

Sustainability Report 2021

Sumitomo Life Sustainability Report 2021



CORPORATE PURPOSE

Our purpose as a life insurance company:

Contribute to
the advancement of
social and public welfare

“Editorial policy”

This is an English translation of the Japanese version of the Sustainability Report. We have created this report to convey our sustainability initiatives in fiscal 2020 in a format that is easy to understand for our various stakeholders. We position this report as the “Sustainability Report,” provide a comprehensive report of our initiatives for sustainability, and focus on priority initiatives based on materiality.

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高田幸徳

Yukinori Takada
President & Chief Executive Officer

— Message from the President

We will take action from the dual perspectives of a life insurer and an institutional investor toward realizing a society of affluence, vitality and longevity.

This Sustainability Report

We have released this Sustainability Report for the purpose of informing our stakeholders regarding our initiatives to promote sustainability.

This report supplements the Sumitomo Life Annual Report and accordingly describes details on matters pertaining to sustainability that include the Company's philosophical framework, promotion system, value creation process, and specific initiatives.

Importance of Sustainability to Life Insurance Companies

Sumitomo Life's Reason for Existence (Our Purpose)

The notion of "contributing to the advancement of social and public welfare" through the insurance business is cited in the first clause of the Company's "Management Policy," which serves as its corporate philosophy. This expresses our unwavering reason for existence, in other words our purpose, which has remained unchanged throughout the

114 years since Sumitomo Life was founded, in terms of our supporting the lives of our customers through the business of life insurance thereby contributing to our customers and society. Given that life insurance serves as a safeguard against the unexpected, we are keenly aware of the importance of not only providing our services promptly and reliably, but also of playing a new role relevant for the times particularly when it comes to major crises in today's world such as the ongoing COVID-19 pandemic.

In addition to the advent of a new normal, we face a scenario where there is a pressing need to address social issues worldwide, such that include the super-aged society, dealing with digitalization, and climate change. People are bound to encounter growing concerns in terms of their health and finances amid an era of mounting uncertainty going forward. Amid that scenario, we will fulfill the social obligation bestowed upon the Company by providing society with new value related to security, safety, and health (by broadening our contribution to a wider scope of domains), based on our purpose and taking into account the advent of the era of the 100-year lifespan.

Two Facets of Life Insurance Companies Related to Sustainability

We have adopted the "mutual company" format and our company is accordingly built on the trust of our utmost stakeholders, our policyholders. In addition, since the life insurance business is a highly social and public business that supports policyholders for a long period of time, management must continue to focus on sustainability.

The Company's operations are twofold in that it serves as a life insurer and as an institutional investor. As a life insurer, we have to achieve sustainable business growth and development in order to ensure payment of insurance claims and benefits. As an institutional investor, we have to continue to secure stable investment income over the long term in order to continue to pay insurance claims in a stable manner. Furthermore, we must contribute to the realization of a sustainable society through investment.

Contributing to society both as a life insurer and as an institutional investor, being trusted by society, and managing the company to adapt to changes in society will

lead to improve environmental and social sustainability. At the same time, it must enhance our sustainability.

Seeking to Earn the Trust of Our Stakeholders and Contribute to Society

Kakki-ohen: Making the Most of Opportunities

Having assumed the role of President in April 2021, I have been reconsidering essentials both with respect to the significance of life insurance and with respect to the role we ought to play in that regard. Returning to the notion of Sumitomo Life's reason for existence, a certain cherished adage comes to mind when I consider the state of the world today. Here I'm referring to the Japanese idiomatic expression "kakki-ohen" (making the most of opportunities). It is a coined saying that I learned from the person serving as President when I joined the Company, derived from the expression "rinki-ohen" (flexibility). The expression succinctly articulates the Company's traditional strengths and corporate DNA in that it communicates the notion that we will address changes in a manner that enables us to leverage opportunities.

The notion of making the most of opportunities is a key pillar that enables us to steer management in the midst of an era marked by change.

Sumitomo Life's Sustainability Initiatives

Aiming to Realize a Society of Affluence, Vitality and Longevity

We contribute to the achievement of the SDGs and creating shared value (CSV) that lead to both "solution of social issues" and "enhancement of corporate value" through our efforts to address social issues through our main business, underpinned by the Company's corporate philosophy of "contributing to the advancement of social and public welfare." In addition, we have established five items deemed important with respect to promoting CSR management (key items of CSR, i.e., materialities), based on our CSR Management Policy.

In this Sustainability Report, we have strived to identify risks and opportunities of respective materialities, and accordingly make them more consistent with our management strategies. We will strive to extend healthy life expectancy and achieve the SDG targets for 2030 while taking steps to help realize the notion of carbon neutrality by 2050 by promoting CSR management through a process of working through the PDCA cycle with respect to each of the materialities.

We have set up a Company-wide system for promoting sustainability initiatives at a faster pace by establishing the Sustainability Promotion Council (chaired by the President) as a meeting body in 2020. In addition, the Company has defined a vision of society to which it aspires from the perspective of sustainability as "realization of a society of affluence, vitality and longevity." We have accordingly established the three conceptual themes featured in this Sustainability Report of "well-being," "initiatives to promote a sustainable environment," and "responsible action as an institutional investor," with respect to which we will focus on in realizing this social ideal.

Contribute to Well-being for All

We have been encountering substantial changes both in terms of the values of security, safety and health served by us and in terms of customer expectations amid mounting risk associated with longevity due to the advent of the super-aged society. Extended average life expectancy has resulted in an emphasis on mental and social health, as well as physical health.

SUMITOMO LIFE Vitality Shared-Value Insurance, which the Company began offering in 2018, now boasts a large number of policyholders. It has been very well received as a result of it furnishing new value in terms of reducing and ameliorating risk in addition to providing for conventional risk. This has seemingly resulted in an expansion of our business to the domain of preventive physical health from the traditional domain of financial assurance, previously.

SUMITOMO LIFE Vitality gives rise to the domain of well-being, above and beyond the domain of prevention. As a new concept encompassing mental and social health, this constitutes an area of business on which the Company is currently placing the utmost focus amid calls for us to contribute to "well-being for all."

Expanding the WaaS Ecosystem Centered on SUMITOMO LIFE Vitality

We have positioned life insurance as a service for ensuring well-being, or in other words Well-being as a Service (WaaS). We seek to build an ecosystem centered on SUMITOMO LIFE Vitality by forming an alliance with 17 partner companies thus far.

Going forward, in addition to further promoting the notion of encouraging healthy lifestyles through SUMITOMO LIFE Vitality with WaaS at its core, we will also continue to address issues of illness and old age such that will be encountered by all during the era of the 100-year lifespan. This will serve as our trajectory for

developing new businesses and services through open innovation. We seek to extend our WaaS network to even more companies and local governments, thereby enabling us to play a leading role in the realization of a society of affluence, vitality and longevity.

Aiming to Realize Carbon Neutrality (Decarbonized Society) by 2050

We have thus far been engaging in actions to sustainably protect the global environment on the basis of the Sumisei Environmental Policy. In April 2021, we declared our aim of achieving net zero greenhouse gas (GHG) emissions by 2050 and accordingly established GHG emission reduction targets to be achieved by 2030. Going forward, we will proceed with a sense of speed toward achieving a decarbonized society, both through initiatives taken as a life insurer and through initiatives involving our investment portfolio as an institutional investor.

Conducted Scenario Analysis Based on the TCFD Recommendations

We have conducted new scenario analysis seeking to identify major effects of climate change on the life insurance business and our investment portfolio, pursuant to recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

As for the life insurance business, we conducted analysis regarding effects of climate change on health and mortality and found that heat in particular has the greatest effect in that regard. Going forward, we will proceed with initiatives, such as considering options that involve methods for analyzing the quantitative effects of climate change on payments of insurance claims and benefits, and will further more consider options that would involve expanding the scope of analysis to encompass effects of wind and flood damage on business locations and effects of climate change on sales activities.

Meanwhile, our findings indicate that effects of climate change on our investment portfolio are substantial particularly when it comes to changes in government policy, laws and regulations, and technologies; such as introduction of carbon pricing, amendments to disclosure regulations, and transition to new technologies. In the future, we will analyze GHG emissions resulting from our investment portfolio while also striving to furthermore analyze transition risk and physical risk.

Aiming to Balance Contributions to the Realization of a Sustainable Society with Enhanced Investment Returns over the Medium-to Long-Term

As an institutional investor that manages assets more than ¥32 trillion, we engage in investment considering sustainability over the medium-to long-term including ESG factors (responsible investment). Under the framework for promoting responsible investment that was strengthened in fiscal 2020, we are actively carrying out talks with investees (engagement) and investment that will help our investee companies bring about a shift to decarbonization and, in particular, achieve net zero GHG emissions by 2050.

Based on our characteristics as an institutional investor, we identify social issues that should be focused on through responsible investment. This fiscal year, in addition to "climate change preservation," we will focus on the themes of "health and welfare / aging population," "economic growth (including diversity)" and "development of social infrastructure."

We have been investing around the world, including bonds, and will actively undertake thematic investment looking toward addressing social issues worldwide and collaborative engagement with other investors.

Honing the Value of Human Capital Looking Toward the Next Century

Serving as an Indispensable Life Insurance Company

Indeed, people are ultimately of utmost importance when envisioning the Company's future one decade, three decades, and a century ahead. No matter how much technological progress and external environmental change occurs, life insurance products must be offered based on the trust of people. As such, it is of utmost importance that we refine and enhance the value of our human capital. Moreover, only human capital is capable of carrying out digitalization to develop business models, as well as promoting initiatives toward CSR management and sustainability and achieving concrete results.

As such, we launched the Human Capital Development Headquarter as a cross-departmental organization under direct control of the President in April 2021, and embarked on a study of medium- to long-term strategies for developing human capital capable of creating new value. The name of the organization is intended to convey the notion that people are assets and that development is a mutual pursuit rather than a one-way task of teaching and training. We will enlist our diverse human capital in efforts based on such human capital development in providing new value to our customers and society. In so doing, we will take steps forward in seeking development as an indispensable life insurance company for our customers as well as our employees and future society.

