Sustainability Report

2020



Sustainable Development Goals (SDGs)

Create Mobility Society without Accidents
Strive for Resilient Community Development
Support "Good Health and Longevity"

Quality that Earns the Trust of SocietyPromotion of Diversity & Inclusion

· Work Style Reform and Health and

Productivity Management

Take on Challenges and Continue to Grow

Sustainability ContestDeal with New Risks

• Impact of CSV Initiatives on society and our company

• Work toward Realization of "Leaving No One Behind"

• Encourage Employees to Learn and Think by Themselves,

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CEO Message

The MS&AD Insurance Group pledges in its Corporate Philosophy (Mission) "to contribute to the development of a vibrant society and help secure a sound future for the planet, by enabling safety and peace of mind through the global insurance and financial services business." Toward the realization of the society we are aspiring, we must face the social issues that make it hard for us to accomplish our goals, and quickly identify the various risks that arise from these social issues in order to prevent them from occurring and minimize their impacts. Furthermore, we reduce the economic burden through a variety of products and services when those risks materialize, and we help to create an environment where customers can live and engage in business activities free from anxiety.

That is our story of value creation.

In "Vision 2021," the Medium-Term Management Plan, the Group aims to achieve a "resilient and sustainable society" by 2030. In order to achieve this vision, we are developing business activities that take into account the environment, society, and corporate governance, and are making efforts to create shared value (CSV) with



society. Particularly, we have promoted "responding to climate change," "improving the sustainability of natural capital" and "respect for human rights" as three priority issues.

In responding to climate change, we are providing the effective web services for flood prevention, developing new technologies such as damage prediction service for typhoons and other disasters in collaboration with universities, and providing services to analyze the impacts of climate change in partnerships with venture companies. We are working on the disclosure of consistent, comparable and reliable climate-related information in line with the final recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

In order to improve the sustainability of natural capital, we are promoting initiatives to protect the healthy future of the earth by disaster prevention and reduction initiatives utilizing local nature such as forests, and holding symposiums on the theme of improving the sustainability of natural capital.

Regarding our stance to respect human rights, we regularly conduct due diligence on human rights risks throughout the value chain and provide an education program for employees in order to promote business activities that respect human rights, in accordance with "MS&AD Insurance Group Basic Policy on Human Rights". We are also promoting diversity and inclusion initiatives, such as increasing the number of female managers and encouraging fathers to take child-care leave so that employees can play an active role, and we are developing human assets to flexibly respond a changing business environment by providing enhanced training on digital technology and etc.

This year, the spread of COVID-19 has resulted in the loss of over a million lives around the world, and our lifestyles and values have changed dramatically. Amidst major changes in the social structure, the Group has reconfirmed the importance of fulfilling our role as an insurance and financial services provider, as a social infrastructure that helps maintain the stability of people's lives and society itself. In order to prevent the spread of COVID-19, the Group has expanded the scope of non-face-to-face operations by simplifying digitized insurance procedures and enhancing online support. At the same time, we are providing insurance products for cyber risks, which have become an increasing concern of corporations due to the expansion of working from home, as well as supporting services to build a BCP for infectious diseases.

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In modern society, the business environment is constantly changing due to risks becoming enormous and complex, or due to emerging new risks. In times like these, it is necessary to collaborate with a diverse range of partners in order to find a way to solve ever difficult social issues by sharing ideas with each other.

Expanding the CSV initiatives based on "our Story of Value Creation" will lead to a resilient and sustainable society, from a regional level to the entire country, from Japan to overseas, from the Group companies to the Group as a whole, and even to cooperation with partner companies that share the same issues.

The MS&AD Insurance Group celebrated its 10-year anniversary in Fiscal 2020. We will continue to leverage our strengths of diversity and group synergy to create a better society together with our stakeholders.

September 2020

N. Hata.

President & CEO

Noriyuki Hara

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MS&AD Insurance Group and Sustainability



Our Sustainability Approach



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



Targets (KPI) and Results



ESG Integration and Sustainability Approach



Communication with Stakeholders

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Our Sustainability Approach

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

Our Mission

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

Our Vision

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

Our Values

Customer focus, integrity, teamwork, innovation, professionalism

Perspective of Sustainability of the MS&AD Insurance Group

The MS&AD Insurance Group will create shared value and aim toward a resilient and sustainable society through corporate activities that implement "Story of Value Creation," in order to realize our Corporate Philosophy (Mission).

We will consistently strive for supreme quality that lives up to the trust and expectations upon us, and together with our stakeholders, continue to contribute to the creation of society where everyone can pursue a stable life and take on dynamic business activities, while preserving the sustainability of the global environment and society.

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

Business Activities with Consideration for Sustainability

The MS&AD Insurance Group, as insurance and financial services group which provides safety and peace of mind conduct business activities with consideration for sustainability.

We aim to enhance corporate value by contributing to solutions for sustainability issues (also known as environmental, social and governance (ESG) issues) with profound understanding through stakeholder engagement.

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

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

[Responding to Climate Change]

- We contribute to climate change mitigation and adaptation as climate change may bring material impacts on our lives and ecosystems and pose substantial risks to the insurance industry.
- We contribute to realization of a decarbonized society through our business that supports initiatives for reduction of CO2 emissions
 and climate change mitigation such as enhancement of the stable and sufficient supply and usage of renewable energy,
 development and usage of advanced technology that lead to reduction of CO2 emissions, and research and development toward
 practical applications of CO2 capture, utilization, storage (CCUS) technologies.
- In principle, we will not provide insurance for, nor make investments in new coal-fired power plants. However, we may do so after

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prudent consideration, for cases where such plants are essential for to the stable supply of energy to the country concerned.

- With long-term goals in place, we will reduce CO2 emissions from our operations.
 - < Group's CO2 Emissions Reduction Long-Term Target>

70% reduction in 2050 from the base year 2009

• We will continue to disclose our climate change-related initiatives, in line with the TCFD framework.

[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.

[Respecting Human Rights]

- As respecting human rights is the foundation of a safe society where one can enjoy peaceful lives, we conduct our business
 activities with respect for human rights.
- We will not provide insurance for, nor make investments in manufacturers of cluster muinitions that may cause indiscriminate mass killing.

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

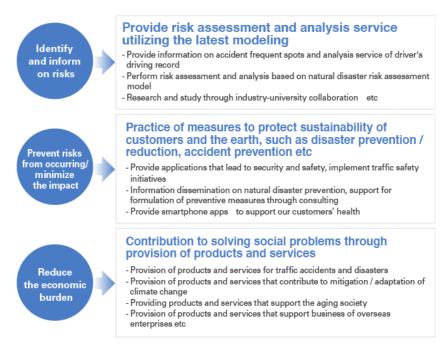
MS&AD Insurance Group participates in the following initiatives.

- Paris Pledge for Action
- United Nations Global Compact (UNGC)
- United Nations Environment Programme Finance Initiative (UNEP FI) (Principles for Sustainable Insurance (PSI), Natural Capital Finance Alliance (NCFA))
- Principles for Responsible Investment (PRI)
- Final Report of Recommendations of the Task Force on Climate-related Financial Disclosures(TCFD)
- 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)

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

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

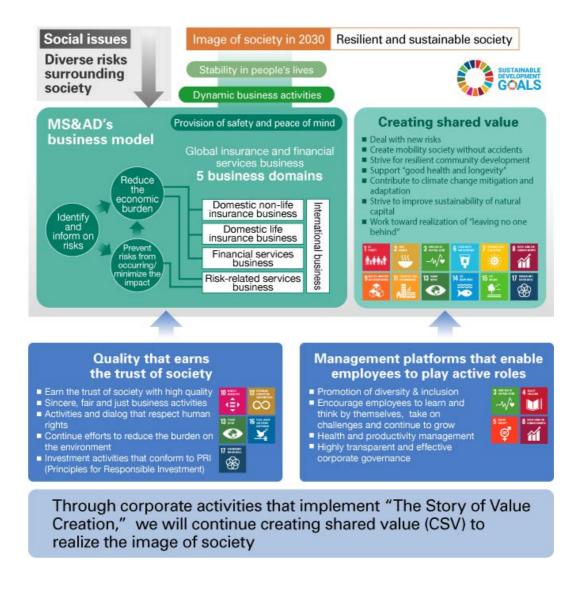
Based on the Perspective of Sustainability of the MS&AD Insurance Group, as an insurance and financial services provider, we offer coverage on various risks that include accidents and disasters. We also focus on solving social issues in order to reduce the rise of risks. We will create common value with society through corporate activities that include "Identifying risks and providing information on risks," "preventing risks from occurring/minimizing the impact of those risks," and "reducing the economic burden."



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

Image of Society in 2030: "Resilient and Sustainable Society"

In 2018, the Group's Sustainability Committee held discussions on seven priority issues (challenges for CSV) and the core initiatives targeting them, and developed the Medium-Term Sustainability Plan which was later incorporated into the Group Medium-Term Management Plan (Vision 2021). In Vision 2021, we have set the image of society in 2030 as a "resilient and sustainable society." In order to be widely supported by stakeholders and to grow in a sustainable way, it is indispensable to continue creating shared value with society through corporate activities, also known as Creating Shared Value, CSV. We will aim to realize a "resilient and sustainable society" by focusing on the priority issues with using the UN Sustainable Development Goals (SDGs) as leading marks.



Identifying Priority Issues

Issue prioritization based on international guidelines, including ISO 26000 and SDGs, is of great importance for both stakeholders and MS&AD Group's business. We identified material issues based on their priority.

[STEP 1] Analysis of social issues

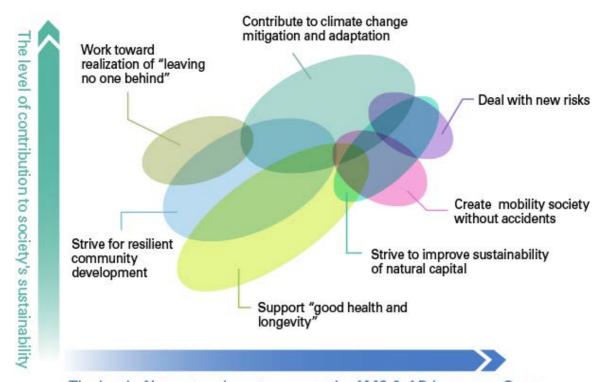
In order to accurately grasp the issues that society needs to solve, we identified social issues based on inputs from our stakeholders (customers, shareholders, business partners, the environment, local society, international society, employees, and agencies), the international frameworks, and the goals of the frameworks.

Diverse risks surrounding society

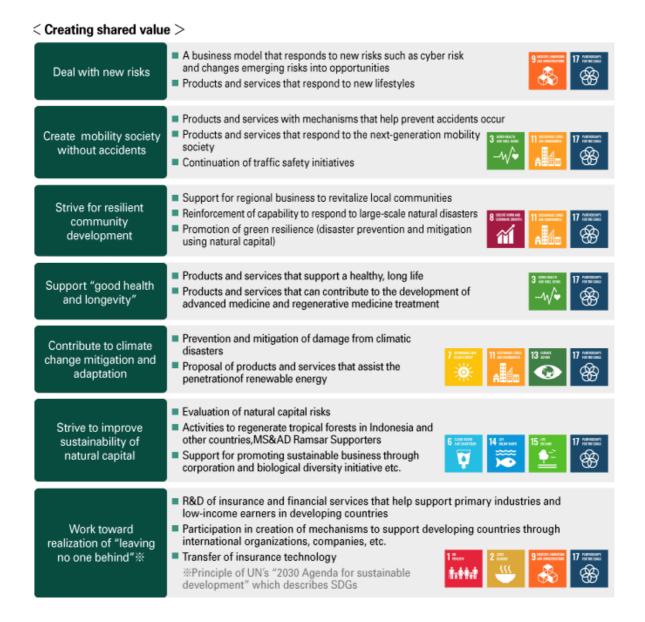
- Diversified/large-scale accidents and/or disasters
- Global environment approaches the limit (climate change, depletion of resources, etc.)
- Mounting burden of nursing/medical care due to aging population
- Economic slowdown by widening inequality

[STEP 2] Identification of priority issues

With regard to the identified social issues and the Group's corporate activities, we analyzed items based on where we can make a significant contribution to social sustainability together with issues that have a major impact on the Group's long-term growth in the areas of economy (E), society (S), and organizational governance (G). From this process, we extracted seven priority issues. These seven priority issues are recognized as our challenges for CSV (Creating Shared Value) in order to clarify our intention to address them as initiatives that create value for both society and the Group. Furthermore, the goals that we aim to achieve through solving these issues are aligned with SDGs.



The level of impact on long-term growth of MS & AD Insurance Group



[STEP 3] Identifying Core Initiatives to underpin Priority Issues

Based on the criteria of Creating Shared value, we define, 'Quality that earns the trust of society' and 'Management platforms that enable employees to play active roles' as the core initiatives that support to solve the priority issues.

MS&AD MS&AD Holdings

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< Initiatives Supporting CSV >

Quality that meets the trust of society











Meeting the trust of society with high quality

- Thoroughly implementing business management based on the "Our Customer-First Policy in the Operation of Group's Business"
- Promoting digitalization to enhance the value of customers' experiences

Implementing sincere, fair and just business activities

- Implementation of corporate activities based on Mission, Vision and Values
- Harnessing customers' voices and the "speak-up" system to ensure sound organizational management

Implementing activities and dialog that respect human rights

- Establishment of corporate culture with respect for human rights
- Development of management system relating to respect human rights

Continuing efforts to reduce the burden on the environment

- Promoting "MS&AD Our Earth Project"
- Initiatives to reduce usage of electricity, gasoline and paper
- Reduction of CO2 emissions Long-term target (FY2050:-70% of FY2009)

Implementing investment activities conforming to PRI (Principles for Responsible Investment)

- Investment analysis of ESG (Environment, Social, Governance) factors and incorporating them into the decision-making process
- The promotion of engagement through stewardship activities

Management platforms that enable employees to play active roles







Promoting diversity & inclusion

- Establishment of corporate culture that respects diversity and diverse values
- Development of the workplace environment and improvement of management capabilities that enable employees, etc. to play active roles without discrimination based on gender, nationality, disability or LGBT identity
- Development of a workplace environment that enables work styles to suit women's life cycles

Implementing health and productivity management

- Creation of a healthy and safe workplace where each employee can maintain and improve their mental and physical health
- Improve initiatives to prevent mental and physical disorders

Encouraging employees to learn and think by themselves, take on challenges and continue to grow

- Provision of an environment where it is easy to work and that gives the opportunity to feel job satisfaction and career development
- Promotion of "work style reforms" and "reinforcement of specialization through the permeation of professionalism"
- Expanded development of human assets with the capability to carry out digitalization

Implementing highly transparent and effective corporate governance

- Continued strengthening of supervisory function of Board of Directors and supervisory function of Audit and Supervisory Board Members
- Implementation of fair, accurate and swift information disclosure

[STEP 4] Reporting to the Management Team

The identified core initiatives are reported to the management team as the Priority Sustainability Issues of the Medium-term Management Plan, Vision2021, and are disclosed to stakeholders through information sharing meetings and to employees through briefing sessions.

Targets and Results

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

Key Performance Indicators (KPI)

Impacts of CSV Initiatives

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

Impact

Our Sustainability Priorities

For realizing a resilient and sustainable society, we have set three priority issues; i) contribute to climate change mitigation and adaptation, ii) strive to improve sustainability of natural capital, and iii) Activities and dialog that respect human rights, that have a major impact on both the society and the Group.

Our Sustainability Priorities

ESG Integration

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

ESG Integration

Management Structure

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

Initiatives

Our Group participates in various initiatives and strives to create shared value with society. We will continue to work to identify and address a diverse range of sustainability issues.

| 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." |
|--|--|
| Participation in the United Nations Global Compact* WE SUPPORT ORAL COMPANY ORAL CO | 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) |
| Task Force on Climate-related Financial Disclosures | In June 2017, The Task Force on Climate-related Financial Disclosures (TCFD) released its Final Recommendations constituting a framework for companies and other organizations to voluntarily disclose climate-related information. MS&AD Holdings disclose information on climate-related efforts in line with these Recommendations. Task Force on Climate-related Financial Disclosures (TCFD) |
| 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 climatechange action cooperate toward achieving the goal. Being a signatory to the Initiative also means that we approve ofits declaration: "Joining the front line of the global push for decarbonization from Japan." The declaration representsone of the efforts made toward meeting the well-below 2° C goal of the Paris Agreement under the United NationsFramework Convention on Climate Change that was adopted in 2015. |
| Natural Capital Finance Alliance | In July 2016 our Group signed the Natural Capital Declaration, which calls on financial institutions to incorporate the concept of "natural capital" into their financial products and services, and we have been taking part in the Natural Capital Finance (NCFA). |

| 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. |
|--|---|
| Principles for Financial Action toward a Sustainable Society in the 21st Century (PFA21) | In October 2011, the "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. These principles were created as action guidelines for financial institutions that want 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. |
| 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. Japan Business Initiative for Biodiversity (JBIB) and "The Story of Biodiversity Told by Companies" |
| 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. MSI Our Policies According to Japan's Stewardship Code ADI Our Policies According to Japan's Stewardship Code(Japanese only) |
| Challenge Zero (innovation challenges toward a decarbonized society) Declaration | In June 2020, Keidanren (Japan Business Federation) released its "Declaration on Challenge Zero" in support of achieving a net zero regarding greenhouse gas emissions as early as possible, in line with the goal of the Paris Agreement. |
| "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 and contribute to the SDGs by "improving the sustainability of natural capital," one of the Group's priority issues. |

Targets (KPI) and Results

Key Performance Indicators (KPI) to Promote Our Sustainability Initiatives

| Issues | Indicators | FY2017 Achievements | FY2018 Achievements | FY2019 Achievements | Group Targets for FY2018 and after | Covered Companies |
|---|--|-------------------------|-------------------------|-------------------------|--|---|
| Creating shared value | Development of products and services | Main efforts find below | Main efforts find below | Main efforts find below | Continue the approaches | Domestic Group Companies |
| | Customer satisfaction survey about insurance contract procedures*1 | 95.2% | 97.1% | 97.7% | the same level or higher compared to the previous fiscal year | Domestic Group Companies |
| | Customer satisfaction survey about payment of insurance claim*1 | 96.3% | 96.6% | 96.6% | the same level or higher compared to the previous fiscal year | MSI,ADI,Mitsui Direct General,MSI Aioi Life |
| Quality that earns the trust of society | CO2 emission reduction rate(Scope1 and Scope2 combined)*2 | ▲6.8% | ▲12.7% | ▲20.7% | by 2050 versus base year (fiscal 2009) Lower than the previous Domestic | Consolidated |
| | Total energy consumption | 1,017,853GJ | 1,000,014GJ | 943,090GJ | | |
| | Paper consumption | 11,085t | 10,545t (▲4.9%) | 11,080t (5.1%) | | Domestic Group Companies + Other |
| | Ratio of females in managerial positions | 9.9% | 12.4% | 14.8% | 15.0% (FY2020) | |
| | Employee satisfaction (questionnaire results), "Pride, Job satisfaction" | 4.4points | 4.4points | 4.4points | | Domestic Group Companies |
| Management platforms that enable employees to play active roles | Employee satisfaction (questionnaire results), "Working Vigorously" | 4.3points | 4.3points | 4.5points | | |
| | Number of annual paid holidays taken | 16.0 | 15.6 | 15.7 | | |
| | Ratio of taking fully paid paternity/secondary leave | 58.0% | 63.9% | 64.6% | | |
| | Number of employees practicing social contribution activities | 20,022 | 23,601 | 27,673 | | |

- (*1) For details of the questionnaire on customer satisfaction survey of each company, please visit their website.
- (*2) We have revised the figures in FY2018 by improving the accuracy of business activities' data which is the basis of calculation.
- Mitsui Sumitomo Insurance Co., Ltd. (Japanese only) 🗂
- Aioi Nissay Dowa Insurance Co., Ltd. (Japanese only)
- Mitsui Direct General Insurance Co., Ltd. (Japanese only)
- Mitsui Sumitomo Aioi Life Insurance Co., Ltd. (Japanese only)
- Mitsui Sumitomo Primary Life Insurance Co., Ltd. (Japanese only)

< Main Efforts >

Developing and improving our products as part of our initiatives for 'creating shared value'

* Part of the above classification may include contents which are different from those of the "Our Value Creation Approach" in this report.

In "Our Value Creation Approach," we classify these CSV initiatives as they are much easy for everyone to understand.

| Deal with new risks | Provided cyber risk related products and services with enhanced risk management. (Number of cyber insurance policies: +25.2% compared to FY2018) Launched "Comprehensive compensation insurance for Mobile Application-based payment service providers" in September 2019. Launched the problem-solving data analysis service for our clients by RisTech. (Number of the services introduced: 23 companies, Number of companies under consideration: 81 as of May 2019) Provision of "medical receivavle compensation insurance" for members of the Japan Hospital association in April 2019. Started providing information related to COVID-19 in January 2020. Launched consulting services how to deal with customer harassment and complainer in January 2020. |
|---|---|
| Create mobility society without accidents | Launched some insurances and services that contribute to accident prevention and safe driving. (Distracted driving prevention support service "FOUR SAFETY" in December 2019, Dashcam and telematics services for fleet policyholders "F-Dora" in January 2020, automobile insurance "TOUGH Observe and Protect Automobile Insurance Plus" in January 2020 and Smartphone app for driving skill training in January 2020.) Developed and provided dedicated insurances for operators of on-demand transportation in August 2019 and for Maas operators in December 2019. Promoted motivation for no accident by newly introducing long-term excellent discounts and no accident discounts based on the concept of "accident-free realization"in January 2020. |

| Strive for resilient community development | Promoted regional revitalization initiatives such as supporting small and medium-sized enterprises and contributing to solving regional issues and revitalization through comprehensive cooperation agreements with local governments, local banks, credit unions. (Number of SDGs seminars for small and medium-sized enterprises: 55) Examples of providing products and services > Developed dedicated insurance for sake makers and establishment of "Nagano model" through collaboration with local governments and regional financial institutions Examples of local contribution activities > Provided menus to enhance attractiveness of local towns, and held demonstrations of electric supply function to Plug-in Hybrid Vehicles. Promoted understanding of the need for compensation for natural disasters through the "Proposal for preparation of natural disasters" and provided information about the compensation, and provided navigation services free of charge to support safe and secure actions in the event of large-scale natural disasters. |
|--|---|
| Support "good health and longevity" | Provided support tools for small and medium-sized enterprises to be certified as an "excellent health management corporation". Introduced the insurance premium discount system for general welfare group term life insurance without dividend to organizations certified by the Ministry of Economy, Trade and Industry as "good health management corporations"in October 2019. Provide information through seminars and VRs related to health and medical (Number of participants in "Life and Medical Seminars": 14,379). Launched "Ashitano Yorokobi 2", four types of lump-sum payment Tontine annuities including the industry's first fixed-term annuity with a lifetime of coverage in September 2019. |
| Contribute to climate change mitigation and adaptation | Adapted natural disasters through development and utilization of climate change risk analysis service and website for real time loss prediction (cmap.dev). Implemented support measures for companies toward the transition to decarbonized society by providing products and services that support renewable energy businesses. Invested in Sustainability Bond issued by Japan Railway Construction, Transport and Technology Agency in May 2019. |
| Strive to improve sustainability of natural capital | Provided consulting services that evaluate impact on natural capital generated by business activities and propose the countermeasures. Conducted joint research with Kumamoto City on the creation of the green resilience map (creating regional information data to utilize natural capital for disaster prevention and regional revitalization). Held the symposium ralated to advanced cases of Western countries that support natural capital that contributes to disaster prevention and reduction through insurance and financial schemes in December 2019. |
| Work toward realization of "leaving no one behind" | Developed the dedicated fire insurance to help poor classes to build homes with insurance cover in Malaysia. Donated amount linked to the number of "& LIFE" insurances as vaccine expenses. Jointly developed the "Social Contribution Clause" with Sumitomo Mitsui Banking Corporation which is able to be donated to Japan Committee for UNICEF and the Japanese Red Cross Society through insurance claim payments etc. in September. |

Mid-term Target

- For the target of reduction of CO2, The MS&AD Insurance Group holds target as below; Reduce CO2 emissions to 70% from the base year (fiscal 2009) in 2050, and reduce to 30% in 2020.
- For the target of "Ratio of females in managerial positions", at the end of fiscal 2020, we hold target as below;
 - * Group Domestic : Ratio of female managers up to 15% or more by the end of fiscal 2020
- For the target of "Ratio of taking fully paid paternity/secondary leave", at the end of fiscal 2021, MSI holds a target as below;
 - MSI: 80%
- ESG Data / Reference Material

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 thatthreaten respect for basic human rights, deforestation due to illegal logging, and corruption and bribery that undermine economic growth and stability. Our company's business activies could influence ESG factors, and our company itself could be influenced by ESG factors. While we respond to such ESG-related risks to ouselves, 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 inour business activities. We recognize the wide-ranging ESG risks such as legal risks, reputational risks, quality-related risks, business continuityrisks, operational risks, transition risks, financial risks, etc., and these could potentially have a major impact on our company's business activies 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 "Prspective of Sustainability of the MS&AD Insurance Group" that describes our policies on addressing ESG concerns.

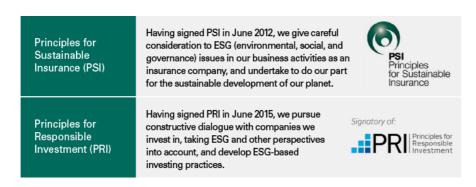
- Our Sustainability Approach
- Products and services that contribute to achieving Sustainable Development Goals (SDGs)

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

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

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

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



Development of Products and Services with Consideration for ESG

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

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

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

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

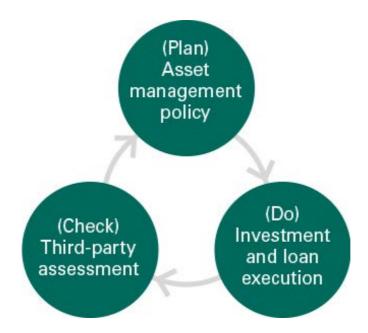
Additionally, in reviewing factors to be considered, we have referred to the UN Global Compact, the Universal Declaration of Human Rights, the Guiding Principles on Business and Human Rights, the International Labour Organization Standards, the UN Convention against Corruption, and the OECD Guidelines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

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

ESG-based Investments

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

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



Operating Scheme

| ESC | G Investment methodologies | Description | |
|------|---------------------------------|--|--|
| The | ematic investment | Profitability-oriented investment in assets, etc., connected with the resolution of social issues | |
| | Impact Investment | Investment methodology in which investment decisions are dually aimed at obtaining investment returns and creating social impacts(structural changes in society, etc.) | |
| | Sustainable-thematic investment | Investment methodology of investing in sustainability themes, organizations, assets, etc. that are not included in impact investment | |
| Inte | egration | Systematic integration of ESG factors into company analysis and evalutaiton | |
| | Integration into research | Systematic integration of ESG factors into the investment process | |
| | Positive screening | Construction of a portfolio of companies with high ESG rating, etc. | |
| | Negative screening | Construction of framework that excludes certain loan purposes, industry sectors, etc., from the portfolio | |
| Eng | pagement | Dialogue and communication on ESG topics | |

sample ESG investment methodologies as by our company

Key Investments

| MSI ADI MSI Aioi Life MSI Primary Life Investment in sustainable development bonds | Invested in sustainable development bonds issued by the World Bank (International Bank for Reconstruction and Development) (private placement: \$120 million, or approximately 13.5 billion yen). |
|--|--|
| 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, possessing innovative technologies in these fields. |
| Investment in Regional Economy Vitalization Corporation of Japan | Investing in funds established by the Regional Economy Vitalization Corporation of Japan to quickly improve the management of companies that will occupy a core position within their communities and to foster key companies that sustain their communities. By doing so, we are supporting the vitalization of regional economies. |
| MSI Financing for renewable energy power plants | Financed the construction of mega—solar and wind power plants with the aim of promoting diffusion of renewable energy (FY2018, 5 billion yen). |
| Investment in loan origination funds for small and medium-sized enterprises | Supporting the growth and business vitalization of small and medium—sized enterprises by investing in Japan's first fund designed to provide risk money primarily through loans (fund established by Topaz Capital, Inc.).(FY2016, 5.9billion yen). |
| MSI Aioi Life Investment in African Development Bank's Industrialize Africa bond | Invested in Industrialize Africa themed bonds issued by the African Development Bank in November 2017 (private placement) (FY2018, approx. 2.6 billion yen). |
| MSI ADI MSI Aloi Life MSI Primery Life Investment in green bonds/social bonds | Invested in green bonds/social bonds issued by Japanese companies in Japanese markets (FY2018, approx. 4 billion yen at MSI and ADI; FY2019, 16.5 billion yen at MSI, ADI, MSI Aioi Life, and MSI Primary Life). |
| Investment in ESG-based real estate funds | Invested in ESG-basæd overseas real estate funds (FY2018, 5.5 billion yen). |
| Investments and financing in solar power, biomass and wind power generation | Made investments and loans for solar power, biomass, and wind–power projects to promote diffusion of renewable energy (FY2019, 14.7 billion yen). |
| Investment in Inter-American Development Bank's sustainable development bonds | Invested in sustainable development bonds issued by the Inter-American Development Bank. The proceeds from these bonds aim to support countries in their response to the COVID—19 pandemic by providing support for public health, safety nets for vulnerable populations, productivity and employment, as well as fiscal policies for the amelioration of economic impacts (FY2020, approx. 3.6 billion yen). |

ESG Risk Evaluation Process

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

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

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

Implementation of Japan's Stewardship Code

From the perspective of fulfilling their social responsibility as institutional investors, MSI and ADI have announced their support for Japan's Stewardship Code, a code of behavior laid out for institutional investors. In line with the Code, we carry out a constructive dialogue with investee companies to encourage them to enhance their medium— andlong—term value and sustainable growth, and, through the dialogue, we focus on understanding their management issues, their shareholder return policy, ESG, and other non—financial information. From July, 2019 to June, 2020, MSI and ADI conducted constructive "proposeful dialogue" with a total of 347 firms.

- MSI Our Policies According to Japan's Stewardship Code
- ADI Our Policies According to Japan's Stewardship Code (Japanese only)

External Assessment

Investing methods that assess corporate sustainability from the standpoint of Environmental, Social and Corporate Governance (ESG) are spreading. The MS&AD Insurance Group utilizes the assessments provided by major ESG evaluation organizations to improve its efforts. As of November 2020, the Company is a constituent of the following ESG indices:

- Dow Jones Sustainability Indices 🗂
- ODP □
- MSCI Japan ESG Select Leaders Index (Japanese only)
- MSCI Japan Empowering Women Index (Japanese only)
- FTSE4Good Index Series <a>¬

- FTSE Blossom Japan Index 🗂
- ISS ESG Corporate Rating Prime
- STOXX Global ESG Leaders Index
- S&P/JPX Carbon Efficient Index 🗖

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







2020 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2020 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)







* 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.

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Communication with Stakeholders

We believe it is important to understand what our stakeholders expect and want from the Group and utilize this understanding to improve the quality of products and services in order to always be an enterprise group that is needed by society. The MS&AD Insurance Group has various systems to facilitate communication with our stakeholders and is working on incorporating the voices of the stakeholders into the Group's management strategies.

