balance
- Building an Inclusive Organization Where Diversity Thrives

Our Promise for the Future
- Message from the Managing 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

Diversifying of Decision-making Layers

HD

Regarding promotion of female employees, we are strengthening efforts to develop a pipeline for promotion to executive and managerial positions. In addition, as a KPI to be achieved by the end of FY2030, we have set the proportion of female managers at 30% and that of "female line managers," who are the heads of the organization, at half of that number in order to promote diversity among decision makers.

- Targets (KPI) and Results
- New appointment of female deputy branch managers and deputy managers (MSI) (in Japanese only)
- New appointment of deputy department/branch managers and deputy line managers (ADI) (in Japanese only)

Initiatives to Realize an Inclusive Society through Support for Athletes

MSI ADI Mitsui Direct General MSI Aioi Life MSI Primary 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.

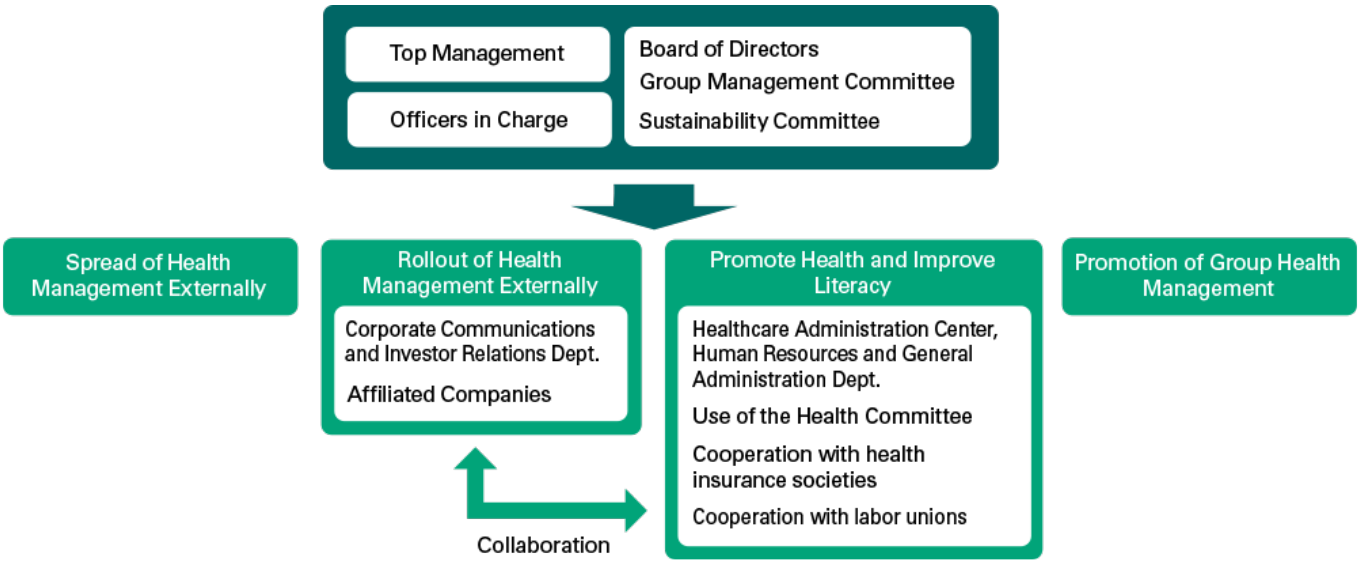
©JEF UNITED

- Sports support from Group companies (in Japanese only)

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 the Group's Corporate Philosophy.

The Group provides venues that enable various personnel with a wide range of values to work together, and we 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 well-being of all employees. In addition, we have established a system whereby workplaces, health management centers (occupational health personnel), health insurance unions, labor unions, etc. cooperate and collaborate to promote health management.



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.

Diversification of work locations/hours	We are diversifying previously fixed work locations and pursuing more diverse work styles for our employees. Example initiatives: ・Promoting remote work (use of thin client computers, phones and smartphones for business use, and use of web conferencing tools) ・Implementing work from home programs and utilizing satellite offices ・Introducing shift work and short-term work systems
Restructuring of roles	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.
Prevention of long-term working hours	We are maintaining the health of individual employees and supporting work-life balance by preventing long working hours. Example initiatives: ・Promoting work styles where employees leave work promptly at 5 p.m. (MSI) ・Industrial physicians provide one-to-one guidance to employees who work on their computers beyond a certain number of hours Using prompt work day finishing at 5 p.m. as a management target (MSI) (in Japanese only)
Encouraging employees to take paid leave	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 Targets and Results (the number of annual paid holidays taken) ESG Data/Reference Material (rate/days of paid leave taken)

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

Support to improve health	We conduct campaigns that encourage and support employees to carry out behaviors and lifestyle habits that improve health (self-care). Example initiatives: ・Revamping day-to-day lifestyle habits by introducing and encouraging use of a healthcare app ・Planning health promotion and other campaigns, providing support to employees quitting smoking (subsidies to cover teletherapy expenses), etc. ・Encouraging employees to come to work in sneakers, stair climbing (the 2-Up/3-Down campaign, displaying stickers on staircases showing calories burned), etc. ・Disclosing data related to initiatives for promotion of health and productivity management, and enhancing employees' health consciousness Data on initiatives (MSI) (in Japanese only)
Improving health literacy	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. Example initiatives: 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
Mental health care	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 Example initiatives: Preventive activities: training, e-learning, stress checks, health consultations at workplaces Support for afflicted persons: consultations during rehabilitation Return-to-work support: preparations for returning to work during recovery periods, etc.

Support systems for balancing medical treatment and recuperation	Establishing a system to support the balance between work and treatment of illness or injury* [Leave system] ・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 ・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 [Support system] 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. * The support system and number of days of leave that can be taken or saved varies depending on the Group company and employee classification

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

Uniform Group-wide medical checkup system	MS&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. ESG Data/Reference Material (Consultation rate of medical checkup)
Establishment of a suitable working environment	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.
Prevention of workplace accidents	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. ESG data and reference material (number of workplace accidents)

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.

Employee satisfaction surveys Employee Satisfaction	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. Targets and results (Employee Awareness Survey)
Mechanisms to make use of employee opinions in improving operations	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.
Dialogue with executives	We periodically arrange opportunities for employees and top-level executives to exchange views so that the employees' views can be incorporated into company management.

External Assessment

Initiatives and External Assessment (Employee Well-being)

Quality that Earns the Trust of Society

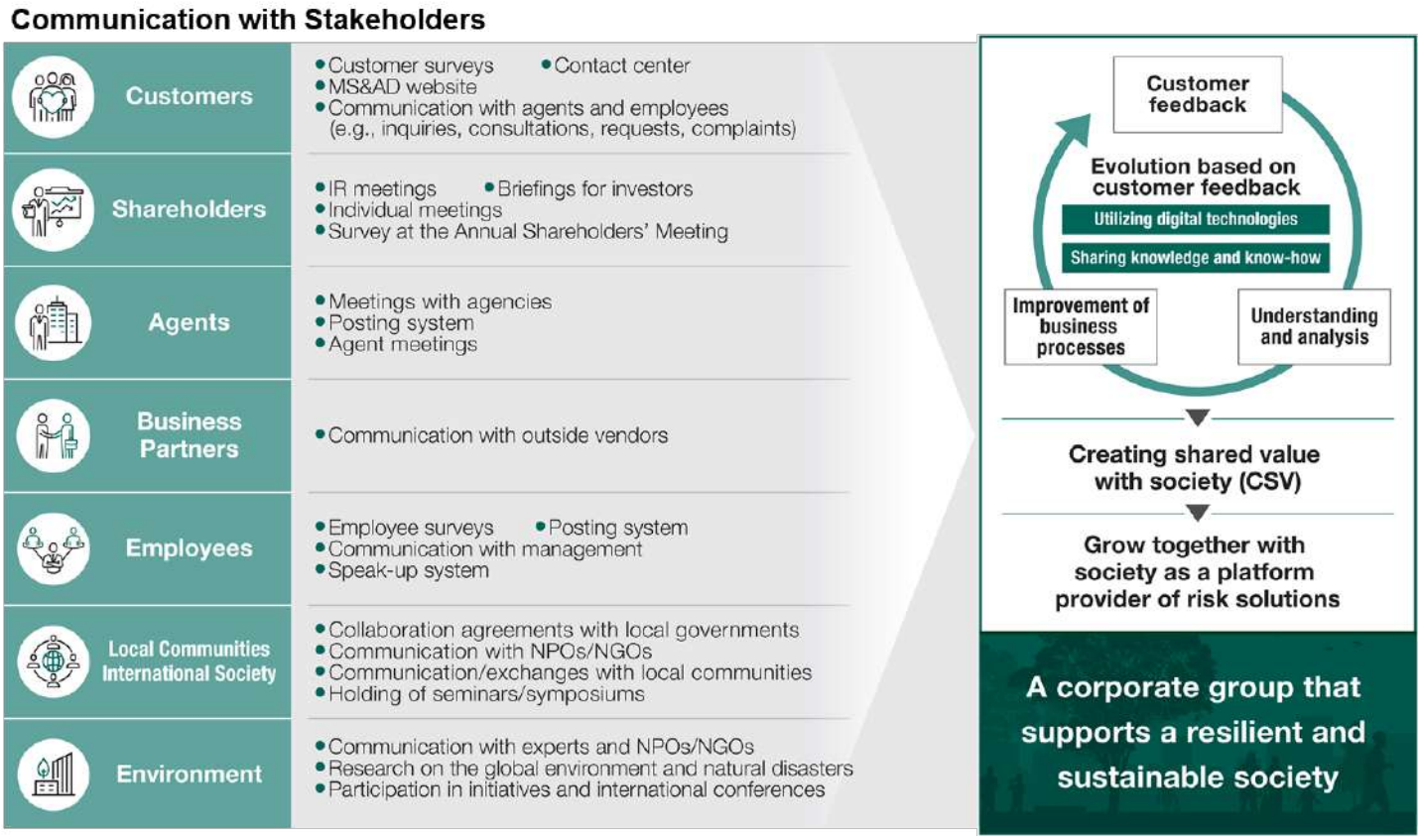
Meeting the Trust of Society with High Quality

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

The 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*	8,411	7,575	25,432	576	2,710	44,704

*Combined number received in fiscal 2023 for Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance

Customer feedback (MSI) (in Japanese only)

Customer Feedback (ADI) (in Japanese only)

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-First 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 Business Operations — FY2023 Overview (in Japanese only)

- Mitsui Sumitomo Insurance
- Aioi Nissay Dowa Insurance
- Mitsui Direct General Insurance
- Mitsui Sumitomo Aioi Life Insurance
- Mitsui Sumitomo Primary Life Insurance

Principal Approaches

MSI ADI Mitsui Direct General MSI Aioi Life **Initiatives to enhance customer convenience in obtaining policies**	We have been developing and adopting more convenient and comprehensible procedural methods to provide information on insurance and services to a variety of customers ・Reinforcement of product explanation videos for customers (MSI, ADI) ・Procedures for applying for and obtaining policies available online (MSI, ADI, Mitsui Direct General, MSI Aioi Life) ・Procedures for obtaining policies without paper utilizing tablets and other devices. (MSI, ADI, MSI Aioi Life) ・"Your Concierge" service to answer customers questions about insurance products (Mitsui Direct General) (in Japanese only) ・Customers can now change account information online (MSI Aioi Life) (in Japanese only) ・Procedures for claims settlement online (MSI Aioi Life) (in Japanese only)
MSI ADI **Prompt and courteous customer service during natural disasters**	We are helping to rebuild customers' livelihoods as promptly 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 and the types of disasters, such as earthquakes, typhoons, flooding, and heavy snowfall, and through rapid claims settlement. We have realized meeting customer needs, streamlining investigations, and speeding up the whole process through promoting digital surveys on water-related disasters utilizing chatbots and developing a smartphone reservation system for survey visit dates and times. Introduced a reservation system for visit days and times in the event of large-scale natural disasters (MSI, ADI) (in Japanese only)

Group-wide **Screening of insurance payments**	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. MSI and ADI disclose the number of claims examined and the cases examined on their websites. Insurance Payment Screening Committee (MSI) (in Japanese only) Usage status of application system for appeal review and status of screening performed by the Payment Screening Committee (ADI) (in Japanese only)
Group-wide **Operational improvements utilizing customer suggestions**	In accordance with MS&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. We are continually upgrading our services in response to customer feedback. MS&AD Insurance Group Basic Policy for Responding to Customer Communications
HD **Use of customer satisfaction based on customer questionnaire surveys as a KPI**	Among the indicators used for measuring the level the five Group insurance companies in Japan have continued their initiatives in customer-first 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 ESG data and document collection: "Customer satisfaction survey about insurance contract procedures" and "Customer satisfaction survey about payment of insurance claim"
Group-wide **Integrating customer-focused values among employees and agents**	We have been fostering a suitable corporate climate by integrating customer-first values into our operations through education for employees and agents. For employees: We conduct workplace meetings and arrange training and contests aimed at improving skills in all departments. For agents: We provide agents with various training and online learning opportunities, and we seek to motivate them via an agent quality certification system. Developed training for customer-oriented after-sales service (MSI Primary Life) Developed training for financial institution agents, "Realizing My Vision for Myself," to help improve their work engagement (MSI Primary Life)

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

MSI ADI MSI Aioi Life **Improvement of customer convenience**	We have developed and provided support apps and services using AI in order to provide insurance products and services more quickly. Launched an accident report receiving service using AI-based automated voice response (MSI) (in Japanese only) Industry First — Introduced an AI-based automatic voice response service for agents and customer billing (MSI Aioi Life) (in Japanese only) Providing personal support videos to resolve common customer questions and difficulties (Mitsui Direct General) (in Japanese only)
ADI Mitsui Direct General **Improving the quality of customer service**	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. Industry First — Launched use of incoming call classification system to improve quality across the company (ADI) (in Japanese only) Leveraging our marketing system, we provide optimal product proposals and services based on the attributes of each individual customer and the contact information obtained from our websites, emails, and customer centers, etc. Built a marketing system that supports our “Strong and Kind (Tsuyokute Yasashii)” product brand (Mitsui Direct General)

MSI ADI InterRisk **Enhancement of accident responses**	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 we have made the handling of claims more efficient (accident response). New features added to the dash cam-based AI accident explanation system "Ai's" (MSI) (in Japanese only) New features implemented in the telematics damage service system (ADI) (in Japanese only) We have launched an initiative for analyzing satellite images using AI and visualizing the average amount of damage to buildings in each region within three days after a disaster, at the earliest, in the event of a typhoon equivalent to a severe disaster. We have reduced the average time from receipt of accident claims to the start of damage investigation by seven days, accelerated the start of remedial and repair work, and we help expedite disaster victim certification procedures in collaboration with partner local governments. World First — Visualization of the average amount of damage to buildings in each region within three days after a disaster, at the earliest, in the event of a typhoon (ADI) (in Japanese only) 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. Full-scale introduction of NEVA, a business automation system, for seamless linkage of cases (ADI) (in Japanese only)
ADI **Enhancement of claim settlement operations**	We developed a fraud detection system that utilizes AI to eliminate fraudulent claims for auto repairs, strengthening our damage investigation system by ascertaining repair claim trends for each auto repair shop. Developed an AI fraud detection system to deal with fraudulent insurance claims (ADI) (in Japanese only)
Group-wide **Strengthening of information security management**	In line with MS&AD Insurance Group Information Security Management Basic Policy, we have been pursuing consistent system security management across the 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. Information Management

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:
FY2023 (April 1, 2023 - March 31, 2024)

ESG Data

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

  Standard amount per position × business performance coefficient

  (financial indicators × 20% + non-financial indicators × 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%

<Breakdown of 25% of Stock-based remuneration>

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

25% × 20% = 5%.

The ratio of non-financial indicators (indicators to reflect medium- to long-term performance contributions) is 25% × 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 2023 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	55	177,414	481	9.15
Yasuzo Kanasugi	Director	56	197,145	534	
Noriyuki Hara	Director, President&CEO	65	184,890	501	7.71

*: March 31, 2024 end-of-day basis

Risk Management

Impact of Material Risks and Mitigation Measures

■Changes in the environment surrounding human resources

The Group recognizes changes in the environment surrounding human resources as one of the important risks in light of the following:

・A gap between management strategies and the human resources portfolio, as well as a shortage in securing or developing human resources to eliminate the gap due to external changes in the human resources market, labor supply-demand, and changes in the skills and expertise necessary for implementing strategies such as DX promotion.

・A decline in employee engagement and an outflow of human resources due to insufficient organizational response to harassment and a lack of employee support program that accurately captures changes in employees' attitudes toward autonomous career opportunities, flexible / diverse work styles, and respect for diversity.