The Sumitomo Life Medium-Term Business Plan 2022

To be an "indispensable" insurance company for society under the new normal



Yukinori Takada
President & Chief Executive Officer

Message from the President

Message from the President

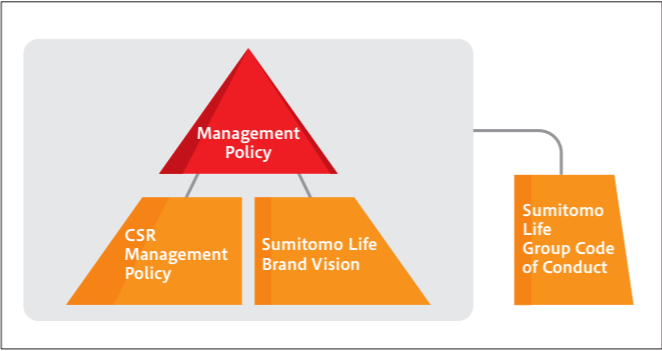
Philosophical Framework

The Company engages in management based topped by the "Management Policy" serving

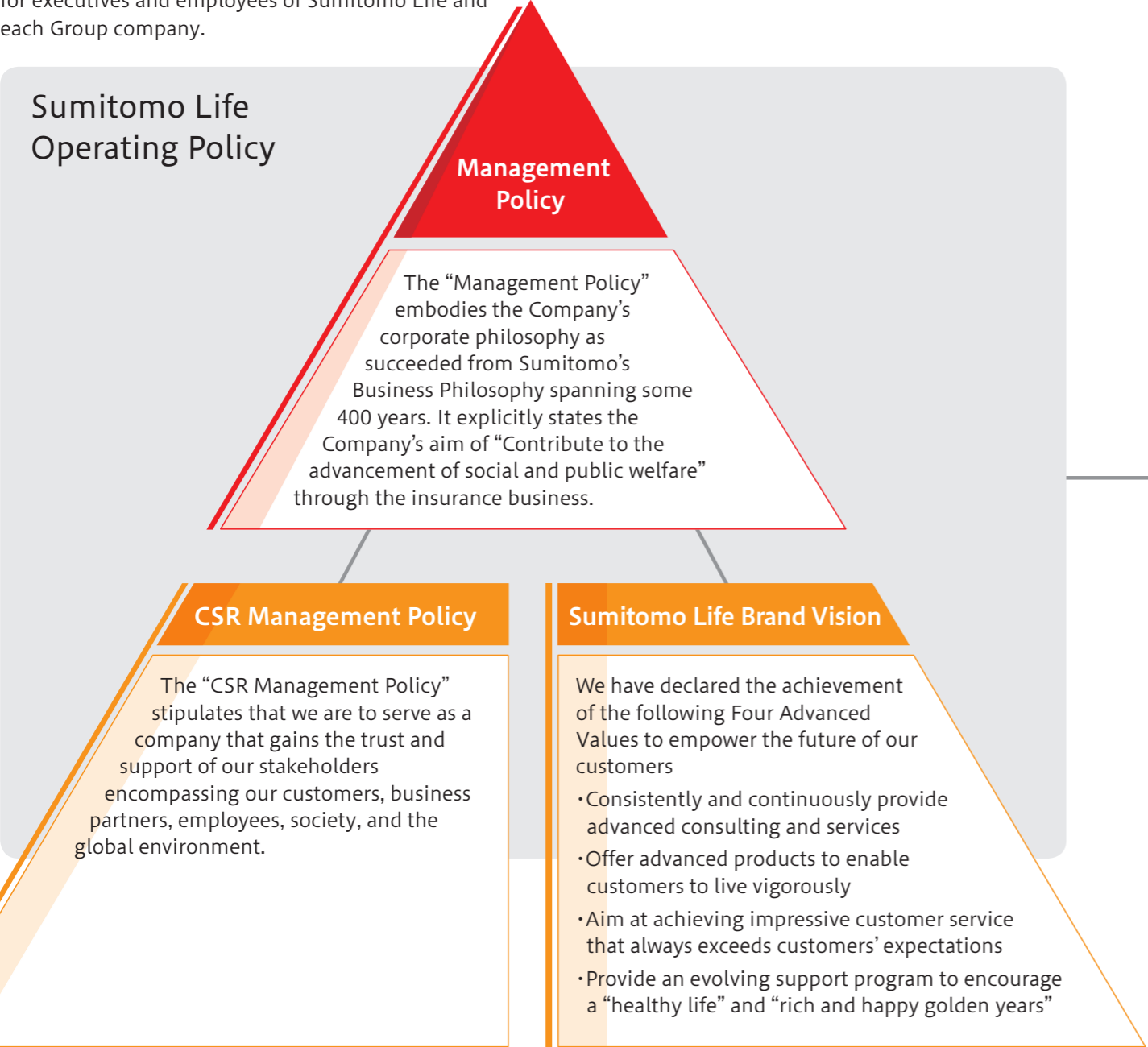
on principles set forth in its "CSR Management Policy" and the "Sumitomo Life Brand Vision," as the corporate philosophy.

Sumitomo Life Operating Policy

The operating policy of the Company sets the "Management Policy," which is our corporate philosophy, as the apex. The operating policy further consists of the "CSR Management Policy" stating the Company's universal mission stated in the Management Policy reorganized from the CSR perspective, and the "Sumitomo Life Brand Vision" stating the "Image of the Company from customers' perspective" that we aim to become in the medium to long term. The "Sumitomo Life Group Code of Conduct" has been established as a set of guidelines for executives and employees of Sumitomo Life and each Group company.



CSR = Corporate Social Responsibility



Please refer to the Sumitomo Life website for details of the operating policy. <https://www.sumitomolife.co.jp/english/about/mission.html>

Sumitomo Life Group Code of Conduct

The Company has formulated the "Sumitomo Life Group Code of Conduct" as a set of guidelines in order to ensure that each and every executive and employee of Sumitomo Life and each Group company will put the operating policy into practice through their actions.

- 1 Basic stance**
 - a. With our customers' trust in us as the starting point of all our activities, we will provide optimal services to each and every person through the sound operation of the insurance business and related businesses. We will provide accurate and easy-to-understand explanations of the contents of insurance contracts and other important matters.
 - b. We will earn the trust and support of our business partners, such as agents, and fulfill our social responsibility together with them.
 - c. We will work to create a company where each and every employee can continuously work with pride, confidence and enthusiasm and will value a free and open corporate culture, where employees readily embrace challenges.
 - d. We recognize our role and responsibility as a member of society, and will contribute to the creation of a healthy and enriched society, as well as the development of regional societies and international society.
 - e. To support healthy lifestyles, we will constantly consider the impact of our business activities on the global environment and actively work to protect it.
- 2 Soundness and transparency of management**
- 3 Compliance and risk management**
- 4 Strict information management**
- 5 Prevention of internal collusion due to conflict of interest**
- 6 Respect for human rights and ensuring a good workplace environment**
- 7 Handling of antisocial forces**
- 8 Education and training**
- 9 Exemplary role in society**

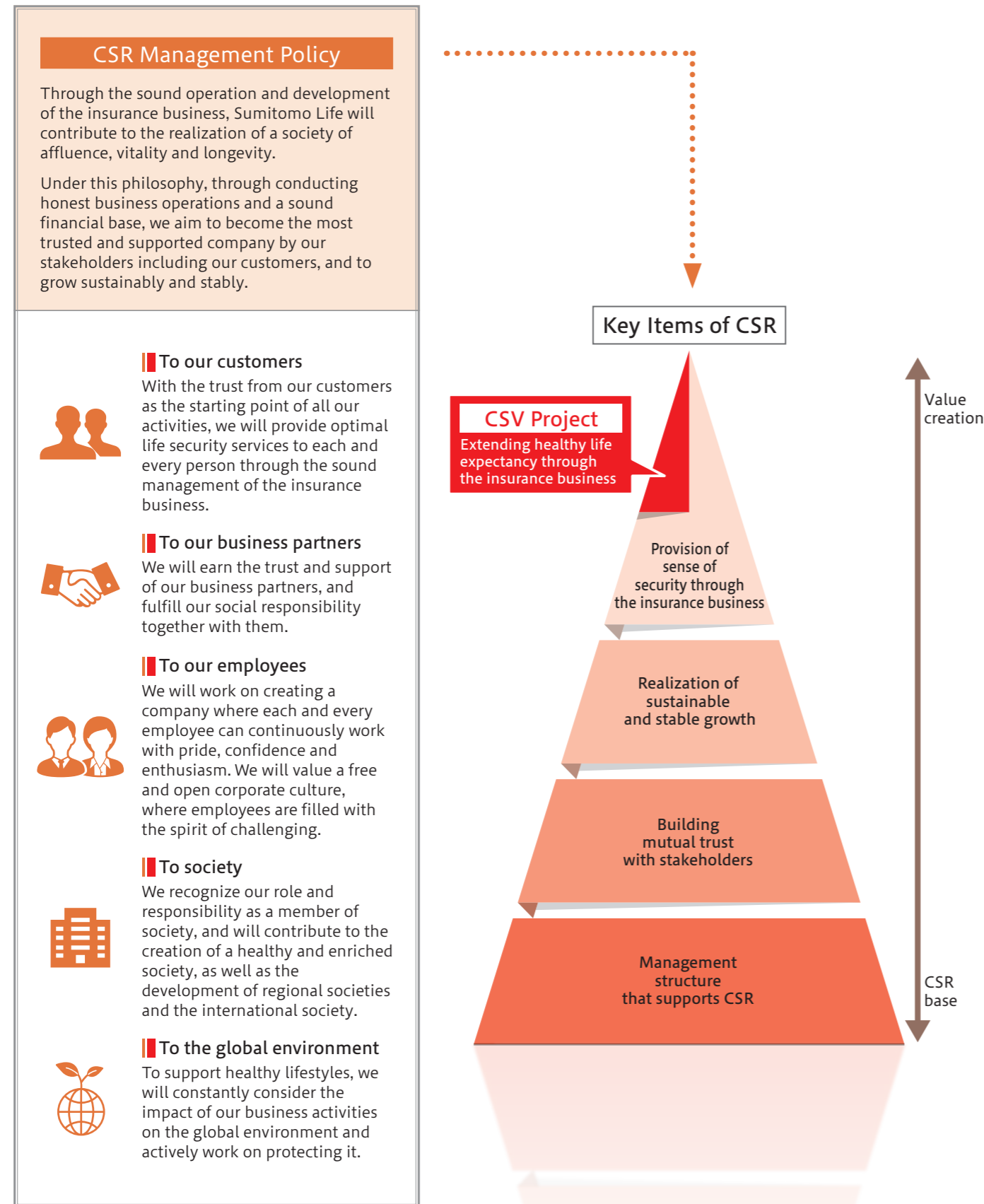


Philosophical Framework

Philosophical Framework

CSR Management Policy and Key Items of CSR

Sumitomo Life has established the “CSR Management Policy” as one of its management policies, and promotes CSR management. We have established five key items of CSR based on this “CSR Management Policy.”