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 to the voices of our stakeholders and utilize them for quality improvement. In addition, we disclose our processes for understanding the received feedback, their contents and the results of the improvement efforts made towards them, and make all of the information available for public inspection on our website and others.



| Customers | The MS&AD Insurance Group Basic Policy for Responding to Customer Communications was formulated with the aim of receiving a wide variety of feedback from customers, including inquiries, requests, and grievances, among others, to be utilized for quality improvement. To offer products and services that satisfy customers as required by this basic policy, domestic Group insurance companies have formulated a "Customer-first Policy in the Business Operations" to help them extensively listen to the voices of customers and make continuous efforts to improve the quality of our products and services, as well as our operations. Furthermore, we endeavor to understand our stakeholders' needs and expectations, and for this end, together with management level discussions, have constructed various schemes that help to improve the quality of the products and services we offer. Quality that Earns the Trust of Society Products and services that contribute to achieving Sustainable Development Goals (SDGs) |
|--------------|---|
| Shareholders | We are conducting IR activities in accordance with our basic policy to win the trust of shareholders and investors, and to enable our Group's corporate value to be fairly evaluated. The MS&AD Insurance Group proactively engages in highly transparent information disclosure and constructive dialogue with shareholders and investors in an effort to achieve sustainable growth and increase corporate value. Specifically, through highly transparent information disclosure, the MS&AD Insurance 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. Disclosure of Information and Investor Relations (IR) |

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| Agents | By maintaining effective communication with agents, who are our business partners, and by thinking and acting together, the MS&AD Insurance Group aims to offer quality service and optimal insurance products to our customers. In this way, we also encourage the Group companies and agents to grow together. We intend to further strengthen communication with agents by providing support to various initiatives aimed at bolstering the agent organizations' growth and contributions to various local and social activities. Furthermore, due to the growth of the agents' businesses, dedicated full-time staff members with expertise provide overall management support to agents', including in growth strategies, maintenance of systems, and staff education through training and one-to-one meetings, thereby improving the agents' management base and the quality of their products and services. Quality that Earns the Trust of Society |
|---|---|
| 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, in line with the ISO14001, explains its Group Environmental Basic Policy to business partners and asks for their cooperation. Furthermore, The MS&AD Insurance Group supports its business partners' initiatives towards the environment, including the acquisition of Eco Action 21 certification, a simplified version of the environmental ISO certification. Transaction Responsibilities |
| 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 on any problems they perceive and raise their concerns. 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 management-level executives and employees, we continue to make efforts to leverage employee feedback in business operations. |
| Local Communities and International Society | As a member of both the local and international communities, the MS&AD Insurance Group takes part in the initiatives listed below, makes efforts to understand the diversifying sustainability issues, and continues to take relevant actions. - Paris Pledge for Action - United Nations Global Compact (UNGC) - United Nations Environmental 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) Final Recommendation - Japan Climate Initiative (JCI) - Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century) - Japan Business Initiative for Biodiversity (JBIB) With regard to social contribution activities conducted through our main business, including our insurance business, employees engage in contribution activities for environmental conservation and local communities to support their sustainable development. Furthermore, through the MS&AD Unison Smile Club, a social contribution group created by the employees of the MS&AD Insurance Group, we conduct various social contribution activities in collaboration with non-profit organizations and donation to meet local needs through dialogue with local governments, etc. MS&AD's Story of Value Creation and Business Models Work toward Realization of "Leaving No One Behind" Initiative |

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The Environment

We have developed the Group Environmental Basic Policy and are implementing various initiatives. The MS&AD Insurance Group will continue to contribute to the solution of environmental issues through various actions, such as signing the Paris Pledge for Action, and participation in a wide range of initiatives including the UN Global Compact, Principles of Sustainable Insurance, and Natural Capital Declaration.

In addition, we analyzed what is the role of corporations in the 2030 Agenda for SDGs (Sustainable Developmental Goals), and reflected them in our Medium-term Management Plan, "Vision 2021". As a global insurance and financial services provider, we will continue to work on promoting initiatives from a global standpoint to push for the sustainability of the global environment.

Contribute to Climate Change Mitigation and Adaption Strive to Improve Sustainability of Natural Capital HOME / Sustainability / Our Sustainability Priorities

Our Sustainability Priorities

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

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

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

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

Contribute to Climate Change Mitigation and Adaptation

Strive to Improve Sustainability of Natural Capital

Implementing Activities and Dialog that Respect Human Rights

Contribute to Climate Change Mitigation and Adaptation

Aspirations

With the adoption of the 2015 Paris Agreement, a framework agreement on climate change, governments around the world agreed to keep the increase in the global average temperature well-below 2°C from pre-Industrial Revolution levels, and to work to limit this increase to 1.5°C. To that end, the world's greenhouse gas emissions must be peaked out as soon as possible and then reach a balance with greenhouse gas absorption (forests, etc.) in the second half of the 21st century. A transition to a decarbonized society, with substantial reduction of greenhouse gas emissions, should be made in adapting to climate change.

As an insurer, the MS&AD Insurance Group is addressing the accumulation risks of cumulative damage due to natural disasters while promptly ascertaining social changes to advance the level of its own risk management. We are working to reduce the environmental burden accompanying our business activities with a target at 70% reduction by FY2050 using FY2009 as a benchmark year.

Furthermore, we will continue to support sustainable development by providing insurance and consulting services designed to reduce damage and loss incurred in corporate and other activities due to abnormal weather stemming from climate change, and by developing products/services that help advance the transition to a decarbonized society.

Climate-related Financial Disclosure

To achieve a "Resilient and Sustainable Society", the MS&AD Insurance Group is tackling climate changes mitigation and adaptation through Creating Shared Value (CSV initiative) .

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



Task Force on Climate-related Financial Disclosures (TCFD)

Creating Shared Value

Advanced climate change may bring unprecedented tremendous disaster by weather events with growth in frequency and magnitude. In addition to such large, intense disasters, slower changes in weather patterns will destabilize business activities and day-to-day living, causing both physical and economic harm. Natural disasters are an enormous risk confronting the entire planet, and insurers closely involved in responding to such disasters are concerned that more expensive insurance payment could lead to a degradation of the global insurance system. We must make efforts to mitigate advancing climate change while also putting measures in place to prepare for rising risks. The Group will provide society with safety and security through adequate preparations, including reinsurance for damage from large-scale disasters. We will also support new businesses that promote climate change adaptation by providing suitable services to reduce or eliminate damage and loss inflicted on customers by natural disasters and that help bring about a decarbonized society.

| Identifying and providing information on risks | Preventing risks from being realized Reducing the impact of risks | Reducing the economic burden when risks materialize | |
|---|--|--|--|
| Risk analysis based on the impacts of climate change | Proposals for risk management measures based on | Provision of needed risk coverage | |
| (Analysis examples) | survey/analysis findings | (Coverage example) | |
| · Risk assessments based on long-term flooding | (Proposal example) | · Coverage for the risk of lower sales due to the | |
| forecasts | · Examining countermeasures based on simulations | suspension of business operations or the closure of | |
| · Quantitative assessments based on multi-hazard | of business operations being suspended | facilities, | |
| predictions | due to large-scale weather disasters | and for the risk of higher expenses incurred, | |
| Future business risks connected with the transition | | for example, due to restoration efforts after system | |
| to a decarbonized society | | breakdowns | |
| · Risk of water depletion at business locations | | | |
| engaged in businesses that use large volumes of water | | | |
| Real-time damage prediction for natural disasters | | | |

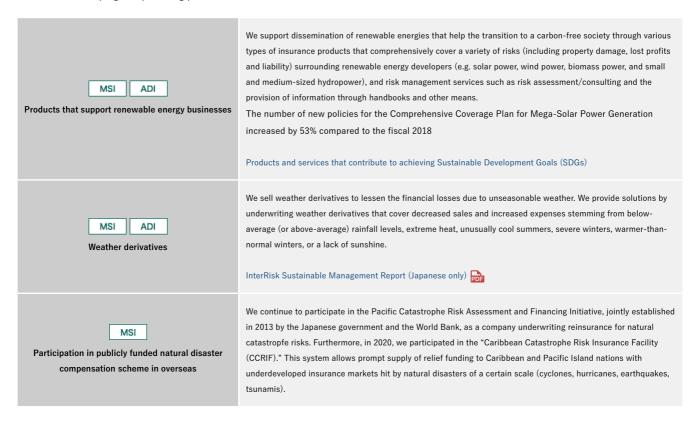
Providing Services and Research Related to Climate Change Risk Assessments and Analyses

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

Risks that should be ascertained by companies are physical risks, such as flooding and droughts, stemming from climate change and transition risks in the course of transition to a decarbonized society in line with Paris Agreement, including changes in the energy structure. We provide services that support our clients building a climate change governance structure, performing scenario analysis, and developing climate strategy in accordance with the TCFD's Final InterRisk Recommendations through assessment and analysis of such risks. In July 2020, we launched a quantitative analysis service to assess the impact of natural catastropfe risks stemming from climate Climate change risk analysis service change on a global scale with a precision of 90 square meters. Climate change risk analysis service (Japanese only) We launched a climate change impact assessmenst service for TCFD with Jupiter Intelligence, the climate change risk analysis venture. The MS&AD Insurance Group and MS&AD InterRisk Research & Consulting have teamed up with the University of Tokyo and the Shibaura Institute of Technology to undertake a Large-scale Assessment of Flood Risk Due to Climate Change (LaRC-Flood™) and published a Map of Forecasted Flood Frequency Change Due to Climate Change as part of this project. To clarify the relation InterRisk between climate change and flooding risk, we have also begun extensively and quantitatively evaluating the impacts of global warming on the probability of past floods occurring, with a focus on the major rivers in Asia. Provision of "Prediction Map Showing Changes in Advancing climate change could increase flood risk globally in future, which would have a major impact on Flood Frequencies" corporate management. As an insurer, the MS&AD Insurance Group will strive to respond to natural catastrophes and prevent/mitigate damage from these disasters. Climate change in particular has long been an issue of interest for the Group as a whole, and we have been pursuing an industry-government-academia collaboration to resolve social issues and bring about our vision of an ideal society. LaRC-Flood map (Japanese only)

Providing Coverage

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



Efforts to Reduce the Burden on the Environment

To reduce environmental impacts from our business activities, we have established a Basic Policy on the Environment and we are implementing environmental protection initiatives with applying the PDCA cycle.

Environmental Management

Group-wide

Considering environmental issues as a priority issue for corporate management, we are actively pursuing environmental efforts aimed at creating a decarbonized society in accordance with the MS&AD Insurance Group Basic Policy on the Environment. These efforts are being carried out in line with the Code of Conduct set out in the Environmental Basic Policy which combines ISO14001 certification, the international standard for environmental management systems, with the MS&AD OUR EARTH Project, the Group's own management system.

- Basic Policy on the Environment
- 🕑 ISO14001 Management System Registration Certificate 둵

Reducing CO2 Emissions



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. In keeping with this pledge, we have formulated CO2 emission reduction targets for FY2020 and FY2050 for the Group as a whole. As an insurance/finance group doing business globally, we are mobilizing the entire Group to pro-actively reduce its CO2 emissions.



Decreasing Paper Use

Group-wide

We substantially reduce the environmental burden through less paper use by computerizing insurance contract and payment procedures, etc., and making electronic policy certificates, terms, and conditions accessible on the Internet.

Promoting the Use of FSC-Certified paper *

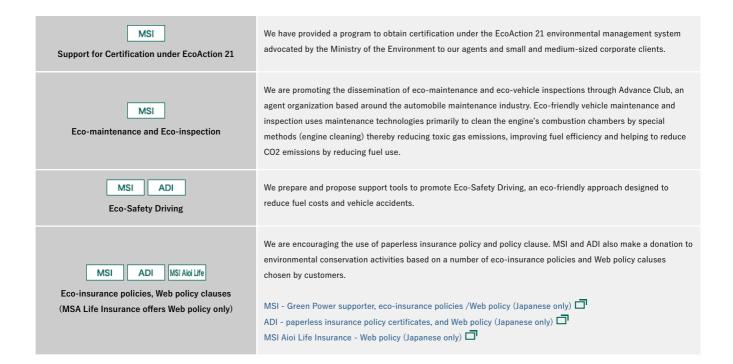
Group-wide

Our Group has been making a switchover to FSC-Certified paper for pamphlets and other printed material since FY2010. Using paper made with lumber sourced from properly managed forests, we contribute to conserve biodiversity through forest protection.

(*) Paper manufactured from lumber sourced from properly managed forests in the interest of sustainable forest use and environmental conservation

Efforts Across the Value 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.



Participation in the CDP (formerly known as the Carbon Disclosure Project)

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.



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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

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Climate-related Financial Disclosure

Climate-related Financial Disclosure

Because climate change has a significant impact on society and industry, we recognize that disclosing the impact of climate change on buisiness activities is essential for the stability of society and the financial system.

The MS&AD Insurance Group endorses the Task Force on Climate-Related Financial Disclosures (TCFD) and promotes the disclosure of financial information.

(S) WILLS IN TH

🕑 What is TCFD? (Ministry of Economy, Trade and Industry) (Japanese only) 🗂

Governance: Climate-related Internal Control

To achieve a "Resilient and Sustainable Society," the MS&AD Insurance Group is tackling climate change mitigation and adaptation through Creating Shared Value (CSV) initiatives.

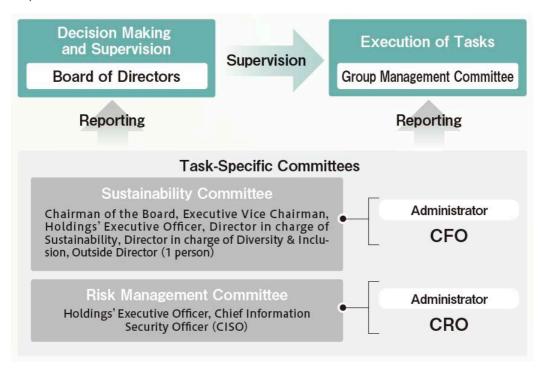
Promotion and monitoring of these initiatives is discussed by the Board of Directors, the Group Management Committee and Task-Specific Committees.

The Board of Directors discusses and determines important matters such as management strategies and capital policies including climaterelated matters and supervises the execution of duties by Directors and Executive Officers.

The Group Management Committee discusses important matters such as management policies and strategies that include the recognition of climate-related issues and initiatives, and monitors the execution of tasks by Executive Officers.

Climate-related issues and progress with initiatives are reported to both the Board of Directors and the Group Management Committee after discussions primarily by the Sustainability Committee and Risk Management Committee (respectively four times annually).

The CFO, receiving reports on climate related updates and information from the Corporate Planning Department, operates the Sustainability Committee, which discusses initiatives and plans. The Chief Risk Officer, receiving reports on climate-related risks from risk management departments, operates the Risk Management Committee, which monitors risk, return, capital and the status of risk management, and discusses and coordinates important matters.



Strategy: Climate-Related Risks and Opportunities

Climate change poses risks in such areas as rapid social and economic changes resulting from the increasing scale of natural disasters and the transition to a carbon-free society.

While ensuring financial soundness and stable profits, the Group undertakes duties of insurance claims for damage caused by natural disasters such as typhoons and floods in the form of insurance payments. At the same time, we are pursuing initiatives for disaster prevention and mitigation both in Japan and overseas.

In addition, we are contributing to the realization of a resilient and sustainable society by promoting efforts to support the development of new technologies to reduce the risk of climate change and efforts to reduce the environmental impact of our business activities.

[Climate-Related Risks]

Sometimes damage from natural disasters such as typhoons becomes huge and increases the amount of insurance payouts. If the impact of climate change worsens major natural disasters, there is a risk that insurance payments will be large. The Group prepares for such payments through reinsurance, catastrophe bond arrangements and maintaining appropriate catastrophe reserves.

In fiscal 2019, the common reinsurance special contracts newly entered into by Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance worked effectively, and we were able to secure stable profits for the fiscal year.

We will continue to control the retained amount of natural catastrophe risk, considering the effects of climate change, while securing the capital necessary to maintain financial soundness.

We are also promoting reform of our business portfolio by expanding earnings in the international and life insurance businesses.

Through the geographic and business diversification of these businesses, we are working to build a more stable earnings base and increase resilience to large-scale natural disasters.

In addition, in preparation for frequent natural disasters, we are utilizing digital technology to build a system that allows customers who have suffered damage to receive insurance payouts as soon as possible. We have also started a new loss survey method using drones and Al.

In addition to the occurrence of natural disasters, the Group recognizes that climate change could have the following medium- to long-term effects.

- Changes in weather such as little rain, drought and reduced water supply
- Tightening environmental regulations and progress of technological innovation to tackle the advance and impact of climate change
- Increase in litigation related to environmental disasters
- Increases in reinsurance premiums due to frequent natural disasters and growth in the scale of such disasters
- Increase in the incidence of heat stroke and infectious diseases due to rising temperatures
- Changes in the industrial structure aimed at realizing a carbon-free society
- Deterioration in investment returns in sectors affected by rising carbon prices and reduced demand for fossil fuels

While recognizing increasing risks in such areas, we are monitoring their impact on the Group's business and utilizing them in our business strategies. We have also started dialogue with investee companies on the impact of climate-related risks on business activities.

Akibare Re 2020-1 catastrophe bond

Mitsui Sumitomo Insurance, via Singapore-domiciled special-purpose company Akibare Re Pte. Ltd. in March 2020 issued catastrophe bond Akibare Re 2020-1 (issue amount US\$100 million), which will provide MSI with protection against typhoon risk and flood risk in Japan.

The frequency of large-scale natural disasters is raising uncertainty for the reinsurance market. Therefore, it has been decided to issue the bond to secure long-term stable cover by diversifying reinsurance procurement methods while reducing its net retained risk amount.

[Climate-Related Opportunities]

Based on the MS&AD Group's Story of Value Creation, we have been promoting Creating Shared Value (CSV) initiatives under our medium-term management plan "Vision 2021" from fiscal 2018. We have positioned "contribute to climate change mitigation and adaptation" as one of our seven key CSV initiatives.

1. Identify and inform on risks

Addressing climate change is an important issue for sustainable business development, and we are analyzing the medium- to long-term risks of climate change. The Group also provides risk consulting services related to climate change and support for the formulation of strategy and information disclosure.

- Free provision of the website "Prediction Map Showing Changes in Flood Frequencies"
- "Climate change risk analysis service" that assesses and analyzes the physical risks related to climate change and the business risks associated with the transition to a decarbonized society. In June 2020, we began offering, in partnership with Jupiter Intelligence of the United States, the "Climate Change Impact Assessment Service for TCFD," a global climate change impact assessment service.
- A service for the analysis and evaluation of future water-related risks (e.g., water depletion, water pollution, floods)

2. Prevent risks from occurring/Minimize the impact

Physical risks such as extreme weather and natural disasters will increase as the average global temperature rises. We are striving to provide information and risk consulting services to prevent or minimize losses when these risks become reality.

- We offer a "Weather Information Alert Service" that provides weather information relating to customers' specified business locations and sends out alert e-mail messages.
- Our smartphone app "Suma-Ho Disaster Navigator" helps users to remain safe and secure during large-scale natural disasters.
- Initiatives to use RisTech for disaster prevention/mitigation
- Launch of a real-time loss prediction website "cmap.dev," which predicts the number of buildings damaged due to typhoons, heavy rains and earthquakes

3. Reduce the economic burden when risks materialize

It is the mission of insurance companies to promptly cover customers' financial losses in the event of a natural disaster and to help them restore their lives and resume their businesses. To fulfill that mission, we are working to provide products that meet the needs of our customers.

- We have been promoting flood and earthquake preparedness activities to explain to customers the risks of water disasters and earthquakes and prepare them for natural disasters by encouraging them to reappraise the risks they face.
- We sell weather derivatives to lessen the financial losses due to unseasonable weather.
- We are one of the underwriters for natural disaster risk under a natural disaster insurance facility established to provide reconstruction funds promptly to affected countries/regions in cases when natural disasters of a certain scale occur in Pacific Island and Caribbean countries.
- We provide insurance for renewable energy including mega-solar and small-scale wind power projects.
- We provide accident prevention and maintenance support for efficient power generation by diagnosing the business and maintenance risks of renewable energy.
- Contribute to Climate Change Mitigation and Adaptation
- Strive for Resilient Community Development

[Scenario Analysis : Strategic resilience in diverse scenarios]

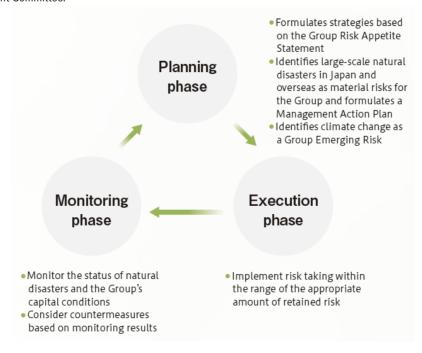
The TCFD recommends scenario analysis, which analyzes the impact of climate change on businesses based on future scenarios. Our initiatives are as follows.

- We have been participating in a project led by the United Nations Environment Program Finance Initiative (UNEP FI), with more than 20 signatory insurance companies of the Principles for Sustainable Insurance (PSI), from its inception. The project is working on the development of scenario analysis methods for insurers. With reference to the latest climate science and looking at future time frames such as 2030 and 2050, development of analysis methods for assessing the impacts of typhoon physical risks are discussed.
- We have also begun calculating our own carbon footprint and carrying out scenario analyses of our asset management portfolio.

Risk Management : Appropriate management of identified risks (ERM cycle for climate-related risks)

The MS&AD Insurance Group has established the MS&AD Insurance Group Risk Management Basic Policy. The policy identifies the principal types of risk with an impact on the Group's business. Based on the ERM cycle, those risks are managed in light of capital and balance with profitability.

In addition, climate-related risks are reported to and discussed at the Risk Management Committee and then reported to the Board of Directors and the Group Management Committee.



1. Managing natural-disaster-related risks

With respect to risk relating to windstorms and floods in Japan and the United States, we set the upper limit (risk limit) of the amount for Group companies based on the losses that can occur with a probability of once in 200 years. In addition to risk measurement of natural disasters and stress tests of large-scale natural disasters, we are undertaking studies on methods of incorporating the effects of climate change into stress tests and methods of quantifying the effects of climate change.

Stress test

When various stress events occur, we conduct stress tests to confirm the effects of various stress events on capital and risk amounts. In the stress tests, to complement the limitations of risk measurement by statistical methods, we select scenarios based on information about the Group's portfolio and risk characteristics and on significant changes in the external environment. In this way, we identify the vulnerability of the portfolio and confirm the necessity and urgency of countermeasures.

2. Controlling the retained amount of natural catastrophe risk

We assess the risk amount using statistical methods by region and disaster. Based on this assessment, we maintain decent underwriting, arrange reinsurance, issue catastrophe bonds and provide catastrophe reserve. Through these measures, we are working to improve the financial soundness of the entire Group and to reduce the variable risks of periodic profit/loss.

- ●Lower natural catastrophe retention on a Group-wide basis
- Lower natural catastrophe retention including that for windstorms and floods in the United States
- Strengthen management of the profitability of the reinsurance business
- Reduce the risk of profit fluctuations

In addition to respective reinsurance coverage of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance for domestic natural catastrophes, we arrange for joint reinsurance treaty coverage shared by the two companies that covers annual aggregate losses. By such means, we are reducing the risk of profit fluctuations. This functioned effectively with respect to the occurrence of domestic natural disasters in fiscal 2019, and we have organized the same level of reinsurance in fiscal 2020. We are promoting dialogue with investee companies to promote climate-related information disclosure. We are also considering dialogue methods for sustainability issues including climate-related issues.

Metrics and Targets: Establishing metrics and targets for managing risk

As a monitoring indicator for our contribution to climate change mitigation and adaptation, the Group has prioritized Creating shared value (CSV initiatives). The results of these approaches are being reflected in the performance-based compensation of the company's internal directors.

1. Creating shared value (CSV initiatives) metrics

We have set monitoring indicators for development and improvement of products related to our contribution to climate change mitigation and adaptation. We calculate the economic impact on the Company and the impact on society from our CSV initiatives. The results of these approaches are being reflected in the performance-based compensation of the company's internal directors.

2. Metrics and targets for initiatives to reduce the environmental burden through business activities

The Group is working to reduce the environmental impact of its business activities by using reduction rates for total energy consumption and for CO2 emissions as monitoring indicators.

Our aim is to reduce CO2 emissions by 30% by 2020 and by 70% by 2050.

In fiscal 2019, the reduction rate for total energy consumption was 33.4% and the reduction rate for CO2 emissions was 20.7% (versus the base year of fiscal 2009).

We are striving to reduce total paper consumption and contribute to the sustainable use of natural resources.

In addition, we have started measuring the carbon footprint (CO2 equivalent greenhouse gas emissions from business activities) of investee companies and have begun studying the utilization of this information.

[Related Information]

- Impact of CSV Initiatives on society and our company
- Mid−term Target
- Targets (KPI) and Results
- ERM and Risk Management
- MS&AD Integrated Report 2020 "impact of natural catastrophes on underwritting profit" P126
- ESG-based Investments
- CO2 Emissions in Business Activities

Strive to Improve Sustainability of Natural Capital

Aspirations

Our lifestyles and economic activities are made possible thanks to the bounties of nature (ecosystem services) which rely on a stock of natural capital. "Resilient and Sustainable Society" can only come about if its foundations are rooted in the global environment in through natural capital and stable weather systems and other factors. The sustainability of society as a whole including companies depends on business models that integrate the sustainability of natural capital. The MS&AD Insurance Group is working to ensure sustainable relationship between natural capital and business activities.

| Identify and inform on risks | Prevent risks from occurring/minimize the impact | Reduce the economic burden |
|---|--|--|
| Assessing risks, including the depletion/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 | Proposals on risk management measures based on research/analysis findings (Proposal example) • Consultation on land use that considers local ecosystems | Provision of risk coverage (Coverage example) • Expenses incurred during recall when a sustainability certification of the used materials is revoked and expenses needed for apology |
| which primarily depends on natural resources | | |

Providing Solutions and Products

Project businesses undertaken both inside and outside Japan, as well as global supply chains have the potential to cause major losses to natural capital. It is thus important to analyze/assess the impact of business activities on natural capital and to take the steps necessary to establish a sustainable relationship between the two.

Risk Assessment Service for Natural Capital

We quantitatively assess the impact of project development business in Japan and overseas on natural capital. Focusing on business locations and project development in Japan and overseas, we support specific risk assessment that ascertains the value of the surrounding natural capital and determines where and what kind of impact natural capital is being impacted in the supply chains, and apply this information to its business decisions. We support efforts to adopt "natural capital accounting" that highlights the connections between natural capital and the business as a whole.

Provision of Simplified Evaluations of Water-related Risks

An increasing number of areas worldwide are experiencing depletion of their water resources due to climate change, population increases in developing countries, economic development and other factors. In some cases, this depletion has been serious enough to threaten companies' operations. Companies now need to identify and disclose their own water risks. We offer services for assessing the water risks (depletion, contamination, flooding/droughts, etc.) business locations face inside and outside Japan.

Environmental Supply Chain Consulting

Establishing a sustainable raw material procurement network is a key business challenge in realizing sustainable business activities. We conduct environmental business risk analyses of raw material procurement tailored to specific industry sectors, and support approach prioritization and the formulation of supply chain management activities.

Biodiversity-conscious Land-use Consulting

A growing number of companies which see efforts to conserve biodiversity as both risks and opportunities for their businesses have begun to take biodiversity into account in determining their businesses' land use. We offer comprehensive support ranging from research/analysis to the formulation of development/activity plans for the use of offices, apartment buildings, and other land with green spaces.

Preserving Conserving Biodiversity through Partnerships and Industry-Academia Collaboration

Our lifestyles and economic activities are made possible thanks to the bounties of nature (ecosystem services), underpinned by a biodiversity conserved natural capital. The sustainability of society as a whole including companies depends on business models that consider biodiversity. Our Group has made biodiversity conservation one of key issues in MS&AD Insurance Group Basic Policy on the Environment and is pursuing measures accordingly.

Natural Capital Finance Alliance

HD

In July 2016 our Group signed the Natural Capital Declaration, which calls on financial institutions to incorporate the concept of "natural capital" into their financial products and services, and we have been taking part in the Natural Capital Finance Alliance (NCFA).





Japan Business Initiative for Biodiversity (JBIB) and "The Story of Biodiversity Told by Companies"



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.

In March 2020, we hosted the "The Story of Biology Told by Companies" symposium for the 13th time, creating an opportunity to provide information on corporate efforts for biodiversity.

- ▶ Japan Business Initiative for Biodiversity (JBIB) official website ¬
- 2018 "The Story of Biology Told by Companies" symposium (Japanese only)
- 2019 "The Story of Biology Told by Companies" symposium
- 2020 "The Story of Biology Told by Companies" symposium(Japanese only)



Participation in Research on Ecosystem Disaster Prevention/Mitigation and Multifaceted Uses of Ecosystems



MS&AD Holdings is participating in "Research and Social Implementation of Ecosystem-based Disaster Risk Reduction (Eco-DRR) as Climate Change Adaptation in Shrinking Societies", a research project being conducted by Research Institute for Humanity and Nature, an interuniversity research institute corporation under the Ministry of Education, Culture, Sports, Science and Technology that is engaged in comprehensive research on the global environment. The project focuses on methods for utilizing the wide-ranging functions of ecosystems to prevent/mitigate disasters (Eco-DRR) and, with population decline being seen as an opportunity to revamp land use, research is being carried out to create local communities that can both enjoy the rich blessings of nature and prevent/mitigate disasters.

On December 4th, 2019, as a part of the research activity, we hosted the "Eco-DRR x Finance and Insurance, Learnt from advanced case studies towards naturally rich and resilient society" symposium and introduced two practices; insurance for coral reef in Mexico and bond for resilient forest in the United States at the symposium. For further details of the symposium, please visit the link below.



In November 2019, Mitsui Sumitomo Insurance concluded a partnership agreement with Kumamoto City, and has been working on projects for local economy vitalization and disaster prevention by utilizing regional nature, including the creation of the "green resilience potential map," which is a tool to integrate, share, and analyze various regional data such as hazard information obtained through GIS (Geographic Information System).

Environmental Conservation Efforts within the Group

We are actively engaged in internal education to the Group employees as well as our own environmental conservation efforts.

Support for the Regeneration of Forests and Formation of Sustainable Local Communities (Indonesia)

Group-wide

Over the past 15 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 efforts with local residents by offering them technical guidance on planting and cultivating trees.

🕑 Indonesia Reforestation Project 🗂



Nursery-trees being received by participants of resident cooperative planting



Environmental education by a professor of Gadjah Mada University

MS&AD Ramsar Supporters

Group-wide

Group employees and their family members have been involved since FY2010 in the environmental conservation efforts of wetlands, including those that have been registered under the Ramsar Convention. We also offer visiting lectures to schools to communicate the rich biodiversity of wetlands to the students.



Activities in Yatsu tidal flat (Chiba Prefecture)

Ramsar Supporters activities (Japanese only)

Mitsui Sumitomo Insurance Surugadai Green Spaces

MSI

The Surugadai Building and the Surugadai New Annex are highly regarded for their green spaces that reflect our consideration for biodiversity. On the grounds, there is "ECOM Surugadai", an open facility to the community, where activities such as communication of environmental information and workshops.