Impact	・The Group's medium-term management plan calls for the value creation through the global expansion of CSV×DX and the transformation of the business by reforming the structure of the business and adapting to changes in the business environment, including the creation of new businesses. ・The greatest asset of the Group pursuing this strategy is human resources, and each employee is responsible for the concrete implementation of the strategy. In particular, "digital human resources" and "overseas human resources" are the cornerstones of the strategy, as they are responsible for the global expansion of CSV×DX and the transformation of business and risk portfolios. In order to realize changing structure of the business and creation of new businesses in adapting to business environment, it is important to elicit and utilize the opinions and ideas of various employees. If there is a shortage of such human resources or if employees are unable to demonstrate their abilities, skills, and motivation, it will be impossible to execute the strategy and the achievement of the goals set forth in the medium-term management plan.

Mitigation measure	Promote digital human resources development programs which all employees acquire basic digital skills with the aim of fostering human resources leading the CSV×DX strategy. Based on our in-house certification system and education programs, we are systematically improving our skills in both business and digital fields. We are implementing the Group's unique Digital Human Resources Development Program in cooperation with universities and other institutions. ・We are implementing the initiatives for management personnel and "Professional human resources (Accounting, Finance, IT, Risk Management, etc.)" necessary for overseas businesses, including nomination-based training, overseas dispatch training, and the global trainee system, to develop in a multifaceted and planned manner. ・For digital and overseas personnel, we set KPIs and focus on the development of human resources while confirming the progress of their development. ・In order to improve employee engagement, it is important to develop a work environment that includes opportunities for autonomous career development, flexible, efficient, and effective working styles, and a corporate culture that supports individual's endeavours. We are promoting the provision of opportunities for autonomous career development and diverse and flexible working styles. At the same time, we are working to pursue diversity, equity, and inclusion (DE&I) by promoting women and young personnel to decision-making positions, and by developing management know-how that actively draws on opinions and ideas.

Please refer to ERM and Risk Management for other important risks.

Impact of Emerging Risks and Mitigation Measures

■Utilization of AI

The technology of AI (Artificial Intelligence) that operates and learns autonomously is advancing daily and is being utilized to drive innovation in many industries. Among these, generative AI, which can generate text, images, programs, and more, has been gaining attention in recent years, making it easier for many people to use AI. Our company group is also advancing the use of generative AI.

Impact	Generative AI facilitates tasks such as document summarization and translation, transcription of speech, and image creation. Therefore, our company group is leveraging generative AI with the aim of improving operational efficiency and productivity. Specifically, we are using it for tasks such as compiling meeting minutes and creating illustrations for presentation materials, and we are working to further expand its use. On the other hand, as the use of generative AI in business and the advancement of technology progress, there are medium-term risks associated with the potential for human rights and intellectual property violations, information leaks, and the dissemination of false or misleading information. Should such issues arise, there is a risk that our company group's corporate value could be significantly damaged, leading to a loss of social trust.
Mitigation Measures	In utilizing generative AI, our company group is taking the following measures to mitigate these risks: Developing guidelines for risk management in the use of AI within the Group, including those specific to generative AI. Mandating that employees receive training on the risks associated with generative AI before they utilize it. Having the headquarters' management department obtain logs of employees' use of generative AI and conduct regular risk monitoring. To strengthen AI governance, establishing meetings comprising relevant departments from the Holdings and domestic insurance subsidiaries to regularly share the actual use of generative AI and discuss the direction of governance. In addition to monitoring the Group's situation, we are also keeping an eye on external environmental changes such as trends in domestic and international regulations and technological advancements. We are advancing our efforts with agile governance in mind to continually improve AI governance.

Please refer to ERM and Risk Management for other emerging risks.

Risk Culture

We are implementing the following initiatives to cultivate a risk culture.

・Dissemination and explanation from the top management on business plans and promotion of ERM.

・Implementation of training and learning programs for employees on ERM and risks related to our business

[Providing mandatory online training programs for all employees and face-to-face hierarchical training program on topics such as ; Information management and cybersecurity, human rights, crisis management, compliance, quality improvement, sustainability, etc.]

・Posting explanations, policies, and commentary about ERM on the intranet

・To further promote employees' understanding, the ORSA report (Own Risk and Solvency Assessment) is posted on the intranet (internal homepage). An English version and a summary version are also posted for employees.

・Incorporating a risk management perspective into the rules and standards in the process of developing products and services

[Risks related to customer protection, underwriting risks, market risks, risks related to damage support operations, administrative and system risks, risks related to information management, etc.]

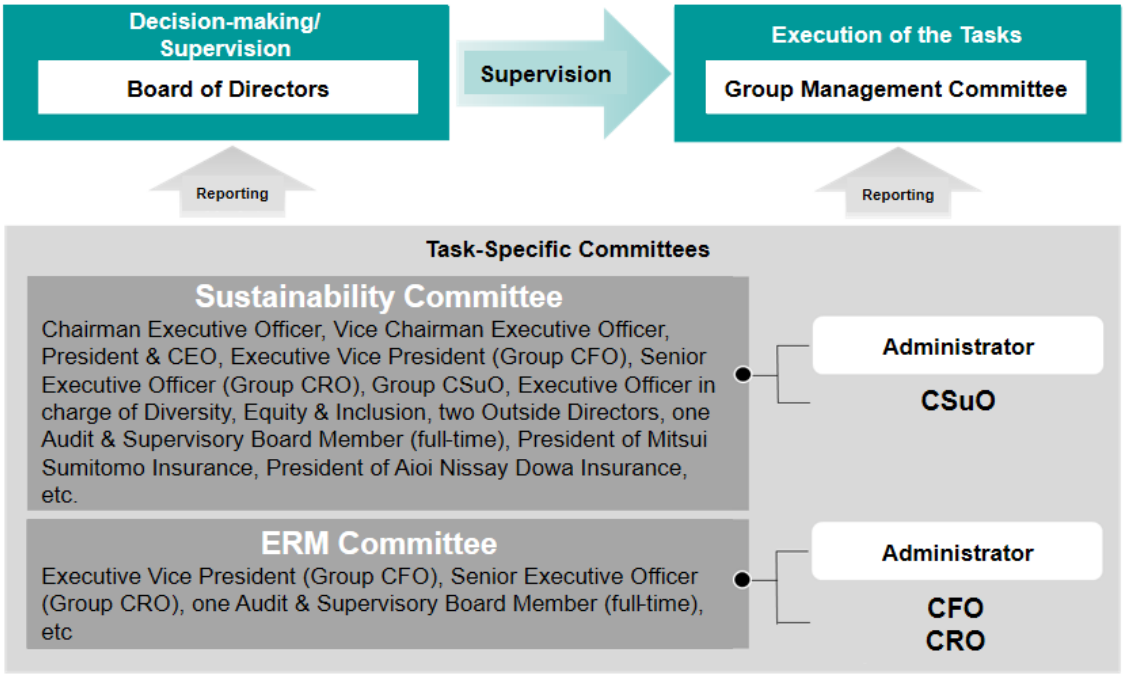
・Introduction of financial incentives incorporating risk management and compliance indicators [Evaluating the performance of branches in terms of enhancing underwriting, implementing risk solutions and complying with regulations for the sustainable provision of insurance]

Contribute to Climate Change Mitigation and Adaptation

Governance change from previous year

We maintain a climate-related governance structure composed of the Board of Directors, the Group Management Committee, and Task-Specific Committees such as Sustainability Committee.

CSuO（Group Chief Sustainability Officer）has been newly assigned fiscal 2023 and administrates Sustainability.



Remuneration in Relation to Climate Issues –Incentives

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.
Other employees are also incentivized through annual appraisal where achievement of climate-related KPI in his charge is considered.

Portfolio scope of Business Activities with Consideration for Sustainability

Business Coverage for our fossil fuel-related policies in “Business Activities with Consideration for Sustainability” is all of active, passive and third-party managed investment and all direct and re-insurance excluding treaty-re-insurance.

Climate Activities through initiatives and Trade Associations

Our memberships of industry associations and outside initiatives will promote "Initiatives to Achieve Net Zero By 2050".
While ascertaining the decarbonization pathways that these organizations are pursuing, the status of their membership and activities are managed by the line of control, and important information is reported to the director in charge. After management of the status of membership and activities by the line of control, material matters are reported to the officer in charge. We will respond through discussions with the organizations when found necessary to confirm consistency with our policy.

TCFD Task Force in Climate-related Financial Disclosures

■Value chain stages covered by climate risk assessment

We consider the effects of physical changes in weather conditions and the transition to a net-zero society to be risks in our business operations including value chain including both upstream and down stream, and are working to ensure stable earnings and financial soundness.

■Scenario Analysis

Scenario Analysis has been updated in August 2023 in our TCFD・TNFD disclosure (link below).

Climate/Nature-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: 4.2% Medium Carbon Price Scenario: 8.9% High Carbon Price Scenario: 18.5%	Developed by Trucost referring to Nationally determined contributions (NDCs), OECD and IEA.

■**Physical Climate Risk Adaptation** (Context Specific Plan)

To cope with this changing environment and to take as much benefits out of it, we have been developing and launching a number of products and services related to physical risks of climate change. We are expanding the geographical areas abroad by tackling climate change as an opportunity. For example, we offer a variety of financial products and services that adapt towards climate change and also considering behavior change of consumers by providing products such as Weather derivatives, Weather index insurance platform for farmers, and so on (Refer “Providing Coverage for Damage/Loss Caused by Natural Disasters” on “Action on Climate Change” page of “Sustainability Report” web site).

We have conducted scenario analysis. 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".

We 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 FY 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.

The domestic non-life insurance business is the Group’s core business, and a wide range of things would be done to improve the profitability of the domestic non-life insurance business. More than before, we will work to optimize underwriting and further improve productivity. Strategic system investments will be made as planned, and we will respond to rising non-personnel and personnel expenses due to inflation by steadily and boldly advancing our “One Platform Strategy.” In addition, as a risk diversification to the international and life insurance businesses, we will expand our international business by increasing underwriting of good-performing policies in MS Amlin, for which profitability is recovering, and by disciplined business investment. In the domestic life insurance business, we will further promote life and non-life insurance cross-selling and increase profits by capturing asset formation needs. We will strengthen our ability to generate profits from our international and domestic life insurance businesses so that 50% of the Group’s profits will be generated from businesses other than the domestic non-life insurance business by FY2025. We aim to achieve stable profits for the Group as a whole, even if individual businesses experience factors that reduce profits such as natural disasters.

ESG Data / Reference Material

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

Subject period:
FY2023 (April 1, 2023 - March 31, 2024) For Overseas insurance subsidiaries, FY2023 (Jan 1, 2023 - Dec 31, 2023)

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	○	74.1%	○	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 (184KB)
- The Calculation Methodology (442KB)

ISO 26000 Core Subjects (Organizational Governance)

Corporate Governance

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.

- 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 24 June 2024)

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 4.1years

*2 Outside directors average tenure 4.0years

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

Corporate Auditors (as of 24 June 2024)

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			FY2023
Business Execution, Oversight	Board of Directors		12 *1
	Governance Committee		2
	Group Management Committee		12
	Task-Specific Committees		
		Sustainability Committee	4
		Quality Improvement and Compliance Committee	4
		Digitalization Committee	4
		Group Systems Committee	14
		Group International Business Committee	3
		Risk Management Committee	9
		Group standardization Committee	4
Auditing, Oversight	Board of Auditors		11 *2

*1 Outside Directors　average attendance rate 100%. All directors average attendance rate 100%　（We are operating to ensure an attendance rate of at least 75%）

*2 Outside Corporate Auditors average attendance rate 95.5%

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 5,968,600	-	Share Unit Number (100 shares)
Shares with Full Voting Right (others)	Common Stock 528,485,800	5,284,858	Same as above
Fractional Shares	Common Stock 1,617,000	-	Fractional Shares (Less than 100 shares)
Total number of Outstanding Shares	536,071,400	-	-
Total number of Vote	-	5,284,858	-

Political Donations*1

Name of Organization	Coverage	Unit	FY2021	FY2022	FY2023
The People's Political Association (Liberal Democratic Party)	Consolidated	thousand JPY	21,000	21,100 *2	21,000

*1 As a member of society, MS&AD Insurance companies believe that it is necessary to pay an appropriate share, and we make political donations to the extent permitted by law.

*2 The figures for the fiscal year 2022 have been corrected due to errors.（Correction made on July, 2024）Before correction：21,000 After correction：21,100

Amount of Contributions to Initiatives

MS&AD Insurance Group contributed to the following initiatives to achieve environmental conservation on a global scale and the realization of a sustainable society.

Name of Organization	Unit	FY2022	FY2023
UNEP Finance Initiative	thousand JPY	2,942	3,615
Global Compact Network Japan	thousand JPY	1,510	2,810
Total		4,452	6,425

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

Reporting on Breaches

Items	Coverage	FY2023 Case reported
Corruption or Bribery	Consolidated	0
Conflicts of Interest		0
Money Laundering or Insider trading		0

* Number of reports to the meeting

Speak-Up System (Whistleblowing System)

Items	Coverage	Units	FY2021	FY2022	FY2023
Number of cases reported *1	Consolidated	cases	254	298	333 *2

*1 Including Consultation

*2 Of the cases received in FY 2023, 164 were related to harassment (including suspicious cases).

- 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.

Indicators	FY2021 Achievement	FY2022 Achievement	FY2023 Achievement
Customer satisfaction survey about insurance contract procedures	97.6%	98.0%	98.0%
Customer satisfaction survey about payment of insurance claim	96.8%	95.7%	96.1%

For details of the questionnaire on customer satisfaction survey of each company, please visit their website.

ISO 26000 Core Subjects (Environment)

MS&AD Insurance Group Environmental Basic Policy

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	FY2021	FY2022	FY2023	Third-Party Assurance
GHG emissions (Scope1,2,3) *	Consolidated	t-CO2	198,393 (▲11.7%)	189,989 (▲4.2%)	187,177 (▲1.5%)	
GHG emissions (Scope 1)	Group Domestic + Other	t-CO2	14,915 (▲6.1%)	14,102 (▲5.5%)	12,439 (▲11.8%)	✓
	Consolidated	t-CO2	17,584 (▲10.7%)	16,804 (▲4.4%)	15,589 (▲7.2%)	✓
GHG emissions (Scope 2)	Group Domestic + Other	t-CO2	51,629 (▲5.8%)	45,263 (▲12.3%)	38,965 (▲13.9%)	✓
	Consolidated	t-CO2	53,907 (▲6.4%)	47,956 (▲11.0%)	41,634 (▲13.2%)	✓
GHG emissions (Scope 1 and Scope 2 combined)	Group Domestic + Other	t-CO2	66,544 (▲5.9%)	59,364 (▲10.8%)	51,404 (▲13.4%)	✓
	Consolidated	t-CO2	71,491 (▲7.5%)	64,760 (▲9.4%)	57,222 (▲11.6%)	✓
GHG emissions (Scope 3) *	Consolidated	t-CO2	126,902 (▲13.9%)	125,229 (▲1.3%)	129,955 (3.8%)	

* We have revised the figures of the fiscal year 2021 and 2022 due to changes in the calculation method for Scope 3 Category 3.

GHG Emissions (Scope 3)

(Percentage change from the previous year in parenthesis)

Items	Coverage	Units	FY2021	FY2022	FY2023	Third-Party Assurance
Category 1 Purchased goods and services *1	Group Domestic + Other	t-CO2	43,881 (▲7.7%)	41,509 (▲5.4%)	39,607 (▲4.6%)	✓
Category 2 Capital goods	Consolidated	t-CO2	50,784 (▲17.9%)	48,107 (▲5.3%)	48,766 (1.4%)	
Category 3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2) *2	Consolidated	t-CO2	14,028 (▲12.3%)	12,744 (▲9.2%)	11,760 (▲7.7%)	✓
Category 5 Waste generated in operations	Consolidated	t-CO2	1,172 (▲9.5%)	1,568 (33.8%)	1,498 (▲4.5%)	✓
Category 6 Business trip	Consolidated	t-CO2	4,232 (1.7%)	9,115 (115.4%)	15,232 (67.1%)	✓
Category 7 Employee commuting	Group Domestic + Other	t-CO2	6,983 (▲29.9%)	6,712 (▲3.9%)	7,733 (15.2%)	✓
Category 13 Downstream leased assets	Consolidated	t-CO2	5,821 (▲11.5%)	5,473 (▲6.0%)	5,360 (▲2.1%)	✓
Category15：investments	Group Domestic	Please refer to 【Underwriting・Investments】for details *3				

*1: Subject: Paper and mail

*2: We have retroactively adjusted the figures of fiscal year 2021 and 2022 by excluding renewable energy usage.