Sustainability Promotion System

The “Sustainability Promotion Council” has been put in place to implement initiatives to share and solve social and environmental issues, such as the SDGs.

The council convenes twice a year in principle, and we have developed a system in which discussions of the council are deliberated at the Executive Management Committee, an advisory body to the President, and reported to the Board of Directors.



Overview of Sustainability Promotion Council

The Sustainability Promotion Council's membership includes the President and other Executive Officers who are in charge of relevant departments.

We have built a framework for implementing the PDCA cycle laterally across departments, which will largely involve considering matters such as the need to overhaul and strengthen our own sustainability initiatives in light of society's demands amid a scenario of ever-changing circumstances surrounding society and the environment.

Reporting from fiscal 2020 onward

During its meetings held in fiscal 2020, the Sustainability Promotion Council reviewed the status of initiatives taken to address key issues toward achieving the SDGs, and otherwise engaged in discussion and reporting with respect to matters such as directions in regard to stepping up initiatives to address issues of climate change and initiatives for causing SDGs to take hold within the Company.

Information regarding our “Initiatives to address key issues toward achieving the SDGs” (refer to pages 51-52 for details) are disclosed on the Sumitomo Life website as well and published annually.

Overview of the Sustainability Promotion Council in fiscal 2020

Schedule	Main items
Second meeting (July 2020)	<ul style="list-style-type: none"> ● Reported directions in regard to stepping up initiatives to address issues of climate change ● Reported directions in regard to implementing initiatives for causing SDGs to take hold within the Company
Third meeting (November 2020)	<ul style="list-style-type: none"> ● Reported status of initiatives taken during the first half of fiscal 2020 ● Reported directions in regard to sustainability-related disclosure
Fourth meeting (March 2021)	<ul style="list-style-type: none"> ● Discussions on the commitment to achieve net zero greenhouse gas emissions by 2050
Fifth meeting (May 2021)	<ul style="list-style-type: none"> ● Reported the status of fiscal 2020 initiatives and discussed targets for the next fiscal year ● Reported fiscal 2020 initiatives for causing SDGs to take hold within the Company and on such initiatives for fiscal 2021

We seek to promote sustainability initiatives and contribute to achieving the SDGs in our business activities, and have accordingly declared our intention to focus on contributing to society and on creating a company that is trusted by society in the Sumitomo Life Medium-Term Business Plan 2022.





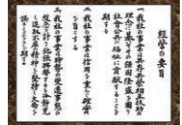
CSR Management Policy and Key Items of CSR

Sustainability Promotion System

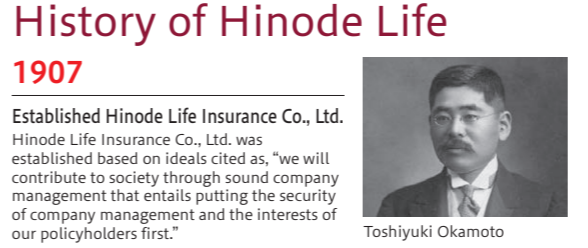
History of Contribution to Addressing Social Issues

Over our 114-year history, we have contributed to addressing the sustainability-related social issues contemporary to each era through our main business activities.

History of Sumitomo

<p>1585 Birth of Sumitomo founder Masatomo Sumitomo The "Founder's Precepts" containing the teachings of Masatomo Sumitomo have been passed down to the present day.</p>  <p>Statue of Masatomo Sumitomo Founder's Precepts</p>	<p>1891 The three articles of the Business Principles were codified under Sumitomo's first Executive Director, Saihei Hirose</p>  <p>Saihei Hirose</p>	<p>1894 The Besshi Copper Mine's General Manager Teigo Iba embarked on forestation of the mine</p>  <p>Teigo Iba</p>	<p>1907 Established Hinode Life Insurance Co., Ltd. Hinode Life Insurance Co., Ltd. was established based on ideals cited as, "we will contribute to society through sound company management that entails putting the security of company management and the interests of our policyholders first."</p>  <p>Toshiyuki Okamoto</p>	<p>1926 Renamed to "Sumitomo Life Insurance Co., Ltd."</p> <p>1947 Renamed to "Kokumin Life Insurance Co."</p>	<p>1952 Renamed to "Sumitomo Life Insurance Company" Codified basic approach to social contribution in the "Management Policy"</p>  <p>Management Policy</p> <p>Started funding reserve for assisting social responsibility</p>
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History of Hinode Life



Contributions to Healthy and Long-Living Society

<p>1960 Established Sumitomo Life Social Welfare Services Foundation (currently, Sumitomo Life Welfare and Culture Foundation) The foundation engages in various social and public welfare projects that include mobile medical examination vehicle activities and comprehensive medical checkups.</p>  <p>Mobile medical examinations</p>	<p>1985 Established Sumitomo Life Health Foundation The foundation was established to promote social and public activities for both customers and the general public, thereby contributing to better physical and mental health of Japan's citizens.</p>  <p>TV Program "Ikiru (A Day In A Life)" (1986-1996)</p>	<p>1991 Began offering the Sumisei Long-term Care Seminar (currently, Sumisei Wellness Seminar)</p>	<p>1995 Started providing support for service dog training</p>  <p>Assistant Dog</p>	<p>2007 Started providing support for pink ribbon campaigns</p>  <p>Started awards program entailing encouragement prizes for contributions to community healthcare (Initiative of Sumitomo Life Welfare and Culture Foundation)</p>	<p>2008 Started partnerships with local governments involving agreements for cooperation in areas such as actions to address cancer</p> <p>2009 Started training dementia supporters</p> <p>2012 Entered into agreement with the National Cancer Center Japan involving comprehensive partnership for raising awareness and disseminating information on cancer</p>	<p>2016 Started the Japan Vitality Project</p>  <p>2017 Launched "Sumisei Vitality Action"</p>	<p>2017 Entered into comprehensive partnership agreements with regional governments such as the Tokyo Metropolitan Government and Osaka Prefecture</p> <p>2018 Started sales of SUMITOMO LIFE Vitality Shared-Value Insurance</p> 	<p>2019 Started development of Vitality Plaza outlets</p>  <p>Vitality Plaza</p>	<p>2021 Selected as a "White 500" company of the 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program</p> 
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Creating an Affluent Society

<p>1977 Started children's drawing contests This effort has enlisted support of the Louvre Museum since 2000.</p>  <p>Drawing contest</p>	<p>1978 Established a Committee for Facilitating Employment of Persons With Disabilities</p> <p>1986 Started hosting of Charity Concerts throughout Japan</p> <p>1990 Opened Izumi Hall, a classical music concert hall (currently, Sumitomolife Izumi Hall)</p>	<p>1992 Started Sumisei "Humany" activities</p>  <p>Greenkeeping support group (turf care for elementary school grounds)</p> <p>1995 Great Hanshin-Awaji Earthquake Furnished support for reconstruction through insurance, including application of special measures related to life insurance transactions and achieving prompt recovery of insurance functions</p>	<p>2001 Started the Sumisei Storytelling Caravan (Initiative of Sumitomo Life Health Foundation)</p> <p>2006 Established policy on measures for employee work-life balance</p>	<p>2007 Started "Child Rearing For a Bright Future Project" (currently, "Child Raising Project to Empower the Future")</p>  <p>"Child Rearing For a Bright Future Project" booklet</p> <p>2008 Participated in the United Nations Global Compact</p>	<p>2009 Began participating in the non-profit organization TABLE FOR TWO International</p> <p>2009 Obtained certification as preferred employer of persons with disabilities</p>	<p>2009 Started Sumisei Community Sports Promotion and Grant Program</p> <p>2011 Great East Japan Earthquake Supported reconstruction through insurance, and also supported various reconstruction initiative formats such as volunteer activities involving employees, support for children, and support for urban development</p> <p>2014 Released targets set for appointment of women to managerial positions</p>	<p>2014 Started the Sumisei After School Project</p> <p>2015 Obtained "Platinum Kurumin" certification</p> 	<p>2017 Launched a project for elementary school construction in Vietnam</p>  <p>Restroom and water supply facilities upon completion © Plan International Japan</p>	<p>2018 Opened "Poppins Nursery School Sumisei-Kids," company-sponsored childcare facility</p> <p>2020 Joined "The Valuable 500" international initiative to promote empowerment of persons with disabilities</p>
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Global Environmental Protection