Surugadai Building Green Space <a>¬

Efforts to Reduce Plastic Use

Group-wide

As marine pollution becomes serious, Mitsui Sumitomo Insurance has stopped using plastic cups and straws in its employee cafeterias since August 2018 in order to reduce the use of plastic and educate employees regarding the problem of marine plastic waste.

In July 2019, Aioi Nissay Dowa Insurance installed water stands with direct faucets to promote the use of personal water bottles.

Furthermore, in July 2020, to reduce the use of plastic during work hours, we provided Group employees with original eco-bags as a alternative to plastic shopping bags and special stickers to promote the use of private bottle by attaching the sticker to the bottle.



Eco-bag distributed within the company

Introducing Sustainable Seafood

MSI

In October 2019, we introduced sustainable seafood* in the cafeterias of the Surugadai Building and Surugadai Annex. Every month, a "Sustainable Seafood Day" is scheduled to provide menus using sustainable seafood. It contributes to the realization of a sustainable society by offering employees to gain experience of sustainable effort and changing in their consumption behavior through actual tasting.

(*) 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.



Implementing Activities and Dialog that Respect Human Rights

Aspirations

In June 2004, the MS&AD Insurance Group proclaimed its support for the United Nations Global Compact and is advancing its approaches for the respect of human rights as a company that supports the Universal Declaration of Human Rights, ILO Core Labor Standards, and OECD Guidelines for Multinational Enterprises through its participation in the United Nations Global Compact. In addition, the MS&AD Insurance Group formulated the MS&AD Insurance Group Basic Policy on Human Rights in February 2017 to further fulfill its responsibilities towards respecting human rights.

The Policy applies not only to our Group but also to other stakeholders in the Group's value chain, including suppliers related to the procurement of services and business partners such as agents. We are engaging with our stakeholders in order to prevent and mitigate any adverse impacts on human rights from businesses activities.

Basic Policy on Human Rights

The MS&AD Insurance Group stipulates respect for human rights in its MS&AD Insurance Group Basic Policy on Human Rights.

MS&AD Insurance Group Basic Policy on Human Rights

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

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

1. Basic Approach

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

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

(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.

President & CEO

N Hata.

Statement on the UK Modern Slavery Act 2015

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- FY2018 Slavery and Human Trafficking Statement
- FY2017 Slavery and Human Trafficking Statement 🕞
- FY2016 Slavery and Human Trafficking Statement https://piecestraft.com/size-new-red
- 🕑 FY2015 Slavery and Human Trafficking Statement 🕞

Human Rights Due Diligence

The MS&AD Insurance Group has built a system for human rights due diligence in accordance with the United Nations Guiding Principles on Business and Human Rights and is carrying out due diligence on a continuous basis. In accordance with the Basic Policy on Human Rights that was formulated in February 2017, we will carry out human rights due diligence in accordance to the steps in the following description As part of the human rights due diligence, we identified and assessed any actual and potential human rights risks according to the following process up to STEP 3. As a result of the analysis, we selected the following as priority issues: the infringement of privacy arising from the leakage of customers and employees' personal information, and the physical and mental effects of employees' long working hours.

We will periodically review the identification and assessment of human rights risks and priority issues that reflect changes in society and the environment that surrounds the Group and its value chain.

| STEP1: | Identify any actual and potential human rights risks arising from the Group's value chain and stakeholders |
|--------|--|
| STEP2: | Assess and analyze such risks identified in terms of [1] severity* and [2] probability of occurrence (creation of a risk map) *Severity is assessed based on the scale, scope, and difficulty of remediation of the estimated damage. |
| STEP3: | Determine significant risks as priority issues through the review of the risk map |
| STEP4: | Study and implement necessary preventive and remedial measures as well as review their effects |

Human Rights Assessment and Remedial Measures

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

| Personal information protection | 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 2019 inspections and audits> • Internal inspections were carried out at the Company and the Group's domestic insurance companies. • We inspected and audited around 50,000 agents and outside vendors, and provided instructions including to strengthen security to approximately 280 companies. Information Management The MS&AD Insurance Group Basic Policy for Management of Outside Vendors |
|------------------------------------|---|
| Health and productivity management | Regarding the health and safety of our employees, we are making a group-wide effort to reform their way of working in addition to managing their work hours with a system. Furthermore, we have established a Speak Up System (whistleblowing system) and a counseling desk, and in fiscal 2018 after conducting employee surveys (responses: approximately 46,000 from Japanese offices, 9,000 from overseas offices), we worked to keep employees well informed about the whistleblowing system and to create an environment where it is easy and accessible to use the consultation services. Work Style Reform and Health and Productivity Management The Speak Up System |

Since various problems such as low wages and a poor working environment for foreign technical interns and students have recently been arising in Japan and abroad, we conducted interviews with the relevant business divisions in the Group. Although we did not find any problematic cases in the interviews, we will continue to follow up on this matter.

Education about Human Rights

The MS&AD Insurance Group is working on raising awareness of human rights to employees to foster a "corporate culture that respects human rights," as stipulated in the Basic Policy on Human Rights.

| Structure of Education about Human Rights | In the MS&AD Insurance Group Holdings, the Sustainability Section of the Corporate Planning Department plays a central role in promoting efforts to respect human rights inside and outside of Japan in collaboration with departments in charge of overseas compliance and departments in charge of human rights awareness in the operating companies. In the operating companies, the organizations directed by the executive officers responsible for human rights awareness or officers in higher positions play a central role to raise human rights awareness of employees. They promote a better understanding of human rights and corporate social responsibility as well as develop and embed a corporate culture of respecting human rights. < 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. |
|---|--|
| Training on Human Rights | ESG Data / Reference Material (Human Rights) |

Consultation Service Desk

The MS&AD Insurance Group has established a system to receive reports on human rights violations and take 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 consultation system, 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. |
|--|--|
| 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 a thorough but swift fact-finding investigation, the consulting desk makes corrections and carries out disciplinary actions when the need arises. The company is also making efforts towards prevention by providing education such as workplace training programs for all employees, level-specific training programs, and e-learning. |

Promotion of a Sound Relationship with the Labor Union

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

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

ESG Data/Reference Material (Labor union membership rate)

HOME / Sustainability / Our Value Creation Approach

Our Value Creation Approach

Achieving the SDGs

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

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

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

Impact of CSV Initiatives on society and our company

Sustainability Contest

Creating Shared Value

Deal with New Risks

Create Mobility Society without Accidents

Strive for Resilient Community
Development

Support "Good Health and Longevity"

Contribute to Climate Change Mitigation and Adaptation

Strive to Improve Sustainability of Natural Capital

Capital

Capital

HOME / Sustainability / Our Value Creation Approach

Work toward Realization of "Leaving No One Behind"

(%) Our Sustainability Priorities

Initiatives Supporting CSV

(X) Our Sustainability Priorities

Management platforms that enable employees to play active roles

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

The MS & AD Insurance Group provides products and services to support the industries required to realize a sustainable society. We are promoting efforts to create common values with society, including the discovery and prevention of risks. The MS&AD Insurance Group analyzes our contributions to the sustainability of society and the impacts on our long-term growth from the areas of the economy (E), society (S), and corporate governance (G). Based on the seven priority issues we have extracted, we are contributing to the achievement of the SDGs through risk consulting services, insurance and other services for safety and security from a multifaceted perspective centered on sustainability. The main products and services aimed at further contributing to the resolution of social issues reached about 50.3% of premiums written in the non-life insurance business in 2019.

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|-----|-----------------------|-----|-----|
| (v | Deal with new risks | (V | Cre |

eate mobility society without accidents 🛛 💟 Strive for resilient community development







Support "good health and longevity" Ochtribute to climate change mitigation and adaptation Strive to improve sustainability of natural capital



Work toward the realization of "leaving no one behind"

(★) links are "Japanese only"

Deal with new risks

[Major relevant SDGs]

Goal 9: Industry, Innovation and Infrastructure



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster technological innovation

| Products and Services | Outline | Contribution to solving social issues | Details |
|--|--|---|---------|
| Cyber insurance | Comprehensive compensation for cyber risks such as cyber attacks (Number of cyber insurance policies: +25.2% compared to FY2018) | Contributing to the stabilization of corporate management and supporting social development | Details |
| Telework comprehensive compensation plan | Compensation for various kinds of risks for companies promoting teleworking, which widely covers liability for information leakage due to cyber attacks and liability caused by labor management of employees. | Contributing to the spread of telework, promoting the creation of social value through the realization of a work-life balance and contributing not only to the prevention of the spread of the novel coronavirus infections but also to the diversification of working styles in post-corona era. | Details |

| Comprehensive Compensation Insurance for Mobile Application- based Payment Service Providers | Compensation for damages caused by unauthorized third-party access through a mobile application-based payment service | Contributing to the spread of secure and safe cashless payment | Details |
|--|---|--|----------------|
| Compensation plan for sharing economy-based business | Insurance products with order-made conditions for compensation required for various business activities. This plan was developed to respond to needs of client companies for personal liability insurance valid only for the user and only for the period of use, arising from the spread of the sharing economy. | Contributing to the development of sharing economy-based business | MSI(★) |
| Support menu for inbound tourism entrepreneurs | Insurance and various services such as in-house training (hospitality service) support and risk consulting, etc. for businesses (travel agencies, hotels, etc.) that serving foreigners visiting Japan. | Contributing to the community development by supporting the acceptance of foreigners visiting Japan. | Details(★) pp: |
| One-day Leisure Insurance | Leisure insurance providing only the required coverage only when needed | Contribute to enriching customer life | MSI(★) □ |
| RisTech, a service that solves social and corporate problems through data analysis | A service that uses big data and the latest analysis algorithms to visualize and optimize the risks that clients are exposed and to help solve problems. Data scientists use various statistical data from the service providers in addition to data related to accidents held by our Group company in order to provide risk analysis and reports, as well as develop risk models | Visualizing and optimizing corporate risks to solve challenges | Details |

Create mobility society without accidents

[Major relevant SDGs]

Goal 3: Good health and well-being for all

Ensure healthy lives and promote well-being for all at all ages



Goal 11: Sustainable cities and communities

Making cities and human settlements inclusive, safe, resilient and sustainable



| Products and Services | Outline | Contribution to solving social issues | Details |
|---|---|---|-------------------|
| One-day Insurance/One- day Supporter | Voluntary Automobile Insurance for borrowed vehicles that is available from one day | Promoting the reduction of accidents caused by uninsured vehicles | MSI(★) □ ADI(★) □ |

| TOUGH Connected Automobile Insurance | Voluntary Automobile Insurance with a reasonable insurance premium calculated in consideration of the distance traveled and discounts based on safe driving scores by using the most advanced telematics technology | Contributing to prevention of traffic accidents by providing "safe driving incentives (discounts)" and "safe and secure services", which are applied for Toyota connected cars. | Details |
|---|---|---|-----------------------------------|
| Voluntary Automobile Insurance with an eco- mark | Voluntary Automobile Insurance with Eco-Mark certification through promotion of Eco – insurance policy web policy clauses, provision of information for safe driving, and initiatives to reduce environmental burdens such as encouraging the use of recycled automobile parts. | Contributing to reducing environmental burdens and environmental conservation | MSI(★) □ ADI(★) □ |
| GK Mimamoru (Safeguards) Automobile Insurance, TOUGH Connected Automobile Insurance | Voluntary Automobile Insurance with the concept of "supporting customers' safe driving and safeguarding their driving against an accident" by utilizing the latest telematics technology. In addition to a driving diagnosis by analyzing the driving data of the contracted car, a wide range of alert services support customer's safe driving. In the event of an accident, our operator will reach them to confirm their safety and provide advice on the necessary procedures to take. | Contributing to the prevention of traffic accidents and supporting safe driving | Details |
| TOUGH Mimamoru automobile insurance plus | Voluntary Automobile Insurance that reflects the degree of safe driving in insurance premiums based on driving data obtained from dedicated drive recorder-type telematics devices | Helping to prevent traffic accidents by providing incentives for safe driving (discounts) and safe and secure service | Details |
| Special policy clause on the business management (applied to transportation companies) | Discount on insurance premiums applicable to transportation companies that took road safety management certification seminar promoted by Ministry of Land, Infrastructure, Transport and Tourism, and take preventative measures to reduce traffic accident. | Contributing to the prevention of traffic accidents and supporting safe driving | MSI(★) 📆 |
| Comprehensive demonstration experiment of Autonomous driving compensation plan | Compensation to comprehensively cover risks related to demonstration experiment of Autonomous driving vehicles. | Facilitating the innovation of Autonomous driving technology to support the realization of a safe, secure, and comfortable automobile society. | Details(★) 📆 |
| MaaS insurance Plans for on-demand transportation companies | Compensation for damages that may be caused by the operation of vehicles used by on-demand transportation services, accidents related to facilities and equipment used for the execution and management of such services, or damages incurred by bearing legal liability for damages | Supporting technological innovation in Autonomous driving to realize a safe, secure and comfortable automobile society | Details ADI(★) <mark>pp</mark> |

| MaaS insurance Plans for MaaS operators | Providing various services and compensations for MaaS users and for MaaS operators to prepare for safe business operations | Supporting the realization of a safe, secure and comfortable mobility society, including the resolution of local | Details ADI(★) pr |
|--|---|---|----------------------|
| Voluntary Automobile Insurance for car share platforms | Compensation for damage caused by "mishaps" to an automobile rented through car sharing | Contributing to solving issues unique to car sharing that are not covered by conventional Vehicle Damage Coverage | Details |
| Smartphone app: Suma- Ho Driving Ability Diagnosis | Service providing analysis of driving skill characteristics, drive recorder, eco drive diagnosis, audio warnings when drivers are approaching locations where accidents frequently occur, wild weather forecast delivery, and other services | Contributing to the prevention of traffic accidents and supporting safe driving | MSI(★) □ |
| "Support NAVI" smartphone app | Service providing a driving ability diagnosis system equipped with Dashcam Type and an emergency accident reporting system | Contributing to the prevention of traffic accidents and supporting safe driving | Details |
| Policy holder app (Mitsui Direct non-life insurance app) | A dedicated application for Mitsui Direct non-life insurance services, based on the concept of "safety, value and convenience on your smartphone." Menus and coupons for Voluntary Automobile Insurance are offered through the app. From October 2020, a "smart continuation procedure" was launched to facilitate continuation procedures | Contributing to paperless offices as well as convenience by allowing for inquiries regarding contract details and the checking of progress in the case of an accident, providing new applications and continuing procedures, etc. | Details |
| "Accident Map" | Provision of an "accident maps" created by analyzing and identifying locations where accidents frequently occur based on accident data from external institutions. | Contributing to the prevention of traffic accidents and supporting safe driving | MSI(★) □ |

| Suma Navi | Telematics service that supports companies in their safe driving initiatives. | Supporting safe driving efforts by companies | MSI(★) |
|--|--|--|----------|
| "F-Dora" drive recorder telematics service for fleet policy holders | Service providing three types of support: "during accidents/emergencies," "accident prevention measures," and "operation management," using our original dedicated drive recorder and the industry's first dedicated in-camera. | Helping prevent serious accidents by detecting and alerting in the case of dangerous driving behavior (dozing off, not paying attention or talking on the phone) using a dedicated in-camera, in addition to supporting safe driving efforts by companies. | Details |
| Sasaeru Navi | Telematics service for fleet policyholders | Supporting the vehicle operation management and accident reduction efforts of corporate customers | ADI(★) |
| Four Safety – Support service preventing the use of mobile phones while driving | A smartphone application, by plugging a designated terminal into the automobile's cigarette lighter socket, automatically controlling a smartphone (including telephone and apps) once a certain speed (20kph) is exceeded. Driving data of individual employee such as controlling of smartphone and sharp acceleration/deceleration can be checked by administrators via an exclusive website. | This service can be used by companies to ensure safe driving practices. Supporting the creation of corporate value by helping to prevent distracted driving, a serious social issue. | Details |
| Sleep apnea syndrome (SAS) predictive check service | Service for corporate employees to check on snoring, an indication of sleep apnea syndrome (SAS), which can be easily used by just activating the smartphone app when going to bed and placing the smartphone next to the pillow. | Support for preventing accidents and compensation resulting from dozing off at the wheel or while working, and improving the health of company employees | MSI(★) 📆 |
| Safety navigational support services for domestic vessels | Support for safe navigation of domestic vessels using the dedicated smartphone provided by Weathernews Inc., which alerts ships when they navigate in dangerous waters and provides weather and oceanic forecasts and images of the area around the vessel. | Helping to reduce marine accidents by supporting customers in safe operations and raising awareness of risk management | MSI(★) 🔂 |

| Automobile risk management service | Effective programs and solutions to prevent and reduce accidents | Contributing to the prevention of traffic accidents and supporting safe driving | InterRisk(★) 🗖 |
|--|--|---|----------------|
| Transportation safety management seminar | Seminars on accident prevention and reduction for automobile transportation companies certified as an implementing organization by the Ministry of Land, Infrastructure, Transport and Tourism | Contributing to the prevention of traffic accidents and supporting safe driving | Details |
| Driving skill improvement training | Training games for developing the ability to drive safely. Training is easy, fun and done using a smartphone | Contributing to the prevention of traffic accidents and supporting safe driving | Details |

Strive for Resilient Community Development

[Major relevant SDGs]

Goal 8: Decent work and economic growth



Promote sustainable and inclusive economic growth, full and productive employment and decent work (rewarding and human-like work) for all

Goal 11: Sustainable cities and communities





| Products and Services | Outline | Contribution to solving social issues | Details |
|--|---|---|------------------------|
| Products providing compensation for novel coronavirus infections | Revision and provision of Personal Accident Insurance, corporate fires, etc., to cover novel coronavirus infections. We also offer products to compensate for damages caused by suspension of operations in order to support business continuity if a business is forced to close due to the novel coronavirus infections | Contributing to improving the resilience of society toward infectious diseases | MSI(★) DE ADI(★) DE |
| Earthquake insurance | Compensation for damage to buildings and household goods caused by fires, damage, burial, or being washed away as a result of earthquakes, volcanic eruptions, or tsunamis | Supporting the restructuring of the livelihood of earthquake victims and the early recovery of areas hit by earthquakes | MSI(★) □ ADI(★) □ |

| Comprehensive drone compensation plan | Comprehensive compensation to cover risks associated with the commercial use of drones. | Contribute to the expansion of drone use in industries and public, such as luggage distribution, damage surveys, agriculture, forestry and fisheries, thereby supporting the development of society. | Details |
|---|--|--|----------|
| Comprehensive global business compensation plan | Comprehensive compensation to cover risks related to overseas business expansion for small and medium-sized enterprises (SMEs). | Facilitating the smooth operation of business activities overseas to support the stabilization of SMEs' business operations overseas and the development of local communities. | MSI(★) □ |
| Supporting companies in expanding overseas operations | Provision of risk management services for small and medium- sized companies expanding their business overseas | Supporting in expanding overseas operations of small and medium-sized companies | MSI(★) □ |
| Weather information alert service Email | Email alerts for rainfall, wind speed, or snowfall when they are forecasted to exceed the standard values at a monitored location, or when lightning is observed at a location within a standard distance from the monitored location | Supporting overseas operations of small and medium-sized companies | Details |
| Smartphone app: Suma- Ho (Smartphone Insurance) | A smartphone application allowing users to check the details of their insurance policy, contact their agents, and to use their smartphone's GPS functions to arrange tow truck services after accidents or breakdowns. | Enhancing customer convenience | MSI(★) □ |
| Smartphone app: Suma- Ho Disaster Navigator | A smartphone application to identify user's current location and to display information regarding nearby evacuation shelters and hazard map information on a map with using smartphone GPS functions. The camera function displays the direction of user's home or evacuation center on the landscape screen to support smooth evacuation. Disaster prevention information for the user's current location is also sent out in real-time by push notifications. Available in English, Chinese (both traditional and unified Chinese), and Korean, except for a certain function. | Supporting safe and secure behavior in the event of a large-scale natural disaster | Details |

| Repair service for damaged equipment | Service to dispatch experts to conduct a survey of contamination on buildings, machineries, and facilities damaged from fire smoke, soot and rust after fire accident and flooding etc. and conduct decontamination works. | Supporting early full-scale recovery of customer's business operation from damages caused by disasters by repairing damaged machineries and equipment, which previously had to be replaced with new ones. | MSI(★) □ |
|--|---|--|---------------------------|
| CAT bond (catastrophe bond) issuance support service | Service to support the issuance of CAT bond. In addition to reducing the burden of cumbersome administrative procedures related to the issuance of CAT bonds, we provide our customers with advice on optimal issuing conditions. | Helping customers to diversify catastrophic risk hedging instruments. | MSI(★) 🔐 |
| Supporting establishment of Business continuity management system (BCMS) | Service to support the establishment of a system that ensures the resumption of operations within a target time frame in the event that business activities are suspended due to a large earthquake, infectious disease, or other reasons, and the formulation of business continuity plans (BCPs). | Helping to ensure continuity and early recovery of core business while minimizing damage to a company's business assets in an emergency | Details InterRisk(★) □ |
| Natural disaster hazard information survey | Service to diagnosing the location risks for corporate facilities by collecting and organizing hazard information based on comprehensive surveys on earthquakes, wind and water disasters, volcanic eruptions, lightning strikes, snow accumulation, and more | Supporting corporate risk measures in the event of a natural disaster | Details |
| Earthquake and tsunami risk management consulting | Support for the enhancement of countermeasures based on calculations of estimated damage amounts taking into account the effects of earthquakes and tsunamis, field surveys, etc. | Helping to ensure continuity and early recovery of core business while minimizing damage to a company's business assets in the event of a disaster such as an earthquake or tsunami | InterRisk(★) □ |
| Flood disaster countermeasure support service | Services to assist risk assessments for river flooding, inundation of inland waters, and storm surges, and formulating damage prevention plan, mitigation measures and business continuity plans (BCPs) against flood disaster | Helping to ensure continuity and early recovery of core business while minimizing damage to a company's business assets in the event of a disaster such as river flooding, inundation of inland waters or storm surges | Details |

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| Flood risk information integrated confirmation system (Sui Search) | Providing a website that enables the acquisition of various types of information related to water disasters at multiple sites either "in summary" or "in real time" and the automatic determination of the timing of various responses and decisions (= alert stage judgments) | Helping prevent a flood disaster from occurring or manage the sites in the event of disaster, by listing the risk of flooding at each of the company's sites in an event of typhoon or heavy rain | Details |
|--|---|--|----------------|
| Sediment-related disaster risk diagnosis | Simulation service for risk assessments of sediment-related disasters (debris flows, landslides, etc.) at individual sites based on "largest recorded" and "potential largest" rainfall scenarios | Supporting the prevention of sediment disasters by identifying the risk of slope failures at business and planned sites | Details |
| ESG investment support packages | Comprehensive consulting service to support decision making on general ESG-related issues, such as enhancement of ESG strategies and efforts, and specific ESG themes | Assisting with ESG integration into corporate management | InterRisk(★) □ |
| Real-time loss prediction website cmap.dev | Establishment of a system to forecast the number of buildings damaged and damage rate by municipality due to typhoons, heavy rains, and earthquakes, As part of a joint research with Aon Group Japan Co., Ltd., and Yokohama National University. This information is available free-of-charge on the website. | Supporting the early identification of the scale of damage and rapid rescue and support activities in the event of a disaster | Details |
| Supporting system for victims of natural disasters to relief | Provision to local governments with seminars regarding the research of loss assessment needed for issuance of Disaster Victim Certificates. | Supporting the rapid reconstruction of the lives of disaster victims | - |
| BCP development support services for international business | Service to support to plan countermeasures assuming serious risks overseas, such as accidents and natural disasters | Supporting the development of overseas business by companies | InterRisk(★) □ |

Support "Good Health and Longevity"

[Major relevant SDGs]

Goal 3: Good health and well-being for all

Ensure healthy lives and promote well-being for all people at all ages



| Products and Services | Outline | Contribution to solving social issues | Details |
|---|--|---|---------|
| Fire Insurance products that respond to aging society | Provision of a special clause of Fire Insurance which compensates the landlord for the cost of a damage caused by the lonely death of elderly people in rental housing. In addition, incidental services (furniture movement and light bulb replacement service) that support the elderly's daily life are provided by Fire Insurance. | Contributing to solving issues specific to an aging society | Details |

| Comprehensive coverage plan for medical institutions | A compensation plan packaging various types of insurance for medical institutions | Contributing to the stable development of medical institutions by compensating for various risks associated with the novel coronavirus and online treatments | Details(★) Details |
|--|---|--|--------------------|
| "KokoKara Diary" smartphone app | A smartphone application to measure stress levels, display calories burned from steps automatically measured, record meals, height, weight, sleep duration, check medical information, and more. We also provide a dedicated website for administrators that has functionality which includes viewing employee life log data and sending health advice to the app. It also helps promoting smooth communication among employees by hosting a health-related event using a functionality to display a ranking of employees' steps. | Supporting health management on employee level and Health and productivity management on corporate level | Details |
| "&LIFE" New Income Guarantee Insurance wide | An insurance to prepare for a monthly pension not only for the event of emergency but also for the risk of becoming unable to work or being in need for nursing care due to illness or injury. | Providing solutions to counter the risk of being unable to work | MSI Aioi Life(★) |
| "&LIFE" New Medical Insurance Ace premia | An insurance to provide a sufficient degree of support for lifestyle-related diseases, cancer, female diseases, and nursing care, in addition to offer the coverage for hospitalization and surgery. Customer can choose which coverage to combine based on their needs. | Providing solutions to counter medical risks | MSI Aioi Life(★) |
| Whole-life care/dementia | An insurance plan that provides against long-term care risks, such as treatment for dementia. Under this plan, dementia | Contributing to responding to aging | Details |

care, which imposes a particularly significant burden, is added

to the conditions covered under the whole life care-specified

clause for insured events in line with the long-term care

A system in which an individual receives tax breaks while

Provided through financial institutions and agent

paying premiums and managing the funds themselves, and $% \left(\mathbf{n}\right) =\left(\mathbf{n}\right)$

receives the funds as a lump sum or pension after the age of $% \left(1\right) =\left(1\right) \left(1\right)$

insurance system of Japan.

60 in principle.

Individual defined

(iDeCo)

contribution pension plan

society by better

issue

life

preparing for the unrest

against long-term care

which is a serious social

Supporting a rich second

Details

MSI(★) □
ADI(★) □

| "Fulfilling Tomorrow" existence protection oriented-type individual annuity insurance (with variable interest rate, level premium payment) | Flat payment-type individual annuity insurance. Customers pay a fixed amount of insurance premiums in Japanese yen every month, and then it is converted into a foreign currency with a favorable interest rate, so that they receive pensions based on the increased fund. Customers can take advantage of the "dollar cost averaging" method to reduce foreign exchange risk, and the "tontines" method, a system to increase pension funds by suppressing death protection cover then transfer that amount to the pension. | Supporting a rich second life | Details |
|--|--|---|------------------|
| "Joy for tomorrow" "Joy for Tomorrow 2" currency option-type existence protection oriented individual annuity insurance | Individual annuity insurance that uses tontine to support a rich second life with a focus on "100 years of life." "Joy for Tomorrow 2" features four courses that can be chosen according to the customer's funding needs: "Amount receivable oriented course," "Pre-pension benefit/whole life death protection course," "Fulfillment at maturity course" and "Target course." | Supporting a rich second life | Details |
| Cheering team for your perfect life | Telephone consultation service that provides a variety of health, medical and lifestyle consultations to customers who have purchased insurance | Supporting customers' lives with health and peace of mind through helping solve their problems and providing necessary information. | MSI Aioi Life(★) |
| Service to provide information on medical treatment/nursing care | Provision of information using virtual reality images seen on smartphones. Customers can experience simulated visits to medical facilities where proton beam therapy is performed, treatment methods using molecularly targeted drugs, and simulated experiences of the daily life of a person with dementia and his/her family (first-person experience) | Aiming to help customers live better, providing easy-to-understand information on medical care and nursing care and supporting know correctly." | MSI Aioi Life(★) |
| Nursing care health desk | Telephone consultation service that provides consultation for customers who have purchased insurance regarding long-term care and dementia. Counselors with qualifications such as nurses, etc. regarding nursing care and dementia are available for consultation. Information is available on services tailored to the needs of customers, such as mental counseling for family members for nursing care, provision of information on specialized medical institutions for dementia, and telephone checks of cognitive functions | Supporting nursing care for customers and their families | Details |

| Pandemic Emergency Financing Facility | Participation as one of the underwriters in the "Pandemic Emergency Financing Facility" established by the World Bank in cooperation with the Japanese and German governments | The objective is to protect the developing countries of the world from the threat of infectious diseases, as well as to reduce human and economic losses and to recover quickly after the outbreak of a serious infectious disease by promptly providing funds for initial response | MSI(★) |
|---|--|---|---------|
| Consulting on new infectious diseases such as novel influenza countermeasures | Consulting services to support for customers' measures against new strains of influenza and other new infectious diseases from a variety of perspectives, including infection prevention, spread prevention, response to business partners, business continuity, and response to reputational damage | Contributing to prevention of infections and the spread thereof | Details |
| Health and productivity management consulting services | Counseling and advice on issues related to the practice of Health and productivity management and provision of information on the METI's system for certifying enterprises engaging in excellent health and productivity management | Supporting corporate Health and productivity management | Details |
| "Work and Nursing Care Dual Support Service for Companies" | Service, to advice companies on identifying issues and the directions to be taken, based on the five initiatives described in the "Model for supporting work-life balance to prevent long-term care turnover" by the Ministry of Health, Labour and Welfare | Contributing to stable corporate management and creating a comfortable working society | Details |

Contribute to Climate Change Mitigation and Adaptation

[Major relevant SDGs]

Goal 7: Affordable and clean energy

Ensure access to affordable, reliable, sustainable and modern energy for all

7 CLEANDROY

Goal 11: Sustainable cities and communities

Make cities and human settlements inclusive, safe, resilient and sustainable



Goal 13: Climate action

Take urgent steps to combat climate change and its impacts



| Products and Services | Outline | Contribution to solving social issues | Details |
|--|---|---|---------|
| Comprehensive Coverage Plan for Mega-Solar Power Generation Photovoltaic power generation business market products | Comprehensive coverage of risks faced by renewable energy producers. | Promoting reduction of CO2 emissions (reducing environmental burdens) with alternative energy. | Details |
| Comprehensive Small Wind Power Generation compensation plan | Comprehensive coverage of risks faced by renewable energy producers. | Promoting reduction of CO2 emissions (reducing environmental burdens) with alternative energy. | Details |
| Comprehensive offshore wind power generation system compensation | Comprehensive coverage of risks faced by renewable energy producers. | Promoting reduction of CO2 emissions (reducing environmental burdens) with alternative energy. | Details |
| Participation in overseas public natural disaster compensation systems | Participation as one of the underwriting companies in the "Pacific Catastrophe Risk Assessment and Financing Initiative" and "Caribbean Catastrophe Risk Insurance Facility," established in cooperation between the government of Japan and the World Bank. Financing recovery from natural disasters in the Pacific Islands and Caribbean countries with underdeveloped insurance markets | Promoting the restructuring of the livelihood of disaster victims and the early recovery of areas hit by disasters. | Details |

| Climate change risk analysis services | Consulting services regarding analysis and information disclosure expected of companies on a global level on issues including physical risks, such as climate change-induced floods and droughts, and transition risks, associated with socioeconomic transitions toward a decarbonized economy in line with achieving the two-degree goal, such as energy structure transformation, in response to expectation over companies to identify business risks and opportunities associated with climate change and to disclose relevant information. | Helping companies address climate change | Details |
|---|--|--|----------------|
| Prediction Map Showing Changes in Flood Frequencies | Development of a map in corporation with Prof. Yukiko Hirabayashi of the Shibaura Institute of Technology and Associate Professor Dai Yamazaki of the Institute of Industrial Science at The University of Tokyo in response to the corporate needs to understand the impacts from potential flood risks, one of the many types of climate change risks if climate change is actualized. Providing maps that show the degree of change in flood frequency due to climate change globally | Helping companies address climate change | Details |
| Weather derivatives | A financial derivative that covers damage caused by extreme weather. Actively deploying "Global Weather Derivative Sales" utilizing the global weather risk underwriting function of our US subsidiary "MSI Guaranteed Weather," focusing on Japanese companies expanding their operations overseas. | Stabilize earnings by avoiding and mitigating losses incurred by companies due to climate phenomena changes such as abnormal weather and weather instability. Contributing to sustainable business activities | Details |
| Renewable energy support service | Consulting services regarding assessment of business risks associated with renewable energy (solar power, wind power, biomass, etc.), as well as energy conservation, improved comfort in the working environment, and reduced energy costs | Supporting stable development of renewable energy businesses | InterRisk(★) □ |
| Eco insurance policies/Web clauses | A system that enables policyholders to view their policy certificates and policy clauses on the website of each company. | Promoting the reduction of environmental burdens through paperless operation. | Details |