*3: 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	FY2021	FY2022	FY2023	Third-Party Assurance
Electricity	Consolidated	MWh	131,255 (▲1.6%)	124,892 (▲4.8%)	114,653 (▲8.2%)	✓
Heat supply	Consolidated	GJ	64,867 (▲4.3%)	61,824 (▲4.7%)	58,699 (▲5.1%)	
City gas	Consolidated	thousand m3	1,952 (0.8%)	1,955 (0.1%)	1,997 (2.2%)	
Liquefied Petroleum Gas	Consolidated	t	47 (▲43.3%)	51 (10.5%)	11 (▲78.2%)	
Heavy oil	Consolidated	kℓ	45 (12.8%)	40 (▲11.6%)	41 (3.5%)	
Kerosene	Consolidated	kℓ	30 (▲47.4%)	24 (▲21.4%)	16 (▲31.9%)	
Diesel oil	Consolidated	kℓ	0.6 (2.7%)	0.6 (7.4%)	0.5 (▲12.9%)	
Gasoline	Consolidated	kℓ	5,574 (▲13.0%)	5,237 (▲6.0%)	4,938 (▲5.7%)	✓
Total energy consumption *1	Consolidated	MWh	228,273 (▲4.8%)	217,863 (▲4.6%)	202,038 (▲7.3%)	✓
		GJ	821,784 (▲4.8%)	784,307 (▲4.6%)	727,336 (▲7.3%)	✓

*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	FY2021	FY2022	FY2023	Third-Party Assurance
Paper		Group Domestic + Other	t	9,090 (▲9.4%)	8,301 (▲8.7%)	7,646 (▲7.9%)	
Proportion of paper with forest certification *		MSI, ADI, Mitsui Direct General, MSI Primary Life	%	28.3 (▲0.6%)	34.4 (21.7%)	32.6 (▲5.1%)	
Total water use		Consolidated	thousand m3	707 (▲7.7%)	683 (▲3.4%)	690 (1.1%)	✓
Disposed waste	Total	Consolidated	t	7,286 (▲6.8%)	8,760 (20.2%)	7,752 (▲11.5%)	✓
	Recycled		t	4,226 (▲9.0%)	5,498 (30.1%)	4,558 (▲17.1%)	✓
	Final disposal amount		t	3,060 (▲3.6%)	3,262 (6.6%)	3,193 (▲2.1%)	✓
	Incinerated		t	2,988 (▲1.5%)	3,173 (6.2%)	3,153 (▲0.6%)	
	Landfilled		t	72 (▲48.7%)	89 (23.6%)	41 (▲54.3%)	
Business trip		Consolidated	thousand passenger -km	43,998 (▲1.1%)	108,917 (147.6%)	159,721 (46.6%)	✓

*: We have revised the coverage to add Mitsui Direct General and MSI Primary Life to FY2022 figure. FY2021 coverage is MSI and ADI.

Renewable Energy Generation

We have installed solar power generation systems in our domestic eight buildings, and are promoting to reduce GHG emissions by using these renewable energy.

(Percentage change from the previous year in parenthesis)

Items	Coverage	Units	FY2021	FY2022	FY2023	Third-Party Assurance
Energy Generation	8 Buildings *1	kWh	68,430 (25.7%)	91,134 (33.2%)	136,169 (49.4%)	✓
Energy Consumption *2	Consolidated	kWh	18,136,730 (37.1%)	26,393,327 (45.5%)	26,426,580 (0.1%)	✓
Renewable energy introduction rate	Consolidated	%	13.8 (39.4%)	21.1 *3 (52.9%)	23.0 (9.1%)	

*1: MSI Surugadai bldg. & Surugadai Annex, Tamagawa Training Center, MSI Osaka Yodoyabashi bldg, MSI Kooriyama bldg, MSI Omiya Higashi-cho bldg, MSI Okayama bldg, ADI Tokyo Customer Center

*2: Includes power generation from renewable energy sources and use of renewable energy certificates. Note that 1,548,000 kWh of the certificates are issued under multi-countries.

*3: Correction made on August, 2023 Before correction：24.1 After correction：21.1

Carbon Credit

Items	Coverage	Units	FY2021	FY2022	FY2023
Voluntary Credit	1 entity * (Business travel offset)	t	0	150	106

*: MS Amlin

Cost Effect

Items	Coverage	Units	FY2021	FY2022	FY2023
Electricity *1	Consolidated	thousand JPY	▲64,468	▲247,086	▲373,343
Gasoline *2	Consolidated	thousand JPY	▲135,477	▲57,121	▲52,318
Copy Paper	Group Domestic + Other	thousand JPY	▲28,892	▲80,187	10,525

*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 *2	Units	FY2021	FY2022	FY2023
Ratio of Web Policy Clause *1	MSI, ADI, MSI Aioi Life, MSI Primary Life	%	77.6	80.3	84.7
Number of trees corresponding to the reduced amount of paper	MSI, ADI, MSI Aioi Life, MSI Primary Life	tree	24,848	26,897	29,958

*1: Online "Terms & Conditions" in consideration of environment

*2: We have revised the coverage to add Mitsui Sumitomo Aioi Life Insurance and MSI Primary Life to FY2023 figure. FY2022 coverage is MSI and ADI.

ISO 26000 Core Subjects (Community Involvement and Development)

MS&AD Group has been providing an environment that nurtures imagination, allows our employees to engage more deeply with their communities and society, and encourages their participation in and support for community development through our social contribution activities.

Through these activities, our employees have the opportunity to broaden their horizons, think from diverse perspectives, and build a strong network within the local community.
We are committed to supporting the growth of our employees by providing these activity opportunities, while simultaneously promoting contribution to local communities.

Items		Coverage	Units	FY2021	FY2022	FY2023
Number of acquirer of Volunteer leave		MSI, ADI, MSI Aioi Life	people	15	3	20
Number of acquirer of Volunteer suspension		MSI, ADI, MSI Aioi Life	people	0	0	0
Number of employees engaged in social contribution activities		Group Domestic	people	23,024	22,553	21,231
MS&AD Unison Smile Club Number of members		Group Domestic	people	13,971	13,191	12,539
Disaster Relief Donation Matching Gift Program	Donated amount *1	Consolidated	thousand yen	21,479	25,092	64,238
	Number of participants *2	Consolidated	people	7,979	9,213	19,006
Corporate philanthropic contributions		Group Domestic	thousand yen	1,103,218	1,287,754	1,387,288
(Breakdown) Purpose	Charitable Donations			142,813	41,146	62,848
	Community Investments			626,247	870,053	922,873
	Commercial Initiatives			334,158	376,555	401,567
(Breakdown) Money conversion	Cash contributions			979,210	1,227,540	1,321,214
	Employee volunteering during paid working hours			2,270	90	750
	In-kind donation, facility opening etc			23,860	13,180	13,210
	Management overheads			97,878	46,944	52,114

*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	FY2021	FY2022	FY2023	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	39,962	38,584	38,391	
					(8,103)	(7,177)	(6,448)	
			male		18,433	17,718	17,373	
			female		21,529	20,866	21,018	
	Group domestic	male-female combined total			30,724	29,030	28,456	
					(7,321)	(6,414)	(5,706)	
			male		14,184	13,298	12,692	
			female		16,540	15,732	15,764	
		companies	MSI		13,453	12,572	12,143	
			ADI		13,503	12,741	12,502	
			Mitsui Direct General		528	498	536	
			MSI Aioi Life		2,436	2,391	2,410	
			MSI Primary Life		403	410	415	
		holding company	HD		401	418	450	
		Domestic employees (including group companies) /Consolidated employees		%	76.9	75.2	74.1	
	Overseas	male-female combined total		people	8,943	9,217	9,558	✓
					(771)	(717)	(675)	
			male		4,027	4,172	4,417	
			female		4,916	5,045	5,141	
		Overseas employees/ Consolidated employees		%	22.4	23.9	24.9	✓
	Others *2	male-female combined total		people	295	337	377	
			male		222	248	264	
			female		73	89	113	
		Other employees/ Consolidated employees		%	0.7	0.9	1.0	

*1: Excludes employees transfering out of the company, but includes employess transferring in. Excludes excecutive 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 will be included Overseas.

Number of Employees by Age

Items	Coverage			Units	FY2021	FY2022	FY2023
Number of Employees by Age (Group Domestic)	Under 30	male-female combined total		people	6,416	5,491	4,984
			male		2,175	1,881	1,724
			female		4,241	3,610	3,260
	30～39	male-female combined total			6,852	6,682	6,742
			male		2,825	2,734	2,644
			female		4,027	3,948	4,098
	40～49	male-female combined total			7,276	6,772	6,576
			male		3,106	2,820	2,660
			female		4,170	3,952	3,916
	50～59	male-female combined total			7,989	7,730	7,655
			male		4,498	4,226	3,991
			female		3,491	3,504	3,664
	60 and above	male-female combined total			2,173	2,334	2,481
			male		1,566	1,621	1,659
			female		607	713	822
	Others *				18	21	18

*: No further classification due to privacy

Employment

Items	Coverage		Units	FY2021	FY2022	FY2023
Average age *1	Group domestic	male-female combined total	age	42.3	42.8	43.1
	Group domestic	male		44.9	45.3	45.5
	Group domestic	female		40.0	40.7	41.2
Average length of service	Group domestic	male-female combined total	year	13.9	14.2	14.4
	Group domestic	male		14.9	15.0	15.1
	Group domestic	female		13.1	13.5	13.8
New-graduate recruits *2	Group domestic	male-female combined total	people	459	460	675
	Group domestic	male		164	194	367
	Group domestic	female		295	266	308
Number of mid-career hires *3	Group domestic	male-female combined total	people	190	309	859
	Group domestic	male		78	173	348
	Group domestic	female		112	136	511

Total turnover rate		Group domestic	male-female combined total	%	4.7	5.4	4.4
Turnover Rate (Voluntary) *4		Group domestic	male-female combined total	%	3.2	3.5	3.3
The ratio between the total annual compensation of the Chief Executive Officer and the mean employee compensation	Total annual compensation of the Chief Executive Officer	HD	male-female combined total	million JPY	133	127	139
	Mean employee compensation			JPY	10,976,292	11,013,816	11,013,096
	Ratio			times	12.1	11.5	12.6

*1: The end of March of each year

*2: The number of new hires in April of each next year

*3: The number of new employees in fiscal year

*4: Exclude retirees and are calculated based on voluntary resignees.

Diversity

We are promoting diversity, equity and inclusion (DE&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 15% target in FY2020. We have set a new target, aiming for 30% in FY2030.

Items	Coverage		Units	FY2021	FY2022	FY2023	Third-Party Assurance
Employment rate and number of employees with disabilities	Group domestic		%	2.55	2.59	2.63	✓
			people	716	702	702	✓
Rehiring Program after retirement Number of users *1	Group domestic		people	1,650	1,795	1,947	
Percentage and number of females among board members and corporate auditors*2	HD	Board members	%	27.3	27.3	27.3	
			people	3	3	3	
		Corporate Auditors	%	50.0	50.0	50.0	
			people	2	2	2	

Percentage and number of females in managerial positions*3	Consolidated	General Managers*4	%	18.9	17.1	20.1	
			people	294	338	407	
		Managers*5	%	23.7	26.2	28.7	
			people	1,549	1,638	1,781	
		Total managerial positions	%	22.7	24.7	26.6	✓
			people	1,843	1,976	2,188	✓
	Group domestic	General Managers	%	5.2	6.5	8.4	
			people	64	78	100	
		Managers	%	20.6	22.9	24.9	
			people	990	1,060	1,178	
		Total managerial positions	%	17.5	19.5	21.6	✓
			people	1,054	1,138	1,278	✓
		Division that contributes to sales: Total managerial positions *6	%	15.8	18.5	19.8	
			people	593	651	693	
Percentage and number of females in non-managerial positions	Group domestic		%	-	-	64.3	
			people	-	-	14,486	
Percentage of females in STEM-related departments*7	Group domestic		%	-	-	18.7	
Percentage of women among employees who were promoted	Group domestic		%	-	-	65.9	

*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,*5: In July 2024, revised the FY2022 results (changed the counting method for General Managers and Managers)

*6:Number of sales and insurance payers

*7:STEM (Science, Technology, Engineering, Mathematics) related departments

Wages of Employees

Items	Coverage				Units	FY2021	FY2022	FY2023	Third-Party Assurance
Gender wage gap *1	Group domestic	companies	MSI *2	All employees	%	-	43.6	46.3	✓
				Full-time employees	%	-	50.7	53.0	✓
				Non-full-time employees	%	-	30.6	32.7	✓
			ADI *3	All employees	%	-	52.8	55.2	✓
				Full-time employees	%	-	56.7	58.6	✓
				Non-full-time employees	%	-	65.5	64.4	✓
			Mitsui Direct General *4	All employees	%	-	61.9	63.6	✓
				Full-time employees	%	-	56.3	56.3	✓
				Non-full-time employees	%	-	65.7	80.1	✓
			MSI Aioi Life *5	All employees	%	-	56.0	58.8	✓
				Full-time employees	%	-	56.1	58.8	✓
				Non-full-time employees	%	-	44.0	45.8	✓
			MSI Primary Life *6	All employees	%	-	64.9	69.1	✓
				Full-time employees	%	-	64.3	68.3	✓
				Non-full-time employees	%	-	84.9	72.5	✓
		holding company	HD *7	All employees	%	-	65.1	64.7	✓
				Full-time employees	%	-	65.7	63.0	✓
				Non-full-time employees	%	-	84.1	91.2	✓

*1: Female's wage / Male's wage (Wages do not include commuting expenses)

*2: Excludes seconded employees (But includes employees seconded from other companies whose wages are paid by MSI) ; Full-time: excludes executive officers and directors; Non-full-time: excludes temporary employees, but includes insurance consultants, directors and professional employees (industrial physicians, highly skilled professionals, etc.)

*3: Excludes seconded employees; Full-time: excluding executive officers and including directors; Non-full-time: excluding temporary employees.

*4: Excludes seconded employees; Full-time: excluding executive officers and including directors; Non-full-time: excluding temporary employees.

*5: Excludes seconded employees; Full-time: excluding executive officers, directors and senior managers, including career LC employees; Non-full-time: excluding temporary employees, including directors, senior managers and LC employees.

*6: Excludes seconded employees (But includes employees seconded from other companies whose wages are paid by MSI Primary Life); Full-time: excluding executive officers and advisors; Non-full-time: excluding temporary employees.

*7: All employees are seconded from subsidiaries, etc.; Full-time: excluding executive officers, Non-full-time: excluding temporary employees

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	FY2021	FY2022	FY2023
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	FY2021	FY2022	FY2023
Labor union membership rate	Group domestic	%	93.4	93.8	93.7

Human Asset Development

Items	Coverage		Units	FY2021	FY2022	FY2023
Total training hours	Group domestic		hours	954,523	1,402,280	1,524,914
Average training hours per person	Group domestic		hours	31.1	48.3	53.6
Total training cost	Group domestic		thousand JPY	1,630,995	2,575,357	1,279,462 *1
Average training cost per person	Group domestic		JPY	53,085	88,714	44,963 *2
Number of participants of the Trainee System*3	Group domestic		people	1,258	539	645
Number of participants of the Global Trainee System*4	Consolidated	Total	people	195	190	129
		Domestic employee		82	90	60
		Local employee		113	100	69
Number of participants of the overseas career training program*5	Group domestic		people	7	30	40
Number of participants of the Temporary Transfer System to Headquarters from Overseas Branches*6	Consolidated		people	0 *7	4	9
Number of actuaries*8	Group domestic	male-female combined total	people	127	135	145
		male	people	123	130	138
		female	people	4	5	7
Digital human resources*9	Group domestic		people	2,179	3,601	5,814
Global human resources *10	Group domestic		people	1,129	1,182	1,189
Human Capital ROI (Return on Investment)*11	Group domestic	Total Revenue	million yen	5,132,042	5,250,794	6,572,889
		Total Operating Expenses	million yen	1,620,664	1,727,500	1,873,694
		Total employeerelated expenses (salaries + benefits)	million yen	324,093	313,148	316,918
		Human Capital ROI *12	times	11.8	12.3	15.8

*1/*2:The calculation method has been changed from FY2023

*3: Short-term program which allows employees to experience work they have never done before, at the request of the employee.

*4: Short-term program which allows employees at the head office in Japan to experience working at overseas subsidiaries, as well as local employees at overseas subsidiaries to experience working at the head office.

*5: MBA dispatch program, and training program which allows employees to experience working for a year at overseas subsidiaries or insurance companies.

*6: 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.

*7: Number decreased due to immigration restrictions by COVID-19

*8: 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).

*9: Employees who can utilize the latest digital technology and data (as of next April 1 of every fiscal year)

*10: Employees who have experienced expatriates and potential candidates (as of next April 1 of every fiscal year)

*11: Added this item in July 2024. The results of FY2020 are as follows;

Total Revenue (million yen):4,892,244 / Total Operating Expenses (million yen):1,612,667 / Total employeerelated expenses (million yen):330,484 / Human Capital ROI (times):10.9

*12: Total Revenue-(Total Operating Expenses-Total employeerelated expenses)/Total employeerelated expenses

Employee satisfaction *1

Items	Coverage	Units	FY2021	FY2022	FY2023
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	4.6	4.6	4.7

*1: The results of the opinion poll asking all Group employees (all-employee average on a 6-point scale, Scope: 42,518 all domestic employees including temporary employees at the time of survey, Response rate: 96.1%).

*2: Ratio of employees feeling pride or job satisfaction

*3: Ratio of employees, regardless of sex and age, feeling free and lively at workplaces.