<p>1992 Started Sumisei "Humany" activities</p>  <p>Greenery preservation activities</p>	<p>1996 Established Office Infrastructure Reform Committee Reduced volume of printed matter by eliminating business paperwork and computerizing accounting work</p>	<p>2001 Cost Revolution 21 initiatives Reduction of paper, consumables, utility costs, etc.</p> <p>2006 Established the CSR Management Vision and Sumisei Environmental Policy</p>	<p>2007 Launched the "Sumisei Beautiful Earth Campaign"</p>  <p>Beach cleanup activity for 2019</p>	<p>2008 Started Coral Reef Conservation Project</p>  <p>© WWF Japan</p>	<p>2008 Started Sumisei ecologically oriented activities</p>	<p>2019 Became a signatory to the UN Principles for Responsible Investment (PRI)</p>  <p>Signatory of: Principles for Responsible Investment</p> <p>2019 Supported "Plastics Smart Campaign" of the Ministry of the Environment, Government of Japan Engaged in efforts to reduce volume of disposable plastics</p>	<p>2019 Supported recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)</p> 	<p>2020 Became a signatory to the Climate Action 100+ and the CDP</p> 	<p>2020 Donated carbon credits (excess amount of CO₂ emission reductions) to the Tokyo Metropolitan Government and Saitama Prefecture</p> <p>2021 Set reduction targets toward net zero greenhouse gas emissions by 2050</p>
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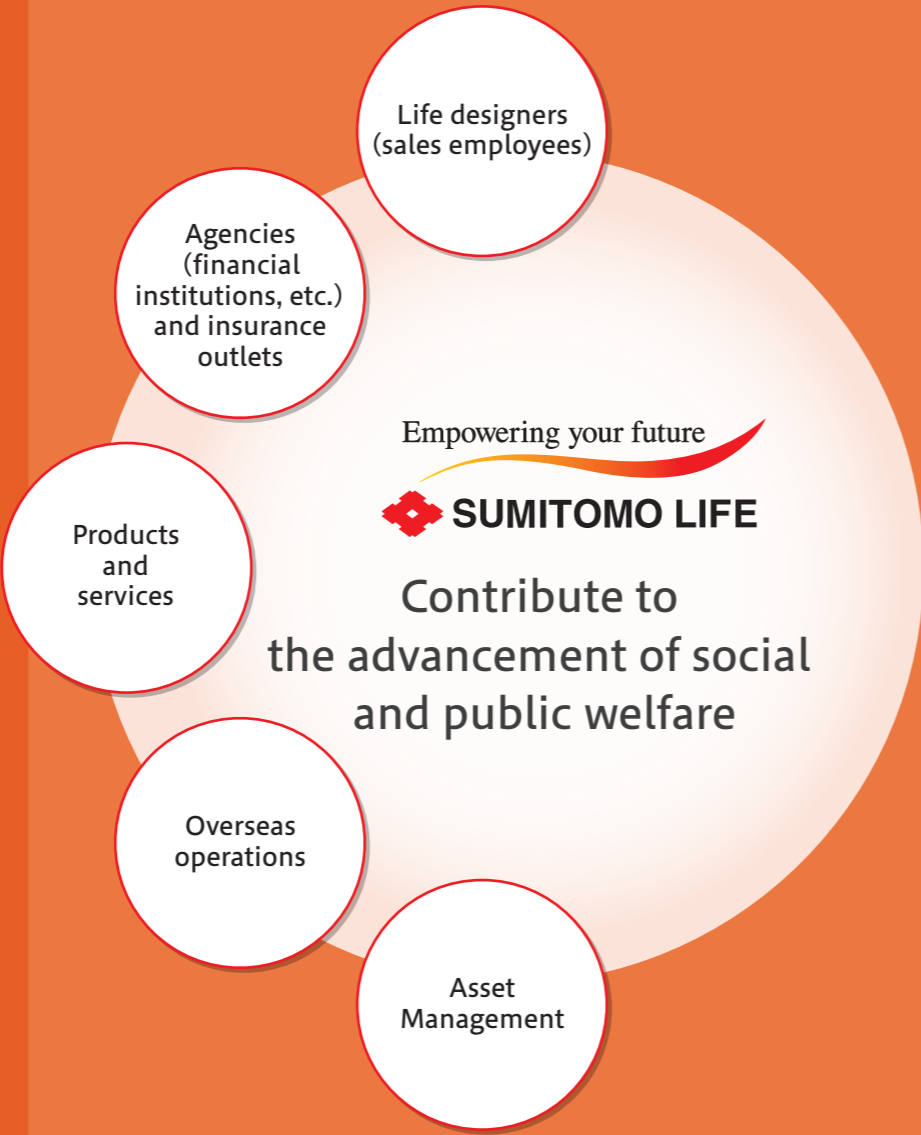
History of Contribution to Addressing Social Issues

History of Contribution to Addressing Social Issues

Sumitomo Life Value Creation Process

Through the sound operation and development of the insurance business, Sumitomo Life will contribute to the realization of a society of affluence, vitality and longevity.

Business Overview of Sumitomo Life Group



Offering value to stakeholders

- To our customers**
We will provide optimal life security services to each and every person through the sound management of the insurance business
- To society**
We will contribute to the creation of a healthy and enriched society, as well as the development of regional societies and the international society
- To our business partners**
We will earn the trust and support of our business partners, and fulfill our social responsibility together with them
- To our employees**
We will work on creating a company where employees can continuously work with enthusiasm
- To the global environment**
We will constantly consider the impact on the global environment and actively work on protecting it

To realize a society of affluence, vitality and longevity



Carry out initiatives under the Sumitomo Life Medium-Term Business Plan 2022

Financial capital

Consolidated total assets
¥41,094 billion

Consolidated solvency margin ratio
862.5%

Status of credit rating

S&P Global (S&P) Insurer financial strength rating A+	Moody's Investors Service (Moody's) Insurance financial strength rating A1
Rating and Investment Information (R&I) Insurance claims paying ability rating AA-	Japan Credit Rating Agency (JCR) Ability to pay insurance claims rating AA-

Human capital

Number of employees
46,084 (Non-consolidated)

Among which, number of sales employees
35,163 (Non-consolidated)

Social capital

Number of customers (number of policies in force)
Approx. 14.05 million policies

* Aggregate number of policies in force of Sumitomo Life and Medicare Life, including products provided by our business alliance partners

Claims, annuities, benefits
Approx. 4.69 million cases

Approx. ¥ 1,294 billion

* Non-consolidated results of Sumitomo Life for fiscal 2020

Management environment

Changes in social structure

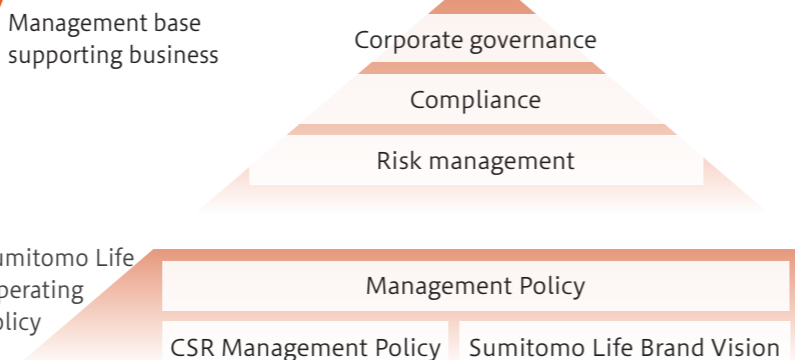
- Declining population and birthrate, and aging society
- Changes in healthcare services
- Diversification of consumer consciousness

Digital Transformation (DX)

- Digitalization
- Utilization of personal data
- Shift to online communities

Changes in industrial society

- Work style reform and productivity enhancement
- Changes in positioning of workplaces and stores
- Inter-industry collaborations and entry from other industries
- Spread of cashless transactions



Sumitomo Life Value Creation Process

Sumitomo Life Value Creation Process

Features Toward the realization of a society of affluence, vitality and longevity

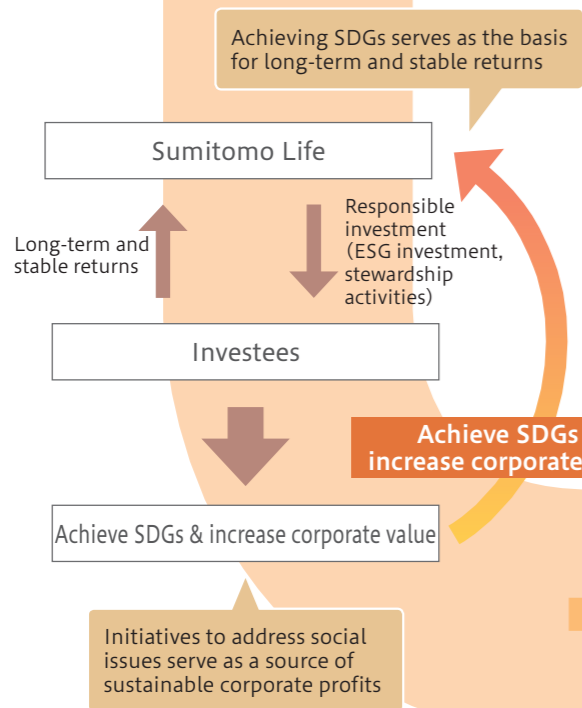
This section introduces initiatives for realizing our notion of an ideal society. This includes initiatives for contributing to well-being for all and realizing a carbon neutral society (decarbonized society) by 2050, and initiatives undertaken as an institutional investor geared to realizing a sustainable society and ensuring long-term and stable returns.

Formulated "ESG Investment Policy" in fiscal 2019
 Became a signatory to the Principles for Responsible Investment (PRI)



Initiatives during fiscal 2020
 Transition to responsible investment structure

- Formulated "Basic Principles on Responsible Investment" (Revised ESG Investment Policy)
- Established Responsible Investment Committee and Responsible Investment Meeting
- Established Responsible Investment Team in Investment Planning Department



Sumisei Environmental Policy

- Specific policy for activities concerning the global environment

2019 Supported the TCFD recommendations



Initiatives during fiscal 2020

Climate change prevention

- Assessed greenhouse gas (GHG) emissions and obtained third-party assurance
- Enhanced initiatives and disclosure regarding TCFD recommendations

Materialization of initiatives to address climate change

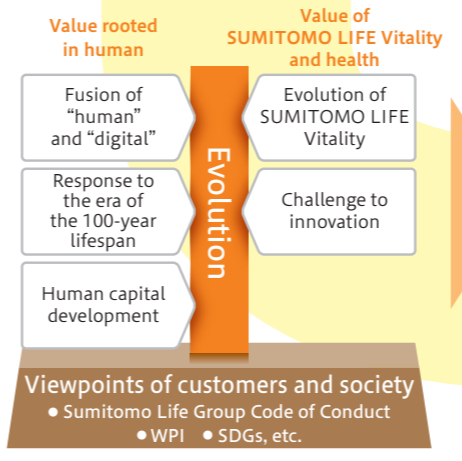
- Set goal of net zero greenhouse gas (GHG) emissions by 2050 and 2030 reduction targets
 - Reduce emissions with respect to Scopes 1, 2 and 3
 - Reduce emissions resulting from the asset portfolio
- Conduct climate-related risk scenario analysis
 - Assess materiality of risks
 - Identify scenarios
 - Evaluate business impacts
 - Identify potential responses