Strive to Improve Sustainability of Natural Capital

[Major relevant SDGs]

Goal 6: Clean water and sanitation

Ensure access to clean water and sanitation for all and their sustainable management



Goal 14: Life below water

Conserve and sustainably use the oceans, seas and marine resources for sustainable development



Goal 15: Life on land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



| Products and Services | Outline | Contribution to solving social issues | Details |
|--|--|--|---------|
| Smartphone app with "Animal Alert" function (Wildlife accident alert function) | Provision of service that provides a voice alert when the driver is approaching a black spot for traffic accidents involving wildlife. The service was first launched in Okinawa Prefecture, where the Yanbaru kuina (Okinawa rail: an endangered bird) lives, and later rolled out to other regions in Japan. | Reducing traffic accidents and maintaining biodiversity | MSI(★) |
| Electronic Policy Procedures | A new procedure that allows to complete the contracting and changing contract procedure on the screen of a PC or Tablet brought in by an agent. | Promoting the reduction of environmental burdens through paperless operation. | Details |
| Abbreviation of claims documents service | Simplified process omitting the submission of claim documents, etc. for car accidents that meet certain conditions. | Promoting the reduction of environmental burdens through paperless operation. | |
| Seiho Kantan Mode, an Electronic Policy Procedure | Paperless application procedures called Seiho Kantan Mode | Improving convenience and reduced environmental burdens by converting various paper forms into electronic formats. | Details |
| Consulting services against environmental risk | Services for quantitative assessment of impacts on natural capital (lost benefits and recovery costs) and service for simple assessment of water risks such as water depletion, drought, flood and decline in water quality (present/future). | Supporting environmentally conscious business activities | Details |
| Environmental CSR management consulting services | Services that support the acquisition of accreditation for and improvement of environmental management systems and the formulation of environmental CSR reports. | Supporting environmentally conscious business activities | Details |

| Consulting services on biodiversity | Services that support companies' efforts to preserve biodiversity and assess biodiversity risks in business activities. | Supporting environmentally conscious business activities | Details |
|---|--|--|---------|
| Simplified evaluations of water-related risks | Simple assessment of exposure to water risks such as water depletion, drought, flood and decline in water quality (present/future) on individual production sites (domestic/overseas). | Supporting environmentally conscious business activities | Details |

Work toward Realization of "Leaving No One Behind"

[Major relevant SDGs]

Goal 1: No poverty

End poverty in all its forms everywhere

1 POWERTY

Goal 2: Zero hunger

End hunger, achieve food security and improved nutrition, and promote sustainable agriculture



Goal 9: Industry, Innovation and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation



| Products and Services | Outline | Contribution to solving social issues | Details |
|---|---|--|---------|
| Insurance for small loans to micro-entrepreneurs in the Philippines | Micro-insurance for loans, under cooperation with BPI Direct BanKo, which provides small loans to micro entrepreneurs. Available from the autumn of 2019 | Supporting the operations of micro entrepreneurs through insurance even in the event of an unforeseen occurrence such as an accident or disaster. | Details |
| Exclusive Fire Insurance for indigenous people (Malaysia) | Development of a fire insurance specifically designed to cover the homes of indigenous people left behind in economically developing urban areas, through collaborating with EPIC Homes, a social enterprise working to improve the living conditions of indigenous people in Malaysia. By indemnifying indigenous people for housing, this products allows the indigenous people to stay living in peace, and at the same time, a support scheme is created that makes it easier for the sponsors recruited by EPIC Homes to participate, as there is no fear that the value of their donations will be lost in the event of a house fire. | Contributing to the stability of the livelihood of indigenous people, many of whom are in poverty and in need of housing compensation and assistance | Details |

| SDGs (Sustainable Development Goals) promotion support services | Provision of the SDGs training and consulting services to assist companies in developing their SDGs strategies and strengthening their efforts | Supporting regional revitalization and solving social issues through the SDGs | InterRisk(★) □ |
|--|--|---|--|
| Smart offices (India) | Opening small stores equipped with insurance policy issuing machines (smart offices) in small- and medium-sized cities, towns and villages, where the penetration of insurance has lagged behind that of metropolitan areas | Contributing to the spread of insurance in areas where access to insurance has traditionally been inconvenient | Details |
| Animal insurance for livestock farmers (India) | Provision of insurance for damage caused to livestock by fire, natural disaster, disease, etc. | Contributing to the stability of agriculture run by low-income farmers | - |
| Family Eye (Notification System for Relatives) | A system in which one relative of a policyholder is registered as an emergency contact for insurance policies. It makes it possible to contact the registered relative and ensure more reliable delivery of important notifications for insurance policies to the registered relative in an emergency, such as when we cannot contact the policyholder, or to have the relative share contract information, referring to the registered relative's inquiry after an the identification procedure based on the registered information | Enhancing customer convenience | MSI(★) □ ADI(★) □ MSI Aioi Life(★) □ |
| Dealing with Claims Handling using sign language interpretation services | Services to support customers with hearing and speech impairments by utilizing sign language interpretation services. The system works by having a customer and an operator communicate with each other in sign language through a video call and at the same time, the operator gives voice interpretation to the person in charge for our company by telephone | Improving convenience for customers with disabilities | Details MSI(★) □ MSI Aioi Life(★) □ |
| Claims Handling (Accident Response) available in 17 languages | Services that enable communication in 17 languages via interpreting operators, allowing customers with difficulties in communication in Japanese who have been involved in an accident, the other party, or customers who wish to receive consultation or have an inquiry regarding insurance to all communicate freely. | Improving convenience for customers who have difficulty communicating in Japanese | Details MSI(★) □ ADI(★) □ Mitsui Direct General(★) □ |
| Web service for customers with hearing disabilities | Services that enable customers with hearing disabilities to utilize online functions to request road services | Improving convenience for customers with hearing disabilities | - |

| Social contribution special clause | A special clause under which the beneficiary can be designated as a designated public interest group* *As of the end of July 2020, the following three designated public interest groups have been designated: · Japanese Red Cross Society · Japan Committee for UNICEF · CiRA Foundation | Responding to a diverse range of customer values related to asset inheritance, such as "I want to contribute to society by donating my | Details |
|---|--|--|----------------|
| Human rights risk management support services | Services to help customers to manage human rights issues by supporting them in the formulation of human rights policies based on international standards, human rights impact assessment, organization of lectures and trainings on human rights risks, collection of information and support surveys related to human rights risks. | Supporting customers' efforts related to human rights risk management | InterRisk(★) 🗖 |

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



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Topics

MS&AD Response to COVID-19

The occurrence of the novel coronavirus known as COVID-19 at the end of 2019 triggered a global pandemic that has dramatically changed our way of life. MS&AD Insurance Group companies have revised the coverage related of Personal Accident Insurance, Corporate fire insurance, etc., continuing to operate without any delay of insurance claim payments while keeping the health and safety of our customers and employees as our top priority.

Each Group company also offers various products and services, in anticipation of new lifestyles and new reality of the post-COVID-19 world, as well as donations and social contribution activities carried out by employees and group companies. Through these efforts, our Group will contribute to realizing a sustainable society.

Note: All links in this page are in Japanese only.

Extending Coverage and Deferring Insurance Premium Payments, etc.

Please refer to the individual information for details of each company.

New Lifestyles of the New Reality

[Infection control]

- For companies with a policy to encourage commuting by a private car as infection control approach, we support them to introduce a "private vehicle commuting management service" to protect for corporate risks. (MSI, ADI)
- We provide information on novel coronavirus infections and the "Kokokara Diary Online Medical Dictionary" to relieve anxiety of clients. (MSI)
- We offer services to review an evacuation center operation manuals prepared by local governments from the professional viewpoint of "infectious disease control," and to introduce the "evacuation center construction/operation diagnosis service tool" to provide examples of countermeasures and reference information, if necessity. (ADI)
 - Our response to COVID-19 and other infectious diseases
 - Launch of evacuation center construction/operation diagnosis services for local governments



HOME / Sustainability / Our Value Creation Approach / Topics

[Daily life]

• We offer a payment tool by decoding a QR code with a smartphone to allow customers to complete their insurance premium payments from home. (MSI, ADI)

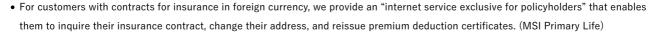
Launch of smartphone payment service for insurance premiums 🕞



Newly adding "PayPay" and "Credit Card" payment to smartphone payment service 🕞

- We provide online application for customers to reconfirm their contract, change their address, make an accident report, or complete a claim for Personal Accident Insurance. (MSI. ADI)
- "STAY HOME" to "ENJOY HOME" We offer an extended warranty period for manufacturers and distributors of indoor projectors for home use. (MSI)
- We provide "e-cargo insurance service," an internet notification service, which allows customers to read any notifications related to marine cargo insurance from home. (MSI)
- In June 2020, we launched nationwide sales activity of cancer insurance (Cancer Insurance Smart) by utilizing multi copy machines installed at Seven-Eleven Japan stores. (MSI Aioi Life)

Launch of cancer insurance sales at Seven-Eleven Japan 🕞



[Work in a New Reality]

- We provide a "comprehensive telecommuting compensation plan" that covers various kinds of risks associated with introducing teleworking system (information leakage due to cyber attacks, property damage or theft of company provided PCs, risk related to labor management, etc.). (MSI, ADI)
- We provide a survey service, a "liveliness of working from home survey," to help employees' health maintenance and enhancement during working from home and effective use of work from home program. (MSI)

For Continuation of Business Practice

- We provide consulting services on how to respond to new infectious diseases such as the novel coronavirus and influenza to mitigate impact on business operation. Our consultants provide advices on BCP and BCM related concerns and hold seminars and trainings. (InterRisk)
- The following contents are available for companies.
 - · InterRisk Report (BCM news)
 - · Public online seminars
 - · Supporting tool for preparing for BCP against infectious diseases
 - · COVID-19 disease control guidebook
- We provide telephone consultation services for corporate clients regarding personnel and labor issues. (MSI)

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For Local Communities

- Donations were made to the Akai Hane "Emergency fundraiser to support children and their families during temporary school closures." (HD)
- We donated 300,000 yuan (4.8 million yen) each to both the Guangzhou City Charity Association and the Red Cross Society (Zhejiang Province) in China. (ADI)
- Through consideration together with volunteered employees and group companies, donations were made to local governments designated as special alert areas for the purpose of supporting medical institutions, and to NPOs supporting "children around the world, Japanese children and refugees" in need of aids. (HD)
- We donated handmade masks sewed by our employees to a municipal office. (ADI)
- We donated medical masks in stock to the ward office. (ADI)
- Handmade face shields crafted by employees were donated to medical institutions. (MSI)
- Athletes belonging to our Group released special messages of gratitude and support to local medical professionals. (HD)



Donating handmade face shields

Our Initiatives

- To manage employees' health and improve their productivity, we will keep working from home, staggered commuting, and shift work.
- As a general rule, we switch all internal meetings and trainings to be online.
- In response to temporary closures of elementary, junior high and high schools across the country, we allow employees to come to work with their children under conditions, as a measure to support employees with kids to attend work without difficulties. (ADI)
- In an event of infection, employees can take consecutive days of leave for treatment and recuperation. *
- \cdot In addition to annual paid leave (up to 32 days), carried over is allowed up to 20 days from the previous year.
- · The remaining days of carried over paid leave can be accumulated up to a total of 65 days for a need of long term treatment of personal injury or illness.
- Employees who are not able to work from home to accompany their children due to restrictions on attendance, temporary closure of children and distributed school attendancei during a state of emergency can take additional paid leave.

^(*) The number of days of paid leave allocated or allowed to carry over varies according to individual company and employee classification.

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Information on Individual Company's Response to COVID-19



Fuji TV and MS&AD's Joint Efforts to achieve the SDGs

From April 2020, MS&AD Holdings and Fuji Television Network, Inc. agreed to cooperate in achieving the 17 Sustainable Development Goals (SDGs) through broadcasting "Future Runners ~ 17 futures."* We will demonstrate a power of our partnership as a SDGs supporting company, to influence people to change their mindsets and advance society as a whole toward solving the social issues illustrated by SDGs.

*The world's first regular television program themed SDGs. The Broadcast began in July 2018 (shown every week on Wednesday from 22:54 to 23:00).

Fuji TV and MS&AD Work Together to achieve the SDGs 둱



Wednesdays from 22:54, Fuji TV (Kanto Local)
Saturdays from 21:55, broadcast on BS Fuji (nationwide)



#093 Broadcast on Wednesday, July 15, 2020

HOME / Sustainability / Our Value Creation Approach / Impact of CSV Initiatives on society and our company

Impact of CSV Initiatives on society and our company

| | Examples | Impact on Society | Economic Impact on the Company |
|--|---|---|--|
| Contribute to climate change mitigation and adaptation | ■Comprehensive Coverage Plan for Mega-Solar Power Generation The provision of combined insurance and derivative compensation products to mega-solar operators | Power generation volume under the Comprehensive Coverage Plan for Mega-Solar Power Generation and volume equivalent to CO2 emitted* from thermal power • FY2018: 1.7 million tons or more • FY2019: 3.0 million tons or more *Calculation based on national average power generation results from NEDO solar field test and the default values of emission factors by electric utility. | No. of new policies • FY2018: approx. 4,600 • FY2019: approx. 7,100 |
| Strive to improve sustainability of natural capital | ■Simplified evaluations of water-related risks Assess flooding, drought and other water resource risks at business locations, and support business from the perspective of risk management | Ratio of facilities where water shortage risks are high (total)* End of FY2018: 42.0% End of FY2019: 40.7% *Facilities with a water stress value (ratio of water intake accounted by annual water supply volume) above 40% | Total no. of evaluated facilities • End of FY2018: 224 sites • End of FY2019: 244 sites |
| Deal with new risks | ■ Products to address cyber risk Provide support for cybersecurity countermeasures and compensation in preparation for damages resulting from the unlikely event of a cyberattack | Companies/organizations protected against cyber risks • FY2018: approx. 9,800 companies • FY2019: approx. 12,300 companies | Policy growth rate • FY2018: 10.1% increase from the previous fiscal year • FY2019: 25.2% increase from the previous fiscal year |
| Create mobility society without accidents | ■ Telematics-based safe driving support services Provide services that support safe driving based on telematics technology for corporate customers | Reduction rate of claims paid to said corporate customers*1 FY2018: 36.5% FY2019: 25.3% *1 Comparison of claims payments before and after introduction of "Sasaeru NAVI" | No. of corporate customers*2 • FY2018: approx. 1,400 companies • FY2019: approx. 2,800 companies *2 Number of companies that have introduced "Smart Navi," "F-Drive" and "Sasaeru NAVI (including Lite)" |

MS&AD MS&AD Holdings

HOME / Sustainability / Our Value Creation Approach / Impact of CSV Initiatives on society and our company

| Strive for resilient community development | ■ Regional revitalization initiatives in collaboration with local governments Providing products and services to solve regional social issues in cooperation with local governments | Number of collaborations with local governments FY2018: 283 FY2019: 374 | Ripple effect on premium income FY2019: approx. 9.5 billion yen |
|--|--|---|---|
| Support "good health and longevity" Tontine annuities that support future asset formation A foreign-currency-denominated individual annuity insurance that meets the "usage" needs of customers who receive a greater amount of annuity the longer they live | | Total amount paid (average amount received) • FY2018: 1.9 billion yen (640,000 yen) • FY2019: 3.4 billion yen (600,000 yen) | No. of policies • FY2018: approx. 13,000 • FY2019: approx. 27,000 |
| realization of "leaving no one behind" Accident relief program linked to dementia regulations. Three-pronged scheme consisting of insurance, early screening and accident prevention ** 2.2 | | No. of Kobe residents who have applied for dementia screening*1 • End of May 2019: 8,598 • End of March 2020: 21,446 *1 Total number of applicants from the start (January 28, 2019) of the program (preliminary results as of March 31, 2020) | Premiums income three-year total (estimate)*2 Approx. 390 million yen *2 Approximate cost (FY2019-FY2021) of the "Kobe Model" |

- MS&AD Integrated Report 2020 🗂
- MS&AD Integrated Report 2020 (extract) CSV Initiatives Promoted by MS&AD 🔐

HOME / Sustainability / Our Value Creation Approach / Sustainability Contest

Sustainability Contest

For achieving "Vision 2021," our Medium-term Management Plan, since 2018 we have held the "Sustainability Contest" which all group companies, both inside and outside of Japan, participate in, with the aim of deepening understanding of SDGs and creating shared value with society (CSV) and incorporating these approaches into daily operations.

In fiscal 2019, the second year of the contest, there were more than 300 applications related to sustainability and CSV for society and the MS&AD Group from Japan and overseas Group companies. The selection of award was based on the criteria of "social impact," "communication," "group synergy," "approach," and "developability." At the contest, nine winner were announced and the grand prize were bestowed on two teams among them.

[Grand Prize (1)]

MSIG Malaysia "Fire Insurance for Social Enterprise who Build for the Underserved"

This is an initiative linked with a support scheme for improving the living conditions of the Underserved conducted by EPIC Homes, a social enterprise in Malaysia. MSIG Malaysia developed fire insurance specialized for housing and packaged compensation related to the support scheme. By providing house with fire insurance to the Underserved, this initiative will lead to a concept of "no one is left behind," allowing the Underserved to live in peace and encourages the sponsors to participate in the support scheme.

Malaysia: Providing Fire Insurance for Special Housing for Indigenous Peoples

[Grand Prize (2)]

"Launching cmap.dev, the world's first real-time loss prediction website" by Claims Administration Department at Aioi Nissay Dowa Insurance Co., LTD.

"cmap.dev" is a website jointly developed with Aon Group Japan and Yokohama National University which forecasts the number of damaged buildings in real time in the event of a typhoon, heavy rain, or earthquake and provides the forecasted results free of charge. The service will lead to a "resilient and sustainable society" and enabling prompt rescue by identifying the scale of a disaster at early stage and contributing to the appropriate support activities for disaster victims and the reconstruction of local communities.

Real-time damage prediction website

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





Grand Prize winners: MSIG Malaysia (left) and AD Claims Administration Department (right)

Deal with New Risks

The risks of modern society, such as the global outbreak of the novel coronavirus, are more diversified and more complexed with every passing day.

According to the "Global Risk Report 2020", released by the World Economic Forum in January 2020, climate and environmental risks were ranked as the top five global high probable risks, as well as the top five influential global risks. Cyber attacks were ranked high on the list of short-term risks which were expected to increase in 2020. The sharp increase of malicious cyber attacks by taking advantage of the spread of the novel coronavirus were reported around the world. In Japan, the risk of cyber attacks was rising to an unprecedented level by the increased number of telecommuters using vulnerable home PCs and free external Wi-Fi routers.

The MS&AD Insurance Group believes that forecasting, preventing, and suitably managing new risks is essential for stable livelihoods and dynamic business activities, and we will provide products/services that address these concerns as well as products/services that satisfy diversifying customer needs. Through examination and research in support of innovation, we will do our part in realizing a sustainable society and economic development.

Providing Information and Conducting Research and Studies on Diverse Risks

We offer information, research, and studies that are effective for identifying and assessing risks, including surveys on continuously evolving technologies and environment as well as research on the utilization of Big Data.

< Representative Initiatives >

| Joint research and development of cyber diagnostic services | We commenced a joint research and development with Lucideus Inc. on a simplified, low-cost cyber security-analysis for small- and medium-sized businesses which have difficulty to allocate budget for identifying and diagnosing their cybersecurity risks | |
|---|---|----|
| InterRisk Collaborations with startups | We aim to provide innovative insurance products, services and know-how through research and operation test of new services by collaborating with world-leading startups in the fields of insurance tech, AI, and cyber security | of |
| MSI Joint research with universities | Implementing efforts and support for the development and commercialization of advanced technologies through industrial-academic partnership agreements with universities engaged in cutting-edge surveys and research useful to the next generation | ì |
| InterRisk Offering of risk information/reports | We support companies to be well equipped for various risks by providing reports on latest practical information of risk management and lessons from other company risk management practices | S |

- ② Joint research and development of cyber security analysis services for small- and medium-sized enterprises with Lucideus Inc. (Japanese only) ☐
- Business cooperation with the Israeli organizations for innovation 🕞
- Conclusion of an industry-academia partnership agreement between Tokyo Denki University and Mitsui Sumitomo Insurance (Japanese only)
- InterRisk Risk information/reports (Japanese only) 🗂

Providing solutions to risks

With the progress of technological development, the impacts of climate change, aging population, and changes in the environment have diversified the risks we face. To prepare for new risks, risk assessment through reliable risk models and risk control based on the results is critical. Through consulting done by MS&AD InterRisk Research & Consulting, which is capable of advanced investigation and research functions as well as practical consulting, our Group provides risk preparation solutions.

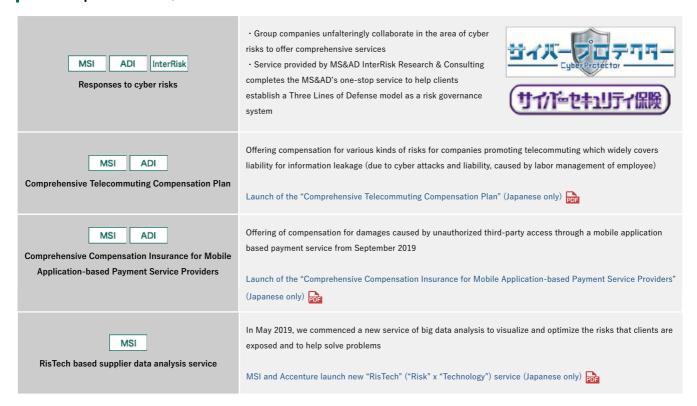
List of consulting services offered by MS&AD InterRisk Research & Consulting

| Compliance, internal control | Risk management | D&O risks, legal risks, CS, and complaints |
|---|----------------------------------|--|
| Product safety, food safety | Enterprise Risk Management (ERM) | Data security, data privacy |
| BCP, BCM (Business Continuity Management) | Risks in welfare and medicine | Measures against new strains of influenza |
| Sustainability | Natural Catastropfe | Due diligence for real estate |
| Fires, explosions | Risk of theft | Personnel and organizational risks |
| Occupational health and safety | Transportation risks | |

Provision of Goods/Services that Meet Risks

We offer products/services to cope with the changing customer needs due to diversifying risks and changes in the social environments.

< Principal Products/Services >



Global Digital Hubs Opened

Our Group opened global digital hubs in Tokyo and Singapore to promote digitalization globally. The Tokyo hub was opened in April 2019 to encourage employees and agents to make greater use of digital technologies, while the Singapore hub was opened in February 2019 to support digital business approaches in various ASEAN countries.



Establishment of Global Digital Hubs in Tokyo and Singapore Big

MS Digital Academy Established

In July 2018, our Group joined with Toyo University's Faculty of Information Networking for Innovation and Design (INIAD) to open the MS Digital Academy, a specialized training program, in order to foster industry-ready digital business creators and data scientists. Utilizing both the hardware and software resources of INIAD, we are looking to create opportunities that enable employees to acquire proficient skills in specialized knowledge and technologies.

Ocliaboration with Toyo University's Faculty of Information Networking for Innovation and Design (INIAD) (Japanese only)

Establishment of "MS&AD Digital College from Kyoto"

In July 2020, we established an online training program, the "MS&AD Digital College from Kyoto" in cooperation with Kyoto University of Advanced Science. The program is planned to support human capital to grow to create a data driven new business model and to develop innovative products and services by supplying lectures on how to apply and utilize new technology and big data.

Opening of "MS&AD Digital College from Kyoto," an online training program designed to develop human resource for creating innovative business models (Japanese only)

HOME / Sustainability / Our Value Creation Approach / Create Mobility Society without Accidents

Create Mobility Society without Accidents

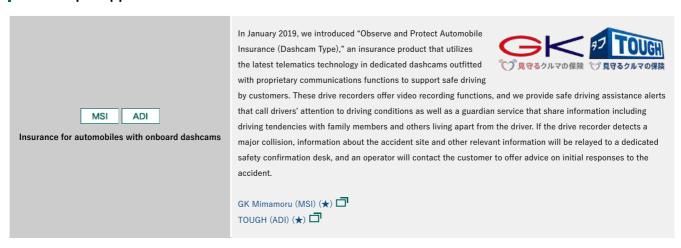
In recent years, the number of fatalities resulting from traffic accidents has been on a decreasing trend. As yet there are more fatalities among people 65 or older than those under 65, and the elderly have accounted for an increasing number of traffic fatalities over the past 10 years. About half of the traffic fatalities are pedestrians or cyclists, a high percentage in comparison to major Western countries.

In addition, the number of traffic accidents resulting from the use of mobile phones while driving has been on the increase in recent years. In 2019, the Road Traffic Act was revised to strengthen penalties for using a mobile phone while driving. Mindless of inattentive driving, improper vehicle operation, and failure to confirm safe operating conditions can all be prevented by eliminating inattention and complacency. It is said that the automobile industry enters a period of major change once every 100 years. While progress is being made in autonomous driving technology and in the development and demonstration of new transportation infrastructure such as MaaS, the MS&AD Insurance Group is participating in research and collaborative efforts with other industries and government organizations to develop new insurance products and services that respond to this new technology, providing knowledge accumulated as an insurance company. We are also working to reduce traffic accidents and ensure that all people have access to comfortable mobility by providing insurance products and services that support safe driving using telematics technology and smartphones.

(★) link is "Japanese only"

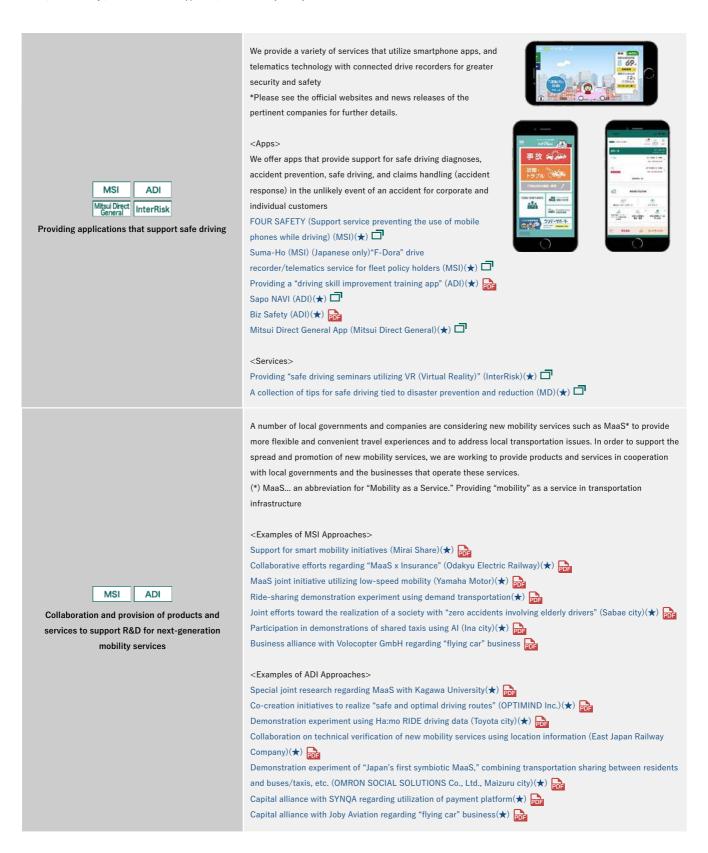
Providing Services to Prevent Accidents and Initiatives to Support New Mobility Services

Identifying and then avoiding the risks that lead to accidents is vital for preventing traffic accidents. We are promoting the prevention of accidents by visualizing the factors that lead to preventing traffic accidents and providing services that support safe driving. In addition, in order to disseminate and promote new mobility services such as MaaS, we are conducting research and demonstration experiments for implementation in cooperation with various organizations.



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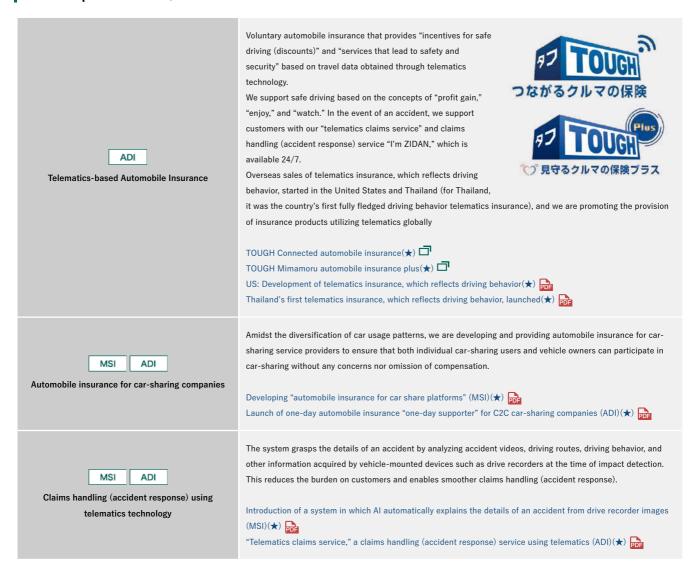


HOME / Sustainability / Our Value Creation Approach / Create Mobility Society without Accidents

Providing Insurance Products and Related Services to Realize a Comfortable Mobility Society

With the growing number of cars employing autonomous driving technologies that is causing changes to our mobility society, we are utilizing telematics technology to gather and analyze customers' driving practices and then providing customers inside and outside Japan with insurance products that lead to safety driving and fewer accidents in addition to insurance products for reducing economic burden on customers, which meet a variety of other needs.

< Principal Products/Services>



[External Evaluation]

Toyota Insurance, which is managed by European subsidiary Aioi Nissay Dowa Europe and the German branch of Toyota Insurance

Management, ranked 1st for the 7th consecutive year and 9th year total in the annual dealer satisfaction survey of automobile brand insurance
conducted by Germany's largest automobile and sales dealer magazine "Autohaus"

Rated #1 automobile brand insurance by German magazine Autohaus for 7th consecutive year (ADI)(★)

→

Strive for Resilient Community Development

Weather damage from heavy rains, flooding, cyclones, and other disasters has intensified due to climate change, thus making it urgent that steps are taken to reduce the number of people killed or injured in these disasters and to lessen the economic losses.