Programs for Promoting Work-life Balance

Items	Coverage *1		Units	FY2021	FY2022	FY2023	Third-Party Assurance
Temporary leave before / after childbirth Number of acquirers	Group domestic		people	767	833	733	
Number of employees taking childcare paid leave	Group domestic	male-female combined total	people	1,092	1,143	1,013	
		male		355	383	311	
		female		737	760	702	
Acquisition rate of childcare paid leave	Group domestic	male-female combined total	%	92.7	97.0	96.4	
		male		86.4	92.5	89.9	✓*2
		female		96.1	99.5	99.6	
Flexible working hours for childcare Number of acquirers	Group domestic	shorter hours	people	1,246	1,303	1,292	
		flextime		101	112	140	
		change of Starting / finishing time		99	191	157	
Employee retention rate one year after taking childcare leave	Group domestic		%	-	-	64.5	
Temporary retirement for nursing Number of acquirers	Group domestic	male-female combined total	people	19	23	22	
		male		2	3	2	
		female		17	20	20	
Flexible working hours for nursing Number of acquirers	Group domestic	number of acquirers	people	21	43	24	
Paid leave	Group domestic	ratio of days taken*3	%	74.3	74.6	75.1	
		days taken	days	16.3	16.4	16.5	

*1: Includes temporary employees

*2: Third-Party Assurance has been obtained since FY2022

Number of employees who took childcare leave/Number of the employees whose spouses gave birth

*3: 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	FY2021	FY2022	FY2023	Third-Party Assurance
Number of claims for work related injuries	Group domestic	Total	cases	189	208	204	
		Work-related accident	cases	78	79	72	
		Accident during commute	cases	111	128	132	
		Fatality accident	cases	0	1	0	
Consultation rate of Medical Checkup*1	Group domestic		%	100.0	100.0	100.0	
Absentee rate*2	Group domestic		%	0.548	0.599	0.534	✓

*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

Transition to 2050 Net Zero (3,488KB)

Premium Income of Products that Contribute to a Decarbonized and Circular Economy and Products which Help Improve the Resilience of Society

Item	Scope	Unit	FY2023
Premiums of Products that contribute to a decarbonized and circular economy and products which help improve the resilience of society*	MSI、ADI	million yen (%)*	205,883 (4.8%)

*:Percentage of net premium written

Products that Contribute to a Decarbonized and Circular Economy

Item	Scope	FY2022	FY2023
Premium growth rate of products which contribute to decarbonization and circular economy	MSI、ADI	17.9%	24.5%

Products which Help Improve the Resilience of Society

Item	Scope	FY2022	FY2023
Rate of increase in the number of underwritten policies for products which help improve the resilience of society	MSI、ADI	29.4%	17.6%

Greenhouse Gas Emissions in Investment Portfolio(Scope3 Category15)

Our company is upgrading our methodologies in line with developments. The Group calculates the greenhouse gas (GHG) emissions from our investments and loans in accordance with the methodology developed by the Partnership for Carbon Accounting Financials (PCAF), which specializes in creating standards for financial institutions to measure GHG emissions.
The emissions in the table below are calculated using Trucost's analytical tools, which determine greenhouse gas (GHG) emissions based on disclosure information from the investee companies. In the absence of available disclosure information, proprietary modeling approaches are used. Additionally, the estimates provided by PCAF are utilized.The calculations are based of target Scope 1 and Scope 2 emissions of the investee companies.

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

Asset Class		FY2021 *1	FY2022 *2	FY2023 *3
Stocks	Absolute	2,501	2,302	2,111
	Intensity	131.5	114.5	100.1
Corporate bonds	Absolute	2,538	2,400	1,944
	Intensity	205.6	221.5	152.2
Business Loans	Absolute	273	286	225
	Intensity	256.5	273.2	184.3

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

Region			FY2021 *1	FY2022 *2	FY2023 *3
Japan	Stocks	Absolute	2,365	2,124	2,009
		Intensity	112.9	87.5	85.5
	Corporate bonds	Absolute	1,814	1,589	1,428
		Intensity	127.1	117.7	88.1
	Business Loans	Absolute	259.2	247.0	204.9
		Intensity	241.5	224.1	165.6
Americas	Stocks	Absolute	103	141	77
		Intensity	15.4	23.4	10.7
	Corporate bonds	Absolute	358	499	301
		Intensity	48.5	77.0	45.4
	Business Loans	Absolute	13.9	39.4	20.3
		Intensity	14.9	48.8	18.7
Asia	Stocks	Absolute	20	32	21
		Intensity	1.9	3.2	2.7
	Corporate bonds	Absolute	148	130	83
		Intensity	17.6	17.9	9.3
	Business Loans	Absolute	0.0	0.4	0.0
		Intensity	0.0	0.0	0.0

Europe	Stocks	Absolute	13	5	3
		Intensity	1.4	0.3	0.0
	Corporate bonds	Absolute	94	75	85
		Intensity	8.2	6.4	6.7
	Business Loans	Absolute	0.0	0.1	0.0
		Intensity	0.0	0.2	0.0
Other	Stocks	Absolute	0	1	0
		Intensity	0.0	0.0	0.0
	Corporate bonds	Absolute	124	108	47
		Intensity	4.2	2.4	4.0
	Business Loans	Absolute	0.0	0.0	0.0
		Intensity	0.0	0.0	0.0

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

Industry (GICS Code)			FY2021*1	FY2022*2	FY2023*3
Energy (10)	Stocks	Absolute	129	128	111
		Intensity	3.4	3.9	2.7
	Corporate bonds	Absolute	326	427	245
		Intensity	22.4	42.2	21.4
	Business Loans	Absolute	3	15	2
		Intensity	1.2	0.0	1.3
Materials (15)	Stocks	Absolute	1,066	981	838
		Intensity	48.5	36.7	36.1
	Corporate bonds	Absolute	811	738	598
		Intensity	42.6	38.7	30.7
	Business Loans	Absolute	81	80	58
		Intensity	50.1	0.0	29.4
Industrials (20)	Stocks	Absolute	626	562	564
		Intensity	37.5	29.6	28.0
	Corporate bonds	Absolute	226	177	194
		Intensity	23.2	21.6	18.7
	Business Loans	Absolute	44	40	37
		Intensity	25.5	0.0	21.4
Consumer Discretionary (25)	Stocks	Absolute	275	245	232
		Intensity	10.6	9.4	8.0
	Corporate bonds	Absolute	53	48	45
		Intensity	4.6	5.0	4.0
	Business Loans	Absolute	3	2	3
		Intensity	1.7	0.0	4.0

Consumer Staples (30)	Stocks	Absolute	102	83	146
		Intensity	3.6	3.0	4.0
	Corporate bonds	Absolute	82	82	87
		Intensity	5.9	6.8	5.3
	Business Loans	Absolute	4	7	5
		Intensity	1.9	0.0	4.0
Health Care (35)	Stocks	Absolute	10	12	8
		Intensity	1.5	2.1	1.3
	Corporate bonds	Absolute	7	11	5
		Intensity	1.0	2.3	1.3
	Business Loans	Absolute	2	2	1
		Intensity	3.3	0.0	1.3
Financials (40)	Stocks	Absolute	14	13	11
		Intensity	0.9	0.8	1.3
	Corporate bonds	Absolute	47	57	33
		Intensity	3.1	3.0	2.7
	Business Loans	Absolute	11	7	10
		Intensity	15.3	0.0	12.0
Information Technology (45)	Stocks	Absolute	55	49	46
		Intensity	4.0	3.9	4.0
	Corporate bonds	Absolute	26	31	30
		Intensity	2.8	3.3	4.0
	Business Loans	Absolute	1	1	1
		Intensity	1.6	0.0	0.0

Communication Services (50)	Stocks	Absolute	4	5	4
		Intensity	0.5	0.6	0.0
	Corporate bonds	Absolute	15	10	10
		Intensity	1.9	1.6	1.3
	Business Loans	Absolute	2	2	3
		Intensity	1.8	0.0	2.7
Utilities (55)	Stocks	Absolute	205	215	148
		Intensity	19.7	23.6	13.4
	Corporate bonds	Absolute	934	813	693
		Intensity	95.1	95.1	61.4
	Business Loans	Absolute	120	128	106
		Intensity	147.4	0.0	98.8
Real Estate (60)	Stocks	Absolute	14	9	4
		Intensity	1.3	0.8	0.0
	Corporate bonds	Absolute	12	7	5
		Intensity	2.9	1.9	1.3
	Business Loans	Absolute	3	2	3
		Intensity	6.6	0.0	9.3

*1: Calculated in FY2021 using portfolio as of end of March 2021. Coverage for Stock 99%, Corporte Bonds 69%, Total 98.6%.

*2: Calculated in FY2022 using portfolio as of end of March 2022. Coverage for Stock 99%, Corporte Bonds 67%, Business loans 48%, Total 98.4%.

*3: Calculated in FY2023 using portfolio as of end of March 2023. Coverage for Stock 99%,Corporte Bonds 97%, Business loans 95%. Total 97.6%.

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.

Outline of the Group >
Corporate Governance >
Compliance >
ERM and Risk Management >
Information Management >
Transaction Responsibilities >
Information Disclosure >
Medium-Term Management Plan >

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.

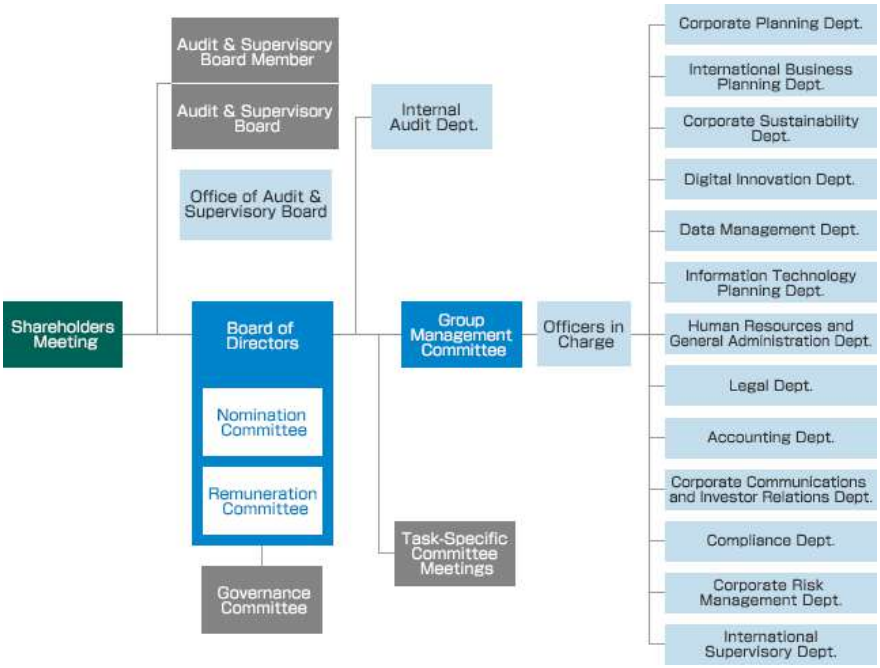
Corporate Name	MS&AD Insurance Group Holdings, Inc. Abbrev.: MS&AD Holdings
Date Established	Apr. 1, 2008 (Name changed in Apr. 1, 2010)
Headquarters	Tokyo Sumitomo Twin Building (West Tower) 27-2, Shinkawa 2-chome, Chuo-ku, Tokyo, Japan Map
Representative	Shinichiro Funabiki, Representative Director, President & CEO
Paid-in Capital	101,367 million yen (As of July 23, 2024)
Number of Employees	450 (As of March 31, 2024)
Business Description	Our activities as an insurance holding company are: 1. Management of non-life and life insurance companies and companies qualified to become subsidiaries under insurance business law. 2. Any business associated with previous body.
Stock Listing	Tokyo Stock Exchange (Prime Market) Nagoya Stock Exchange (Premier Market)

Related Information

Corporate Video

Group Structure

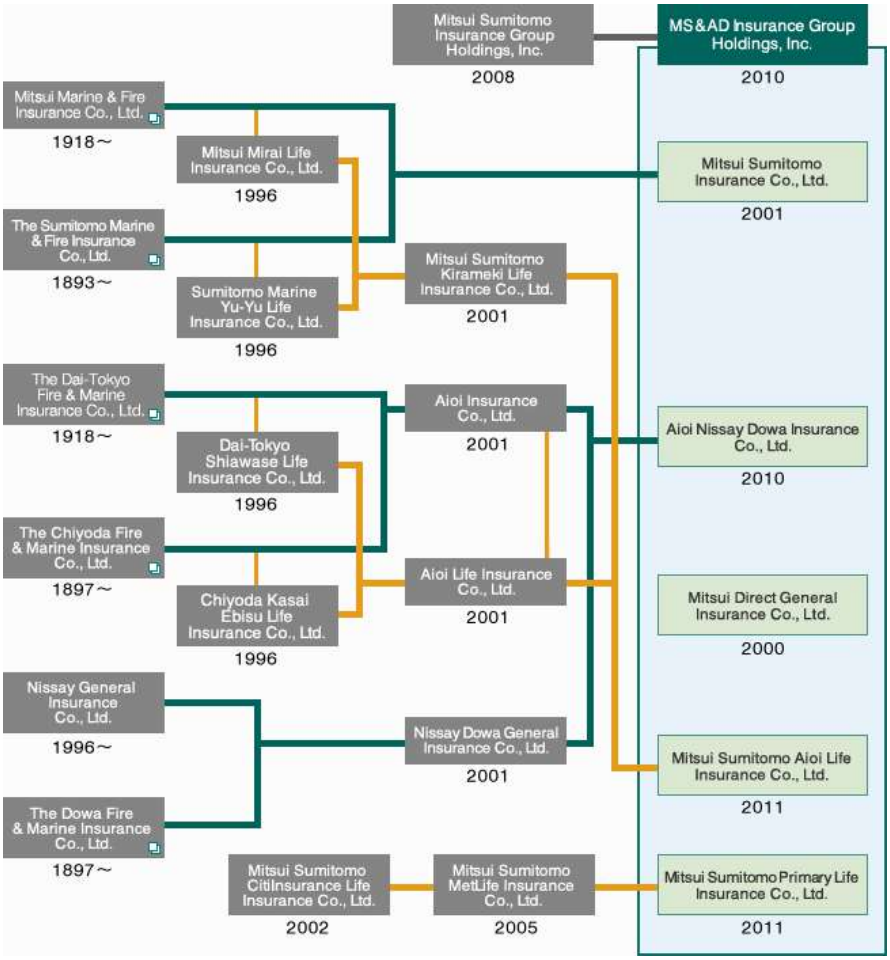
Organizational Chart



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

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

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

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 48 countries and regions＊No. 1 in terms of non-life gross premiums written in the ASEAN region

MSIG MS Amlin MS FirstCapital Aioi Nissay Dowa Insurance Europe MS&AD INSURANCE GROUP

Financial Services Business

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

MS&AD MITSUI SUMITOMO INSURANCE Venture Capital Co., Ltd. MS&AD MS&AD VENTURES MSI GuaranteedWeather

Digital／Risk-Related Services Business

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

MS&AD InterRisk Research & Consulting
MS&AD INSURANCE GROUP

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.

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.

Outline

MS&AD Systems Co., Ltd.

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.

Outline

MS&AD Business Service Co., Ltd.

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.

Outline

MS&AD GRAND ASSISTANCE Co., Ltd.

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.

Outline

MS&AD ABILITYWORKS Co., Ltd.

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

Outline

MS&AD VENTURES INC.

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.

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 : December 12, 2024) PDF (1,029KB)

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

- 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)

Role of the Board of Directors

- 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

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

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

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

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

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 to provide continuous information and training on the business environment surrounding the Company, risk management, etc. to Directors and Audit & Supervisory Board Members upon their assumption of office and during their term of office.
3. The Company provides appropriate opportunities for Outside Officers to share information and exchange opinions with management and senior employees.
4. The Company shall bear the expenses necessary for outside officers to fulfill their roles.