Building an asset portfolio cognizant of the SDGs and the Paris Agreement

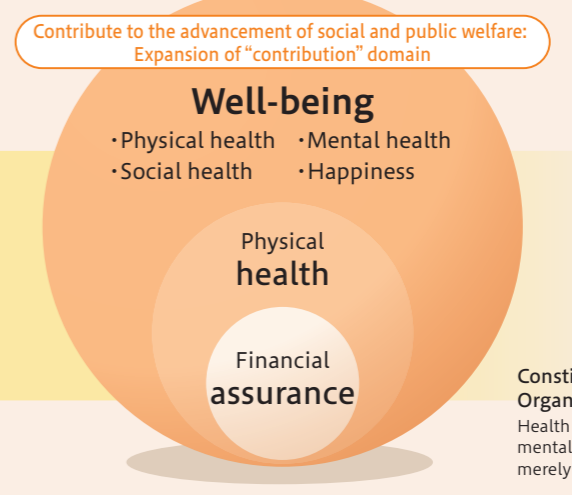
- Implement responsible investment practices
 - ESG integration
 - Thematic investment
 - Negative screening
 - Stewardship activities
- Our focus areas (fiscal 2021)
 - Climate change prevention and welfare / Aging population growth (including diversity)
 - Development of social infrastructure
- Joined investor initiatives
 - CDP
 - PCAF
 - JSI
 - Climate Action 100+



We will expand the reach of SUMITOMO LIFE Vitality throughout Japan with the aim of ensuring well-being for all amidst the era of the 100-year lifespan



Contribute to well-being for all



Well-being P17-18

Aiming to realize a carbon neutral society (decarbonized society) by 2050

Measures Toward a Sustainable Environment P19-22

Striving to achieve dual aims: Contributing to the realization of a sustainable society × Enhancing investment returns over the medium- to long-term

Our Approach as an Institutional Investor P23-26

Toward the realization of a society of affluence, vitality and longevity

Toward the realization of a society of affluence, vitality and longevity

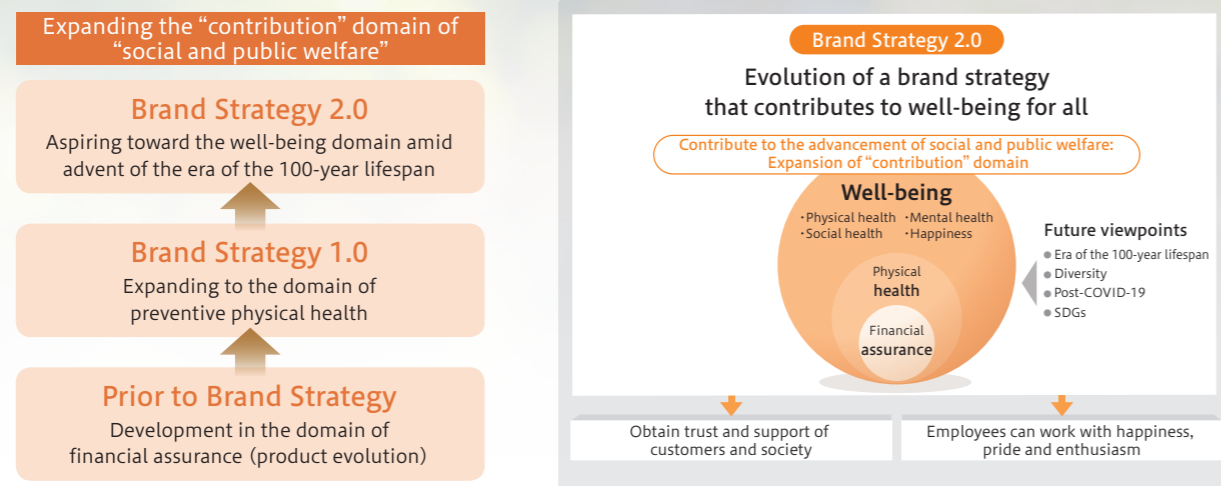
Features

Well-being

Contribute to well-being for all

The notion of “contribute to the advancement of social and public welfare” has served as the unwavering purpose of Sumitomo Life since its founding.

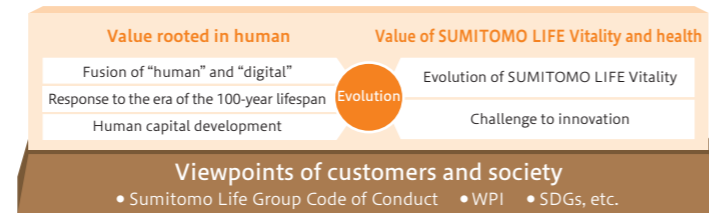
However, the domain of contribution to “social and public welfare” has changed in step with the social environment and has accordingly been expanded to the domain of preventive physical health over the last decade, from the traditional domain of financial assurance previously. Over the next decade, we aim to further evolve into the well-being domain given the advent of the era of the 100-year lifespan.



Vision in terms of well-being

Sumitomo Life aims to become an “indispensable” life insurance company that contributes to “well-being for all.”

Achieving that vision will involve further honing our value rooted in human while drawing on digital technologies, and also seeking to establish an ecosystem of services that support well-being through achieving further evolution of SUMITOMO LIFE Vitality and taking on challenges in new business.



Providing new value with SUMITOMO LIFE Vitality

SUMITOMO LIFE Vitality is an innovative product capable of providing value in the form of reducing risk itself by encouraging customers’ health-enhancing activities, in addition to the traditional value of life insurance of risk coverage. It incorporates a program for encouraging customers’ continuous health-enhancing activities given its two major distinctive features of insurance premiums that are subject to annual adjustment and rewards from our partner companies (reward partners).

Expansion of the WaaS ecosystem

Sumitomo Life positions life insurance for the era of the 100-year lifespan as a service for ensuring well-being, or in other words Well-being as a Service (WaaS). We are currently developing services as an ecosystem, supported by the notion of “well-being for all” centered on SUMITOMO LIFE Vitality in alliance with 17 domestic partner companies that share our philosophy of health promotion.

As part of our efforts to form new partnerships toward expanding our WaaS ecosystem, we have launched the SUMISEI INNOVATION FUND, which is the first corporate venture capital (CVC) fund of a major life insurance company.

Going forward, in addition to SUMITOMO LIFE Vitality further promoting the notion of getting healthier with WaaS at its core, we will also keep addressing issues of illness and old age experienced by all in the era of the 100-year lifespan, which will serve as our trajectory in developing new businesses and services through open innovation. We will develop services such that include “Disease Management” services seeking well-being even if subject to illness, “Well-Aging” services seeking well-being as people grow older, and “Wellness Life” services seeking well-being and a positive outlook when encountering various challenges associated with aging.



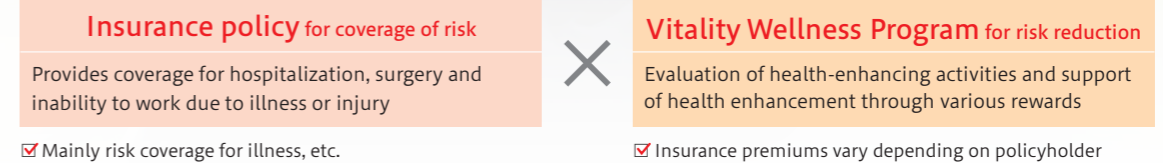
SUMITOMO LIFE Vitality

Launched in July 2018, SUMITOMO LIFE Vitality Shared-Value Insurance is an insurance product that incorporates the Vitality Wellness Program*1 for supporting continuous engagement in health-enhancing activities into life insurance policies.

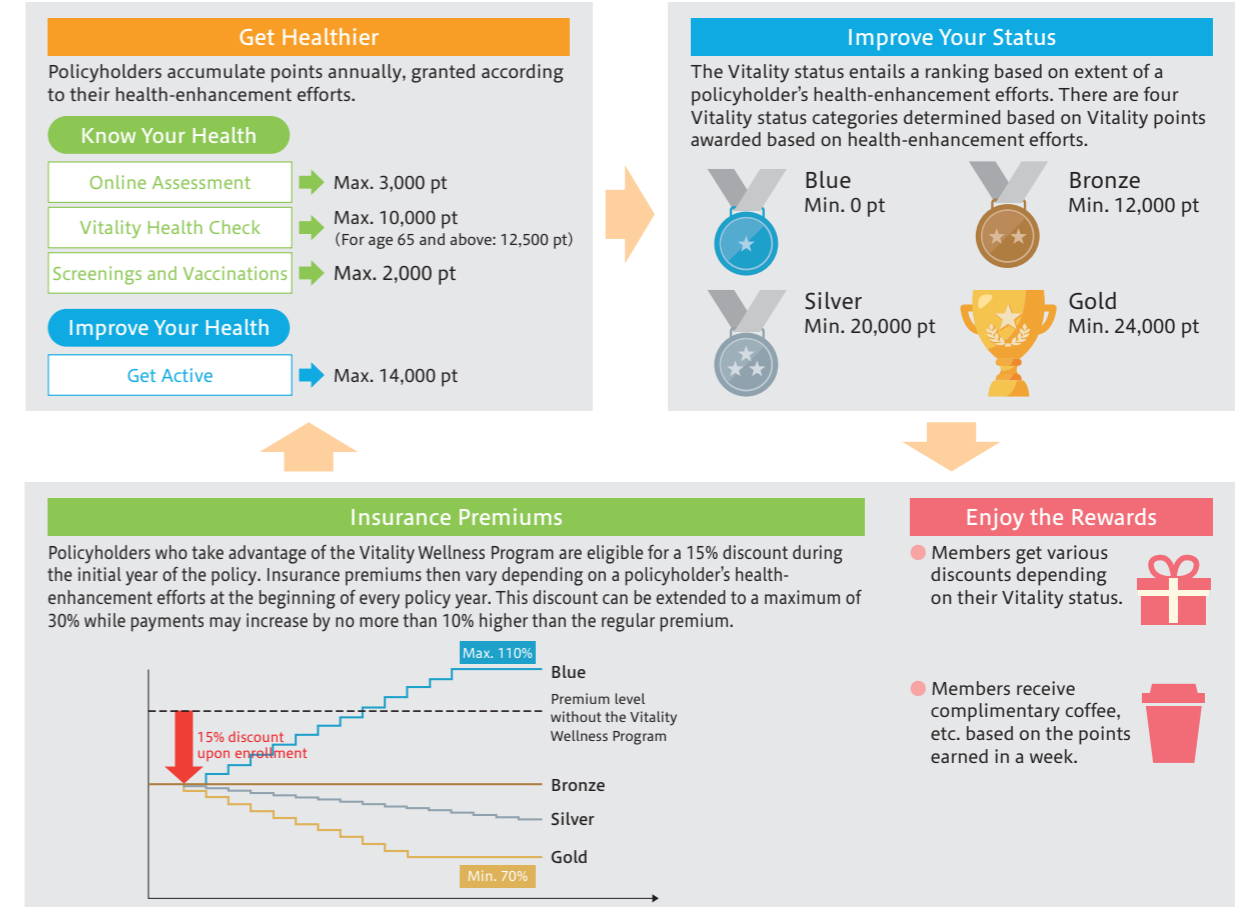
SUMITOMO LIFE Vitality makes it possible for policyholders to receive a discount*2 on their insurance premiums contingent on their status, which is determined based on their annual results of efforts to live a healthy life, obtained from evaluating their daily health-enhancing activities in a comprehensive manner. This is in addition to our conventional insurance coverage in the form of “1-UP,” which covers risk of work disability, as well as “Cancer PLUS ALIVE,” which is a new product designed for the “living with cancer” era. Furthermore, this insurance product supports efforts of policyholders to continue health-enhancing efforts by offering various rewards that include discounted monthly fees for gym memberships and travel discounts.