Forecasting the risks of potential disasters and preparing communities for their contingencies is of great significance in realizing the safety and security of people's livelihoods.

The "resilient community development," which the MS&AD Insurance Group is aiming for, entails realizing sustainable residential spaces that are safe and able to recover from disasters.

To that end, we are conducting studies and research on disaster prevention and reduction, providing products and services that lessen and reduce damage from disasters, and promoting initiatives to support rapid recovery in the event a disaster does occur.

Furthermore, 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, among them a shortage of social services due to depopulation.

Regional revitalization is a key governmental policy, and we are working with local governments and stakeholders to revitalize local communities and promote "resilient community development" by implementing industrial promotion measures tailored to the local requirements and supporting risk management that helps create disaster-resilient communities utilizing natural capital.

(★) link is "Japanese only"

Disaster Prevention and Reduction

[Research and results through industry-academia collaboration]

In order to build a sustainable society, we are conducting joint research with universities on disaster prevention and reduction, providing new services as a result of this research.

As part of a joint research project with Aon Group Japan Co., Ltd., and Yokohama National University, in June 2019 "cmap.dev" was launched, the world's first*1 website providing real-time forecasts of the number of buildings damaged and the rate of damage caused by typhoons, heavy rains and earthquakes for each municipality. Even in normal times, cmap, dev can simulate major typhoons, heavy rains and earthquakes that have occurred in the past and check weather information from around the world *2 In June 2020, a new function was added to predict damage to buildings before a typhoon hits the country and make the data available in real time Real-time loss prediction website "cmap.dev" is widely used for disaster prevention and reduction activities by local governments and companies, and received the grand prize at the 29th Global Environment Awards (*1) According to June 2019 research by Aioi Nissay Dowa Insurance Co., Ltd. (*2) Website is available to the public and can be accessed 24 hours a day, 365 days a year from any device such as a PC or smartphone. Research and results through industry-academia collaboration [world's first](★) ▶ New features of the real-time loss prediction website "cmap.dev"(★)

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HOME / Sustainability / Our Value Creation Approach / Strive for Resilient Community Development

ADI **Evacuation insurance**

In September 2019, we began joint research with Hiroshima University with the aim of commercializing a new type of evacuation insurance that encourages early evacuation by applying the automobile telematics insurance system to disaster prevention and reduction. Targeting not only vulnerable evacuees but also companies and local governments in a comprehensive manner, our aim is to develop insurance products that promote evacuation

Joint research with Hiroshima University to commercialize evacuation insurance(★)



[Weather Information Alert Service]

MSI

In collaboration with Weather News Co., Ltd., the largest weather information company in Japan, we provide corporate fire insurance (Property Master, Business Keeper), construction insurance (Construction All-in, Civil Engineering All-in), or transport insurance (Full Line, Support One) policyholders the following services for free:

- Customers can use an exclusive website to access at any time weather information/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 pre-determined values or when lightning strikes have been observed within a pre-determined distance from monitored locations.

[Preparing Against Natural Disasters]

MSI ADI

In response to growing customer interest in flood and earthquake compensation due to the more frequent occurrence of natural disasters in recent years, we are now proposing "preparing" against natural disasters. The aim is to encourage customers to review and prepare for their own risks by explaining the risks of flooding and earthquakes. Additionally, in the event of a disaster, it may not be possible to contact a



customer due to evacuation to a shelter, collapse of/damage to their home, etc., and so we are also calling for the use of Internet services to secure a means of communication between customers and agents. We are promoting initiatives to remind customers an importance to "be prepared" not only after, but also before a disaster occurs.



Flyer highlighting need for coverage



Providing information on disaster prevention/mitigation

[Useful Smartphone Applications for Disaster Strikes]

MSI

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.

- Smartphone Disaster Navigator (★)
- 🕑 Additions of "Hazard map display function" and "Disaster prevention information translation function"(🖈) 🚠
- Launched "Earthquake! Where Are You Now?" an industry-first service (★)

[Providing Services for Assessment and Analysis of Catastrophe Risks]

InterRisk

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

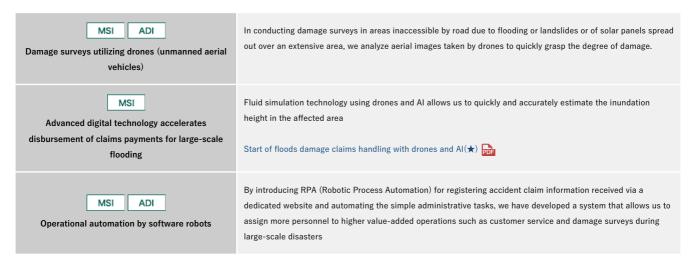
< Principal Approaches >

| Natural disaster hazard information survey | We collect and organize hazard information based on comprehensive surveys on earthquakes, wind and water disasters, volcanic eruptions, lightning strikes, snow accumulation, and more, diagnosing the location risks for corporate facilities |
|---|--|
| Flood disaster countermeasure support service | Assessing inundation risks by identifying locations with a high risk of inundation based on hazard maps Simulations to evaluate inundation conditions in the vicinity of target sites with a fine mesh Comprehensive support menu for flood risk assessment consisting of options such as flood risk surveys that identify dangerous areas and give advice on countermeasures through on-site checks |
| Sediment-related disaster risk diagnosis | Simulations are used for risk assessments of sediment-related disasters (debris flows, landslides, etc.) at individual sites based on "largest recorded" and "potential largest" rainfall scenarios |
| Sui Search | Providing a website that enables the acquisition of various types of information related to water disasters at multiple sites either "in summary" or "in real time" and the automatic determination of the timing of various responses and decisions (= alert stage judgments) |

Assisting in Swift Post-disaster Recovery

Against the backdrop of large-scale disasters occurring one after the other, our Group has rapidly conducted damage investigations, paid out insurance claims, and taken other steps to provide relief to disaster victims. We have also introduced a variety of new technologies to accelerate payments of insurance money.

< Principal Approaches >



[Donations in Response to Disasters]

Group-wide

In order to rebuild the lives of policyholders affected by a disaster as quickly as possible, we made efforts to pay insurance claims promptly to customers.

We also collect donations from employees of Group companies to support victims of disasters applicable to Disaster Relief Act in Japan and major disasters overseas.

Utilizing our Disaster Relief Donation Matching Gift Program, in which we make additional donations in response to donations from employees, a total of approximately 720 million yen, including company contributions, has been donated since the system was established in 2004.

< Total Group Company Disaster Relief Donation >

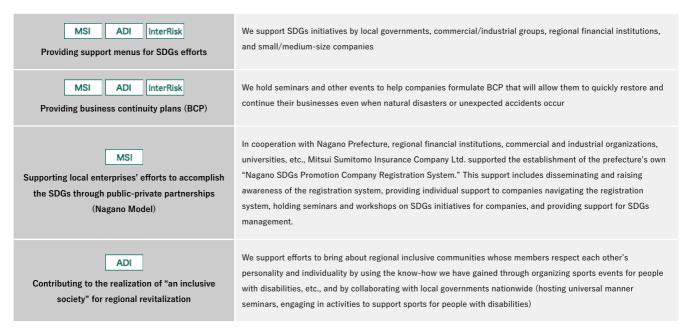
| FY2019 | Number of donation drives | Contributors | Total amount (includes matched funds) |
|-------------|---------------------------|--------------|---------------------------------------|
| F 1 2 0 1 9 | 4 | 14,782 | 37,672,500 yen |

Disaster Relief Donation Matching Gift Program

Revitalizing Regions by Finalizing Collaboration Agreements

We are assisting in regional revitalization efforts through agreements with partners that include prefectural and municipal governments, local commercial/industry groups and financial institutions. The Group has entered into 532 such agreements, providing support for various risks and consulting services for regional revitalization.

< Principal Approaches >



- MSI: Contributions to regional revitalization (★)
- Properties Regional revitalization by ADI (The local AD Club) (★)

External Evaluation

- 🕑 Real-time natural disaster loss prediction website "cmap.dev" wins grand prize at the 29th Global Environment Awards(🖈) 🕞
- 🖎 Minister's commendation as a "characteristic example of efforts" for financial institutions contributing to regional revitalization(🖈) 🛼



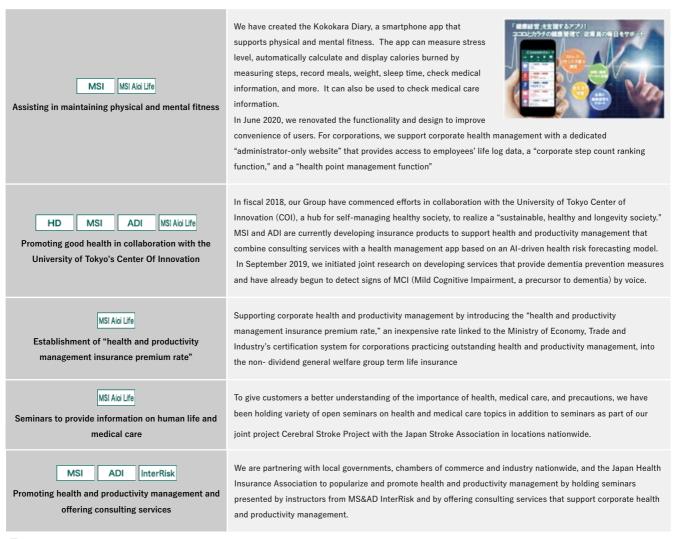
Support "Good Health and Longevity"

Japan's birthrate is declining, its society is aging, and its total population is declining. It has been forecasted that the country's population will drop below 90 million by 2060, with the elderly population rate – the percentage of the population aged 65 and older – reaching nearly 40%. The rising elderly population necessitates an environment in which the elderly can live with a 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, the urban structures needs 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 peace of mind. The MS&AD Insurance Group will promote good health so that people can remain active throughout their entire lives, provide asset-building means to support a fulfilling "second life," and help develop business activities that lay the foundation for a super-aging society and thereby support "good health and longevity."

(★) link is "Japanese only"

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/research on promoting good health.



- Nokokara Diary developed to support physical and mental fitness. (★) 🕞
- 💽 Efforts to develop measures to prevent dementia and detect signs of dementia and mild cognitive impairment (MCI) by voice (🖈) 📴
- 💽 "Health and productivity management insurance premium rate" is newly applicable (🖈) 📴

Expanding business to support a super-aging society

We are contributing to the development of businesses that support super-aging societies by making available a variety of solutions and support relating to nursing and medical care.

< Principal Approaches >

We provide a comprehensive compensation plan for various risks related to welfare/nursing care providers (risk of ADI compensation liability, information leakage risk, property damage risk, etc.), which also covers consulting costs for the prevention of accident reoccurrence. Furthermore, we provide another comprehensive insurance package that Products for welfare/nursing care providers includes risk consulting options so that policyholders can receive the compensation that suits their needs. ADI 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 nursing care field. Capital and business tie-ups with CareTech companies We provide Work and Nursing Care Dual Support Service to human resources departments. MSI ADI Work and Nursing Care Dual Support Service for companies ADI Development and provision of medical receivable compensation insurance (plan for foreign patients only) for members of the Japan Hospital Association in preparation for the risk of unexpected large receivable arising from Provision of "medical receivable compensation the recent increase in the number of foreign visitors to Japan. This not only stabilizes hospital management but insurance" for members of the Japan Hospital also reduces the burden of collecting receivable insurance payments. Association We have developed and are providing 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 improve their MSI Primary Life ability to put forth proposals that meet a variety of insurance needs by using original business games (card "My 100-Year Life Training" for financial institutions games) designed to give the agents a realistic sense of what might be required for an unexperienced 100-year Provision of "easy-to-understand explanation training to prevent complaints regarding foreign currency insurance sales" to financial MSI Primary Life institution agents for reducing the numbers of complaints related to Easy-to-understand explanation training to prevent foreign currency-denominated insurance products. We improve the complaints regarding foreign currency insurance training programs with audio and video to introduce specific sales examples and ways of communicating in an easy-to-understand manner so that sales representatives can gain experience and learn how to prevent complaints

- ≥ Capital and business alliance with "WELMO," which provides nursing care welfare platforms using Al and ICT (🖈) 📷
- Started handling "medical receivable compensation insurance (plan for foreign patients only)" for members of the Japan Hospital Association (*)
- 🕑 We started providing our Future Nursing Care Management Head Office support service for nursing care providers. (🖈) 🕞
- 🕑 Developed My 100-Year Life Training (🛨) 🕞
- 🕑 Development of "easy-to-understand explanation training to prevent complaints regarding foreign currency insurance sales" (🖈) 🕞

Providing Products and Services to Support "Good Health and Longevity"

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

< Principal Products/Services >



- Launched "Fulfilling Tomorrow" existence protection oriented-type individual annuity insurance (with variable interest rate, level premium payment) (★)
 □
- 🕑 Launched "Joy for Tomorrow 2" currency option-type existence protection oriented individual annuity insurance (🖈) 🕞
- Nursing care health desk" service launched (★)
- 💽 "Pension calculation with just a picture," the life insurance industry's first public pension calculation tool using Al-OCR (🖈) 🕞

HOME / Sustainability / Our Value Creation Approach / Work toward Realization of "Leaving No One Behind"

Work toward Realization of "Leaving No One Behind"

At the heart of the SDG-focused 2030 Agenda for Sustainable Development lies the mission of ensuring that everyone can enjoy productive and satisfying lives toward the future while leaving no one behind as the society progresses. These share the similar proposition with the MS&AD Insurance Group's mission of "contributing to the development of a vibrant society and helping secure a sound future for the planet, by enabling safety and peace of mind through the global insurance and financial services business" and an essential element for our goal of the "resilient and sustainable society."

Our Group will partner with various sectors in taking on the challenges of making insurance/financial services more widely available and utilizing insurance to resolve such issues as poverty, social disparities, and discrimination.

(★) link is "Japanese only"

Efforts in support of "leaving no one behind" overseas

We are transferring insurance technologies to expand the communities and the number of individuals able to obtain insurance and engaging in social contribution activities in those areas that cannot be covered by insurance products or services.

| Provision of insurance for small loans to micro- entrepreneurs in the Philippines | Working together with BPI Direct BanKo, which provides small loans to micro-entrepreneurs, we started offering micro-insurance for loans in the autumn of 2019. We provide insurance to support the operations of micro-entrepreneurs even in the event of an unforeseen occurrence such as an accident or disaster | |
|--|---|--|
| Provision of fire insurance for special housing for indigenous peoples in Malaysia | We packaged compensation related to the support scheme undertaken by the social enterprise EPIC Homes to improve the living conditions of indigenous peoples. Housing with compensation provides reassurance to the indigenous people living there and encourages participation in donor support schemes. Press release (MSIG Malaysia) | |
| MSI Greater access to insurance and job creation in India | We have set up small shops equipped with insurance kiosks in villages, towns, and small and medium-sized cities across the country, and are thus helping to expand access to insurance in regions where insurance had been previously difficult to obtain. We have also contracted groups that are striving to create jobs in farming communities to issue insurance policies. This contributes to the process of creating jobs for women in farming communities where few job opportunities outside agriculture exist. Cholamandalam MS General Insurance official website | |
| MSI Aio Life Donations to help supply vaccines to the world's children | For each new policy sold among our &LIFE brand of insurance products, we make a donation to the Japan Committee - Vaccines for the World's Children who use the donation to purchase vaccines. Results of FY2019 sustainability initiatives (**) | |

HOME / Sustainability / Our Value Creation Approach / Work toward Realization of "Leaving No One Behind"

Efforts in Support of "Leaving No One Behind" in Japan

Through our business endeavors, we are aiming to ensure that no one is left behind, focusing on issues such as poverty, disparities, and discrimination in Japan.

| Group-wide Provision of easily comprehensible information | In addition to utilizing 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 and easily readable fonts (Universal Design Font, etc.) for use in pamphlets for our primary products together with easy-to-understand words, figures, and illustrations to convey information. We also provide sign language, interpretation services in 17 languages, and translation services in 12 languages. |
|--|--|
| MS Primary Life Establishment of a special clause for Social contribution | In response to customers' diverse range of values related to asset inheritance, such as good will of contributing to society by donating their assets, together with Sumitomo Mitsui Banking Corporation, we developed the industry's first "special clause for social contribution," which enables designated public interest groups* to be appointed as the beneficiaries of insurance claims (September 2019) *As of the end of July 2020, the following three designated public interest groups have been designated: • Japanese Red Cross Society • Japan Committee for UNICEF • CiRA Foundation Handling of special clause for social contribution started(*) Addition of designated public interest groups in special clause for social contribution(*) |
| MSI Development of an accident relief system linked to dementia ordinances (dementia "Kobe Model") | Entrusted with the administration of the accident relief system linked to Kobe's dementia ordinances, we have developed Japan's first comprehensive three-pronged coverage scheme for dementia: (1) accident relief (insurance), (2) system expansion (encouragement of early dementia testing), and (3) Prevention of accidents (GPS tracking services by security companies). (There were 21,446 applications for dementia tests as of the end of March 2020) |
| ADI Contributing to the realization of a "multicultural society" for regional revitalization - Building a society that transcends nationality and language differences and supports each other - | In order to realize a multicultural society, we hold traffic safety-related workshops for foreign residents throughout Japan. We also support the development of disaster prevention leaders and mutual assistance systems in foreign communities in Japan. |
| ADI Affixing of Bell Marks to insurance products | As the only co-sponsor from the non-life insurance sector (as of August 2020), 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 the Bell Marks to all of the Tough-series products. Guide to Bell Marks-designated insurance products (*) |
| Group-wide Fostering of Dementia Supporters | Employees and agents took dementia supporter training courses, learning accurate knowledge about dementia and the know-how to support those with dementia and their families. In fiscal 2019, our Group jointly conducted promotion of the dementia training courses for employees (approximately 9,500 employees participated as of the end of fiscal 2019) MS Aioi Life sets a target to have all employees participate in the dementia training courses, enter into cooperation agreements with local governments regarding monitoring activities and participate in community monitoring activities. |

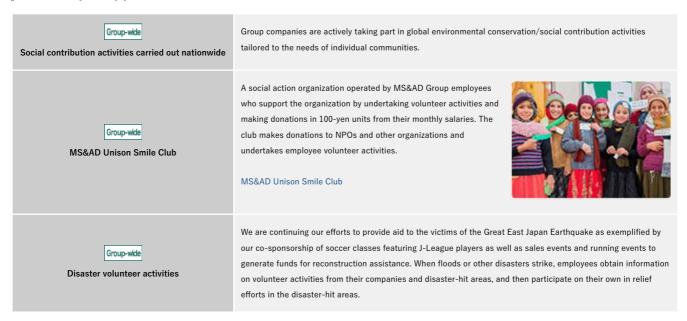
HOME / Sustainability / Our Value Creation Approach / Work toward Realization of "Leaving No One Behind"

External Evaluation

- We received the minister's commendation as a "characteristic example of efforts" for financial institutions contributing to regional revitalization for the third consecutive year (★)
- 🕑 Our automobile insurance claim forms have received User Universal Design certification. (🖈) 둱
- We received the Gold Medal in the Japan Resilience Awards 2019 (Kobe Model). (★)

Cultivating a Sustainability Mindset among Employees

Employee participation in social contribution activities in their local communities not only advances the personal growth of the employees but also prompts them to learn more about social issues and consider the solutions needed to achieve a sustainable society. Social contribution activities carried out by corporate citizens extend the employees' antennas into communities and societies, foster ability to image, and build networks with communities. We, as a company, are providing opportunities for employees to engage in a variety of local activities alongside community residents both inside and outside Japan.



Quality that Earns the Trust of Society

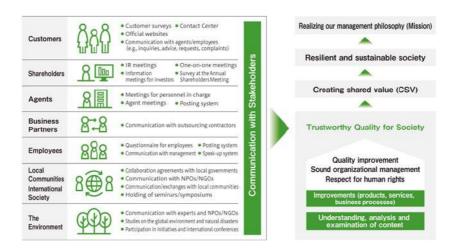
Meeting the Trust of Society with High Quality

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.

A Customer-first Policy in the Business Operations

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

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

| < Customer-first policy in the business operations > (Japanese only | < Customer-first | policy in the | husiness | operations> | (Japanese | only |
|---|------------------|---------------|----------|-------------|-----------|------|
|---|------------------|---------------|----------|-------------|-----------|------|

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| > | Mitsui Sumitomo | Incurance | Co Itd | (lananaca | only) |
| \sim | Willoui Sullillollio | mourance | CO., Ltu. | Japanese | Office |

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

Specific Initiatives in Customer-Focused Business Operations

Our Group is striving to manage its business affairs by placing high value on a "customer-focused" attitude to ensure quality that earns the trust of society. The five Group insurance companies in Japan are engaged in efforts based on customer-first policy in the business operations and are periodically disclosing key performance indicators (KPI) that are used to objectively assess these efforts and the progress made. Please see the official websites of these companies for specific information regarding the efforts/progress being made.

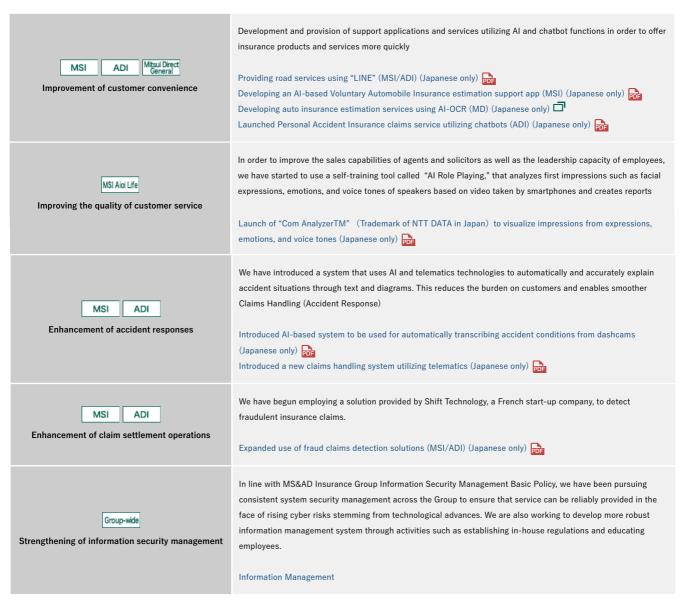
< Customer-Focused Business Operations – FY2019 Overview > (Japanese only)

- 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. 🕞

| MSI ADI MSI Aioi Life Efforts 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. Introduction of smartphone settlement service for insurance premiums (MSI, ADI) (Japanese only) Procedures for applying for and obtaining policies are available online (MSI, ADI) Procedures for obtaining policies without paper utilizing tablets and other devices. (MSI, ADI, MSI Aioi Life) Dissemination of information on insurance products using LINE (ADI) Reinforcement of product explanation videos for customers (MSI, ADI) |
|---|---|
| Prompt and courteous customer service during natural disasters | We are helping to rebuild customers' livelihoods as soon as possible by increasing manpower and improving administration at our Accident Claims Center and Insurance Claim Payment Center in line with the scale of disasters, including earthquakes, typhoons, flooding, and heavy snowfall, and by rapidly settling insurance claims. Established a paperless (PDF document) business flow to further improve quality and speed up response. We have been sending out post-disaster messages of sympathy and condolence as well as information on insurance claims by LINE. |
| 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. |
| Group-wide Operational improvements utilizing customer suggestions | In accordance with MS&AD 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 efforts are disclosed on the website in sequence. We have issued a declaration of conformity with ISO10002, guidelines for quality management, customer satisfaction, and complaint response at organizations that also serve as international standards for customer service. We are continually upgrading our services in keeping with customer views. Basic Policy for Responding to Customer Communications |
| Use of customer satisfaction based on customer questionnaire surveys as a KPI* (*) Key Performance Indicator: an indicator used to quantitatively evaluate efforts | Among the indicators used for measuring the level the five Group insurance companies in Japan have continued their efforts in customer-focused business operations, customer satisfaction from customer questionnaires (completed by customers when signing up for policies or being paid insurance money) has been designated as one of the indicators for Group sustainability that earns the trust of society Targets and Results: "customer satisfaction indicated in a questionnaire survey when purchasing policies" and "customer satisfaction indicated in a questionnaire survey when receiving insurance payments" |
| Group-wide Inculcation of customer-focused value orientation among employees/agents | We have been fostering a suitable corporate climate by infusing customer-focused values into 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.</for></for> |

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.



External Evaluation (Japanese only)



- We received the "Special Award (IT Utilization Award)" under the "FY2019 Best Customer Support of the Year" awards sponsored by the Japan Institute of Information Technology (MSI)
- MSI obtained three-star ratings (the highest rating) in the HDI Rating Benchmarks in inquiry desks, and online support categories 🕞
- 🕑 ADI earned three stars rating, the highest rating, in the HDI Rating Benchmark in customer service survey category 🕞
- ADI obtained the Japan's first 7-star rating in the HDI Rating Benchmark 🕞
- Mitsui Direct General obtained five star certification in the HDI Rating Benchmark as only company in the directly selling personal voluntary automobile insurance to customers
- MSI Aioi Life obtained three stars rating, the highest rating, in the HDI Rating Benchmark in the "customer support," "monitoring," and "support portal" categories

HOME / Sustainability / Our Value Creation Approach / Quality that Earns the Trust of Society / MS&AD Insurance Group Basic Policy for Responding to Customer Communications

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.

HOME / Sustainability / Our Value Creation Approach / Promotion of Diversity & Inclusion

Promotion of Diversity & Inclusion

The MS&AD Insurance Group is convinced that providing all employees with opportunities to grow through work and to demonstrate their capabilities will result in greater corporate competitiveness. Creating management platforms that enable employees to play active roles, a business infrastructure needed for employees to take on dynamic roles, in addition to the use of diversity & inclusion key performance indicators (KPIs) to set numerical management targets, has been positioned as a priority in the Vision 2021 Medium-term Management Plan, and we are moving ahead with efforts to make this the source of the Group's comprehensive capabilities.



Diversity & Inclusion

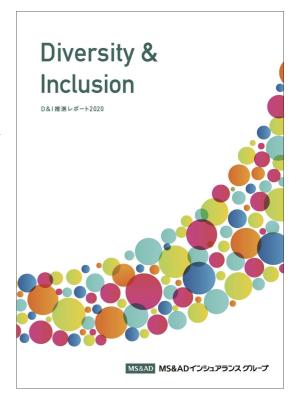
Issuing the Diversity & Inclusion (D&I) Promotion Report



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

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

- D&I Promotion Report 2020 (Japanese only) 🕞
- · Message from Group CEO
- · D&I Promotion at the MS&AD Group
- · Group's Current Data
- · Target Values
- · Systems and Efforts to Promote Active Roles for Women
- · Global Human assets Activities
- · Active Roles for People with Disabilities, Support for LGBT Staff, Active Roles for
- · Work-life Balance (Programs to Enable Employees to Continue Working)
- · Creation of Environments Conducive to D&I
- · Message from Diversity & Inclusion Officer
- · Principal Awards Received from Government Ministries/Agencies



HOME / Sustainability / Our Value Creation Approach / Promotion of Diversity & Inclusion

- 2 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

Systems and Initiatives to Enable Continued Work

The MS&AD Group has systems that enable employees to balance work and life while feeling fulfillment and growth as they enjoy their work healthy. In order to prevent employees from giving up their careers or choosing to retire due to life events such as childbirth, childcare, and nursing care, we have enhanced systems that meet the wide needs of each life stage.

Our maternity leave, childcare leave, childcare time, sick/injured childcare leave and nursing care leave are all more than legally required. < Main Initiatives >

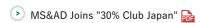
| Life Stage | Main Systems | | Support Measures |
|--------------------------|---|---|--|
| Marriage | [Group common] •System for changing place of employment | | |
| Pregnancy -Childbirth | [MSI, ADI, Mitsui Direct General, MSI Aioi Life & MSI Primary Life] •System for rehiring after resignation | [Group common] ·Maternity leave | [Group common] •Childbirth and Childcare Handbook |
| Raising Children | [Group common] •Childcare leave | | |
| Rehiring | [Group common] ·Working from home ·System for changing place of employment [MSI, ADI, Mitsui Direct General, MSI Aioi Life & MSI Primary Life] ·System for rehiring after | [Group common] ·Shortened working hours/flex time · Exemption from and restriction of overtime work ·Sick/injured child care leave | |
| Family Care | resignation | [Group common] •Nursing care leave •Shortened working hours | [Group common] •Handbook for supporting the balance of work and nursing care •External consultation desk for nursing care and health |

HOME / Sustainability / Our Value Creation Approach / Promotion of Diversity & Inclusion

Registration as Member of the 30% Club Japan

HD

In May 2019, the CEO of our Group joined in "30% Club Japan," a global campaign to produce female executives. We regard gender diversity as an urgent business issue that companies must address, and we believe that diversity in the decision-making process is important. As such, we are making committed efforts to produce female executives in the Group.



Efforts to Realize an Inclusive Society through Support for Athletes



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.







MSI x Sports (Japanese only)

- Aioi Nissay Dowa Insurance sports support site "AD Challenge Support" (Japanese only)
- MSI Aioi Life: Promotion and Support of Sports (Japanese only)

External Evaluation (Japanese only)

- 💽 Selected as a "Nadeshiko Brand" for FY2019 🕞
- In fiscal 2019, we received a commendation from the Minister of State for Gender Equality under the Award for Leading Companies Where Women Shine
- 🕑 Certified as a "Sports Yell Company" by the Japan Sports Agency for three consecutive years 🕞
- 🕑 Certified as a "Sports Yell Company" by the Japan Sports Agency 🕞
- 🕑 The only inductee in the Hall of Fame after being certified as a Tokyo Sports Promotion Company for 5 consecutive years 📷
- 🕟 Received an award in the Diversity & Inclusion category for the second consecutive year at the 5th White Company Awards 🛼
- For other awards and certifications, see the Diversity & Inclusion (D&I) Promotion Report

HOME / Sustainability / Our Value Creation Approach / Encourage Employees to Learn and Think by Themselves, Take on Challenges and Continue to Grow

Encourage Employees to Learn and Think by Themselves, Take on Challenges and Continue to Grow

We live in a drastically changing society that can also be seen in our diversifying workforce. To ensure that our employees grow and play active roles, it is important that they find their work satisfying and rewarding, that they remain healthy and dynamic, and that they exercise originality and ingenuity to achieve their work goals so that both the individuals and the organizations can grow and better meet the expectations of society.

MS&AD Insurance Group aims to develop human assets(*) with the goal of elevating the level of professionalism of each employee, pursuing betterment as opposed to remaining complacent with the status quo, and maximizing the organizational level power through the aggregation of individual capabilities.

(*) Human assets: In the spirit of valuing the individual, the MS&AD Insurance Group refer to our employees as "human assets" rather than "human resources."