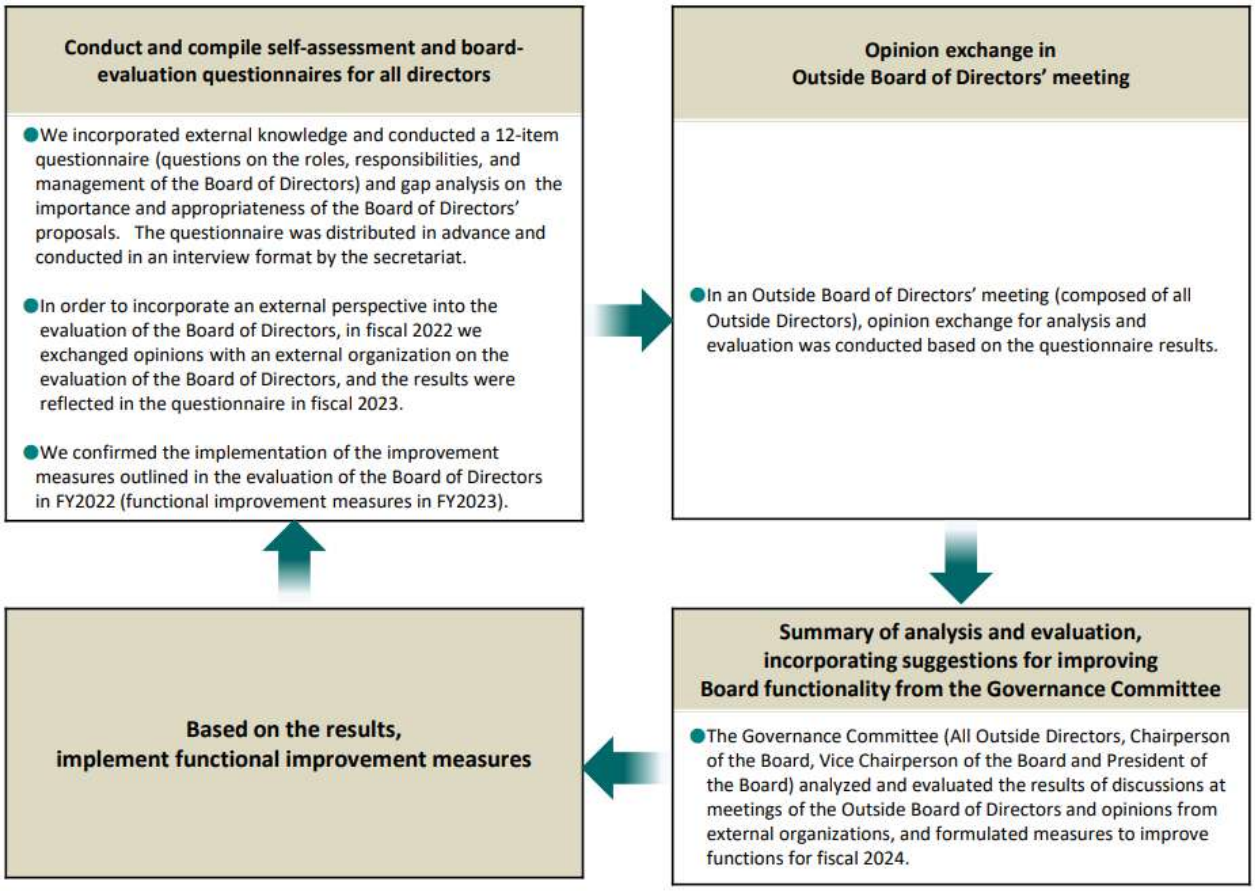
In fiscal 2023, 8 seminars and study sessions were held for directors.

< Main themes >

“Exchange of views with overseas management,” “Trends in overseas insurance markets (including reinsurance),” “Use of generated AI,” “Extreme weather,” “IFRS,” etc.

Evaluation of Board of Directors Effectiveness and the Analysis Process

Analysis and evaluation process



(1) Questionnaires conducted for all Directors' self-evaluation and board evaluation

- In order to incorporate external perspectives into the evaluation of the Board of Directors, we exchanged views with a consulting firm on the evaluation of the Board of Directors in fiscal 2022. 12-item questionnaire reflecting the results of the exchange of views and a gap analysis on the importance and adequacy of the proposed Board of Directors meeting were distributed in advance, and the questionnaire was conducted in the form of an interview conducted by the secretariat.
- With regard to the improvement measures (measures to improve functions in FY 2023) outlined in the board evaluation for FY 2022, we also checked to see if initiatives were being implemented.

(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) Summary of analysis and evaluation by the Governance Committee

- The Governance Committee (It consists of all outside directors, the Chairperson of the Board, the Vice Chairperson of the Board, and the resident of the Board.) conducted an analysis and evaluation based on the results of an exchange of opinions at the meeting of the Outside Board of Directors. In addition, based on opinions from external organizations, the Committee formulated measures to improve the functioning of the Board of Directors in fiscal 2024.

(4) We will promptly commence and strengthen measures for improving capabilities in fiscal 2024, and link them to a PDCA cycle aimed at enhancing effectiveness.

Summary of the Results of Analysis and Evaluation

Based on the content of discussions and the performance of functions at the Board of Directors meetings in fiscal 2023, as well as operational aspects and the training and information provided to outside officers, the performance of functions at the Board of Directors meetings was generally well received. The following is a summary of the activities and results of the evaluation of the Board of Directors in fiscal 2023 and the measures to improve functions in fiscal 2024.

Fiscal 2023 Initiatives and Board of Directors Evaluation Results	• All Directors strongly recognize that the Medium-Term Management Plan is a commitment to internal and external stakeholders, and full information sharing and discussion are conducted on progress management and countermeasures, and best efforts are made to realize the plan. • Executive study sessions on current and relevant areas of the insurance business have been held to enhance directors' knowledge and contribute to improving the quality of discussions at the board meetings. It is necessary to continue the study sessions. • Although sufficient discussions have been conducted on business investment at an early stage, it is desirable to enhance explanations on the direction of new business investment and review of past business investment. • Insufficient penetration of the management philosophy, etc. into the front line is considered to be one of the factors of the insurance premium adjustment problem, etc., and it is necessary to consider a method to periodically review the penetration status of the management philosophy, etc.
Measures to improve functions in fiscal 2024	• Opportunities will be provided to deepen discussions on the positioning of business investment projects within the overall strategy of overseas business and the explanation of past events at the time of capital increase. • We will expand opportunities to explain the long-term direction and outlook of our growth strategy and capital policy (including shareholder returns) at meetings of the Board of Directors and executive study meetings. • In addition to improving the analysis method of employee awareness surveys, we will continue to conduct field trips to the front lines of insurance companies and exchange opinions with overseas management in order to confirm the penetration and implementation of the management philosophy among employees.

Auditing

Audit & Supervisory Board Members and Audit & Supervisory Board

1. Roles and 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 the Corporate Group, and establishing good corporate governance in response to the public trust by supervising the performance of duties of the Directors, and work to maintain an independent position and a fair and unbiased attitude, acting in accordance with their own beliefs.
- 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.
- Audit & Supervisory Board Members participate in joint meetings of Outside Directors and Auditors, etc. and work to share information with Outside Directors.

2. Composition and Roles of the Audit & Supervisory Board

- The Audit & Supervisory Board comprises a majority of Outside Audit & Supervisory Board Members. As independent officers, Outside Audit & Supervisory Board Members have independence, and a significant degree of expertise and knowledge. Full-time Audit & Supervisory Board Members also have sophisticated information gathering capabilities based on extensive operational experience, and the organic combination of the 2 serves to enhance audit effectiveness.
- The Audit & Supervisory Board receives reports from Audit & Supervisory Board Members on the status of the performance of their duties and reports from officers and employees, etc. 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.
  This department conducts internal audits encompassing a wide range of risks arising from business activities.
  The internal auditors, who are members of the internal audit department, are continuously committed to maintaining and improving their professional competence.
  The department formulates annual internal audit plans, taking into account management objectives and risk assessments based on internal and external information. These plans encompass risks arising from business activities, including ERM and data governance such as privacy policies. In addition to implementing these plans on an annual basis, the department may also take proactive measures to address significant risks. The results of these activities are provided as feedback to the audited organization, contributing to improvement efforts.
- The Company has established an internal audit department, the head of which reports directly to the Board of Directors on the outcome of its activities on a regular basis, thus sharing information with all Directors and Audit & Supervisory Board Members. Audit & Supervisory Board Members also share opinions with the department on such matters as planned internal audits and/or their progress, in addition to collecting every audit report issued by the department regularly.

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	FY2022		FY2023	
	Compensation for audit services	Compensation for non-audit services	Compensation for audit services	Compensation for non-audit services
The Company	138	0	134	0
Consolidated subsidiaries	704	0	712	0
Total	842	1	847	1

*Compensation for audit and attestation services at our company and consolidated subsidiaries includes compensation for voluntary audit contracts in preparation for adoption of International Financial Reporting Standards (IFRS).
The non-audit function in our company is to support compliance.The content of non-audit operations at consolidated subsidiaries includes agreed procedural operations.

Nomination and Remuneration

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.
*In fiscal 2024, both the Nomination Committee and the Compensation Committee consisted of 5 outside directors and 8 members, including the Chairperson of the Board, the Vice Chairperson of the Board and the President.

Nomination Committee (Nomination Process)

- 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 meets at least once a year.
- The committee met 5 times in fiscal 2023, and all committee members attended every meeting. Discussions were held regarding consideration of candidates for outside auditors.

Remuneration Committee

- 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 at least once a year.
- In fiscal 2023, the Remuneration Committee met once.

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

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, May 20, 2021 and December 27, 2022 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]	[Performance-linked remuneration]	[Performance-linked remuneration]
50%	Monetary remuneration 25%	Stock-based remuneration 25%

<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]	[Performance-linked remuneration]	[Performance-linked remuneration]
Approx. 60% - approx. 70%	Monetary remuneration Approx. 20%	Stock-based remuneration Approx. 10% - approx. 20%

(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, "FY 2022-25," 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
GroupAdjustedProfit(*1)	The selected indicators were Group Adjusted Profit as a measure of shareholder returns, Group Adjusted ROE as a measure of capital efficiency, and Consolidated Net Income as a key performance indicator for the Group. * After the adoption of IFRS, the indicators at the left will be changed to "IFRS net income" and "Adjusted ROE" on an IFRS basis.
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
Basic strategies	○ Value (creating value) ○ Transformation (business transformation) ○ Synergy (demonstrating Group synergy)	"Basic strategies" and "Platforms" that support the basic strategies have been selected as non-financial indicators in order to realize "A corporate group that supports a resilient andsustainable society," which is an aspiration of the Group's Medium-Term Management Plan (2022-2025).
Platforms	○ Sustainability ○ Quality ○ Human resources ○ ERM	

(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

<Financial indicators>

	Actual	Target	Vs. target
Group Adjusted Profit	¥379.9 billion	¥280.0 billion	135.7%
Consolidated Net Income	¥369.2 billion	¥280.0 billion	131.9%
Group Adjusted ROE	9.0%	7.5%	+1.5 point

<Non-financial Indicators>

Evaluation item	Results of evaluation
Basic strategies	As a result of evaluation based mainly on the following points, performance is evaluated to be at a standard level: ・ Developing and deployment products and services that offer new value leading to solutions to social issues ・Transforming the business, risk portfolios and pursuit of new business utilizing digital data ・Implementation of the One Platform Strategy and Group synergies, etc.
Foundations	As a result of evaluation based mainly on the following points, performance is evaluated to be at a below-average level: ・ Initiatives related to the key sustainability issues of coexistence with the global environment, a safe and secure society, and the well-being of diverse people ・Customer focus business operations such as product and service improvements based on customer feedback ・Initiatives related to human assets, such as building an optimal human asset portfolio and creating a workplace environment that maximizes employees' abilities, skills, and motivation, including implementation of DE&I ・Initiatives to strengthen the ERM, foundation such as improving profitability and capital efficiency and reducing strategic equity holdings, etc.

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 2023)

Category	Number	Total Remuneration (¥ million)
Directors (excluding Outside Directors)	7	352
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	3	56
Outside Directors/Audit & Supervisory Board Members	8	96

Persons with consolidated Remuneration (including remuneration for corporate officer posts at main subsidiaries, etc.) of ¥100 Million or More (fiscal 2023)

Name	Corporate Officer Posts	Company	Total consolidated remuneration, etc. (¥ million)
Yasuyoshi Karasawa	Director	The Company	127
Yasuzo Kanasugi	Director	The Company	101
	Director	ADI	
Noriyuki Hara	Director	The Company	139
	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

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

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
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.	12 of 12 meetings
Jun Suzuki	June 2023	Mr. Jun Suzuki has extensive experience as a management executive by having served as Representative Director, President & CEO of Teijin Limited, and has a wealth of knowledge on global management by having served as the Teijin Group Chief Representative in Europe and other positions. The Company expects to draw from that experience and insight and have him supervise management and provide advice on overall management from his expert perspective, particularly in regard to global management.	12 of 12 meetings

* The number of Board of Directors' meetings attended during fiscal 2023.

Outside Audit & Supervisory Board Members

Name	Date of Selection	Reason for Selection	Attendance at Board of Directors/ Audit & Supervisory Board Members
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
Taisei Kunii	June 2024	He has been actively engaged in the practice of a certified public accountant for many years, serving as the comprehensive representative of the limited liability audit corporation, Deloitte Touche Tohmatsu LLC. He possesses specialized knowledge and experience in finance and accounting as well as in management. In order to incorporate his expertise and experience into our company's management, he has been appointed as an external auditor.	-

* The number of Board of Directors' meetings and Audit & Supervisory Board meetings attended during fiscal 2023.

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 and compliance and internal audit," "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.

Officer	Corporate management	International	IT / digital	Sustainability	Personnel affairs / HR development	Legal and compliance and internal audit	Risk management	Finance / accounting	Insurance business
Director Hara	○	○		○	○	○	○		○
Director Kanasugi	○	○		○	○	○			○
Director Funabiki	○	○	○	○	○	○			○
Director Higuchi	○	○	○	○	○	○	○	○	○
Director Shimazu		○	○	○	○	○	○		○
Director Shirai				○		○	○		○
Outside Director Bando	○	○		○	○	○			
Outside Director Tobimatsu		○				○			
Outside Director Kopp	○	○		○	○				
Outside Director Ishiwata				○					
Outside Director Suzuki	○	○		○	○				
Auditor Suto							○	○	○
Auditor Suzuki							○	○	○
Outside Auditor Uemura						○			
Outside Auditor Kunii	○							○	

In addition, we have installed an executive officer system. The skills for Executive officers who are not Directors are as follows.

Officer	Corporate management	International	IT / digital	Sustainability	Personnel affairs / HR development	Legal and compliance and internal audit	Risk management	Finance / accounting	Insurance business
Executive Officer Tamura		○	○	○	○	○	○	○	○
Executive Officer Motojima	○			○	○				○
Executive Officer Niiro	○	○		○	○				○
Executive Officer Hayakawa	○	○						○	○
Executive Officer Tsuda	○	○	○		○				○
Executive Officer Owada		○		○	○			○	○
Executive Officer Arakawa	○			○					○
Executive Officer Tatematsu									○
Executive Officer Motoyama			○		○				○
Executive Officer Sato				○		○			○
Executive Officer Hori		○				○	○		○
Executive Officer Morimoto	○	○			○				○

Related Information

Board Members

Compliance

Compliance Basic Policy

We position compliance as one of the most important issues in group management, and all board members and employees of the MS&AD Group are committed to always recognizing the company's social responsibility and establishing a framework for practicing compliance. We have established the "MS&AD Insurance Group Compliance Basic Policy," which serves as the group's basic policy and compliance standards. Our company and group companies work positively to develop thorough compliance.

- MS&AD Insurance Group Compliance Basic Policy
- Basic Policy Concerning Antisocial Forces
- Basic Policy for Management of Conflicts of Interest

Compliance Promotion Structure

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 centrally supervise Group compliance matters. In addition, we have established the International Supervisory Department as a division responsible for supervising the promotion of overseas compliance efforts based on the "MS&AD Insurance Group Compliance Basic Policy" for our group's overseas entities. We are working to enhance and strengthen our overseas compliance efforts in collaboration with the Compliance Department.
Each group 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.
In case of any misconduct or violation committed by board members and employees, the Company implements disciplinary actions in accordance with the employment regulations. Disciplinary may be disclosed internally as a means of raising awareness and caution. Furthermore, depending on the nature and severity of the violation, it may have an impact on the compensation of board members and employees.

Activities

Compliance Program

We and group companies, as a part of the compliance implementation plan, develop the Compliance Program 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

We and group companies have each Compliance Manual that states their compliance-related policies and regulations, with examples and interpretations, for board members and employees. The manual 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

Based on the Compliance Program, we and group 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

Group companies conduct compliance-related inspections for prevention and early detection of unlawful acts that may violate laws or company internal rules.

Monitoring Group Companies

The Compliance Department monitors and reports on compliance-related activities of group 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.
The International Supervisory Department monitors the progress of compliance initiatives at overseas entities, provides guidance and support, and regularly reports on the status of overseas compliance to the Board of Directors, etc.
We also engage in discussions with relevant departments to work towards the establishment and enhancement of overseas compliance measures.

Speak-up system (Whistleblowing system)

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 16 languages and can be reported directly to our Group Head Office in Japan via a dedicated website or e-mail.

Anti-Money Laundering, Countering the Financing of Terrorism and Countering the Proliferation Financing (AML/CFT/CPF)

The MS&AD Insurance Group has formulated a “Policy on AML/CFT/CPF” and is promoting initiatives to prevent the products and services of Group companies from being used in money laundering, terrorist financing or proliferation financing.
Moreover, measures to prevent money laundering, terrorist financing or proliferation financing are implemented at overseas entities of the MS&AD Insurance Group, where “Measures for Anti-Money Laundering and Counter Financing of Terrorism” are stipulated in the “Compliance Manual for International Operations”.