*1. To use the Vitality Wellness Program, a Vitality fee is required in addition to insurance premiums.

*2. Insurance premiums may be subject to discount or increase, depending on the policyholder’s status.



Overview of SUMITOMO LIFE Vitality



Well-being

Well-being

Feature

Measures toward a sustainable environment

Aim to realize carbon neutrality (decarbonized society) by 2050

Sumitomo Life serves as a life insurer as well as an institutional investor that engages in asset management to ensure security and reliability with respect to paying insurance claims, etc. to customers into the future.

We consider efforts to protect the global environment to be one of our most important management issues, given the public nature, scale, and social impact of our business, and have established the "Sumisei Environmental Policy" as a specific policy for activities concerning the global environment. Through our efforts to achieve net-zero greenhouse gas (GHG) emissions, we will address the global issue of climate change from the perspective of both life insurer and institutional investor, and will be an indispensable life insurance company for society.

Sumisei Environmental Policy

Sumitomo Life believes that maintaining and preserving the global environment is indispensable for our goal of realizing "a society of affluence, vitality and longevity."

In keeping with the public nature of our business and our responsibilities to society, the CSR Management Policy stipulates that "To support healthy lifestyles, we will constantly consider the impact of our business activities on the global environment and actively work on protecting it." We will observe the following principles in our daily activities and carry out actions to steadily and sustainably protect the global environment.

- 1 We shall fully recognize the importance of protecting the global environment and the environmental impact of our business activities, and promote global environmental protection through our business activities.
- 2 We shall pursue energy and resource conservation, waste recycling, and green purchasing for consumables, fixtures and equipment in offices.
- 3 We shall raise the environmental awareness of each officer and employee of the Company, support their activities to protect the global environment, and actively contribute to society on the environmental front.

GHG emissions reduction targets*1

Sumitomo Life aims to achieve net zero GHG emissions by 2050, and has accordingly set the following reduction targets to be achieved by 2030.

Category	2030 Target	2050 Target
Scope 1 + 2	-40% (compared with fiscal 2013)	Net zero
Scope 3*2	-30% (compared with fiscal 2019)	
Asset portfolio*3	-42% (compared with fiscal 2019)	

*1 Scope 1, 2, and 3 are concepts in the GHG emissions accounting and reporting standards for businesses stipulated by the GHG Protocol and refer to the following.
 -Scope 1: Direct emissions from fuel use at Sumitomo Life
 -Scope 2: Indirect emissions from use of electricity and heat purchased by Sumitomo Life and its employees. Category 15 (Investments) is managed separately as emissions from the asset portfolio.
 -Scope 3: Indirect emissions from business activities other than those in Scope 1 and 2
 *2 This covers the items in which emissions are to be reduced through the proactive efforts of Sumitomo Life and its employees. Category 15 (Investments) is managed separately as emissions from the asset portfolio.
 *3 For the 2050 target, this encompasses all assets excluding government bonds, etc. For the 2030 target, this encompasses domestic and overseas listed stocks, corporate bonds, and loans. The reduction indicator expresses "GHG emissions proportional to the amount of balance held in the portfolio," in order to assess emissions excluding effects of asset size. It is measured by dividing the GHG emissions from the asset portfolio by the amount of balance held.

Initiatives to reduce emissions with respect to Scope 1, 2 and 3

We will further promote energy and resource conservation efforts in our equipment and facilities, which we have been working on for some time, as well as employee-participatory efforts, such as reducing waste by promoting reusable bags and personal use thermos bottles.

In addition, we will promote the introduction of equipment with high environmental performance and renewable energy related initiatives, such as the planned relocation of the Tokyo Head Office in fiscal 2022 and the introduction of electricity derived from renewable energy sources for use in our buildings.

Initiatives through business activities

We engage in company-wide efforts to address climate change while raising environmental awareness among our employees with a focus on initiatives to save energy and conserve resources.

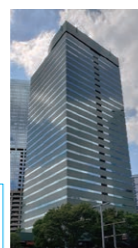


- We reduce paper consumption, which imposes a heavy burden on the environment, and reduce electricity consumption.
- We have shifted to use of CD-ROMs for storage of insurance policies rather than printed matter.
- We use recycled paper and vegetable oil inks for all printed matter including calendars and product pamphlets for customers, and in-house training materials.
- We have come up with our own environmental logo, which is featured in our environmentally friendly printed matter.

Environmentally friendly property management

About 100 tenanted buildings owned by Sumitomo Life across the country promote energy conservation.

- Install energy-saving equipment
- Carefully set the temperature of air conditioners
- Acquire Green Certification



Agency for Natural Resources and Energy business classification and evaluation system

Awarded S Class ranking 6 years in a row (Shinjuku Green Tower Building)

Initiatives to reduce emissions resulting from the asset portfolio

We recognize that addressing climate change is likely to have an enormous impact on our asset portfolio over the medium-to long-term. As such, we believe that it is important to reduce the GHG emissions of society as a whole by reducing the GHG emissions of each of its investees.

Deeming that divestment serves as a last resort, we actively implement the following three measures accordingly.

Promote dialogue for decarbonization

We will promote dialogue activities with the aim of encouraging corporate efforts toward decarbonization for our investees, especially those in industries and companies with high emissions.

- Conduct constructive dialogue based on the characteristics of the industries, including from a finance perspective

Expand green financing and transition financing

We will proactively consider and provide green financing and transition financing for the sake of achieving decarbonization, given that high-emitting industries and companies generally play a role in supporting the economic infrastructure.

- Transition of high-emitting industries and companies to decarbonization is key to realizing a decarbonized society
- Such financing is premised on securing a certain amount of investment returns

Expand project financing

We will proactively consider and expand project financing, including for renewable energy, as it is essential for the realization of a decarbonized society.

* Green financing consists of investment and loans that contribute to solving environmental issues. Green bonds are a typical form of green financing, the issuance amounts of which have been increasing in both Japan and abroad. Such issuance amounts are likely to progressively increase going forward toward the transition to a decarbonized society.

* Transition financing consists of investment and loans provided for the sake of shifting business activities subject to substantial environmental burdens (coal-fired power business, etc.) to low-carbon operations (LNG, etc.).

* Project finance consists of loans to specific projects.

Adoption of TCFD recommendations

In March 2019, Sumitomo Life has announced its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by Financial Stability Board (FSB). We will redouble our initiatives thus far related to climate change while also enhancing our disclosure taking into account the TCFD recommendations.



Governance

We have formulated the "Sumisei Environmental Policy" stipulating the corporate policy on environmental protection, and have also formulated the "Basic Principles on Responsible Investment" with the aim of helping to realize a sustainable society encompassing measures to address climate change through asset management.

In addition, the "Sustainability Promotion Council," which is tasked with reviewing matters involving sustainability of Sumitomo Life, has accordingly been engaging in discussions on addressing issues involving climate change and has been reporting its status to both the Executive Management Committee and the Board of Directors.



Strategy

We recognize that Sumitomo Life's business activities gain opportunities and incur risks due to climate change as described below. As such, we have been working to reduce such risks while exploiting such opportunities by appropriately engaging in initiatives to manage risk.

Opportunities

In asset management, we are encountering more opportunities for investment and financing particularly with respect to companies that develop technologies contributing to a carbon neutral society as well as projects related to renewable energy.

The following risks from among those related to climate serve as the primary risks that may significantly affect Sumitomo Life's business.

Risks

- 1 Risk of incurring losses amid changes in the incidence of death, etc. over the medium to long term due to factors that include higher average temperatures (under the "(ii) rocky road" scenario)
- 2 Risk of future impairment on the value of Sumitomo Life's investment and loan assets under a situation where Sumitomo Life becomes subject to substantial effects involving its investees due to factors that include policy changes and regulatory reforms regarding the transition to a carbon neutral society (under the "(i) green road" scenario)

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We have performed scenario analysis enlisting the following steps in order to evaluate effects of climate-related risk on the life insurance business and the asset management business based on our awareness of the aforementioned risks.