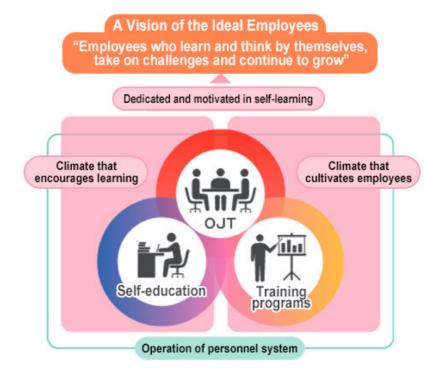
A Vision of the Ideal Employees

Envisioning ideal employees as those "who learn and think by themselves, take on challenges and continue to grow", Group insurance companies in Japan have been offering education and assistance to promote training, OJT*, and self-improvement so that our employees can work as professionals with pride and satisfaction. We provide a wide range of opportunities, including obligatory courses for all employees in an e-learning format that is more convenient for course participants.

More specifically, individual employees sketch out their career visions, undertake new efforts to realize these visions and bolster their own capabilities and skills through a target management system. Superiors engage in career dialogue during target challenge interviews (interviews with subordinates utilizing career vision sheets) and in other approaches to help employees achieve their career visions and to enhance communication between superiors and subordinates.

(*) OJT: On-the-Job Training

< Conceptual Image of Human Asset Development System >



HOME / Sustainability / Our Value Creation Approach / Encourage Employees to Learn and Think by Themselves, Take on Challenges and Continue to Grow

Enhancing Individual Strengths (Enhancing Individuals)

Group insurance companies in Japan provide training programs as well as outside correspondence courses and other opportunities for self-education in support of self-directed learning and growth to individual employees.

<Our Development Program>

| 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 program 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. |

💽 Innovation Award under the "Good Career Company Award 2019" (Japanese only) 🕞

Enhancing Organizational Strengths (Enhancing Teamwork)

To maximize the performance of organizations (workplaces), we are conducting a variety of stratified training programs for employees at all levels to support improvement in their way of thinking and behavior.

< Our Development Program >

| New employee training | We have a fair and impartial approach to hiring personnel that respects diversity. Additionally, we are operating OJT programs to enable employees to smoothly integrate into their workplaces after joining the company and to put their workplace experience to good use in obtaining the needed knowledge/skills |
|-----------------------------------|---|
| Training for managerial personnel | We offer training to help employees understand their unconscious biases and to learn methods for recognizing and controlling their own biases. We also endeavoring to support the improvement of management and workplace communication capabilities to support human resources development across the board |
| Training for female employees | We have stepped up training and educational programs for female employees to promote career development of women (leaders' school, management seminars, and mentor programs for women, etc.) |

- Support for "Meeting of male leaders to accelerate the success of leading female" (Japanese only)
- 🕑 Innovation Award under the "Good Career Company Award 2019" (Japanese only) 🕞

Development of professional human assets

To respond to the advance of digitalization, the emergence of new risks, and other changes in social structure, we are systematically cultivating human assets with specialized skills who are capable of excelling on the world stage.

HOME / Sustainability / Our Value Creation Approach / Encourage Employees to Learn and Think by Themselves, Take on Challenges and Continue to Grow

| Development of global human assets | We have put in place a framework for employees to mutually interact and improve themselves through friendly competition between overseas locations and Japan in order to foster internationally-minded specialists with expertise < Examples of training and programs > · Overseas training and secondment program (Learning business skills at overseas subsidiaries, overseas insurance companies, etc.) · Global trainee system · Temporary Transfer System for employees hired at overseas branches · MS&AD Garage Program(*) (*)Under this program,employees from Group companies worldwide travel to Silicon Valley where investors and venture companies gather, to pursue opportunities including the pitching of ideas. Having failed in each home country, the goal is to uncover advanced technologies and new services that can help resolve outstanding issues. ESG Data/Reference Material (number of participants in global trainee system, etc.) |
|---|---|
| Development of personnel to oversee digitalization* | We offer training programs to create new business models with digital technology and develop a variety of digital human assets such as data scientists. <examples and="" of="" programs="" training=""> MS&AD Digital Academy MS&AD Digital College from Kyoto Training for new data scientists (*) Initiatives that will not only improve the efficiency and convenience of processes and services using digital technology, but also transform our Group's overall business Launch of "Data scientist training support service," renewed through business tie-ups with companies developing and providing AI programming learning services (ADI) (Japanese only)</examples> |
| 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) |

Fostering Personnel to Shoulder the Future (Internships)

We offer internships from the perspective of developing human assets through industrial-academic collaboration, and help students grow by ensuring that these internships provide them with opportunities to gain a deeper understanding of the significance and appeal of the non-life insurance industry through group work and workplace experiences.

Our proprietary internship program has been deemed noteworthy by serving as a model for other companies, and it has been selected by students to receive awards for excellence in the Internship Award, organized by Mynavi Corporation as the secretariat. (2018 – MSI; 2019 – ADI)

Selected by students to receive an Award for Excellence in the Internship Award 2019 (Japanese only)

ADI began internships program for undergraduate and graduate students interested in data science since August 2019.

Enhancing the training for and hiring of data scientists (Japanese only)



Work Style Reform and Health and Productivity Management

As Japan's birthrate declines and its society ages, securing an adequate workforce to enable our company to stay in business has become a major issue.

Keeping working employees healthy is essential not only to improve the quality of life (QOL) of the employees themselves but also to realize the MS&AD Insurance Group's Corporate Philosophy.

Our Group provides venues for diverse personnel with a wide range of values to work together and pursue work style reform that will increase productivity while making their workplaces more comfortable and their work more satisfying, and creates health- and safety-conscious workplace environments to maintain and improve the physical and mental health of all employees.

Promoting Work Style Reform

Work style reform is being implemented across the board by diversifying work locations and hours, restructuring employee roles, and adopting creative approaches to prevent long working hours.

Our Group has been promoting work style reform since fiscal 2016. We are working to reduce working hours through measures such as "leaving work before 19:00 as a general rule," "encouraging employees to take leave" and "efficient operations," and to improve productivity by improving the level of expertise of each employee and implementing management practices that make use of diverse abilities of employees. Under COVID-19, many employees started working from home, working remotely using digital tools, working shifts that allowed them to change their working hours as necessary, and taking paid half-day or hourly leave. Going forward, we will continue to promote flexible working styles that make efficient use of time and place without returning to the previous work environment or way we used to work.

| Diversification of work locations/hours | We are diversifying previously fixed work locations and pursuing more diverse work styles for our employees <example efforts=""> Promoting remote work (deployment of thin-client PCs and utilization of web conferencing systems) Implementing work from home programs and utilizing satellite offices Introducing shift work and short-term work systems</example> |
|---|--|
| 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 efforts > As a rule, employees must leave work before 19:00 Finishing times are shared within workplaces using "finishing time declaration cards" to foster awareness of differences in working hours Industrial physicians provide one-to-one guidance to employees who operate PCs beyond a prescribed number of hours |
| Encouragement of 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.

| < Principal Approaches >

| 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 efforts=""> Revamping day-to-day lifestyle habits by encouraging use of "Koko Kara Diary," our proprietary app Providing meal campaigns, walking events, health point system, support of employees who are quitting smoking (subsidies to cover teletherapy expenses), etc. Encouraging sneaker commuting, stair climbing (conducting a "2-Up/3-Down" campaign, displaying stickers on staircases showing calories burned), etc.</example> |
|--|--|
| Improving health literacy | Establishing an environment that promotes the lifestyle practices needed to improve health and prompts employees to acquire greater knowledge/skills on mental health, etc. <example efforts=""> E-learning, videos featuring top athletes promoting exercise, provision of information on lifestyle practices that include physical/mental health, diet, exercise, sleep, smoking, and provision of health education as part of health consultations and tier-specific training</example> |
| 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 efforts > 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.

< Principal Approaches>

| 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 whose exam results require follow-up measures, we provide health guidance and encourage them to undergo further examinations 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/Reference Material (Number of claims for work-related injuries) |

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.

< Principal Approaches >

| Employee satisfaction surveys [Employee Satisfaction] | We periodically conduct opinion surveys of all Group employees. These surveys are used to instill the concepts of the Group's Corporate Philosophy, Corporate Vision, and Code of Conduct, to confirm whether a sense of Group solidarity is being fostered, and to check whether employees feel satisfaction and a genuine sense of growth with their work Targets and Results (Employee satisfaction) |
|---|--|
| 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 Evaluation (Japanese only)

- Recognized as a "White 500" organization under the 2020 Certified Health & Productivity Management Outstanding Organizations

 Recognition Program / The Large Enterprise category
- Challenge to strike a balance between customer and employee satisfaction by utilizing "White 500" certified chat bots and RPA for two years running □
- Recognized as a "White 500" organization under the 2020 Certified Health & Productivity Management Outstanding Organizations

 Recognition Program under the large enterprise category

ESG Data / Reference Material

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

Subject period:

FY2019 (April 1, 2019 - March 31, 2020)

Subject organizations and data coverage:

| Company name | abbreviation | (Dome | oup Domestic estic consolidated subsidiaries) | Consolidated (MS & AD Group total) | |
|--|-----------------------|--------------------------------|---|---------------------------------------|-------------------------|
| | | Subject | Employee-based coverage | Subject | Employee-based coverage |
| Mitsui Sumitomo Insurance Co., Ltd. | MSI | 0 | | 0 | |
| Aioi Nissay Dowa Insurance Co., Ltd. | ADI | 0 | | 0 | |
| Mitsui Direct General Insurance Co., Ltd. | Mitsui Direct General | Alitsui Direct General 77.2% | | 0 | |
| Mitsui Sumitomo Aioi Life Insurance Co., Ltd. | MSI Aioi Life | 0 | 11.270 | 0 | 100% |
| Mitsui Sumitomo Primary Life Insurance Co., Ltd. | MSI Primary Life | 0 | | 0 | |
| MS & AD Holdings | MS&AD Holdings | 0 | | 0 | |
| Overseas insurance subsidiaries | Overseas | | | 0 | |
| Other(*) | Other | | | 0 | |

^(*) 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 \checkmark .

| • | Organizational Governance | O | Consumer Issues | • | Environment | • | Community Involvement and Development |
|---|---------------------------|----------|-----------------|---|-------------|---|---------------------------------------|
|---|---------------------------|----------|-----------------|---|-------------|---|---------------------------------------|

Human Rights/Labor Practices

ISO 26000 Core Subjects (Organizational Governance)

Corporate Governance

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

- MS&AD Insurance Group Basic Policies on Corporate Governance
- MS&AD Insurance Group Basic Policy Partaining 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 25 June 2020)

| Chairperson of the Board | Chairman (except holding concurrent post of President) |
|---|--|
| Number of Directors | 12(*1) |
| Number of Outside Directors | 5(*2) |
| Number of independent Directors | 5(*3) |
| Number and ratio of women at the Board of Directors | 2 / 16.7% |

- (*1) Board members average tenure 3.4years
- (*2) Outside directors average tenure 1.8years
- (*3) The number of outside directors with relevant work experience in our company's sector : 2

Corporate Auditors (as of 25 June 2020)

| 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 | | | |
|-------------------------------|---------------------------|--|--------|
| | Board of Directors | | |
| | Governance Committee | | |
| | Group Management Committ | tee | 12 |
| | Task-Specific Committees | | |
| | | Sustainability Committee | 3 |
| Business Execution, Oversight | | Quality Improvement and Compliance Committee | 5 |
| | | Group Management and Monitoring Committee | 11 |
| | | Digitalization Committee | 3 |
| | | Group Systems Committee | 16 |
| | | Group International Business Committee | 3 |
| | Risk Management Committee | | 8 |
| Auditing, Oversight | Board of Auditors | | 11(*2) |

 $^{(*1)\} Outside\ Directors\ average\ attendance\ rate\ 96.4\%.\ All\ directors\ average\ attendance\ rate\ 98.5\%$

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

Detailed information of Corporate Governance

Information Voting Right

| Classification | Number of shares (shares) Number of Voting Rights | | Description |
|--|--|-----------|---|
| Non-Voting shares | - | - | - |
| Shares with Restricted Voting Right (treasury shares, etc) | - | - | - |
| Shares with Restricted Voting Right (others) | | | |
| Shares with Full Voting Right (treasury shares, etc) | (Treasury Stock) 24,244,400 shares of Common Stock | · | Share Unit Number (100 shares) |
| Shares with Full Voting Right (others) | 567,414,500 shares of Common Stock | 5,674,145 | Same as above |
| Fractional Shares | Common Stock 1,632,854 | - | Fractional Shares (Less than 100 shares) |
| Total number of Outstanding Shares | 593,291,754 | - | |
| Total number of Vote | - | 5,674,145 | |

Political Donations*

| Name of Organization | Coverage | Unit | FY2017 | FY2018 | FY2019 |
|--|--------------|-----------------|--------|--------|--------|
| The People's Political Association (Liberal Democratic Party) | Consolidated | thousand JPY | 20,600 | 20,600 | 20,700 |

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

Compliance

- MS&AD Insurance Group Compliance Basic Policy
- MS&AD Insurance Group Basic Policy for Management of Customer Information
- MS&AD Insurance Group Basic Policy for Shared Use of Customer Information
- MS&AD Insurance Group Basic Policy for Management of Outside Vendors
- MS&AD Insurance Group Tax Policy

Speak-up system (Whistleblowing system)

| Items | Coverage | Units | FY2017 | FY2018 | FY2019 |
|--------------------------|--------------|-------|--------|--------|--------|
| Number of cases reported | Consolidated | cases | 93 | 164* | 164 |

| (*) TI | he number of reports h | as significantly increased | as we revised the system to allow | anonymous reporting and | l consultation in 2018 |
|--------|------------------------|----------------------------|-----------------------------------|-------------------------|------------------------|
|--------|------------------------|----------------------------|-----------------------------------|-------------------------|------------------------|

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 (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. 🗖

ISO 26000 Core Subjects (Environment)

MA&AD Insurance Group Basic Policy on the Environment

CO2 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. In line with this, we have established a target of 70% CO2 emissions reduction by FY2050 and 30% by FY2020 (Total of Scope 1 and 2) compared to the base year (FY2009). Even though we had several large-scale natural disasters which resulted in quite increased number of payouts, we have reduced our CO2 emissions (Total of Scope 1 and 2) from the previous year as a result of our continuous efforts for energy saving activities at our offices and data centers through initiatives such as work style reforms and our unique environmental management system, which is the MS&AD Our Earth Project.

With regard to data, we have obtained third-party assurance for the following new data items starting from FY2018: 1) the Category 3 in Scope 3, upstream emissions of purchased energy, 2) Total amount of waste recycled, and 3) Final disposal amount of waste. We strive to regularly assess our performance, identify the root course of problems, and take the next steps for further improve our operations.

(Percentage change from the previous year in parenthesis)

| Items | Coverage | Units | FY2017 | FY2018 | FY2019 | Third-Party Assurance |
|----------------------------------|------------------------------|-------|---------------------|----------------------------|----------------------------|--------------------------|
| CO2 emissions (Scope1,2,3) | Consolidated | t-CO2 | 513,320 (▲0.3%) | 530,821 (3.4%) | 547,700 (3.2%) | |
| CO2 emissions | Group Domestic + Other | t-C02 | 18,389 (▲6.7%) | 17,174 (▲6.6%) | 16,284 (▲5.2%) | v |
| (Scope 1) | Consolidated | t-CO2 | 27,948 (6.2%) | 26,161 (▲ 6.4%) | 23,441 (▲10.4%) | ~ |
| CO2 emissions | Group Domestic + Other | t-CO2 | 65,196 (▲20.1%) | 62,196 (▲4.6%) | 57,090 (▲8.2%) | ~ |
| (Scope 2) | Consolidated | t-CO2 | 76,721 (▲18.9%) | 71,950 (▲6.2%) | 65,615 (A 8.8%) | v |
| CO2 emissions | Group Domestic + Other | t-CO2 | 83,586 (▲17.5%) | 79,370 (▲5.0%) | 73,373 (▲7.6%) | V |
| (Scope 1 and Scope 2 combined) | Consolidated | t-CO2 | 104,669 (▲13.4%) | 98,110 (▲6.3%) | 89,055 (▲9.2%) | ~ |
| CO2 emissions (Scope 3) | Consolidated | t-CO2 | 408,652 (3.7%) | 432,711 (5.9%) | 458,644 (6.0%) | |

(*)We have revised the figures in FY2018 by improving the accuracy of business activities' data which is the basis of calculation.

CO2 emissions (Scope 3)

(Percentage change from the previous year in parenthesis)

| ltems | Coverage | Units | FY2017 | FY2018 | FY2019 | Third-Party Assurance |
|--|------------------------------|-------|-------------------|---------------------------|---------------------------------|--------------------------|
| Category 2 Capital goods | Consolidated | t-C02 | 39,560 (0.5%) | 60,904 (54.0%) | 60,720 (▲0.3%) | ~ |
| Category 3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2) *1 | Consolidated | t-CO2 | 10,434 (▲7.0%) | 10,278 (▲1.5%) | 17,184 (*2) (67.2%) | V |
| Category 5 Waste generated in operations | Consolidated | t-C02 | 2,750 (▲6.7%) | 3,463 (25.9%) | 2,034 (*2) (Δ 41.3%) | V |
| Category 6 Business trip by airplane | Consolidated | t-C02 | 9,740 (▲4.4%) | 4,295 (▲55.9%) | 10,903 (*3) (153.8%) | V |
| Category 7 Employee commuting | Group Domestic + Other | t-CO2 | 7,489 (2.1%) | 7,388 (▲1.3%) | 10,078(*2) (36.4%) | V |
| Category 13 Downstream leased assets *1 | Consolidated | t-CO2 | 8,013 | 7,550 (▲ 5.8%) | 7,187 (▲4.8%) | V |

^(*1)We have revised the figures in FY2018 by improving the accuracy of business activities' data which is the basis of calculation.

^(*2) With the update of the emission factor, the figures in FY2019 have significantly increased and decreased compared to those of FY2018.

^(*3)We have reviewed part of the calculation method for FY2019 results.

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 | FY2017 | FY2018 | FY2019 | Third-Party Assurance |
|-------------------------------|--------------|----------------|-----------------------------|-----------------------------|-----------------------------|--------------------------|
| Electricity *1 | Consolidated | MWh | 144,737 (▲15.8%) | 142,486 (▲1.6%) | 139,612 (▲2.0%) | V |
| Heat supply | Consolidated | GJ | 62,426 (▲8.0%) | 68,684 (10.0%) | 63,773 (▲7.1%) | V |
| City gas | Consolidated | thousand m3 | 2,113 (▲ 6.4%) | 2,731 (29.3%) | 2,642 (Δ 3.3%) | V |
| Liquefied Petroleum Gas | Consolidated | t | 183 (▲9.7%) | 151 (▲17.3%) | 134 (▲11.2%) | V |
| Heavy oil | Consolidated | k l | 58 (▲45.8%) | 51 (▲12.3%) | 56 (9.3%) | V |
| Kerosene | Consolidated | k ℓ | 80 (▲ 58.4%) | 50 (▲37.3%) | 51 (2.5%) | V |
| Diesel oil | Consolidated | k ℓ | 6.5 (8.6%) | 7.4 (14.6%) | 7.5 (1.7%) | V |
| Gasoline *1 | Consolidated | k ℓ | 9,618 (12.0%) | 8,334 (▲ 13.4%) | 7,262 (▲ 12.9%) | √ |
| Total energy | Consolidated | MWh | 282,737 (▲ 7.3%) | 277,782 (▲ 1.8%) | 261,969 (Δ 5.7%) | V |
| consumption *1·2 | Consolidated | GJ | 1,017,853 (▲7.3%) | 1,000,014 (▲1.8%) | 943,090 (▲5.7%) | v |

^(*1) We have revised the figures in FY2018 by improving the accuracy of business activities' data which is the basis of calculation.

^(*2) 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 | FY2017 | FY2018 | FY2019 | Third-Party Assurance |
|---|-----------------------|------------------------------|------------------------------|--------------------|-------------------|---------------------------|--------------------------|
| Paper | | Group Domestic + Other | t | 11,085 (▲14.8%) | 10,545 (▲4.9%) | 11,080 (5.1%) | |
| Proportion of paper with forest certification | | MSI, ADI, MSI Aioi Life | % | 13.6 (▲20.9%) | 12.8 (▲6.1%) | 27.9 (118.4%) | |
| Total water use *1 | | Consolidated | thousand m3 | 961 (▲10.5%) | 991 (3.1%) | 995 (0.5%) | ~ |
| Disposed waste | Total | Consolidated | t | 10,962 (3.9%) | 10,157 (▲7.3%) | 9,947 (▲ 2.1%) | ~ |
| | Recycled | | t | 4,804 (▲17.7%) | 4,523 (▲5.8%) | 4,782 (5.7%) | ~ |
| | Final disposal amount | | t | 6,158 (30.6%) | 5,634 (▲8.5%) | 5,165 (▲8.3%) | ~ |
| Business trip (Aircraft use only) *2 | | Consolidated | thousand passenger -km | 46,759 (3.9%) | 47,127 (0.8%) | 94,896 (101.4%) | ~ |

^(*1) We have revised the figures of water use in FY2018 by improving the accuracy of aggregation.

^(*2) We have reviewed part of the calculation method for FY2019 results.

Renewable Energy Generation

We have installed solar power generation systems in our four major buildings, and are promoting to reduce CO2 emissions by using such renewable energy.

 $(Percentage\ change\ from\ the\ previous\ year\ in\ parenthesis)$

| Items | Coverage | Units | FY2017 | FY2018 | FY2019 | Third-Party Assurance |
|----------------------|---------------|-------|------------------|------------------|--------------------|--------------------------|
| Energy Generation | 4 Buildings*1 | kWh | 57,109 (1.6%) | 57,275 (0.3%) | 50,953 (▲11.0%) | V |
| Energy Comsumption*2 | Consolidated | kWh | 57,109 (1.6%) | 57,275 (0.3%) | 6,492,106 (—) | |

^(*1) MSI Surugadai Main & New bldgs, MSI Osaka Yodoyabashi bldg, ADI Tokyo Customer Center bldg.

Cost Effect

| Items | Coverage | Units | FY2017 | FY2018 | FY2019 |
|----------------|------------------------------|-----------------|----------|----------|-----------------|
| Electricity *1 | Consolidated | thousand JPY | ▲414,372 | ▲65,503 | 153 |
| Gasoline *2 | Consolidated | thousand JPY | 91,525 | ▲138,144 | ▲179,856 |
| Copy Paper | Group Domestic + Other | thousand JPY | ▲45,825 | ▲15,463 | ▲ 68,857 |

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

^(*2) Renewable energy generation and included usage of 6,441,153kWh by renewable energy certificate in FY2019 only.

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

Environmental Approaches through Supply Chain

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

| Items | Coverage | Units | FY2017 | FY2018 | FY2019 |
|---|----------|-----------|--------|--------|--------|
| Selection rate of web policy clauses * | MSI, ADI | % | 76.8 | 76.4 | 77.1 |
| Number of Agents and companies with certification under Eco Action 21 | MSI, ADI | companies | 132 | 121 | 82 |
| Number of maintenance shops implementing Eco-inspection, Eco-maintenance | MSI | companies | 386 | 379 | 377 |

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

ISO 26000 Core Subjects (Community Involvement and Development)

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

| | Items | Coverage | Units | FY2017 | FY2018 | FY2019 |
|---|---|-------------------------|--------------|-----------|--|-----------|
| Number of acquirer of Volunteer leave | | MSI, ADI, MSI Aioi Life | people | 26 | 23 | 6 |
| Number of acquirer of Volunteer suspension | | MSI, ADI, MSI Aioi Life | people | 2 | 0 | 1 |
| Number of employees engaged in social contribution activities | | Group Domestic | people | 20,022 | 23,601 | 27,673 |
| MS & AD Unison Smile Club Number of members | | Group Domestic | people | 15,701 | 15,414 | 14,967 |
| Disaster Relief Donation Matching Gift Program | Donated amount *1 | Consolidated | thousand yen | 29,455 | 50,230 | 37,673 |
| | Number of participants *2 | Consolidated | people | 10,594 | 21,129 | 14,782 |
| corporate philanthropic contribution | s | | | 1,271,451 | 1,519,660 | 1,622,130 |
| | Charitable Donations | | | 614,930 | 821,730 | 46,070 |
| (Breakdown) Purpose | Community Investments | | | 303,441 | 303,330 | 1,150,530 |
| | Commercial Initiatives | Course Domination | Al- | 353,080 | 2 0 22 23,601 22 23,601 21,129 | 425,530 |
| | Cash contributions | Group Domestic | thousand yen | 1,155,290 | 1,413,220 | 1,491,450 |
| (Progledown) Manay compari- | Employee volunteering during paid working hours | | | 15,749 | 750 | 7,690 |
| (Dieakuowii) ivioliey conversion | In-kind donation, facility opening etc | | | 16,270 | 14,600 | 16,180 |
| | activities Son Group Domestic Group Domestic Consolidated Anount *1 Number of participants *2 Charitable Donations Charitable Donations Commercial Initiatives Cash contributions Employee volunteering during paid working hours (1) Money conversion Group Domestic Group Domestic | | 84,142 | 91,090 | 106,810 | |

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

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

Breakdown of employees

^(*2) Total participants

HOME / Sustainability / ESG Data / Reference Material

| Items | | Coverage | | Units | FY2017 | FY2018 | FY2019 | Third-Party Assurance |
|----------------------------------|--------------|--|----------|--------|---------|---------|---------|--------------------------|
| Number of the | Consolidated | male- female | | | 41,295 | 41,467 | 41,582 | |
| Group employees | | combined total | | | (9,745) | (9,142) | (9,051) | |
| *1 | | | male | | 20,173 | 19,914 | 19,697 | |
| Temporary employees | | | female | | 21,122 | 21,553 | 21,885 | |
| are superscripted as the average | Group | male- | | | 31,823 | 32,182 | 32,091 | |
| number of annual | domestic | female combined total | | people | (9,108) | (8,612) | (8,362) | |
| temporary hires | temporary | | male | | 15,772 | 15,598 | 15,288 | |
| in the bracket. | | female | | 16,051 | 16,584 | 16,803 | | |
| | companies | MSI | | 14,572 | 14,577 | 14,371 | | |
| | | ADI | | 13,287 | 13,657 | 13,775 | | |
| | | | MD | | 571 | 545 | 552 | |
| | | | MSA | | 2,609 | 2,604 | 2,588 | |
| | | | MSP | | 394 | 400 | 396 | |
| | | holding | HD | | 390 | 399 | 409 | |
| | | Domestic employees (including group companies) /Consolidated employees | | | | 77.6% | 77.2% | |
| | Overseas | male- female | | | 9,184 | 8,958 | 9,236 | ~ |
| | | combined total | | | (603) | (507) | (679) | |
| | | | male | people | 4,190 | 4,073 | 4,214 | |
| | | | female | | 4,994 | 4,885 | 5,022 | |
| | | Overseas employees/ Consolidated employees | | | 22.2% | 21.6% | 22.2% | √ |
| | Other *2 | male- | | | 288 | 327 | 255 | |
| | | female combined total | male | people | 211 | 243 | 195 | |
| | | | female | | 77 | 84 | 60 | |
| | | Other employee/ Consolidated en | mployees | | 0.7% | 0.8% | 0.6% | |

- (*1) 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. 2019 overseas includes Leadenhall Capital Partners LLP UK.

Number of Employees by Age

| Items | | Coverage | | Units | FY2017 | FY2018 | FY2019 |
|-------------------------------|----------|----------------------------|--------|--------|--------|--------|--------|
| | Under 30 | male-female combined total | | | 6,428 | 6,919 | 7,019 |
| | | combined total | male | | 2,097 | 2,235 | 2,320 |
| | | | female | | 4,331 | 4,684 | 4,699 |
| Number of Employees by Age | 30~39 | male-female combined total | | naanla | 7,172 | 7,121 | 7,036 |
| (Group Domestic) | | complined total | male | people | 3,128 | 3,101 | 3,057 |
| | | | female | | 4,044 | 4,020 | 3,979 |
| | | male-female combined total | | | 9,124 | 8,694 | 8,256 |
| | | | male | | 4,579 | 4,137 | 3,727 |
| | | | female | | 4,545 | 4,557 | 4,529 |
| | 50~59 | male-female | | | 7,348 | 7,620 | 7,847 |
| | | combined total | male | | 4,481 | 4,602 | 4,657 |
| | | | female | | 2,867 | 3,018 | 3,190 |
| | 60+ | male-female | | | 1,751 | 1,828 | 1,914 |
| | | combined total | male | | 1,487 | 1,523 | 1,516 |
| | | | female | | 264 | 305 | 398 |
| | Others * | | | | - | - | 19 |

(*)No further classification due to privacy

Employment

| Items | (| Coverage | Units | FY2017 | FY2018 | FY2019 |
|---|-------------------|-------------------------------|--------|--------|--------|--------|
| Average age *1 | Group domestic | male-female combined total | | 41.6 | 41.5 | 41.6 |
| | | male | age | 44.6 | 44.6 | 44.5 |
| | | female | | 38.7 | 38.7 | 39.0 |
| Average length of service | Group domestic | male-female combined total | | 12.8 | 12.8 | 13.1 |
| | male | | year | 13.7 | 13.8 | 14.0 |
| | | female | | 11.9 | 11.9 | 12.3 |
| New-graduate recruits *2 | Group domestic | male-female combined total | | 1,352 | 972 | 861 |
| | | male | people | 417 | 311 | 291 |
| | | female | | 935 | 661 | 570 |
| Turnover rate *3 | Group domestic | male-female combined total | % | 2.7 | 2.8 | 2.8 |
| The ratio between the total annual compensation of the Chief Executive Officer and the mean employee compensation *4 | HD | male-female combined total | times | 9.4 | 12.4 | 12.3 |

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

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

 $[\]begin{tabular}{ll} (*3) Exclude retirees and are calculated based on voluntary resignees \end{tabular}$

^(*4) The total CEO Compensation / The mean employee compensation

Diversity

We are promoting diversity and inclusion (D&I) initiatives in order to create a working environment where all employees with different backgrounds, characteristics, and values can fully demonstrate their abilities and play active roles. The percentage of females in managerial positions is steadily improving, with the aim of achieving the target of 15% in FY2020.

| ltems | | Coverage | Units | FY2017 | FY2018 | FY2019 | Third-Party Assurance |
|---|-----------------------|--|--------|--------|--------|--------|--------------------------|
| Employment rate and number of | Group domestic | | % | 2.37 | 2.37 | 2.43 | ~ |
| employees with disabilities | | | people | 719 | 711 | 727 | √ |
| Rehiring Program after retirement Number of users *1 | Group domestic | | people | 1,133 | 1,173 | 1,295 | |
| Percentage and number of | HD | Directors | % | 16.7 | 16.7 | 16.7 | |
| females among board members | | | people | 2 | 2 | 2 | |
| and corporate auditors *2 | | Corporate Auditor | % | 50.0 | 50.0 | 50.0 | |
| | | | people | 2 | 2 | 2 | |
| Percentage and | Group Consolidated | Total managerial positions (General Managers + Managers) | % | 15.7 | 18.1 | 20.0 | ~ |
| number of females in | | | people | 1,292 | 1,514 | 1,704 | ~ |
| managerial positions *3 | Group domestic | General Managers | % | 3.4 | 4.1 | 4.3 | |
| | | | people | 36 | 47 | 53 | |
| | | Managers | % | 11.3 | 14.3 | 17.3 | |
| | | | people | 577 | 735 | 891 | |
| | | Total managerial positions (General Managers + Managers) | % | 9.9 | 12.4 | 14.8 | V |
| | | | people | 613 | 782 | 944 | ~ |

^(*1) Number of people newly or consecutively re-employed

^(*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 insuarance subsidiaries

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 | FY2017 | FY2018 | FY2019 |
|-----------------------------|----------------|-------|--------|--------|--------|
| 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 (Rate of employees that completed e-learning for ADI in FY2017 and FY2018)

| Items | Coverage | Units | FY2017 | FY2018 | FY2019 |
|-----------------------------|----------------|-------|--------|--------|--------|
| Labor union membership rate | Group domestic | % | 93.8 | 93.9 | 93.5 |

Human Asset Development

| Items | Coverage | | Units | FY2017 | FY2018 | FY2019 |
|--|----------------|-------------------|--------|--------|--------|--------|
| Number of participants of the Trainee System*1 | Group domestic | | people | 568 | 794 | 983 |
| | | Total | | 118 | 112 | 131 |
| Number of participants of the Global Trainee System*2 | Consolidated | Domestic employee | people | 67 | 51 | 85 |
| | | Local employee | | 51 | 61 | 46 |
| Number of participants of the overseas career training program*3 | Group domesti | ic | people | 55 | 52 | 48 |
| Number of participants of the Temporary Transfer System to Headquarters from Overseas Branches*4 | Consolidated | | people | 9 | 11 | 8 |
| Number of actuaries*5 | Group domesti | ic | people | 100 | 103 | 111 |

- (*1) Short-term program which allows employees to experience work they have never done before, at the request of the employee.
- (*2) Short-term program which allows employees in Japan to experience working at overseas subsidaries, as well as local employees at overseas subsidaries to experience working at the head office.
- (*3) MBA dispatch program, and training program which allows employees to experience working for a year at overseas subsidaries or insurance companies.
- (*4) Transfer system for which allows the local employees from overseas experience the jobs at the head office for 6 months to 1 year in Japan.
- (*5) Number 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).