Policy on AML/CFT/CPF

Prevention of Corruption and Bribery

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

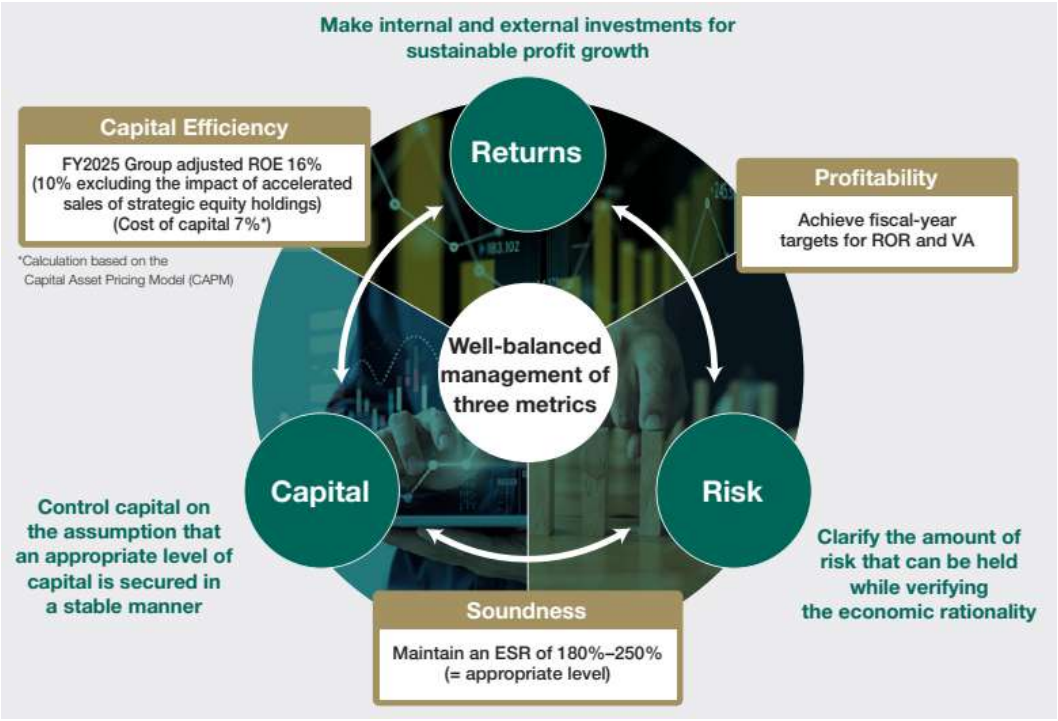
ERM and Risk Management

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 the 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, considering 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

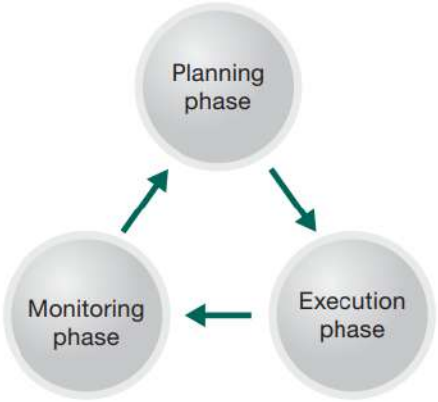
To realize its management vision, the Group formulates medium-term management plans in accord with its Group Risk Appetite Statement and holistically manages risk (integrated risk amount), returns (Group Adjusted Profit), and capital (NAV) with the aim of maintaining financial soundness and boosting capital efficiency and risk/return.



ERM Cycle

Planning phase	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.
Execution phase	② Take risks within the risk limits based on the capital allocation amounts and others.
Monitoring phase	③ Conduct regular monitoring of financial soundness, profitability, capital efficiency, etc.* ④ Based on the outcome of monitoring, examine and implement any necessary measures.

*In the Monitoring phase, the Company quarterly reviews Group Adjusted ROE, ROR, ESR and other indicators, including compliance with the risk limits.



Group Risk Appetite Statement and ERM practices

To achieve its management vision, the Company sets out the direction and basic concepts of initiatives related to matters such as capital policy and risk appetite, in the Group Risk Appetite Statement which is resolved by the Board of Directors and manages risk, return and capital in a unified manner.

The Company formulates the Group Medium-Term Management Plan consistent with the Group Risk Appetite Statement, and aims to ensure soundness, improve capital efficiency and increase return on risk through an ERM cycle.

When allocating capital for each business and making the Group income and expenditure plan, the Company confirms these are consistent with the Group Risk Appetite Statement.

The Company periodically reviews the necessity of a revision of the Group Risk Appetite Statement in light of the results of stress tests, environmental changes and other factors.

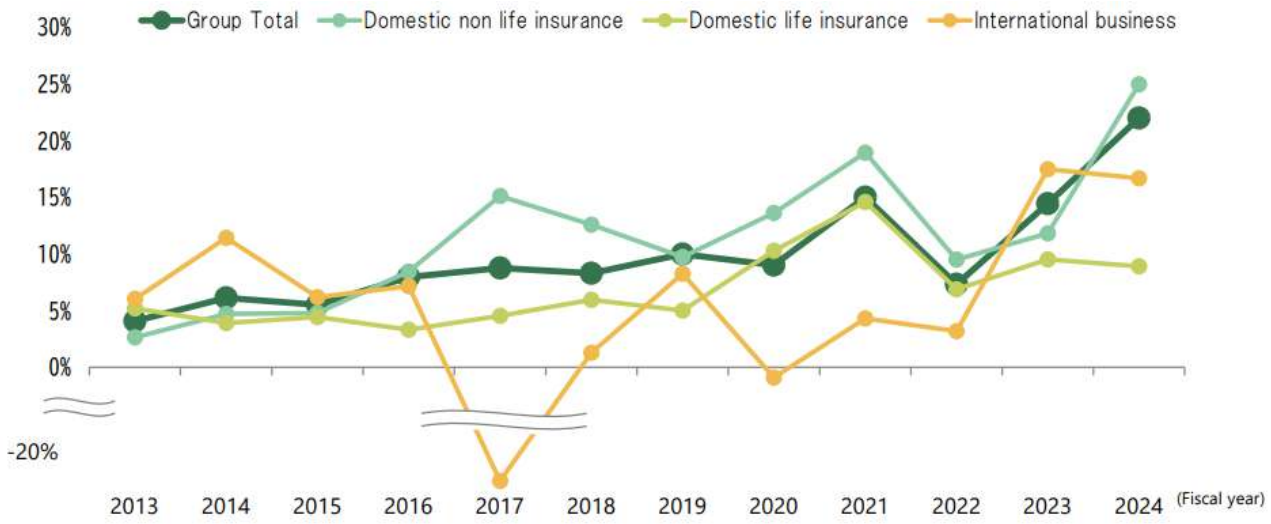
Initiatives to Boost Profitability

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.

Product development/ sales/ initiative management	P/L management by product/line Domestic non-life insurance: Strengthening risk/return management according to insurance line attributes and P/L management of new types of insurance, which have a large impact on major accidents and are growth drivers MSI Aioi Life*: Assessing ROR for new policies when products are developed and revised and a sales policy is formulated MSI Primary Life*: Product-by-product profitability assessment (estimated value at the start of sales and actual value after sales)
Asset management strategy	Promoting diversified investment in assets with relatively high expected returns coupled with appropriate risk control through comprehensive asset and liability management (ALM)
Retention/ reinsurance policy	Establishment of a retention and outward reinsurance scheme that maintains financial soundness and stability of periodic profit and loss and contributes to improving profitability. Control the net retained risk amount associated with natural disasters

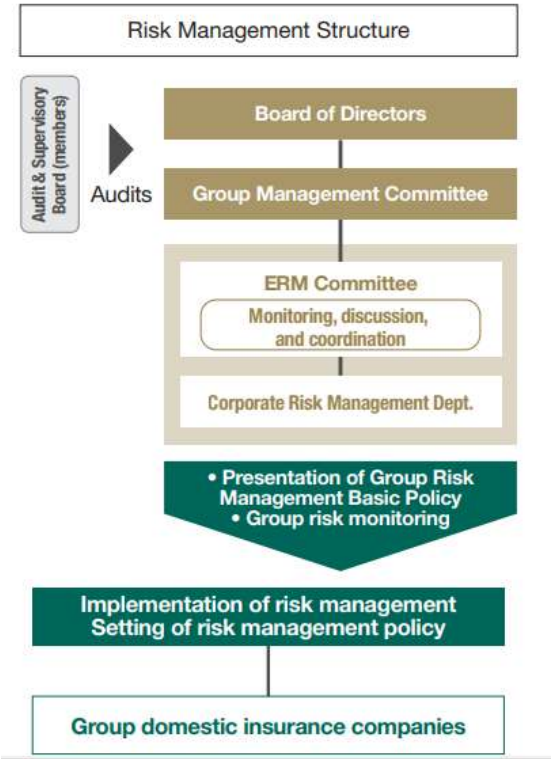
*MSI Aioi Life: Mitsui Sumitomo Aioi Life Insurance; MSI Primary Life: Mitsui Sumitomo Primary Life Insurance

ROR trends



Implementation and promotion of risk management

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
- Three Lines of Defense Structure for Risk Management
- 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 (The dotted areas show "main scenarios assumed" for the respective Group Material Risks. Considerations are points to keep in mind when considering the main scenarios.)
1	**Occurrence of large-scale natural catastrophes** (Considerations: Climate Change) - Increase in claims paid due to the occurrence of large-scale windstorms, floods, forest fires, blizzards, hailstorms, droughts, earthquakes, volcanic eruptions and other natural catastrophes in Japan and overseas, in part due to climate change - Development of a situation in which it is difficult to control risks in line with the Group policy due to rising outward reinsurance premiums and reduced reinsurers' underwriting capacity mainly as a result of the occurrence of large-scale natural catastrophes - Development of situation in which the occurrence of a large-scale natural catastrophe prevents the Group from properly executing business or delivering services
2	**Significant changes in financial markets** (Considerations: Inflation) - Fall in the value of stocks and other assets held due to a possible stagnation of the global economy and economic activities - Decrease in capital adequacy due to fluctuations in interest rates and currency exchange rates as a result of changes in monetary policy of the respective governments in light of price trends, the downgrading of the credit rating of the government bonds due to a lack of fiscal discipline, etc.
3	**Significant increase in credit risk** (Considerations: Climate Change) - Deterioration in performance and the default of investees due to factors such as deterioration in the actual economy, tighter regulations in view of the transition to a decarbonized society and delay in the necessary actions - Fall in value of bonds and other instruments held due to increased risk aversion among investors amid concerns about a global slowdown
4	**Occurrence of an act that might result in serious damage to the Group's enterprise value and the loss of social credibility** (Considerations: Digitalization, Climate Change) **(i) Acts such as a breach of laws or regulations related to Group business, a serious labor issue, a human rights violation or elimination of diversity, deficient data governance, etc.** - Occurrence of breaches of laws or regulations in Japan and/or overseas where the Group has operating facilities or does business (including unreasonable restraints on transactions and abuse of a superior bargaining position), and occurrence of serious labor issues (long working hours, harassment, etc.) - Occurrence of an infringement of human rights, intellectual property rights or information leakage within the Group or at a subcontractor or other business partner - Occurrence of infringement of rights, inappropriate disclosure, violations of guidelines created by relevant authorities, damage to the Group's reputation, etc., due to the increasing utilization, regulatory changes, changes in public awareness, etc. regarding generative AI. - Occurrence of serious error in disclosed information due to delayed or inadequate establishment of operational framework for the disclosure of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) or the introduction of economic value-based solvency regulation **(ii) Lack of or failure to fully take into account the perspective of customers and other stakeholders, deviation from social norms, and acts that violate the Group's code of conduct (conduct risk, etc.) ※Including deviations arising from inactions** - A loss of the Group's social credibility mainly due to insufficient examination of the customer's perspective while acting in accordance with industry practices, etc. - Increase in business disruption or complaints as a result of reorganization, business reforms or system development for the execution of the Group strategies - Decline in work quality or efficiency as a result of insufficient communication or other changes associated with remote working, etc. - Damage to the Group's reputation or increase in financial burden as a result of the Group's insufficient response to sustainability-related issues and information disclosure regarding how the Group is responding to climate change, and any ensuing litigation, etc.

5	**Large-scale and serious business delay and/or information leakage as a result of cyber attack** (Considerations: Digitalization) - Occurrence of business holdups or information leakage within the Group or at a subcontractor or other business partner due to the global escalation of damage caused by cyber attacks as a result of further digitalization, increasingly sophisticated and diverse cyber attacks (including attacks using generative AI etc., where technological progress is remarkable), and the expansion of the range of the impact of cyber attacks with the expanding use of cloud technology and supply chains.
6	**Frequent occurrence of system failure or occurrence of serious system failure, or progress delay and non-attainment of target, budget overrun or failure to achieve expected outcome in large system development** (Considerations: Digitalization) - Business and services holdups caused by simultaneous failures of systems for customers and agents due to increased digitalization, damage of system-related facilities due to a large-scale natural disaster or other event, the suspension of fund settlement infrastructure or a communication failure due to a problem or incident involving communications satellites or communications lines, which could also be affected by space weather phenomena - Occurrence of a large-scale fault of a system operating for customers and insurance agents in a non-business hours which leads to delays in dealing with customers and others - Failure to accomplish the management plan due to progress delay, non-attainment of targets, budget overrun or failure to achieve expected outcome in large system development
7	**Spread of a new strain of influenza or other infectious disease** (Considerations: Climate Change) - Development of situation in which the Group is prevented from properly executing business or delivering services caused by spread of new strains of infectious diseases and protraction of the impact of infectious disease events partly due to the impact of global warming - Decline in profitability caused by an increase in claims and benefits paid amid a rise in infections worldwide and long-term stagnation of economic activity due to protraction of the impacts of infectious disease events
8	**Changes in the insurance market** (Considerations: Digitalization, Climate Change, Falling Birthrate and Aging Population, Inflation) - Impact on profit structure caused by decline in the number of car accidents resulting from the advances in driver assistance and autonomous driving technologies and the large-scale transformation of business models and sales channels resulting from the emergence of digital platformers, changes in consumer awareness, and response to the social expectations, etc. - Impact on sales strategy from constraints on the supply of equipment or reputational 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 in line with expansion of services before and after coverage and protection - Increase in claims paid due to new insurance underwriting relating to responses to climate change such as low-carbon and decarbonization technologies, the development of a circular economy, and health and environmental damage caused by chemical substances, etc. - Impact on business portfolio from changes in market size and structure caused by declining birthrate, aging population, and depopulation - Increase in claims paid and business expenses due to the rise or accumulation of risks associated with changes in the external environment (including changes in the needs of society, the aging of the buildings and equipment of enterprises, etc., and the emergence of cross-country/regional risks such as climate change and cyber risks) or other factors such as inflation (including social inflation)

9	**Changes in environment surrounding human capital** **(Considerations: Falling Birthrate and Aging Population, Digitalization)** - Gap between management strategies and human capital portfolio and insufficient recruitment and development of human resources to eliminate such gap, due to external changes in areas such as the human capital market and labor supply and demand and changes in the skills and expertises necessary for the execution of strategies such as the promotion of DX - Decrease in employee engagement and loss of human capital due to insufficient development of environments that accurately reflect changes in what employees value in their working life such as autonomous career development opportunities, flexible and diverse work styles and respect for diversity, and inadequate systematic responses to harassment (including harassment by customers)
10	**Intensifying confrontation and political, economic and social division and polarization between countries and in overseas countries and national security crises** - Decline in the value of the assets held by the Group, including stock, due to concerns about stagnation of ecnomic activity caused by intensifying confrontation and political, economic and social division and polarization between countries and in overseas countries (including those caused by changes in world leaders, such as the presidents of countries, and the rise of the Global South) - Deterioration in performance and default of investees due to situations including but not limited to deterioration in the actual economy as a result of supply chain disruptions and other obstacles caused by tighter economic security-related regulations around the world - Damage to the Group's reputation as a result of an economic security-related issue within the Group or at a subcontractor or other business partner - Occurrence of business holdups or information leakage within the Group or at a subcontractor or other business partner due to the expansion of damage caused by a global cyber attack resulting from intensifying confrontation between major powers - Restriction or suspension of business or withdrawal from business in a specific country or region due to a change to regulations, military action or other development associated with intensifying confrontation between major powers and the rise of protectionism and subsequent insurance claims paid based on special war risk clauses

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.

No.	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	Significant holdups or delays in the maintenance, management or renewal of social capital (bridges, tunnels, river facilities, port facilities, sewers, etc.) or significant and chronic supply shortages of energy, etc.

Management of Natural Catastrophe Risk

Climate/Nature-related Financial Disclosure >

Control of the Retained Amount of Natural Catastrophe Risk

Climate/Nature-related Financial Disclosure >

Information Security

Basic View and Policy

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

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

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)

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.
In case of any misconduct or violation committed by board members and employees, the Company implements disciplinary actions in accordance with the employment regulations. Disciplinary may be disclosed internally as a means of raising awareness and caution. Furthermore, depending on the nature and severity of the violation, it may have an impact on the compensation of board members and employees.