STEP 1	STEP 2	STEP 3	STEP 4
Assess materiality of risks Risk exemplified in the TCFD recommendations ○ Physical risks: acute risk and chronic risk ○ Transition risks: policy and legal risks, technology risk, market risk, and reputation risk	Identify scenarios Select a scenario under which the average temperature rises by 2°C or 4°C prior to the year 2100 relative to average temperatures prior to the Industrial Revolution " (i) Green road" scenario (increase of 2°C) " (ii) Rocky road" scenario (increase of 4°C)	Evaluate business impacts Evaluate effects on the life insurance business and the asset management business	Identify potential responses • Keep considering options in terms of approaches to analyzing effects of rising mortality on payments of insurance claims and benefits • Calculate and analyze volumes of GHG emissions resulting from the asset management portfolio

Please refer to the following pages for details regarding analysis results and measures based on such results.

Risk management

Under our integrated risk management framework we seek shared awareness of climate-related risk. This involves reporting such matters to the ERM Committee and the Executive Management Committee on a regular basis, upon having monitored climate change risk as one of the emerging risks, in the form of potential events that could substantially affect Sumitomo Life in the future amid a scenario where such risk newly emerges or undergoes transformation due to environmental change or other such developments.

When it comes to asset management, we take climate change and other ESG factors into consideration when making investment and loan decisions and furthermore carry out engagement activities involving dialogue on climate change with investees.



Metrics and targets

We initially aim to achieve the GHG emissions reduction targets shown on the previous page, on our path to realizing carbon neutrality in 2050. Our actual emissions results are as shown in the table below. A third-party organization has assured the latest emissions data.

	Units	Fiscal 2013	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
Scope 1 + 2	t-CO ₂ e	50,114	46,468	46,768	38,813	30,477
Scope 1	t-CO ₂ e	5,198	4,505	2,899	2,716	2,340
Scope 2	t-CO ₂ e	44,916	41,963	43,869	36,097	28,137
Scope 3*	t-CO ₂ e	-	163,547	159,281	142,775	123,706
Asset portfolio	Millions t-CO ₂ e	-	-	-	8.7	-

* It includes Category 1, 3, 4, 5, 6, 7, 12 and 13.



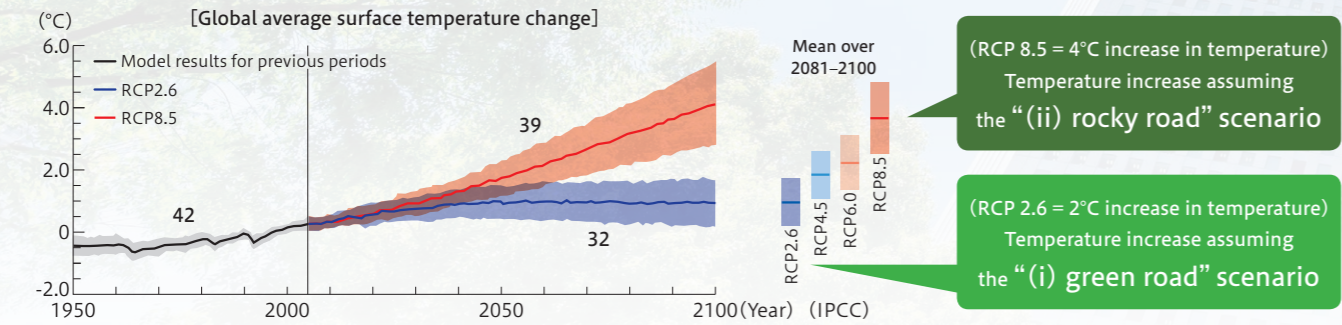
Please refer to the Sumitomo Life website for details.
<https://www.sumitomolife.co.jp/english/about/csr/pdf/ias2021.pdf>

Sumitomo Life has conducted scenario analysis* seeking to identify the effects of climate-related risk on the life insurance business (payments of insurance claims, etc.) and the asset management business, pursuant to TCFD recommendations.

* The scenario analysis was performed with the use of reports released by entities such as the "Intergovernmental Panel on Climate Change" (IPCC) and the Ministry of the Environment, academic papers, and other existing materials.

Identifying and defining scenarios

We identified two socio-economic scenarios for use in this analysis: "(i) Society takes the green road," and "(ii) Society takes the rocky road," which serve as assumptions for considering how selected risks might develop in the future.



Effects on the life insurance business (payments of insurance claims, etc.) and addressing such effects

The "rocky road" scenario involving an increase in average temperature of 4°C delivers the most significant effect on the life insurance business. Evaluation results thereof are as follows.

Impact

Evaluation findings indicate that heat would have a particularly substantial effect on the life insurance business, especially in terms of the scenario culminating in rising mortality over the medium to long term among vulnerable populations such as the elderly and those with underlying medical conditions. However, we anticipate this scenario would not substantially affect profit from insurance products. This is because we regularly revise expected mortality rates used in calculating rates of premium with respect to life insurance products, meaning that insurance premiums would reflect the impact of a situation where chronic change in mortality rate due to climate change occurs.

Results of analysis

Rocky road scenario

Situations related to the life insurance business			Relevance to the life insurance business	Effects on mortality		
Situation	Trend			Short term 2025	Medium term 2030	Long term 2050
Winter warming	Winter mortality rate, etc.	Unchanging	No significant effect on healthy life expectancy	Minor	Minor	Minor
Heat	Mortality risk, etc.	Increasing	Decrease in healthy life expectancy	Minor	Moderate to major	Major
	Heat illness, etc.	Increasing	The number of people falling ill will increase and healthy life expectancy among the elderly demographic will decrease. It is highly likely that the emergency medical system will face difficult circumstances, with the considerable increase in ambulance transport placing much strain on limited capacities (however, it is difficult to quantitatively assess such situations).	Minor	Moderate to major	Major
Infectious disease	Water-based and food-borne infectious disease	Unchanging/Increasing	Increase in the number of people falling ill	Minor	Minor	Minor
	Arthropod-borne infectious disease	Unchanging/Increasing	Increase in the number of people falling ill	Minor	Minor	Minor
	Other infectious disease	Increasing	Increase in the number of people falling ill	Minor	Minor	Minor
Others	Combined impact of global warming and air pollution	Increasing	Increase in the number of people falling ill	Minor	Minor	Minor
	Impact on highly vulnerable populations	Increasing	The number of people falling ill will increase and healthy life expectancy will decrease among the elderly demographic and those with underlying medical conditions.	Minor	Moderate to major	Major
	Other effects on health	Increasing	Increase in the number of people falling ill	Minor	Minor	Minor

Winter warming

- Mortality may decrease due to winter warming under the strong assumption that the prevailing temperature-mortality curve as well as demographics and other socio-economic conditions are universal.
- However, it is difficult to predict developments brought about by global warming in this regard going forward given that the temperature-mortality curve has varied over time from the past to the present. Mortality also varies from prefecture to prefecture.
- Therefore, it is currently difficult to predict future effects.

Heat

- Mortality due to heat is likely to increase.
- In particular, mortality may increase over the medium to long term among vulnerable populations such as the elderly and those with underlying medical conditions.
- Under the rocky road scenario in particular, heat is likely to substantially affect the life insurance business over the medium to long term as climate change progresses.

Infectious disease

- Whereas there may be an increase in the incidence of infectious disease such as water-borne disease, dengue fever and the chikungunya virus caused by increases in infected mosquitoes in urban locations, this will not substantially affect mortality in Japan.

Others

- There may be an increase in the incidence of allergies, infectious disease, etc. caused by rising humidity, but this will not substantially affect mortality in Japan overall.
- However, mortality may increase in the medium to long term, particularly among vulnerable populations such as the elderly and those with underlying medical conditions.

*Severity of respective situations has been ranked under one of three categories, either minor, moderate or major, based on the relative magnitude of impact on business activities.

Countermeasures

With respect to increase in mortality, we will keep considering options for analyzing effects on payments of insurance claims and benefits, closely monitor the movements of regulatory authorities in major countries, and take necessary countermeasures. Moreover, we will proceed with our efforts going forward in terms of considering options for expanding the scope of analysis, particularly that involving effects of wind and flood damage on business locations and effects on sales activities.

Feature: Measures toward a sustainable environment

Scenario (i) (Society takes the green road)

- Average temperature increases by 2°C by 2100
- Society transitions to a more sustainable trajectory amid progress achieved in advances emphasizing environmental constraints; Population decline is relatively alleviated
- Regional disparities are reduced, and forest and agricultural land is properly managed
- High levels of resource efficiency achieved due to factors that include abolition of subsidies for fossil fuels
- Renewable energy becomes a more attractive investment option
- Ease of mitigating climate change and adapting to its effects

Scenario (ii) (Society takes the rocky road)

- Average temperature increases by 4°C by 2100
- Emergence of nationalism, divisiveness and widening economic disparity; Many geographic regions encounter sharp population decline and financial difficulties
- Difficulty in providing infrastructure and services; Progression of environmental destruction amid a scenario of less priority assigned to environmental issues
- No improvement in energy efficiency, drastic structural change lacking
- Ongoing use of low-cost coal-fired power generation and nuclear power as a primary power source
- Difficulties encountered in mitigating climate change and adapting to its effects

Effects on the asset management business and addressing such effects

Impact

The "green road" scenario involving an increase in average temperature limited to 2°C delivers the most significant effect on the asset management business. Evaluation results thereof are as follows.

Evaluation results indicate that certain risk events may moderately affect the asset management business even in the short term (2025) amid a situation of substantial effects on the business stemming from changes of government policies and/or regulations (e.g. carbon pricing, information disclosure), and movement of technology (e.g. ongoing use of existing technologies, development of new ones).