Employee satisfaction *1

| Items | Coverage | Units | FY2017 | FY2018 | FY2019 |
|--|----------------|-------|--------|--------|--------|
| Employee satisfaction (questionnaire results), "Pride, Job satisfaction"*2 | | | 4.4 | 4.4 | 4.4 |
| Employee satisfaction (questionnaire results), "Working Vigorously"*3 | Group domestic | point | 4.2 | 4.3 | 4.5 |

^(*1) The results of the opinion poll asking all Group employees (all-employee average on a 6-point scale, Scope: 36,404 all domestic employees including temporary employees at the time of survey, Response rate: 95.7%).

Programs for Promoting Work-life Balance

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

^(*2) Ratio of employees feeling pride or job satisfaction

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

| Items | Со | verage* | 1 | Units | FY2017 | FY2018 | FY2019 |
|---|-------------------|---------|----------------------------|--------|--------|--------|--------|
| Temporary leave before / after childbirth Number of acquirers | Group domestic | | | people | 708 | 788 | 809 |
| Number of employees taking childcare paid leave | re paid leave | | emale ned total | people | 994 | 1,026 | 1,052 |
| | Group domestic | | male | people | 304 | 289 | 286 |
| | | | female | people | 690 | 737 | 766 |
| Acquisition rate of childcare paid leave | | | emale ned total | % | 78.0 | 85.2 | 86.3 |
| | Group domestic | | male | % | 58.0 | 63.9 | 64.6 |
| | | | female | % | 98.6 | 98.0 | 98.7 |
| Flexible working hours for childcare | | | r hours | people | 982 | 1,126 | 1,308 |
| Number of acquirers | Group domestic | flextin | ne | people | 41 | 70 | 122 |
| | | | e of Starting hing time | people | 44 | 65 | 76 |
| Temporary retirement for nursing Number of acquirers | | male-f | emale ned total | people | 9 | 17 | 18 |
| Number of dequited | Group domestic | | male | people | 1 | 1 | 1 |
| | | | female | people | 8 | 16 | 17 |
| Flexible working hours for nursing Number of acquirers | Group domestic | numbe | | people | 13 | 22 | 20 |
| Paid leave | Group domestic | ratio o | f days taken*2 | % | 54.7 | 66.2 | 67.5 |
| | -30000 | days t | aken | days | 16.0 | 15.6 | 15.7 |

^(*1) Includes temporary employees

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.

 $^{(*2) \ {\}tt Number \ of \ days \ acquired \ / \ granted}$

| Items | Coverage | | Units | FY2017 | FY2018 | FY2019 | Third-Party Assurance | | |
|---|-------------------|------|-------------------------------|------------------------------|--------|--------|--------------------------|----|--|
| Number of claims for | Group domestic | Tota | ıl | cases | 178 | 162 | 162 | | |
| work related injuries | | | | Work- related accident | cases | 76 | 66 | 74 | |
| | | | Accident during commute | cases | 102 | 96 | 88 | | |
| | | | Fatality accident | cases | 0 | 0 | 0 | | |
| Consultation rate of Medical Checkup*1 | Group domestic | | | % | 100 | 100 | 100 | | |
| Absentee rate*2 | Group domestic | | | % | 0.433 | 0.448 | 0.511 | V | |

 $^{(*1) \ \} Number \ of \ employees \ undergoing \ medical \ checkup \ consultation \ / \ number \ of \ employees$

^(*2) Total days lost due to absenteeism / Total days scheduled to be worked. To improve the accuracy of data, we have revised the figures for fiscal 2017 and fiscal 2018

HOME / Sustainability / Governance

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.

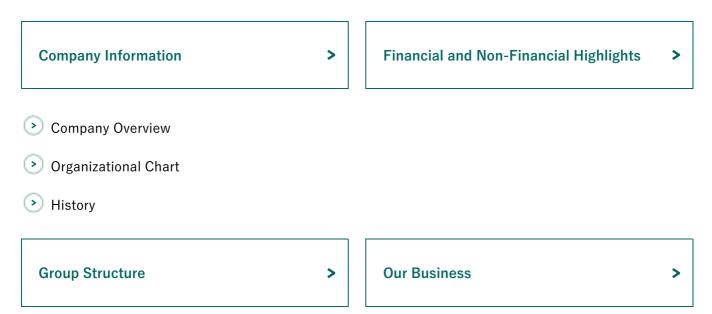


MS&AD MS&AD Holdings

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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.



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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 | Noriyuki Hara, Representative Director, President & CEO |
| Paid-in Capital | 100,000,000,000 yen |
| Number of Employees | 409(As of March 31, 2020) |
| 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 (First Section) Nagoya Stock Exchange (First Section) |

Related Information

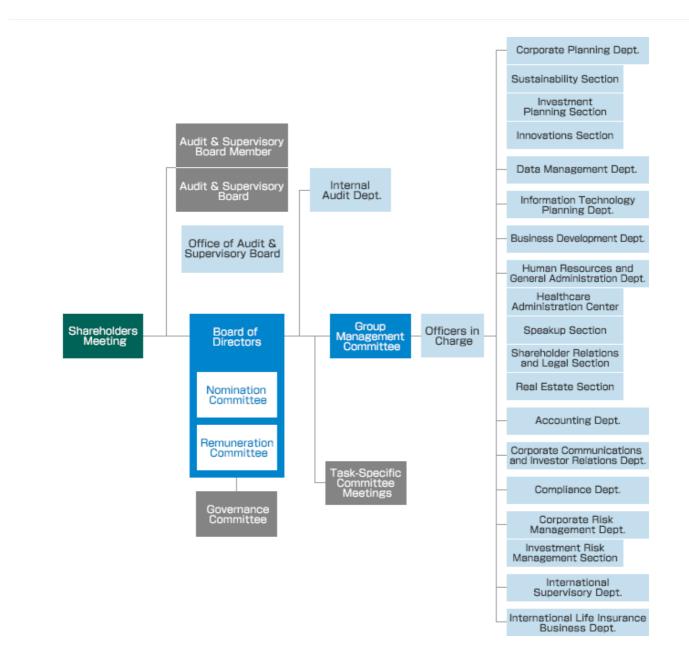
| $\overline{}$ | | | |
|---------------|-----------|-------|---|
| (>) | Corporate | Video | 冖 |

Group Structure

MS&AD MS&AD Holdings

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Organizational Chart



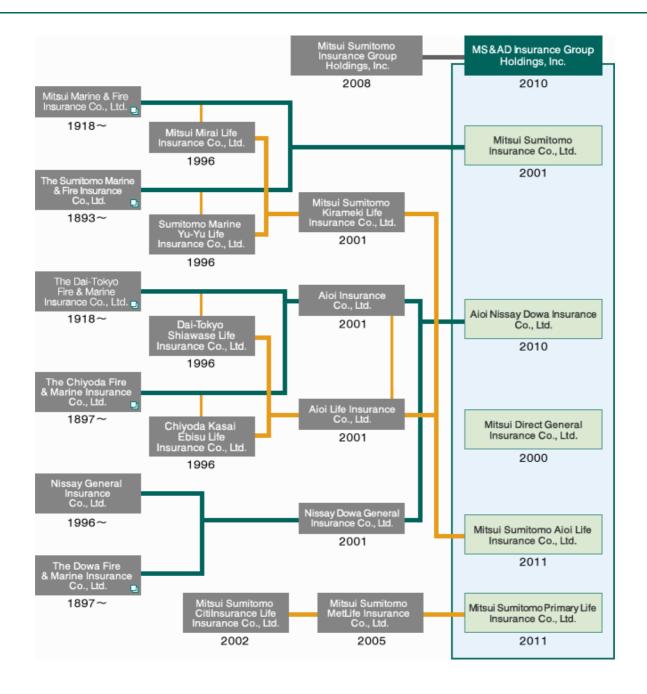
MS&AD MS&AD Holdings

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History



Background of Group Integration



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History of Holdings

| | Mitsui Sumitomo Insurance Group Holdings, Inc. is incorporated. |
|----------------|---|
| April 2008 | 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." |

Nistory of Mitsui Sumitomo Insurance (link to website) 🗂

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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

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MS&AD Mitsui Sumitomo Primary Life Insurance

[Products] Asset-building and asset-inheritance products

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

type insurance products

[Sales channels]

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

International Business

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











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

Financial Services Business

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

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









Risk-Related Services Business

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

MS&AD InterRisk Research Institute & Consulting, Inc. MITSUI SUMITOMO INSURANCE Care Network Co., Ltd.

MS&AD MS&AD GRAND ASSISTANCE Company, Limited Fureai Do-Life Services Co., Ltd.

MS&AD Group companies that support the five business domains

MS&AD Business Support Co., Ltd. MS&AD MS&AD Systems Co., Ltd. MS&AD MS&AD ABILITYWORKS Company, Limited

MS&AD MS&AD Staffing Service Co., Ltd. MS&AD MS&AD Business Service Co., Ltd. MS&AD MS&AD VENTURES $\ensuremath{\mathsf{HOME}}$ / About MS&AD Group / WHAT WE DO / Our Business / Group Structure

Group Structure

Outline

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 nine 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 Loan Services 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. |

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| 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. ☐ 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, China, and Bermuda, 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 | |
| | |

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| ➤ 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 Loan Services Co., Ltd. 🗖 |
| MS&AD Loan Services provides customers within the Group with administration services for investments, loans and mortgage guarantee insurance, credit guarantee services, and loan services for individuals. |
| ✓ Outline |
| |
| |

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| roadside assistance, home assistance and overseas medical assistance. |
|--|
| ○ Outline |
| |
| MS&AD ABILITYWORKS Co., Ltd. □ |
| MS&AD Insurance Group is promoting diversity & 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. |
| 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 |
| | |
| \odot | Basic Policies on Corporate Governance |
| (>) | Responses to the Corporate Governance Code |
| | |
| \odot | Internal Control |
| • | Internal Control Systems |
| (>) | Corporate Governance Report (last update: November 19, 2020) [(970KB) |

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.

Corporate Governance Stance

- As a company with a Audit & Supervisory Board, the Company will endeavor to improve governance by ensuring that independently
 appointed Audit & Supervisory Board Members appropriately act in their auditing functions, in addition to ensuring that the Board of
 Directors appropriately acts in its oversight functions, while strengthening the functions of each and actively disclosing information.
- 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 twelve members (ten men and two 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 for ongoing provision of information and training at the time of appointment and during the term of Directors and Audit & Supervisory Board Members.
- 3. The Company provides appropriate opportunities for Outside Officers to share information and exchange opinions with management and senior employees.
- 4. The Company bears the expenses required to enable Outside Officers to fulfill their roles.

Auditing

Audit & Supervisory Board Members and Audit & Supervisory Board

- 1. Responsibilities of Audit & Supervisory Board Members
 - As an independent entity entrusted with authority by the shareholders, the Audit & Supervisory Board Members are responsible for ensuring the sound and sustainable growth of the Company, and establishing good corporate governance in response to the public trust by supervising the performance of duties of the Directors.
- 2. Authority and Roles of Audit & Supervisory Board Members
 - Each Audit & Supervisory Board Member shall appropriately exercise his/her legal investigating authority, including the authority to audit operations and assets, and supervises the performance of duties of the Directors by attending meetings of the Board of Directors and other important meetings, viewing important approval documents, investigating departments within the Company, and investigating subsidiaries in accordance with the auditing policies and plans stipulated by the Audit & Supervisory Board.
- 3. Composition and Roles of the Audit & Supervisory Board
- The Audit & Supervisory Board comprises two Audit & Supervisory Board Members (Full-time) and two Outside Audit & Supervisory Board
 Members, for a total of four members (two men and two women). Candidates for Audit & Supervisory Board Member are nominated by the
 Board of Directors with the approval of the Audit & Supervisory Board, based on the "Criteria for the Selection of Director Candidates and
 Audit & Supervisory Board Member Candidates".

The Audit & Supervisory Board receives reports from Audit & Supervisory Board Members on the status of performance of duties and
reports from officers and employees on important matters related to auditing, and also makes decisions regarding auditing policies and
auditing plans.

Internal Auditing

- The Company has established the "MS&AD Insurance Group Basic Policy for Internal Audits." Under this basic policy, the Company and domestic Group insurance companies have formed the Internal Audit Department that acts as an independent body with auditing functions.
- The Company's Internal Audit Department has been established as an organization to report directly to the Board of Directors. The General Manager of the Internal Audit Department (General Manager of the Audit Department) shall report important matters that have been discovered as a result of internal audits of the Company and domestic Group insurance companies to the Board of Directors and the Group Management Committee. In addition, the Internal Audit Department cooperates with auditing conducted by the Audit & Supervisory Board Members

Accounting Auditors

- The Company has appointed KPMG AZSA LLC as its independent audit corporation. Please note that there are no special conflicts of interest between this company and MS&AD Holdings.
- The Board of Directors and the Audit & Supervisory Board endeavor to take appropriate action to ensure adequate auditing by the Accounting Auditors.
- The Audit & Supervisory Board makes decisions regarding proposals submitted to the General Shareholders' Meeting on the appointment or dismissal of Accounting Auditors. It also has the right to consent to decisions regarding remuneration of the Accounting Auditors.
- The Audit & Supervisory Board prepares criteria for appropriately selecting and evaluating Accounting Auditor. To promote appropriate accounting by the Accounting Auditors, measures are taken to confirm the independence, specialist capabilities, and other requisite characteristics of the Accounting Auditors.

Accounting Auditor Remuneration

(¥ million)

| | FY2 | 2018 | FY2019 | | |
|---------------------------|---------------------------------|-------------------------------------|---------------------------------|-------------------------------------|--|
| Scope | Compensation for audit services | Compensation for non-audit services | Compensation for audit services | Compensation for non-audit services | |
| The Company | 66 | 32 | 71 | 22 | |
| Consolidated subsidiaries | 408 | 43 | 442 | 28 | |
| Total | 474 | 75 | 513 | 50 | |

^{*} Regarding the content of non-audit services for which the Company paid compensation to the accounting auditor, in fiscal 2018 and 2019, these included expert guidance and advisory services towards the application of IFRS.

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.

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 2019, the Committee has seven members made up of all five outside directors, the
 Chairman of the Board and the President.
- From the perspective of making effective discussions to strengthen corporate governance at the Nomination Committee, policy for selecting candidates for Directors and Audit & Supervisory Board Members is added to the deliberation items. It has been clarified that the Nomination Committee shall meet about twice a year.
- In fiscal 2019, the Nomination Committee met five times, and held a discussion on the candidates for outside directors etc.

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 about twice a year.
- In fiscal 2019, the Remuneration Committee met two times.

Remuneration Determination Processes

1. Amount of Directors' Remuneration

(1) Determination Processes

Remuneration for each Director is set within overall limits approved by the Shareholders' Meeting. Consideration is given to the function of remuneration as an incentive for improvement in performance, long-term contribution to corporate profits and enterprise value, the level of compensation appropriate for competitiveness as a global corporation, and other factors. To ensure transparency, the Remuneration Committee, which is composed of a majority of Outside Directors, considers remuneration amounts, and the final decisions are made by the Board of Directors. The Remuneration Committee deliberates on the policy on remuneration for the Company's Directors and Executive Officers. The Board of Directors respects the advice of the Remuneration Committee to the maximum extent.

(2) Composition of Remuneration

Remuneration for Directors (excluding Outside Directors) consists of fixed compensation and performance-based remuneration.

The standard ratio of performance-based remuneration is 50% to 30% of the total remuneration amount, according to position.

Performance-based remuneration is composed of monetary remuneration and stock-based compensation, and the standard ratio of stock-based compensation is 9% to 25% of the total remuneration amount, according to position.

Outside Directors receive fixed compensation only because they are independent from business execution.

(3) Key Performance Indicators for Remuneration

Performance-based remuneration shall be linked with the business performance of the Company and determined based on the results of key performance indicators (KPIs).

These indicators are selected in accordance with the Group's Medium-Term Management Plan, "Vision 2021".

(Main KPIs)

<Financial indicator (single-year performance)>

- Group Adjusted Profit (Note)
- Consolidated Net Income
- Group Adjusted ROE

Note: For Group Adjusted Profit, please refer to (15)a "Disclosure Based on the Principles of the Corporate Governance Code", above.

<Non-financial indicator (medium term performance)>

- Achievement status of initiatives "Sustainability Priority Issues" aimed at Creating Shared Value (CSV) with society using SDGs as the
 guideposts including "create accident-free and comfortable mobility society" and "contributing to mitigation and adaptation of climate
 change", etc.
- Achievement status of "Key Strategies" (Pursue Group's comprehensive strength, Promote digitalization and Reform portfolio) in the Medium-Term Management Plan "Vision 2021"

The ratio between the financial indicator and non-financial indicator shall be 50 : 50 as the standard and the financial indicators and non-financial indicator vary within a range of 0 to 3.0 and 0.5 to 1.5, respectively, with 1.0 as the standard.

Restricted stock shall be provided as stock-based compensation 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.

(4) Maximum Total Compensation

As a result of decisions made by the Shareholders' Meeting, maximum total annual compensation for Directors (excluding any salaries for work performed by Directors concurrently in employee positions) is set at ¥500 million (including a total allocation of ¥100 million for Outside Directors). With a separate framework, the remuneration of Directors (excluding Outside Directors) includes "total amount of monetary remuneration receivables provided for allotting restricted stock" with a maximum value of ¥200 million per year.

2. Amount of Audit & Supervisory Board Members Remuneration

(1) Determination Processes

Remuneration for Audit & Supervisory Board Members is set within overall limits approved by the Shareholders' Meeting. Consideration is given to whether Audit & Supervisory Board Members are full-time or part-time, their share of the auditing activities, and the content and level of remuneration of Directors. Decisions on remuneration levels are decided in discussions among the Audit & Supervisory Board Members.

(2) Composition of Compensation

Audit & Supervisory Board Members receive fixed compensation only because they are independent from business execution.

(3) Maximum Total Compensation

As a result of decisions made by the Shareholders' Meeting, maximum total compensation for Audit & Supervisory Board Members is set at ¥110 million.

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 2019)

| Category | Number | Total Remuneration (¥ million) |
|---|--------|-----------------------------------|
| Directors (excluding Outside Directors) | 7 | 235 |
| Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members) | 3 | 55 |
| Outside Directors/Audit & Supervisory Board Members | 7 | 96 |

Persons with consolidated Remuneration (including remuneration for corporate officer posts at main subsidiaries, etc.) of ¥100 Million or More (fiscal 2019)

| Name | Corporate Officer Posts | Company | Total consolidated remuneration, etc. (¥ million) |
|--------------------|----------------------------|-------------|--|
| Hisahito Suzuki | Director | The Company | 111 |
| | Director | ADI | |
| Yasuyoshi Karasawa | Director | The Company | 131 |
| | Director | MSI | |
| Noriyuki Hara | Director | The Company | 131 |
| | Director | MSI | |
| Yasuzo Kanasugi | Director | The Company | 124 |
| | Director | ADI | |

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 twelve Directors (ten men and two 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 financerelated 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 a 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) ertise

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) ependence

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

 $\label{lem:condition} \textbf{Candidates must meet the following requirements.}$

- 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 previously served 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. She has broad knowledge and experience in public administration and education, as well as wide insight into promotion of diversity. 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 appointed her as Outside Director in order to draw on her knowledge and experience in the management of the Company. | 10 of 11 meetings |
| Akira Arima | June 2018 | Mr. Akira Arima previously served as Director of Nippon Telegraph and Telephone Corporation, President, Chief Executive Officer of NTT Communications Corporation, etc. He has been stating opinions at meetings of the Company's Board of Directors and on other occasions based on his broad knowledge concerning telecommunications business and experience as a management executive. We appointed him as Outside Director in order to draw on his knowledge and experience in the management of the Company. | 11 of 11 meetings |
| Kazuhito Ikeo | June 2018 | Mr. Kazuhito Ikeo has held a number of posts, including university professors and members of the Financial Services Agency's Financial System Council. He has been stating opinions at meetings of the Company's Board of Directors and on other occasions based on his broad knowledge and experience concerning economic and financial fields as well as financial administration. We appointed him as Outside Director in order to draw on his knowledge and experience in the management of the Company. | 11 of 11 meetings |
| Junichi Tobimatsu | June 2018 | Mr. Junichi Tobimatsu has a wealth of knowledge and experience concerning overall corporate legal affairs including those overseas companies as an attorney-at-law and has been stating opinions at meetings of the Company's Board of Directors and on other occasions based on his broad knowledge and experience. We appointed him as Outside Director in order to draw on his knowledge and experience in the management of the Company. | 11 of 11 meetings |
| Rochelle Kopp | June 2020 | Ms. Rochelle Kopp has a wealth of knowledge and experience in Japan and the U.S. as a management consultant, and has wide insight into cross-cultural communication. We appointed her as Outside Director in order to draw on her knowledge and experience in the management of the Company. | - |

^{*} The number of Board of Directors' meetings attended during fiscal 2019.

Outside Audit & Supervisory Board Members

| Name | Date of Selection | Reason for Selection | Attendance at Board of Directors/ Audit & Supervisory Board Members |
|---------------|----------------------|--|---|
| Kunio Chiyoda | June 2016 | Mr. Kunio Chiyoda is an expert in accounting and auditing and has served as a university professor and a member of a public institution. He has been stating opinions at meetings of the Company's Board of Directors and on other occasions based on his knowledge and experience. We appointed him as Outside Audit & Supervisory Board Member to reflect his wealth of knowledge and experience in the management of the Company. | Board of Directors meetings: 11 of 11 Audit & Supervisory Board meetings: 11 of 11 |
| Kyoko Uemura | June 2017 | Ms. Kyoko Uemura is a legal expert. She previously served as a judge and practices law as an attorney-at-law. We appointed her Outside Audit & Supervisory Board Member to reflect her wealth of knowledge and experience in the management of the Company. | Board of Directors meetings: 11 of 11 Audit & Supervisory Board meetings: 11 of 11 |

^{*} The number of Board of Directors' meetings and Audit & Supervisory Board meetings attended during fiscal 2019.

Related Information

Board Members

Compliance

Compliance Basic Policy

We formulated the Compliance Basic Policy and "MS&AD Insurance Group Compliance Basic Policy" which is compliance criterion of the Basic Policy. Based on this Basic Policy or each policy, we and MS&AD insurance companies work positively to develop thorough compliance. All officers and employees carry out our social responsibility with responding to confidence of all the stakeholders including customers through the corporate activities based on the high ethical sense without failing to comply with laws and company internal rules.

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

Compliance Promotion Structure

The Company has formed Quality Improvement and Compliance Committee, as one of the task—specific committees under the Board of Directors, to monitor as well as discuss and make necessary adjustments in the compliance structure. For important matters related to compliance, Quality Improvement and Compliance Committee reports to the Board of Directors after discussion in the committee.

The Company established its Compliance Department as the organizational unit to integrate and manage Group compliance matters. This department is responsible for integrating compliance initiatives within the Company and domestic Group insurance companies.

Each unit in the domestic Group insurance companies that is in charge of compliance matters is responsible for the preparation and implementation of policies, internal rules, and measures related to compliance and for planning and operating activities related to business operating rules pertaining to insurance solicitation and sales. These units are also the focal points for fact finding and confirmation as well as conducting investigations related to activities where there are concerns about violations of internal rules and other compliance issues.

Activities

Compliance Program

We and MS&AD insurance companies, as a part of the compliance implementation plan, resolve the Compliance Program at the Board Meetings and pursue the specific issues. The implementation and issues of the Program and responding issues are regularly submitted to each company's Compliance Committee and/or the Board Meetings.



Compliance Manual

We and MS&AD insurance companies have each Compliance Manual that states their compliance—related policies and regulations, with examples and interpretations, for board members and employees. The Manual is distributed to board members and employees, and its content is familiarized through training and examinations. Procedures for reporting inappropriate behavior is stipulated in the Manual for the speedy handling of misconduct.

Compliance-related Training

Based on the Compliance Program, we and MS&AD insurance companies organize annual education / training programs for employees and agencies to raise the knowledge of laws and company internal rules and to enhance the knowledge of compliance.

Compliance-related Inspection

MS&AD insurance companies conduct compliance—related inspections for prevention and early detection of unlawful acts that may violate laws or company internal rules.

Monitoring Group Companies

The Compliance Department monitors and reports on compliance—related activities of MS&AD insurance companies. Group Compliance
Division Meetings are held to share knowledge and know—how on compliance—related issues in order to reinforce compliance throughout the group.

Speak-up system (Whistleblowing system)

The MS&AD Insurance Group has established the Speak—upsystem (whistleblowing systems). Group company employees can contact the speak—updesk to make a report if a compliance—relatedissue 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.

Furthermore, a global contact desk for officers and employees in overseas entities has been established since Oct, 2019, 13 languages are available, which enables them to speak up a case to Head Office in Japan directly.

Anti-Money Laundering and Countering the Financing of Terrorism

The MS&AD Insurance Group has formulated a "Blicy on the Anti–MoneyLaundering and the Countering Financing of Terrorism" and is promoting initiatives to prevent the products and services of Group companies from being used in money laundering or the financing of terrorism.

Moreover, measures to prevent money laundering and the financing of terrorism are implemented at overseas entities of the MS&AD Insurance Group, where "Guidelines on Measures for Anti–Monelyaundering and Counter Financing of Terrorism" are stipulated in the "Compliance Manuals for International Operations".

Policy on the Anti-MoneyLaundering and Countering the Financing of Terrorism

Prevention of Corruption and Bribery

The MS&AD Insurance Group has formulated a "Blicy on Fair Operating Practices" and implements fair operating practices ("prention of Corruption including bribery" and compliance with laws and regulations regarding political activities and political funds").

The "Blicy on Fair Operating Practice" also applies to actions other than political actitutes such as donations, grants, and sponsorships.

As for the international operation of MS&AD Insurance Group, "counter measures of Anti–Bribery" are stipulated in the "Compliance Manuals for International Operations" and the establishment of adequate rules and training has been implemented properly.

Policy on Fair Operating Practices

Compliance Promotion Structure in International Business Operations

All executives and employees of the overseas offices of the MS & AD Insurance Group give top priority to compliance and respect the culture, customs, and history of their respective countries and regions, as well as act in a manner that contribute to the development of the community.

As a department that supervises and manages matters related to compliance at overseas offices of the Group, the Company established the International Supervisory Department to monitor the status of compliance—related initiativesof these overseas offices, while providing them guidance and support.

This department works with the Compliance Department, which is in charge of overall integration of Group companies' compliance matter, to provide periodic reports regarding the status of overseas compliance framework to the Company's Board of Directors, also engages in activities to improve and expand the overseas compliance promotion structure based on the discuss with other relevant departments.

Tax compliance efforts

Our Global Tax Strategy

In achieving a resilient and sustainable society, we believe that MS&AD Insurance Group should build trust as a social entity by supporting people live in stability and encouraging companies develop their business. We believe that is the basis of insurance business and our value to become a trusted and reliable partner.

In order to earn the trust from the society, we always consider tax compliance. The environment surrounding taxation has changed significantly in recent years, with the increasing focus on securing transparency in taxation as corporate responsibility and strengthening the international tax framework. Our Group believes it is important as a responsible insurer to fully recognize the importance of fair and transparent taxation and to disclose the Group's approach to and initiatives for tax compliance both throughout the Group and to the outside.

■MS&AD Insurance Group Tax Policy

In order to ensure that each and every employee of the Group has a high ethical standard concerning taxation and to implement appropriate tax practice and procedures, we are working to ensure thorough tax compliance in accordance with the "MS&AD Insurance Group Tax Policy" adopted by the Board of Directors.

Pursuant to the "Tax Management Principles" (please see below), MS&AD Insurance Group will promote a gretter awareness of tax compliance to build trust from all stakeholders by ensuring to act transparently in each jurisdiction.

Basic Policies ("Tax Management Principles")

- 1. MS&AD Group values the trust and confidence of its stakeholders and is committed to managing tax matters with integrity and responsibility while recognizing the importance and social significance of appropriate tax payments.
- 2. MS&AD Group, in performing our business operations, complies with all applicable tax laws and the relevant regulations of each jurisdiction in which it operates.
- 3. MS&AD Group is committed to both optimizing tax-related costs as well as making appropriate taxfilings and tax payments.
- 4. MS&AD Group does not conduct any transactions only intended to avoid tax without business purposes in a way contrary to the national and local tax laws.
- 5. MS&AD Group develops and maintains trusting relationships with the tax authorities in each jurisdiction in which it operates through sincere and transparent behavior in a timely and appropriately cooperative manner.

Our Approaches Underpinned by Tax Management Principles

■Global tax governance framework

Based on "MS&AD Insurance Group ax Management Principles", Our Group will implement and strengthen its tagovernance framework led by the parent company in order to thoroughly manage tax compliance at a global level.

■Tax transfer pricing

We understand the purpose of the OECD's BEPS (Base Erosion and Rofit Shifting) project. We are committed to ensuring that we meet our tax obligation in the jurisdictions where we engage in business activities. Intragroup transactions are conducted at appropriate prices determined on an arm's length basis under the group transfer pricing policyWe pay a fair allocation of taxes corresponding to profits reported to the tax authorities in the jurisdictions where value is created within commercial activity.

■Tax planning

We do not conduct tax planning only intended to avoid tax, such as through the transactions or organizations without business purposes or economic substance, using tax—free or low taxjurisdictions (known as tax havens).