Declaration of Personal Information Protection (Privacy Policy)

Transaction Responsibilities

Basic Concept and Policy

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

Under the “MS&AD Insurance Group Basic Policy on the Environment,” the Group has established the following Key Issues and is advancing efforts in these areas, together with its stakeholders, making environmental issues part of its corporate strategy:
1. Mitigation of and adaptation to climate change, 2. Sustainable use of resources, 3. Reduction of environmental burden, and 4. Preservation of biodiversity

Basic Policy on the Environment

Specific Initiatives

Initiatives for Human Rights

Through its human rights due diligence, the MS&AD Insurance Group is taking measures to reduce risks through making realization of 1. Fair and impartial customer services, 2. Initiatives that take into consideration human rights measures to be implemented by business partners/agencies, and 3. consideration for employee health and a workplace environment free of discrimination priority Issues and carrying out monitoring on a regular basis.

Human Rights Due Diligence and Remedial Measures

Confirming the Appropriateness of Outside Vendors

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 for the Environment

The MS&AD Insurance Group has set "Symbiosis with the Global Environment —Planetary Health" as one of its key sustainability issues and is undertaking various initiatives to address climate change and natural capital

Action on Climate Change

Improvement of Sustainability of Natural Capital

Initiatives in the Value Chain

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 net-zero society and the reduction of CO2 emissions in society.
As the chairman of the Japan Biodiversity Initiative (JBIB), we are demonstrating leadership in 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.
Each Group company is promoting paperless in-house processes such as use of paperless insurance policies and policy clauses, expansion of Web pages exclusively for policyholders, and digitalization of notices that formerly were sent by postal mail, in cooperation with customers. We are also actively engaged in green procurement of stationery and other items used in our business.

Promotion of Paperless In-house Processes in Cooperation with Customers

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.

3. Appropriate transactions with outside vendors

The MS&AD Insurance Group will establish a management system to prevent abuse of a superior position in its relationships with outside vendors.
Based on the "Guidelines for Price Negotiations for Appropriate Pass-on of Labor Costs" (Cabinet Secretariat and Fair Trade Commission), we will establish appropriate transaction prices through appropriate price transfer with outside vendors.

Information Disclosure

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)

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

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＞

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/Nature-related Financial Disclosure

The MS&AD Insurance Group endorses "Task Force on Climate-related Financial Disclosures" (TCFD) and "Taskforce on Nature-related Financial Disclosures" (TNFD), and promotes information disclosure.

Climate/Nature-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

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 PDF

Communication with Shareholders and Investors

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

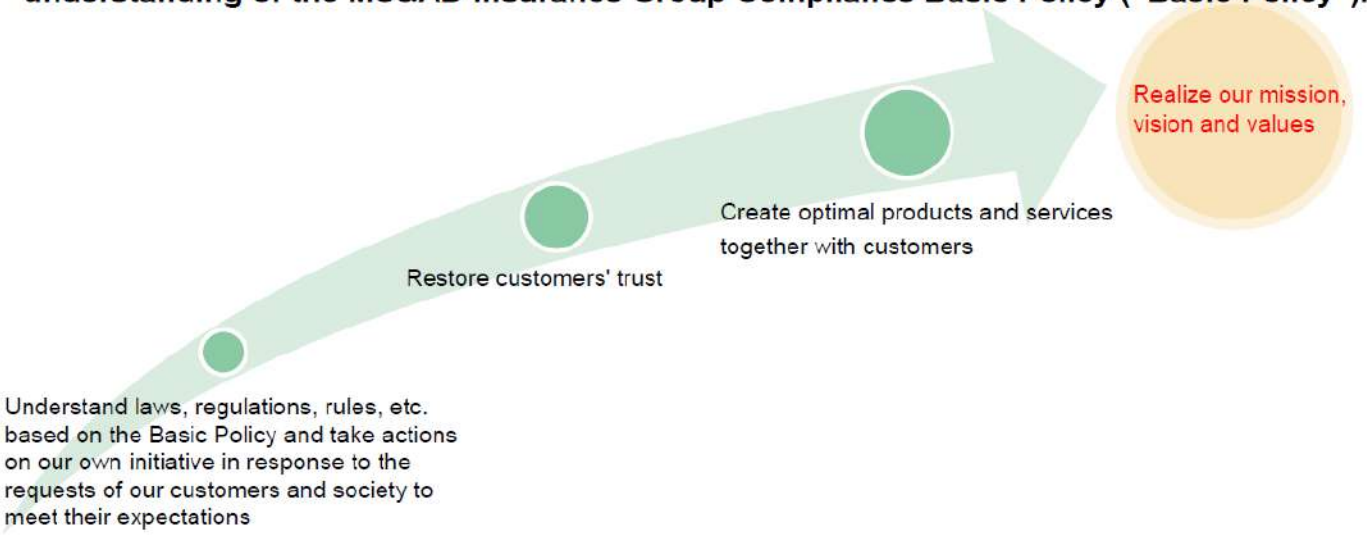
MS&AD Group
Medium-term Management Plan (FY2022-FY2025) Stage 2
Grow Together with Society As a Platform Provider of Risk Solutions

The Medium-term Management Plan (FY2022-FY2025) Stage 2 (5,098KB)

Main Points of the Review of the Plan in Stage 2

After the insurance premium adjustments incident and fraudulent insurance claims incident by agents

- We take seriously the insurance premium adjustments Incident and the fraudulent insurance claims Incident by agents. All employees, agents and business partners are committed to restoring customers' trust.
- We will review the activities of all employees, agents and business partners in light of the Group's mission, vision and values.
- We are committed to fulfilling the Group's mission, vision and values based on a correct understanding of the MS&AD Insurance Group Compliance Basic Policy ("Basic Policy").



Significant Business Style Revolution

- **We will review the way that we do business and drastically change our business style, including the value we provide, business structure, productivity and profitability. The new style will be based on customer-focused operations, robust governance and compliance.**

Changing the value we provide

- **Establishing an appropriate competitive environment**
  Increasing our competitive advantage in the provision of products and services
- **Strengthen ability to propose risk solutions**
  Enhancing our core insurance functions and solutions before and after coverage and protection
- **Improving underwriting management**
  Promoting underwriting using risk-related information and data

Changing business structure

- **Implementing new growth investments**
  Increasing investments in businesses that can be developed and in markets that are expected to grow
- **Investing in digital technologies and human resources**
  Increasing digital transformation investment in new solutions, including generative AI, and investments in human resources

Changing productivity and profitability

- **Fully implementing the One Platform strategy**
  Promoting the integration of head office functions and expanding the integrated functions to the entire Group
- **Reviewing overdesigned operations**
  Promoting paperless operations and digitalization
- **Strengthen asset management**
  Pursuing profitability based on changes in the market environment

Customer focused business operation

- Re-emphasizing customer-focused operations
- Taking actions on our own initiative in response to the requests of our customers and society to meet their expectations

Strengthen governance

- Strengthening the governance framework by senior management
- Enhancing the functions of the second and third lines of the three-line defense

Compliance

- Enhancing awareness and knowledge of compliance
- Enhancing the ability to foresee risks and detect risk indicators
- Monitoring, accumulating knowledge and sharing knowledge within the Group

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, claim services and risk consulting that utilize digital technologies.

Story of Value Creation

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

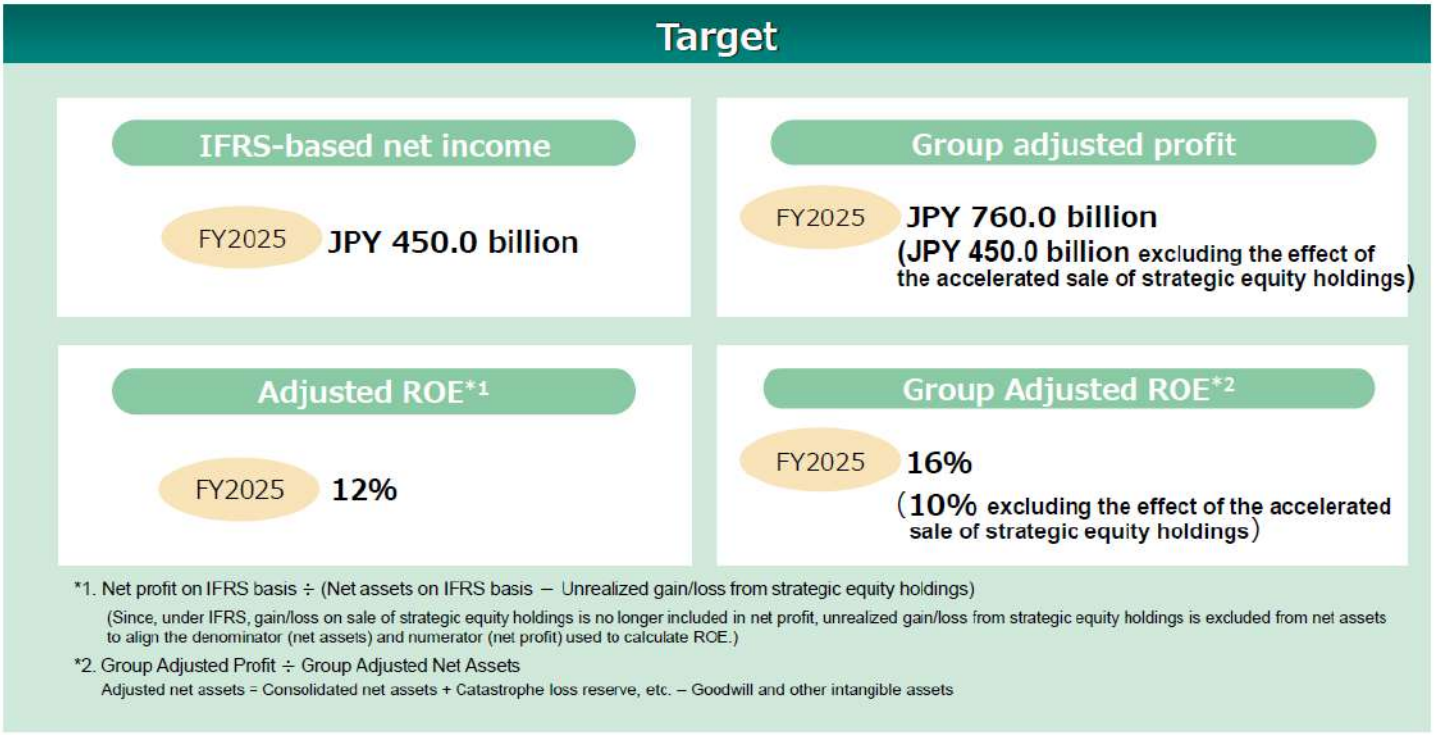
Our Management Philosophy (Mission)

To contribute to the development of a vibrant society and help secure a sound future for the planet, by enabling safety and peace of mind through the global insurance and financial services business

Our Business Model

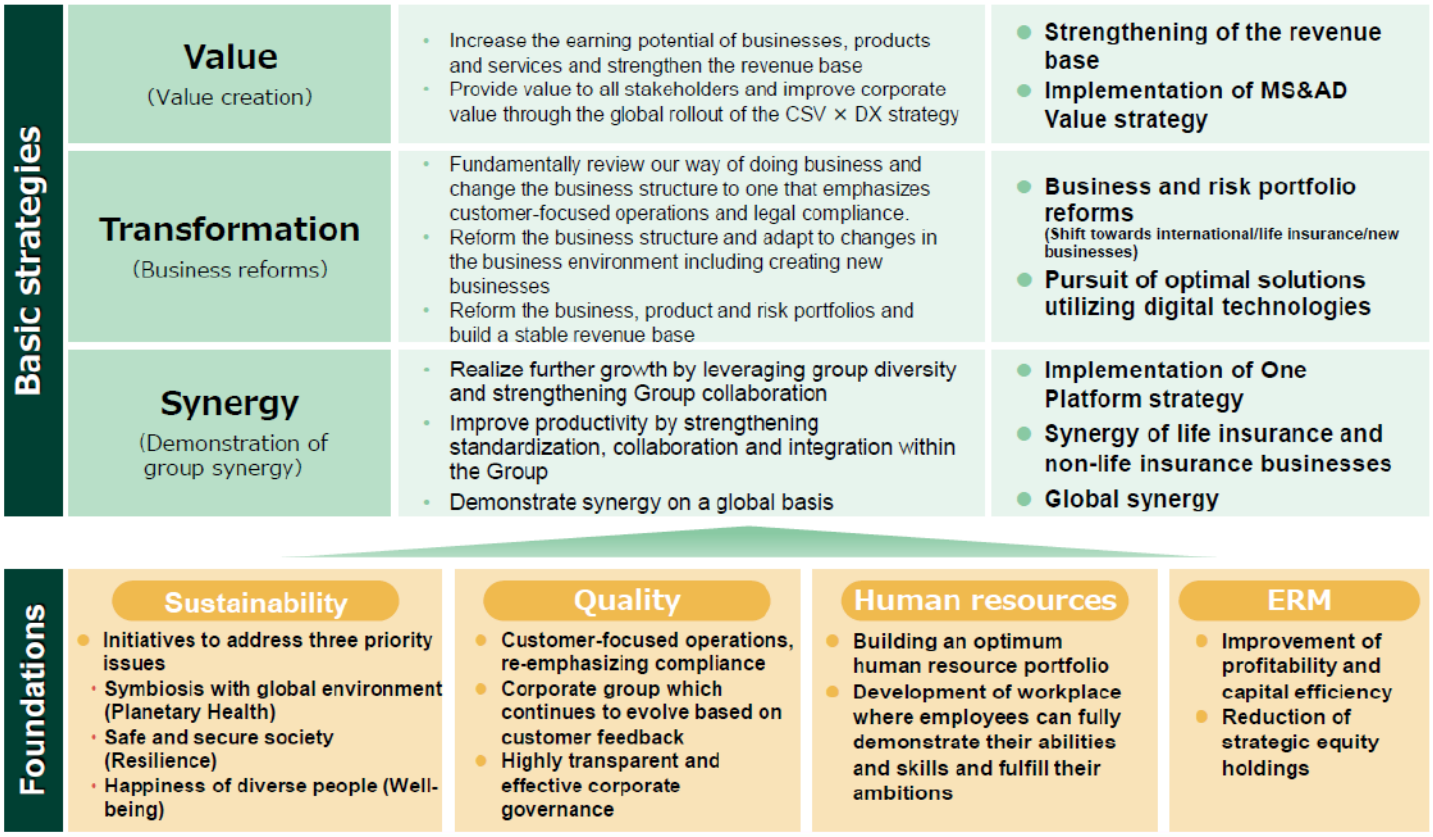
Our Aspirations: (2) Qualitative Targets

- Achieve net income of JPY 450.0 billion on an IFRS basis in FY2025 and a Group Adjusted Profit of JPY 760.0 billion (JPY 450.0 billion if the effect of the sale of strategic equity holdings is excluded).
- Achieve an Adjusted ROE of 12% and a Group Adjusted ROE of 16% (10% if the effect of the sale of strategic equity holdings is excluded).
(Note) The Group plans to change its accounting standards to IFRS in FY2025.



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)

External environment

- Many different social challenges including climate change, increasing severity and frequency of natural disasters, infectious diseases, regional revitalization, falling birth rate and aging population
- New risks such as cyber risk and new insurance needs to address these risks
- Deterioration of the profitability of fire insurance due to the increasing severity and frequency of natural disasters and of the profitability of voluntary automobile insurance due to ongoing inflation and other factors

×

Strengths of the MS&AD Group

- Strong awareness among employees due to early commitment to CSV
- Global network which will help create value
  (Corporate Venture Capital in Silicon Valley, open innovation centers "GDH" <Global Digital Hubs> around the world, Joint research laboratory for AI and other cutting-edge technologies with an AI venture of the University of Oxford, U.K. ,etc.)
- Initiatives to improve productivity using digital tools

Help solve climate change and other social issues while growing together with society through the global rollout of the CSV × DX strategy

Strengthening of the revenue base

- Improvement of business efficiency through review of business processes
- Full demonstration of effects of large-scale system development project
- Improvement of the profitability of fire insurance, improvement of the revenue from voluntary automobile insurance
- Reforming the business style using digital tools

Implementation of MS&AD Value strategy

- Develop and generate earnings from products and services which provide new value before and after coverage and protection, in addition to covering economic losses
- Groupwide utilization of knowledge gained through investment in startups by MS&AD Ventures, a corporate venture capital firm in Silicon Valley

Basic Strategy: Transformation (Business Reforms)

External environment

- Slowdown in growth of domestic non-life insurance market in the medium and long-term due to the shrinking population and the declining birthrate and aging population
- Progress in digitalization, including generative AI, the accumulation of data and changing lifestyles

Strengths of the MS&AD Group

- System which increased customer satisfaction and convenience and the productivity of agencies and the Company as a result of large-scale system development project
- Global network which will help create value
  (Corporate Venture Capital in Silicon Valley, open innovation centers "GDH" <Global Digital Hubs> around the world, Joint research laboratory for AI and other cutting-edge technologies with an AI venture of the University of Oxford, U.K. ,etc.)