Current income tax by country and region (FY2019)

(Unit: 100 million yen)

| Country & Region | Ordinary Income | Income before Tax | Current income tax | | | |
|---|-----------------------------------|-------------------|--------------------|--------|--|--|
| country & Region | Ordinary Income Income Delote 12x | | | Share | | |
| Japan | 45,188 | ▲ 563 | 251 | 73.1% | | |
| Asia | 2,228 | 326 | 46 | 13.6% | | |
| Europe | 5,883 | 78 | 21 | 6.1% | | |
| Americas | 822 | 71 | 24 | 7.2% | | |
| Consolidation adjustments | ▲ 2,439 | 212 | - | - | | |
| Amount on the consolidated financial statements | 51,683 | 125 | 344 | 100.0% | | |

^{*}The above table is based on the consolidated financial statements issued by our group.

(Unit: 100 million yen)

| Country | Income tax paid |
|---------|-----------------|
| Japan | 1,165 |
| U.K. | 2 |

^{*}In Japan, "Income before tax" turned negative primarily due to a valuation loss of an affiliate of 186.3 billion yen recorded by our subsidiary, Mitsui Sumitomo Insurance Company, Limited. In Japan, "Current income tax" decreased by 58.5 billion yen year on year due to a decrease in taxable income resulting from transactions and other factors associated with overseas business restructuring at the Company.

^{*}Income tax paid for our flagship countries (FY2018)

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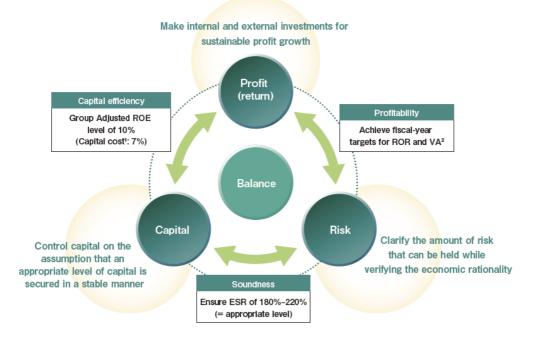
ERM and Risk Management

Group Management Based on ERM

The function of ERM (Enterprise Risk Management) is to control the balance among three key management indicators: profit (return), risk and capital.

When pursuing profits through risk-taking, ERM considers opportunities with high ROR (Return on Risk) or means of increasing ROR and seeks to achieve the target return on equity (ROE) while maintaining the soundness of capital(ESR1). The relationship between these three is outlined in the following figure.

1. ESR: Economic Solvency Ratio (economic value-based solvency ratio) = NAV/Integrated risk amount



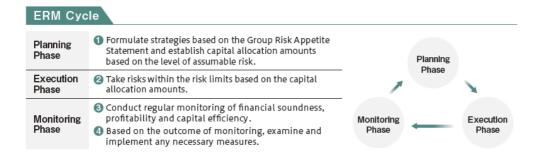
Indicators Emphasized in ERM



- 1. Capital cost: Estimate based on the Capital Asset Pricing Model (CAPM)
- 2. Value Added (VA): An indication of how much value can be generated with respect to the risks assumed
- 3. Integrated risk amount represents the maximum amount of losses that are likely to be encountered once in 200 years. It is marked to market value
- 4. Net asset value: Adjusted Net Assets + unrealized insurance liabilities + other equity liabilities, etc.
- 5. For MSI Aioi Life, an increase in EEV is deemed return. In the calculation of the entire Group's **Q**R, Group Adjusted Profit (Group Core Profit before 2017) includes MSI Aioi Life.

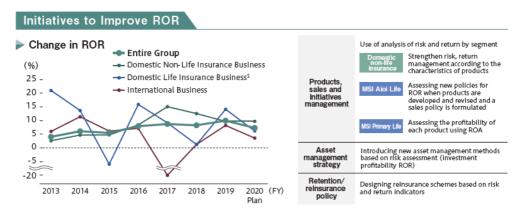
ERM Cycle

ERM is implemented through the planning, execution and monitoring phases.



Initiatives to Improve ROR

Trends in ROR, which is an indicator of the profits that can be earned on risks assumed, are a proxy for the earnings power of the Group's risk portfolio.



5. For MSI Aioi Life, an increase in EEV is deemed return. In the calculation of the entire Group's **Q**R, Group Adjusted Profit (Group Core Profit before 2017) includes MSI Aioi Life.

Control of Risk

The MS&AD Group has established the MS&AD Insurance Group Risk Management Basic Policy, which underpins the common risk management exercised throughout the Group. Specifically, the policy identifies the principal types of risk with an impact on the Group's was portfolio, stipulates how risk factors are to be evaluated both quantitatively and qualitatively, and promotes risk management based on those evaluations.

- Risk Management
- · Risk Management Basic Policy
- · Risk Management Structure
- · Insurance Business Risks
- · Risk Management in International Business
- · Crisis Management System (Including Business Continuity Management System)

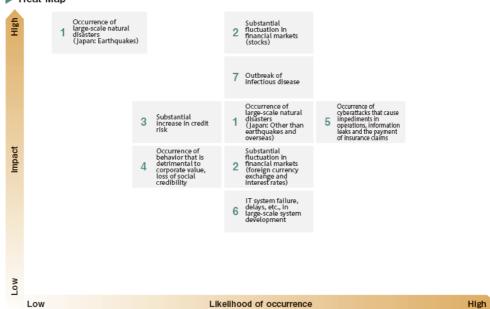


Specifying Risks

Group Material Risks

| | and appropriate the control of the c | | | | | |
|-----|--|--|--|--|--|--|
| No. | FY2020 Material Risks | | | | | |
| 1 | Occurrence of a large-scale natural catastrophe in Japan or overseas | | | | | |
| 2 | Sharp fluctuations in financial markets in Japan or overseas | | | | | |
| 3 | Increase in credit risk | | | | | |
| 4 | Occurrence of behavior that is detrimental to the corporate value of the Group, loss of social credibility | | | | | |
| 5 | Occurrence of cyberattacks that cause large-scale and serious impediments to operations, information leaks, and the payment of insurance claims | | | | | |
| 6 | Frequent occurrence of IT system failures, the occurrence of critical IT system failures and large-scale IT system development plan–related progress delays, shortfalls, budget overruns and expected effects being unrealized | | | | | |
| 7 | Pandemic of new influenza and other diseases | | | | | |
| | | | | | | |

Heat Map



a. Occurrence of a large-scale natural catastrophe in Japan or overseas

The monetary damage attributable to such natural disasters as typhoons and earthquakes can be massive. In addition, a variety of factors including climate change may lead to an upswing in the frequency and size of natural disasters on a global scale. These circumstances could in turn result in damages of a greater magnitude than anticipated. On top of a deterioration in its working capital owing to such factors as an increase in natural disaster insurance payments, the Group could be forced to procure funds under terms and conditions that are significantly less favorable than usual. While the Group prepares for insurance payments to cover damages caused by natural disasters through the use of reinsurance and provisions for catastrophe reserves, its operating results could be affected should insurance claims reach massive amounts.

b. Sharp fluctuations in financial markets in Japan or overseas

The Group holds various assets under management (including off-balance sheet assets) such as securities, loans, and real estate. Changes in the value of assets and liabilities due to a deterioration in the economic environment and financial markets may affect the Group's operating result. The main risks in this instance are as follows.

(a) Risk of a downturn in stock prices

MS&AD Insurance Group holds a considerable volume of shares in order, for example, to maintain medium— to long—term relationships with business partners. In the event of a stock market decline, the Company may incur a downturn in the value of assets, and a loss on devaluation or sales.

(b) Risk of interest rate variability

The value of such assets as bonds and loans held, savings—type insurance and long—term third sector insurance products aswell as insurance liabilities to be paid in the future to life and other insurance policyholders may change due to variations in interest rates.

(c) Risk of foreign currency exchange rate variability

The Company holds assets and liabilities denominated in U.S. dollars and other foreign currencies. The value of these assets and liabilities may change due to variations in foreign currency exchange rates.

c. Substantial increase in credit risk

The value of assets held including shares, bonds, and loans, as well as credit, guarantee, and other insurance contracts sold may decline in value or the principal and interest become uncollectible should the issuers of stocks and bonds, or such parties as lenders experience a downturn in their creditworthiness, or file for bankruptcy, and in the event of a disruption in credit markets. While utilizing reinsurance in a bid to diversify the insurance liability assumed through insurance contracts and to stabilize earnings, the Group may not be able to collect on reinsurance proceeds should, for example, reinsurance companies file for bankruptcy. Based on the aforementioned, there is a risk that the Group's operating results make affected by these factors.

d. Occurrence of behavior that is detrimental to the corporate value of the Group, loss of social credibility

Actions that lead to a loss of social credibility encompass violations of the law and regulations related to the Group's business, major labor–related issues (long working hours, harassment, etc.), inadequate data governance (the large–scale leakage and frequent misuse of persond and confidential information, etc.), and the lack of or inadequate customer–oriented approach (conduct risk).

There is a risk that the Group's operating results could be affected should it engage in suchehavior.

e. Occurrence of cyberattacks that cause large-scale and serious impediments to operations, information leaks, and the payment of insurance

The Group is exposed to system risks that could lead to the shutdown, malfunction or improper use of its information systems or the leakage of information owing to unauthorized access or inadequate information systems as a result of a cyberattack. Although the Group is working to put in place a system risk management system, there remains the risk of a major information system shutdown, malfunction or misuse, as well as the leakage of information. In addition, the underwriting of insurance policies that cover cyber risk may result in the payment of insurance claims. Taking these factors into consideration, there is a risk that the Group's operating results maybe affected.

f. Frequent occurrence of IT system failures, the occurrence of critical IT system failures and large-scale IT system development planrelated progress delays, shortfalls, budget overruns, and expected effects being unrealized

In the development of large—scale systems aimed at further improving business profitability, there is a risk that such factors as unforeseen accidents may cause progress delays in development work or development budget overruns. Although the Group is working to put in place a system risk management system, there remains the risk that the Group's operating results male affected should certain incidents arise including progress delays in the development of large—scale systems or development budget overruns.

g. Pandemic of such diseases as a new strain of influenza (including the novel coronavirus)

There is a risk that the Group's operating results mabe affected by the following events:

- (a) While the Group has a system in place to prepare for such unforeseen accidents and situations as a pandemic of a new strain of influenza or other infectious disease that encompasses the formulation of a business continuity plan (BCP) and the development of a crisis management system to ensure that any disruption in its business is limited to a minimum period and that the Group can its operations, there is a risk that the Group's business continuity ould be impeded or impacted beyond expectations despite these crisis management measures.
- (b) A slowdown in the economy due to a pandemic of a new strain of influenza or other infectious disease, or heightened anxiety regarding the same, could trigger significant volatility in domestic and international financial markets (see b. above) and a substantial increase in credit risk (see c. above).
- (c) Premiums may decline due to a variety of factors including cutbacks in customer proposal activities for the purpose of proposing new policies and a decrease in business activity and the distribution volume of companies. In addition, the underwriting of insurance policies that cover risks related to infectious diseases such as new strains of influenza could result in the payment of insurance claims.



Group Emerging Risks

Group emerging risks are defined as events that could affect the Group's business from a medium—to longer—term perspection devents that management should be aware of but are difficult to measure in terms of scale and timing. We regularly monitor Group emerging risks, certain examples of which are presented as follows.



Strengthening Natural Disaster Risk Management



Controlling the Retained Amount of Natural Catastrophe Risk



HOME / About MS&AD Group / OUR PLATFORM / Risk Management / Information Management

Information Management

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".



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.

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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.

Declaration of Personal Information Protection (Privacy Policy)

HOME / Sustainability / Governance / Transaction Responsibilities

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

Specific Initiatives

Initiatives for Human Rights and the Environment

Through its human rights due diligence, the MS&AD Insurance Group is making efforts for the safe management of customer information by making the prevention privacy infringement arising from the leakage of customers' personal information a priority issue. The Group also conducts procurement that takes into account the sustainable use of resources.

- Human Rights Due Diligence and Remedial Measures
- Information Management
- Promoting Use of FSC-Certified paper

HOME / Sustainability / Governance / Transaction Responsibilities

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 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

As part of ISO14001 initiatives, 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.

Examples of specific initiatives include encouraging agencies and clients to obtain Eco Action 21 certification, a simplified environmental ISO certification, as well as spreading eco-maintenance* and promoting the use of recycled automobile parts. We also encourage the preservation of biodiversity by companies.

- 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.

HOME / Sustainability / Governance / Transaction Responsibilities / Group Basic Policy for Management of Outside Vendors

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.

HOME / Sustainability / Governance / Information Disclosure

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

Our Group aims to ensure that capital is kept in line with the amount of risk while strengthening shareholder returns through dividends and share buybacks.

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-related Financial Disclosure

The MS&AD Insurance Group endorses the Task Force on Climate-related Financial Disclosures (TCFD) and promotes the disclosure of financial information.

Climate-related Financial Disclosures

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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

HOME / Sustainability / Governance / Information Disclosure / Disclosure of Information and Investor Relations (IR)

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.

Orporate Governance Report (last update:September 30, 2020) 🕞 (1,179KB)

Communication with Shareholders and Investors

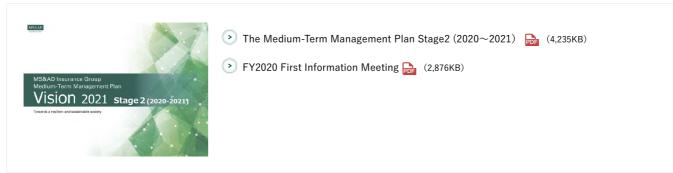
Our Group is actively engaging in dialogues with shareholders, investors, and analysts with the Group management at its core. In addition to holding the various information meetings for institutional investors and analysts, we provide highly convenient and clear information disclosure to shareholders 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

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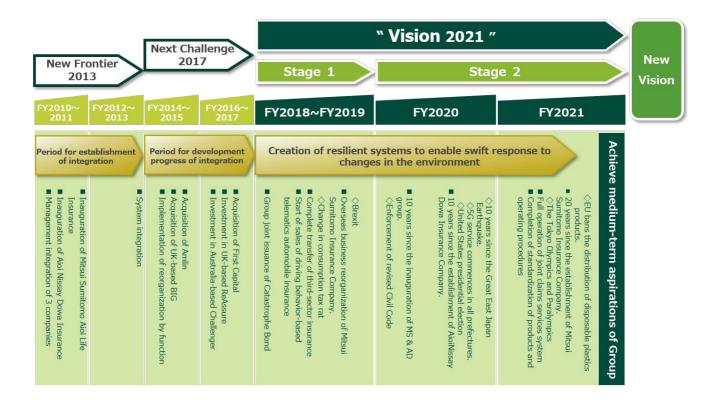
The Medium-Term Management Plan





Positioning of Vision 2021

Positioned as the "period to achieve medium-term aspirations of the Group" and "create resilient systems that can respond swiftly to changes in the environment"



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Aspirations during the Period of the Medium-Term Plan

We will achieve business of a substantial scale and quality to be recognized as a world-leading insurance and financial services group by stakeholders.

Scale

■Within top 10 non-life insurance groups of the world

Quality

■Capital efficiency (Group Adjusted ROE of 10%) and soundness (ESR of 180%~220%)

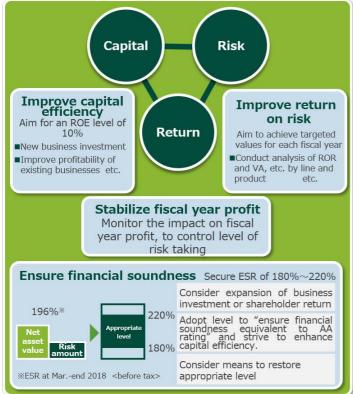
Become a worldleading insurance and financial services group

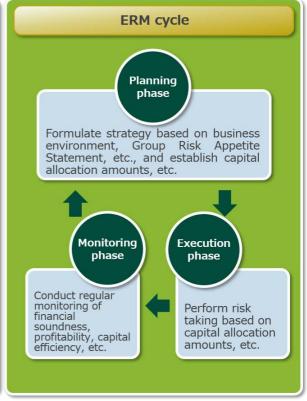
We will create systems that can rapidly respond to such changes by taking into account the changes in social structures such as acceleration of digitization, the advent of next-generation mobility society, expression of new risk and efforts for sustainability issues.

Create resilient systems that can swiftly respond to changes in environment

ERM Cycle

Based on the ERM cycle, we aim to ensure soundness, improve return on risk and capital efficiency.





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Capital Management Policy

On the assumption of ensuring financial soundness, we will realize an improvement in shareholder value through investment aimed at sustainable growth and a continued, stable shareholder return. We will increase corporate value by raising profitability while maintaining an appropriate capital level and by improving capital efficiency.

Financial soundness

Ensure financial soundness by expanding capital base

We will maintain financial soundness equivalent to an AA rating.

[ESR* level of 180%~220%]

※ESR: Economic Solvency Ratio(99.5%VaR)

■In asset management, we will pay attention to the safety and liquidity of asset holdings, and we will seek to stabilize returns and maintain financial soundness through ALM based on analysis of the characteristics of liabilities.

Capital efficiency

Improve capital efficiency through growth and diversification of business portfolio, optimal resource allocation

- Actively conduct disciplined business investment aimed at internal growth and external growth in both domestic and overseas.
- Maintain an appropriate level of capital and enhance capital efficiency while expanding profit through productivity improvement and diversification of revenue sources.
- Maintain awareness of capital cost and aim for Group Adjusted ROE level of 10%, which is on par with major European and US insurers.

Shareholder Return

Provide shareholder return based on shareholder dividends and repurchase of our own shares by adopting benchmark of 40%~60% of Group Adjusted Profit

- ■Adopt basic policy of providing stable dividends. (DOE※: Dividend on equity ratio: Aim for level of 2.0%~3.0%)
- Promptly and flexibly conduct repurchases of our own shares, taking into consideration the market environment and capital status.
- STATUS.

 ***MDG = Total annual dividends (interim, year-end, etc.) ÷ capital = dividend payout ratio (total annual dividends ÷ net income) × RDE (accounting basis)
 Indicator that shows what degree of profit distribution is being carried out relative to capital (consolidated net assets noncontrolling interests stock acquisition rights)

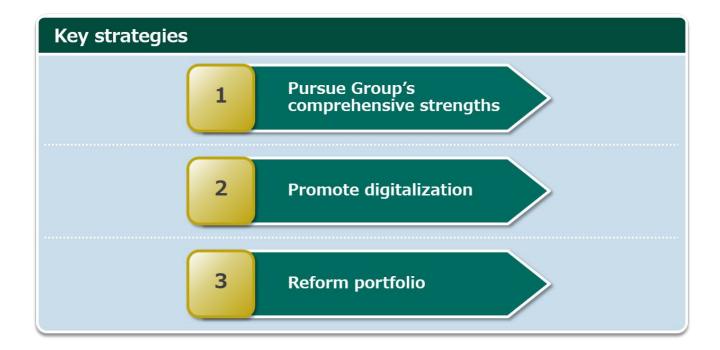


 ${\tt HOME\ /\ About\ MS\&AD\ Group\ /\ WHAT\ WE\ DO\ /\ Management\ Plans\ and\ Policies\ /\ The\ Medium-Term\ Management\ Plan}$

Vision 2021 Basic Strategy

Vision 2021 Basic strategy

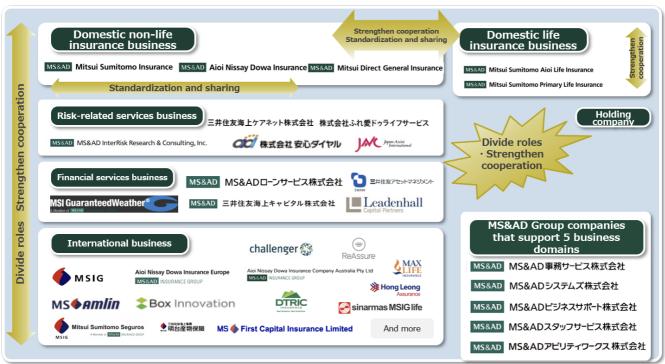
- ■By employing the Group's resources to the maximum, we will realize sustainable growth and enhance corporate value.
- ■We will pursue the Group's comprehensive strengths, one of which is diversity, and meet the expectations of customers and other stakeholders.
- $\blacksquare \text{We will respond flexibly to changes in the environment and further improve quality and productivity}.$



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(Key Strategy 1) Pursue Group's comprehensive strengths

- ■Make maximum use of Group's strengths (diversity, capital, human assets, customer base, etc.)
- Review division of roles by each Group company and strengthen cooperation
- Promote standardization and sharing (standardization of products and operating procedures, joint claims services system, health and medical products and services, etc.)

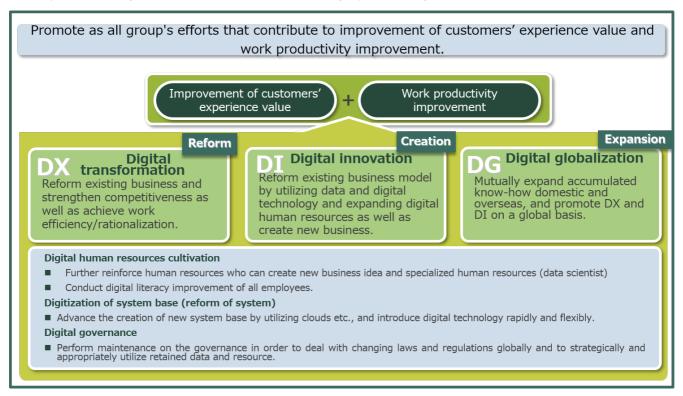




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(Key Strategy 2) Promote digitalization

- ■Promote 3 efforts (DX, DI, DG) for digitalization by entire group employees.
- ■Correspond to the change of business environment, and achieve the group's sustained growth.



(Key Strategy 3) Reform Portfolio

We will reform the Group's business portfolio and risk portfolio, etc., to create a stable earnings base.

Medium-term aspirations Business portfolio While maintaining earnings in the domestic non-life insurance business, we will expand earnings 50% in the International business and 50% domestic life insurance business; initially achieving 50% of profit from businesses other than the domestic non-life insurance business. ■ Domestic non-life insurance business (excluding In the future, we will take steps to gains/losses on sale of strategic equity holdings etc.) raise the profit of our International International business business to 50% of Group profit. Domestic life insurance business Group's risk portfolio

Risk portfolio

- Appropriate risk control based on cycle management of natural catastrophe risks
- Continue reduction of strategic equity holdings (2017~2021 reduction target: total of ¥500bn) and keep weighting vs. consolidated total assets to less than 10% and weighting vs. risk amount to less than 30%

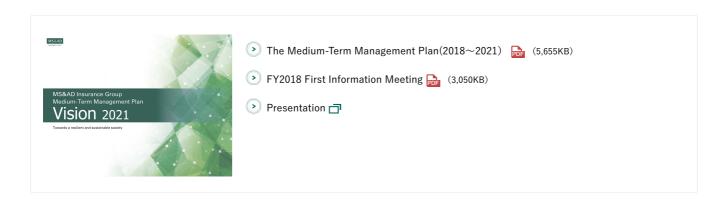


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Group Numerical Management Targets (Quantitative Targets)

| Numerical Targets | | FY2019 | | FY2021 Target |
|--|----------|-------------------------|--|-------------------------|
| Group Adjusted Profit ^{※ 1} (Excluded gains/losses on sake of strategic equity/hobings) | | ¥ 2 3 3 b n (¥182bn) | | ¥ 3 0 0 b n (¥273bn) |
| Domestic non-life insurance business (Excluded gains/losses on sale of strategic equity holdings) | | ¥ 1 2 0 b n (¥98bn) | | ¥ 1 7 7 b n (¥142bn) |
| Domestic life insurance business | | ¥ 3 0 b n | | ¥ 4 1 b n |
| International business | | ¥ 4 9 b n | | ¥ 7 5 b n |
| Financial services business | | ¥ 5 b n | | ¥ 7 b n |
| Risk-related services business | ' | | | |
| Group Adjusted ROE*2 | | 8.0% | | 10.0% |
| Net premiums written | | ¥3,574bn | | ¥3,580bn |
| Life insurance premiums (Gross premiums written) | | ¥1,393bn | | ¥1,000bn |
| MSA Life EEV | | ¥ 8 9 0 b n | | ¥ 9 6 2 b n |
| ESR (Economic Solvency Ratio) | | 186% | | 180%~220% |

%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, etc.) + 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 + balance of catastrophe reserves, etc. - balance of goodwill and other intangible fixed assets)



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Previous Medium-Term Management Plan (FY2014-FY2017)



FINANCIAL TIMES (October 9, 2018)

- Visions of a Sustainable Future 🗖
- PDF 🔐 (1,180KB)



HOME / Sustainability / Third-Party Assurance

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 \checkmark .



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, 2019 to March 31, 2020 included in its Sustainability Report 2020 (English) (the "Report") for the fiscal year ended March 31, 2020.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Visiting the Company's Aioi Nissay Dowa Insurance Shinjuku Building selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustanability Co., Ltd. KPMG AZSA Sustainability Co., Ltd.

Tokyo, Japan

December 2, 2020

Scope and Method of Calculating Environmental Data

| · · | | ilouidanig Environmental Bala | | | |
|-----------------|--|--|-------------------------|--|--|
| Item | tem Method of calculating amounts of energy used, amounts of | | | | |
| | disposed wast | e, and passenger-kilometers traveled | | | |
| Amount of | Japan | Actual measured energy usage | Emission factor by | | |
| electric power, | Overseas | Actual measured energy usage or calculated from energy | energy source | | |
| gas, cold and | | purchase costs and unit price by country as published by | based | | |
| hot water, | | JETRO (*1). | on the Act on | | |
| heavy oil, and | | , , | Promotion of Global | | |
| kerosene | | | Warming | | |
| used | | | Countermeasures | | |
| Amount of | Japan | In principle, actual measured amounts of gasoline and | as | | |
| gasoline and | | diesel oil are used. When an actual measured amount of | published by | | |
| diesel oil used | | gasoline is unknown, the amount is calculated from the | Japan's | | |
| | | gasoline purchase cost and the domestic national | Ministry of the | | |
| | | average unit price as published in a survey of gas station | Environment and | | |
| | | retail prices conducted by Japan's Agency for Natural | emission factor by | | |
| | | Resources and Energy. | electric power utility. | | |
| | Overseas | In principle, the amount used is calculated from gasoline | For overseas | | |
| | | purchase costs and unit price by country as published by | electric | | |
| | | JETRO. When the cost of gasoline is unknown, it is | power, emission | | |
| | | calculated from the amount of gasoline used per car and | factor | | |
| | | the number of cars at overseas sites, or the amount of | by country | | |
| | | gasoline used per person at overseas sites and the | published | | |
| | | number of employees overseas. | by IEA (*2). | | |
| Total amount of | Japan | The percentage of the actual measured amount of | / | | |
| waste | | general waste disposed from Company-owned buildings | | | |
| | | is 88.7%. 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 | Consolidated | The actual measured amount of recycled waste | | | |
| recycled waste | | | | | |
| Amount of | Consolidated | Total amount of waste minus actual measured amount of | | | |
| disposed waste | _ | recycled waste | | | |
| Amount of | Japan | The percentage of the actual measured amount of water | | | |
| water used | | used in Company-owned buildings is 81.0%. 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 | | | |
| | 0 | in non-Company-owned buildings. | | | |
| Overseas | | Calculated from water use per person in Company-owned | | | |
| | | buildings in Japan and the number of employees | | | |
| <u> </u> | | overseas | | | |
| Business Japan | Japan | Calculated from domestic and international air travel | | | |
| travel (by | Overseas | expenses estimated from domestic and international | | | |
| plane) | | business travel expenses (assuming that 10% or 20% of | | | |

| domestic business travel expenses and 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. | |

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

*1 JETRO: Japan External Trade Organization

*2 IEA: International Energy Agency

Scope and Method of Calculating Scope3

| Category | Subject | Calculation method | Emission source unit |
|-----------------|--------------|---|--|
| Capital goods | Consolidated | Facility investment amount x emission | The Ministry of the Environment's |
| | | source unit per price of capital goods | database*3 [6] emission source units |
| | | | per price of capital goods |
| | | | (financial/insurance) |
| Fuel- and | Consolidated | Usage amount of fuel and energy | ①The Ministry of the Environment's |
| energy- | | Usage amount x emission source unit | database*3 |
| related | | | [7] emission source units per usage of |
| activities (not | | | electricity and heat |
| included in | | | ②IDEA DB *4 |
| scope 1 or | | | emission source units per amount of |
| scope 2) | | | fuel |
| Waste | Consolidated | Amount of recycled industrial waste, | The Ministry of the Environment's |
| generated in | | incineration processing, and direct landfill | database*3 [8] emission source units |
| operation | | processing x waster type/emission | by waste type / processing method |
| | | source unit by processing method | (including waste transportation), [9] |
| | | | emission source units by waste type |
| | | | (including waste transportation) |
| Business | Consolidated | ○Cost of air flight | The Ministry of the Environment's |
| travel (by | | Cost of air flight × Emission source unit | database*3 [11] Emission source unit |
| airplane) | | per transportation expenses | per transportation expenses |
| Employee | Major | ○commutation allowance | The Ministry of the Environment's |
| commuting | Domestic | | database*3 [11] Emission source unit |
| | consolidated | commutation allowance × Emission | per transportation expenses |
| | subsidiaries | source unit per transportation expenses | |
| Lease | Consolidated | ○Electricity and gas used in the lease | Emission factor by energy source |
| property | | property | based on the Act on Promotion of |
| | | | Global Warming Countermeasures |
| | | energy and gas consumption amount | as |
| | | × Emission source unit per | published by Japan's Ministry of the |
| | | consumption amount for electricity and | Environment |
| | | gas | |

^{*3 :} The Ministry of the Environment's emission source unit database (ver. 3.0) for calculating greenhouse gas emissions through the supply chain (March 2020)

^{*4 :} IDEA Database (for calculating greenhouse gas emissions through the supply chain) ver.2.3 (27, Dec, 2019)

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Editorial Policy

Concept of Sustainability Information Disclosure

The MS&AD Insurance Group issues an annual Sustainability Report so that stakeholders can better understand the sustainability-related activities at the Group. In addition to including information that is considered important by stakeholders and the Group, the report is published via a website in order to save natural resources.

- The Group is making efforts to Create Shared Value (CSV) by utilizing the SDGs as leading marks, in order to realize a "resilient and sustainable society," our ideal for society in 2030 as set forth in our Medium-Term Management Plan, Vision 2021.
- The report focuses on initiatives related to our priority issues of "contributing to climate change mitigation and adaptation" "striving to improve sustainability of natural capital," and "implementing activities and dialog that respect human rights," in addition to other initiatives related to our value creation approach.
- The report also mentions unique initiatives being carried out at Group companies (please refer below for the scope of the report).
- The report includes a collection of sustainability-related data.

Scope of the Report

Target period Fiscal 2019 (April 2019 through March 2020) * Also includes some activities in and after April 2020. 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 Nissav 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"

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Timing of Publication

| This issue | | |
|----------------------------|--|--|
| November 2020 | | |
| Previous issue | | |
| September 2019 | | |
| Next issue | | |
| Scheduled for October 2021 | | |

Referred Guidelines

- GRI, Sustainability Reporting Guidelines (Standard)
- Linkage with GRI Guideline
 - ISO26000:2010 Guidelines on social responsibility (Japanese Standards Association)

Past Sustainability Reports

- MS&AD Insurance Group Sustainability Report
- Mitsui Sumitomo Insurance's CSR Report 🗂
- Aioi Nissay Dowa Insurance's Communication Report (Japanese only)

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