Fundamentally review the way of doing business and adapt to changes in the business environment by reforming the business portfolio and utilizing 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
- Improvement of capital efficiency by increasing the sophistication of business management (improving results and identifying unprofitable businesses)
- 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, including generative AI, in business processes

Basic Strategy: Synergy (Demonstration of Group Synergy)

External environment

- Slowdown in growth of domestic non-life insurance market in the medium and long-term due to the shrinking population and the declining birthrate and aging population
- Ongoing labor shortage

Strengths of the MS&AD Group

- Diversity of five insurance companies* with different characteristics
  * Mitsui Sumitomo Insurance, Aioi Nissay Dowa Insurance, Mitsui Direct General Insurance, Mitsui Sumitomo Aioi Life Insurance, Mitsui Sumitomo Primary Life Insurance
- Largest domestic customer base

Translate Group diversity into growth and improve productivity by taking advantage of scale

Implementation of One Platform strategy

- Further improvement in efficiency of operating expenses and staffing through the bold implementation of standardization, collaboration and integration in middle- and back-office operations
- Transformation of the business model and business operations to address the labor shortage

Synergy of life insurance and non-life insurance businesses

- Promotion of cross-selling among life insurance and non-life insurance and among two life insurance companies through mutual utilization by Group companies of the Group's strong customer base

Global synergy

- Growth driven by the sharing and mutual use of advantages earned through the initiatives of Group companies in Japan and overseas, including markets and distribution channels, knowledge of customer needs and skills

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

Symbiosis with global environment (Planetary Health)

Action on climate change
– Aiming for net zero greenhouse gas emissions by 2050

Improvement of sustainability of natural capital

- Reduction of greenhouse gas emissions created by Group and its supply chain
- Reduction of greenhouse gas emissions in cooperation with our client companies and investee companies
- Provision of products and services and investment and financing that will support technological innovation and its implementation in society for a transition towards a circular economy which will lead to decarbonization and the control of environmental pollution
- Provision of solutions for adapting to the effects of climate change
- Support for the transition to business based on the restoration and protection of biodiversity and the utilization of sustainable resources

KPI

Greenhouse gas emissions reduction rate	Renewable energy usage rate	Premium growth rate of products which contribute to decarbonization and a circular economy
FY2030	FY2030	
Our Group: **Down 50%** (from FY2019) Clients and investees*: **Down 37%** (from FY2019) **FY2050: Net zero**	**60%** **FY2050: 100%**	**Annual average of 18%**

* Major domestic client companies. We manage their greenhouse gas emissions reduction rate, as well as numbers of our engagement with them and the number of provided service to them that contribute to the reduction of GHG emissions.

Safe and secure society (Resilience)

Measures to address new risks that emerge with the transformation of society

- Addressing new risks associated with innovation and changes in the industrial structure such as cyber risks

Loss prevention/mitigation through the utilization of data and AI

- Support to prepare for accidents, natural disasters and major earthquakes, including risk visualization and the provision of solution based on data analysis

Creation of a resilient and inclusive society (regional revitalization)

- Social implementation of green resilience, the use of the diverse functions of nature to prevent disasters, disaster mitigation, GHG emissions reduction, regional revitalization and physical and mental health
- Collaboration with local governments, commerce and industry associations and other stakeholders in communities to address social issues
- Regional revitalization through initiatives such as transition to a sustainable infrastructure, activation of regional industries, and realization of diverse mobility services

Happiness of diverse people (Well-being)

Provision of products and services that support customers' well-being

- Support for companies' health & productivity management
- Provision of products and services that will help promote customers' health, adapt to an aging society and improve QOL
- Financial inclusion: improving access to insurance and financial services

Respect for human rights

- Promotion of human rights due diligence (identification and assessment of human rights risks and prevention, mitigation and implementation of corrective activities that impact human rights within business activities) and establishment of remedy system

Employee well-being

- Improvement of mental and physical health, fulfillment and ease of working
- DE&I initiative: Creating a work environment that values diversity, equity and inclusion
- Employees and customers respecting each other's human rights

KPI

FY2025

Rate of increase in underwriting of products which help improve the resilience of society (based on number of products underwritten)	Instances of support for the resolution of issues faced by regional companies (Consulting services, training/seminars)	Number of policies in force for products which help solve health-related social issues	Number of policies in force for asset-building products to support longevity	Instances of support for action by companies to address human rights (Consulting services, training/seminars)
Annual average of 20%	10,000 instances a year	2.6 million	0.1 million	1,000 instances a year

Foundation Initiatives: Quality

- Establish clear business operation rules, strengthen risk management in second- and third-line activities, put customers and agents first in business operations and re-emphasize compliance

Customer-focused operations, re-emphasizing compliance

- Customer-focused operations, specific training and education programs for employees and agents that will contribute to raising compliance awareness and improving knowledge, and investigations of business partners
- Clarify rules to ensure proper operations
- Strengthen the risk management framework for second- and third-line activities to ensure legal compliance (monitoring, internal audits, establishing a new organization to strengthen the ability to detect risks)

MS&AD Insurance Group Compliance Basic Policy
3.Code of Conduct for Officers and Employees Concerning Compliance (excerpt)

- We will comply with laws and regulations, etc., and if we discover any behavior with the potential to break laws and regulations, etc., we will have the courage to point out the behavior and correct it in cooperation with related persons and authorities where necessary.
- When considering an action, we will ask ourselves if the action is ethical, if we can explain the action to our customers, friends and family with confidence, and if the action will preserve confidence in the MS&AD Insurance Group and its brand.
- We treat every person faithfully, fairly, and appropriately in every situation.

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

KPI

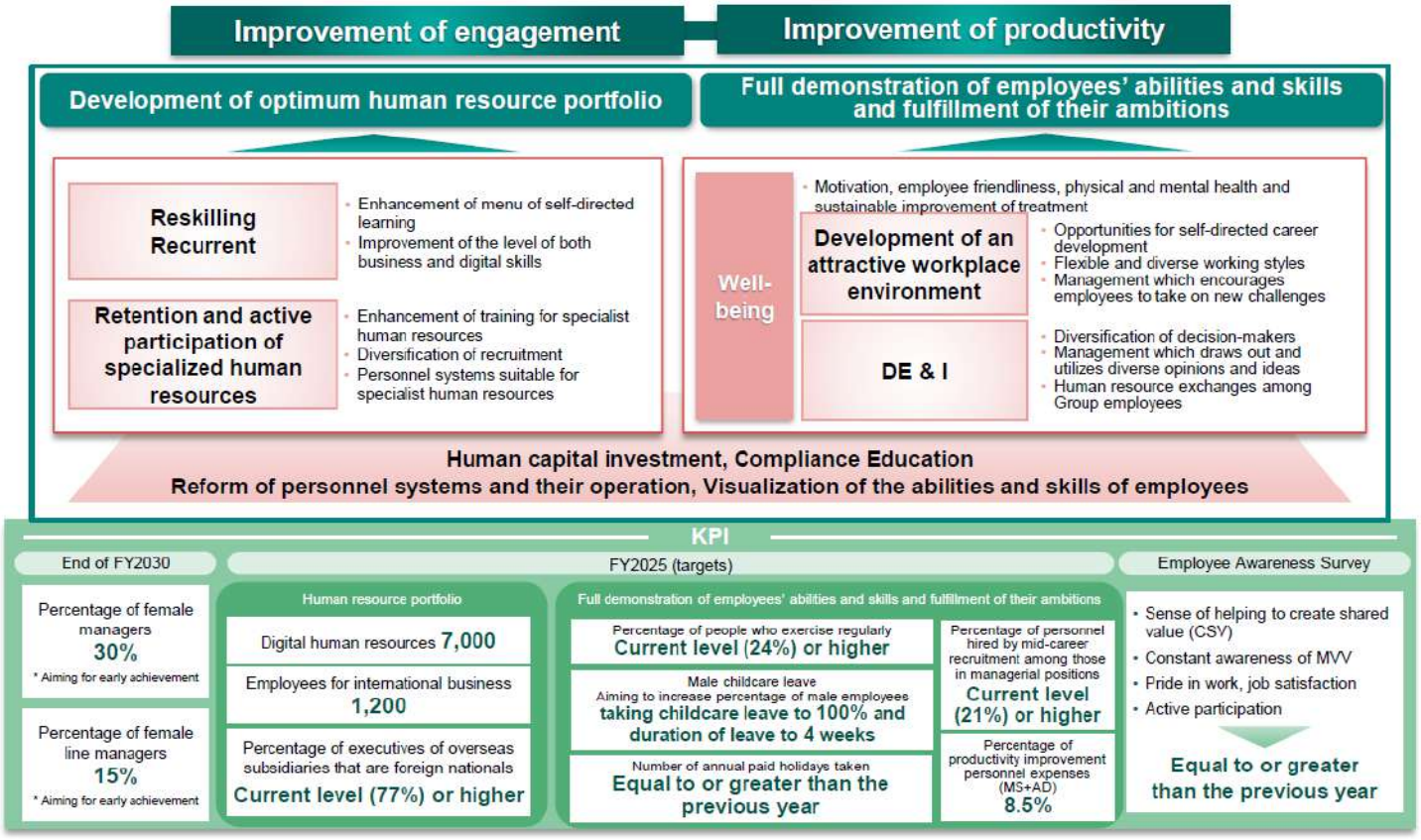
Customer satisfaction level (On quotation & application process)	Customer satisfaction level (On payment of claims)
Equal to or greater than the previous year	Equal to or greater than the previous year

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

- Increase human capital investment and strive to improve employees' well-being
- Secure human resources to support the execution of strategies and also develop an environment for their active participation and career advancement



Foundation Initiatives: ERM

- Quantitatively and qualitatively identify risks held by the entire Group and strengthen the risk management framework.
- Allocate management resources in such a way that strikes the right balance between risk, returns and capital by using the ERM cycle

Strengthening risk management

- Strengthening risk management
  Sharing information about risks detected by Group companies within the Group and strengthening the framework for identifying risks using external advisors and other methods
- Forward-looking risk detection
  Qualitatively assessing risks that are hard to quantify, such as legal and conduct risks, and strengthening initiatives to detect risks at an early stage and uncover risks
- Fostering a risk culture
  Fostering a risk culture that will be a basis for governance, enhancing enterprise value and creating a sustainable businesses

Improvement of profitability and capital efficiency through the integrated management of risk, returns and capital

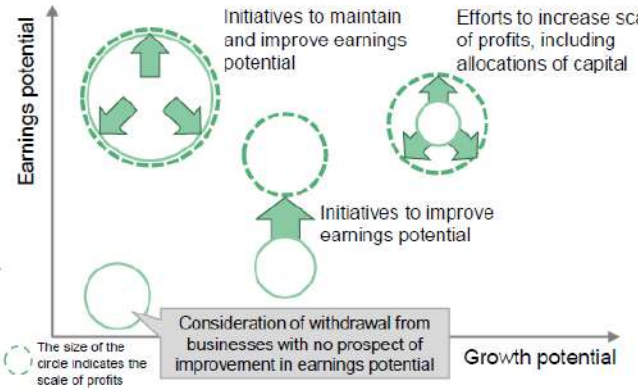
- Improvement of corporate value through enhancement of business management
  Improvement of corporate value by monitoring each business segment of every Group company to clarify issues and implementing initiatives to solve issues, with a view to improving ROE
- Effective utilization of capital within 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

- Initiatives to further reduce strategic equity holdings*
  We plan to accelerate the reduction of strategic equity holdings and sell all remaining strategic equity holdings by the end of the period of the next medium-term management plan (March 31, 2030) This is to reduce risk and improve capital efficiency.
  While returning 50% of Group Adjusted Profit to shareholders, we will invest the proceeds from the sale of strategic equity holdings for growth (We will invest in businesses, systems and digital transformation.).

* Strategic equity holdings do not include stocks that are deemed to be held for rational purposes, including stocks that are held for business investments, such as investments in the development of insurance products and services, and stocks that are held purely for investment purposes.

Conceptual diagram of sophistication of business management



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 from FY2022 to FY2025
- For the basic return, we increase dividends per share in line with the growth of profit. In principle, the Company does not reduce ordinary dividends. It will distribute a portion of the profits gained from the acceleration of sales of strategic equity holdings to shareholders as special dividends.*

*Extra dividends paid to shareholders when exceptional profits are posted in addition to the ordinary dividends paid each accounting period.

- Provide additional returns in an agile and flexible manner, in light of market trends, the business environment, capital status and other factors

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%.

Previous Medium-Term Management Plan

- Medium-term Management Plan（FY2022-FY2025） PDF （5,340KB）
- Vision 2021-Stage2 (2020～2021） PDF （4,032KB）
- Vision 2021 (2018～2021） PDF （5,655KB）
- Next Challenge 2017-Stage2(FY2016-FY2017) (May 26, 2016) PDF （451KB）
- Next Challenge 2017 (June3, 2014) PDF （5,709KB）

*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)

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 PDF
- The Calculation Methodology PDF

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, 2023 to March 31, 2024 included in its MS&AD SUSTAINABILITY REPORT 2024 (the "Report") for the fiscal year ended March 31, 2024.

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 Phoenix Tower of Aioi Nissay Dowa Insurance Co., Ltd. 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 Management

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 Management 1, we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Takashi Fujisawa

Takashi Fujisawa, Partner
KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
January 30, 2025

Scope and Method of Calculating Environmental Data

Item	Method of calculating amounts of energy used, amounts of disposed waste, and passenger-kilometers traveled		CO_2 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.	
Total amount of waste	Japan	The percentage of the actual measured amount of general waste disposed from Company-owned buildings is 94.1%. 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	The actual measured amount of recycled waste	
Amount of disposed waste	Consolidated	Total amount of waste minus actual measured amount of recycled waste	
Amount of water used	Japan	The percentage of the actual measured amount of water used in Company-owned buildings is 82.4%. 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	The amount used is calculated from water purchase costs and unit price by country as published by JETRO. When the cost of water is unknown, it is calculated from water use per person in Company-owned buildings in Japan and the number of employees in each overseas site.	
Business Japan	Japan	Calculated from domestic air travel expenses estimated	

travel		from domestic business travel expenses (assuming that 10% of domestic 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 and international air travel expenses estimated from international business travel expenses (assuming that 50% of international business travel expenses are air 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	Calculated from air travel expenses, train travel expenses and 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.	

Organizational boundary: MS&AD Insurance Group Holdings, Inc. and its consolidated subsidiaries.

As 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	Subject	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 × 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 × 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 × 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	Calculated from domestic air travel expenses estimated from domestic business travel expenses (assuming that 10% of domestic 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 and international air travel expenses estimated from international business travel expenses (assuming that 50% of international business travel expenses are air travel expenses). 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 consolidated subsidiaries	○Commutation allowance Calculate the allowance for commuting by multiplying the remote working rate Commutation allowance × remote working rate × 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. 3.4) for calculating greenhouse gas emissions through the supply chain (May 2024)

*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 on the website that focuses on conservation of natural resources.

1.Toward realization of “Group which Supports a Resilient and Sustainable Society,” the MS&AD Insurance Group will contribute to resolution of social issues such as climate change as a platformer of risk solutions, and will grow together with society.

- In addition to coverage for economic losses, we seamlessly provide products and services before and after compensation, and security.
- We aim to offer the best solutions through marketing that utilizes digital technology, underwriting, claims settlement, risk consulting.

2.This report focuses on the following three key priority issues that constitute “sustainability,” which is one of the foundations stated in the Medium-Term Management Plan (2022 -2025): Symbiosis with global environment (Planetary Health), Safe and secure society (Resilience) and Happiness of diverse people (Well-being).
3.The report also mentions unique initiatives being carried out at Group companies (please refer below for the scope of the report).
4.The report includes a collection of sustainability-related data.

Scope of the Report

Target period
Fiscal 2023 (April 2023 through March 2024) * Also includes some activities in and after April 2024.
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.) ・MS&AD Insurance Group Holdings, Inc. ⇒“MS&AD Holdings” or “HD” ・Mitsui Sumitomo Insurance Co., Ltd. (★) ⇒“Mitsui Sumitomo Insurance” or “MSI” ・Aioi Nissay Dowa Insurance Co., Ltd. (★) ⇒“Aioi Nissay Dowa Insurance” or “ADI” ・Mitsui Direct General Insurance Co., Ltd. (★) ⇒“Mitsui Direct General Insurance” or “Mitsui Direct General” ・Mitsui Sumitomo Aioi Life Insurance Co., Ltd. (★) ⇒“Mitsui Sumitomo Aioi Life” or “MSI Aioi Life” ・Mitsui Sumitomo Primary Life Insurance Co., Ltd. (★) ⇒“Mitsui Sumitomo Primary Life” or “MSI Primary Life” ・MS&AD InterRisk Research & Consulting, Inc. ⇒“MS&AD InterRisk Research” or “InterRisk”

Timing of Publication

This issue
January 2025
Previous issue
December 2023

Referred Guidelines

- GRI, Sustainability Reporting Guidelines (Standard)

Linkage with GRI Guideline

- ISO26000:2010 Guidelines on social responsibility (Japanese Standards Association)

Sustainability Reports

MS&AD Insurance Group Sustainability Report

Mitsui Sumitomo Insurance (MS&AD Insurance Group Sustainability report)

Aioi Nissay Dowa Insurance's Communication Report (in Japanese only)