Results of analysis

Green road scenario

Situations related to the asset management business			Relevance to the asset management business	Effects on the portfolio		
Category	Subcategory	Trend		Short term 2025	Medium term 2030	Long term 2050
Policy and legal	Carbon pricing	Strengthened	Affects corporate value of the portfolio	Moderate	Major	Major
	Information disclosure	Strengthened	Affects our information disclosure and corporate value of the portfolio	Moderate	Major	Major
	Fossil fuel regulation	Strengthened	Affects corporate value of the portfolio	Minor	Moderate	Moderate
Technology	Ongoing use of existing technologies	Decrease	Negatively affects corporate value of the portfolio	Moderate	Major	Major
	Development of new technologies	Progress	Positively affects corporate value of the portfolio	Moderate	Major	Major
Market	Transformation of consumer behavior	Progress	Affects corporate value of the portfolio	Minor	Moderate	Moderate
	Changes of existing markets and emergence of new markets	Progress		Minor	Moderate	Moderate
Reputation	Changes in consumer preferences	Progress	Affects corporate value of the portfolio	Minor	Moderate	Moderate
	Information disclosure emphasis and monitoring	Strengthened	Affects our information disclosure and corporate value of the portfolio	Moderate	Moderate	Moderate
	Dialogue with stakeholders	Strengthened		Moderate	Moderate	Moderate
	Dialogue with NGOs	Strengthened		Moderate	Moderate	Moderate

Policy and legal

- We could become subject to policy and legal effects to a certain degree mainly with respect to portfolio companies with many coal-related asset holdings if regulatory reform and standardization aligned with green growth strategies gain traction early on.
- Policy and legal effects could emerge early on with respect to information disclosure, particularly amid a scenario of progress achieved in drawing up uniform regulations internationally.
- When it comes to fossil fuels, the direction of policy is anticipated to be more toward carbon pricing and disclosure requirements than regulation.

Technology

- Technologies may affect both companies with high Scope 1 and/or 2 emissions, and those with high Scope 3 emissions.
- However, for companies with high Scope 3 emission, it is necessary to pay attention to type of industry (Industries: Mining and sales of fossil fuels; sales of automobiles, air conditioners and other such products; etc.)

Market

- As investors reduce their investments in companies with high GHG emissions and/or as consumers reduce their purchases of goods and services from such companies, the value of such companies may decrease. Eventually, value of our investment portfolio may decline.

Reputation

- More robust emphasis on information disclosure and monitoring may be imposed early on if regulations on information disclosure become more stringent or if swift progress is made in establishing uniform standards internationally.
- Various forms of engagement taking the aforementioned information disclosure into account could become more stringent and achieve progress early on.

Countermeasures

Based on these findings, we will analyze GHG emissions resulting from Sumitomo Life's asset portfolio while also striving to furthermore analyze transition risks and physical risks.

*Severity of respective situations has been ranked under one of three categories, either minor, moderate or major, based on the relative magnitude of impact on business activities.

Feature

Our approach as an institutional investor

Aiming to balance contributions to the realization of a sustainable society with enhanced investment returns over the medium to long term

Sumitomo Life strives to contribute to the realization of a sustainable society as a responsible institutional investor, and to enhance investment returns over the medium to long term at the same time, by promoting responsible investment that takes into account ESG and other factors that support sustainability over the medium to long term. In fiscal 2021, we took the further decision to aim for net zero greenhouse gas emissions in our asset portfolio (all assets excluding government bonds, etc.) by 2050, in preparation for realizing a decarbonized society. Going forward, in preparation for realizing a decarbonized and sustainable society, we will engage in constructive dialogue with companies in which we invest or that we finance, and promote investments and financing that aid the transition to decarbonization.

Initiatives for responsible investment

ESG investment

Investment that takes into account non-financial information including ESG factors in addition to financial information



Stewardship activities

Constructive and purposeful dialogue with investees and activities relating to the exercise of voting rights in accordance with Japan's Stewardship Code

Basic principles on responsible investment

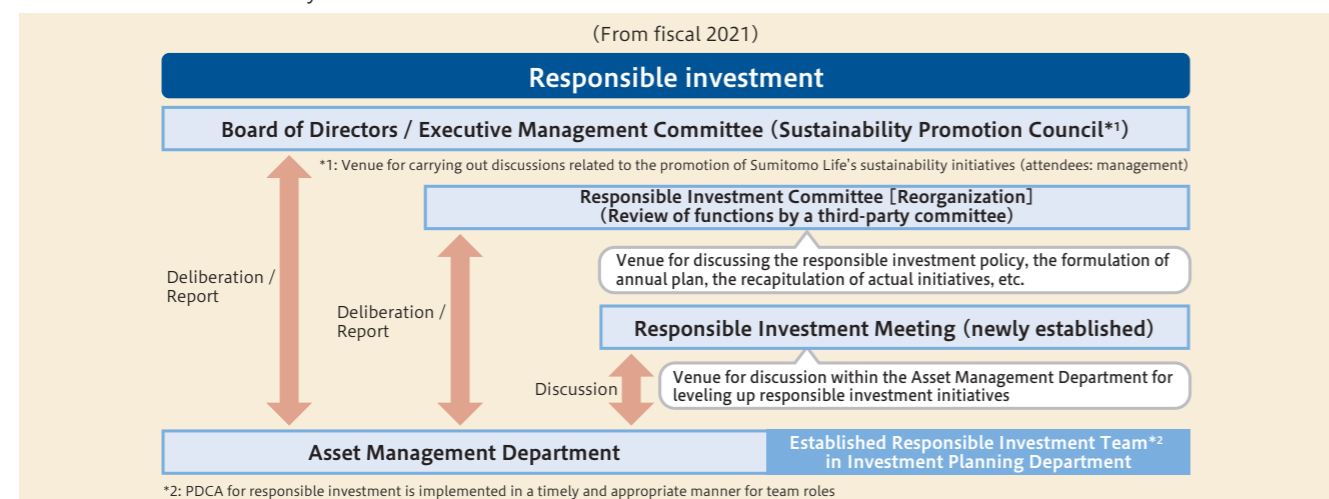
The following basic principles on responsible investment have been established based on the Principles for Responsible Investment (PRI*) and Japan's Stewardship Code (SSC).

*1: Investment principles for investors put forward by the United Nations in 2006 that calls for investors to incorporate an ESG perspective in the investment process when considering investees.

Basic principles	
1	The Company shall systematically consider non-financial information including ESG factors and make investment decisions based on the characteristics of each asset.
2-1	In stewardship activities, the Company shall accurately assess the conditions (including sustainability) of investees, seek to share mutual understanding with them through dialogue and exercising voting rights, encourage them to improve problems, and promote their medium- to long-term corporate value improvement and sustainable growth.
2-2	The Company shall request investees that it engages in dialogue with to appropriately disclose information on ESG issues.
2-3	The Company shall establish guidelines that clarify the criteria for exercising voting rights and other related matters, and exercise voting rights accordingly.
2-4	The Company shall perform stewardship activities in accordance with the Sumitomo Life Group Code of Conduct, the Conflict of Interest Management Policy, and the Conflict of Interest Management Regulations, while complying with laws, regulations and provisions related to the management of conflicts of interest.
3	In addition to individual dialogue, the Company shall collaborate with other institutional investors to resolve globally important ESG issues such as climate change response through participation in Japanese and overseas initiatives. The Company shall also endeavor to promote responsible investment by actively participating in various meetings held by such initiatives, etc.
4	The Company shall publicly disclose information on its efforts for responsible investment (including the disclosure items stipulated by the Stewardship Code) via its website and by other means, and regularly update the information.
5	To appropriately implement the PDCA cycle, the Company shall set up the "Responsible Investment Committee" and establish other structures as necessary, while aiming to develop human resources with necessary skills and knowledge.

Responsible investment promotion system

In order to unify management of stewardship activities and ESG investment and financing under "responsible investment," the Company has made revisions to the relevant systems.



ESG investment and stewardship activities

In terms of ESG investment and financing, Sumitomo Life is focused on (1) ESG integration, (2) thematic investment, and (3) negative screening. Through constructive dialogue with investees, the Company also continues to engage in stewardship activities that contribute to the enhancement of corporate value over the medium to long term.

1 ESG integration

ESG integration is a method that incorporates ESG perspectives in addition to quantitative financial information in the investment decision-making process. As non-financial information including ESG initiatives impacts the corporate value of investees in the medium to long term, Sumitomo Life assesses them upon identifying material ESG issues ("materiality") by industry for stocks and credit assets (bonds and loans). Sumitomo Life plans to start ESG integration for all assets by the end of fiscal 2021.

2 Thematic investment

We study and invest in bonds and other assets aimed at solving ESG issues not only to gain investment returns but also to contribute to achieving the SDGs. We are promoting thematic investment by setting up a goal amount in the three-year medium-term business plan, which was rolled out in fiscal 2020.

[For details refer to next page](#)

3 Negative screening

Negative screening is a method to exclude specific industries and uses of funds from the scope of investments. Sumitomo Life prohibits investments in the manufacturers of certain weapons (biological and chemical weapons, anti-personnel landmines, cluster munitions, specific conventional weapons), as well as investments to finance coal-fired power generation projects.

Stewardship activities

In addition to entering into individual dialogues on globally important ESG issues such as climate change, the Company will participate in collaborative engagement to work jointly with other institutional investors in order to resolve such issues.

Signatory of:



Social issues to be focused on through responsible investment

While Sumitomo Life duly acknowledges the importance of all the 17 targets in the SDGs as issues to be addressed through responsible investment, we particularly focus on the following social issues in light of our characteristics as an institutional investor.

[Our focus areas (Fiscal 2021)]

Focus Area	Description	Related SDGs
Climate change response	•An urgent issue for the whole world and an important issue that could cause damage to the asset value. We will encourage the transition to a decarbonized society through responsible investment.	7 (Affordable and Clean Energy), 13 (Climate Action)
Health and welfare / Aging population	•As a life insurance company, we will address the issues of health and welfare and aging population, including COVID-19 response.	3 (Good Health and Well-being)
Economic growth (including diversity)	•As a major institutional investor in Japan, we will promote the medium- to long-term corporate value improvement of investees through dialogue and contribute to the growth of the Japanese economy as a whole, including regional economies. We will also address diversity, including the active participation of women, as an important issue.	5 (Gender Equality), 8 (Decent Work and Economic Growth)
Development of social infrastructure	•As an institutional investor who manages assets over the medium-to long-term, we will provide medium- to long-term funding for the development of social infrastructure.	9 (Industry, Innovation and Infrastructure), 11 (Sustainable Cities and Communities)

Feature: Our Approach as an Institutional Investor

Sumitomo Life studies and invests in bonds and other assets aimed at solving ESG issues not only to gain investment returns but also to contribute to achieving the SDGs.

Sumitomo Life began a full-fledged introduction of ESG investment and financing in fiscal 2019, and is promoting thematic investment by setting up a numerical target in the three-year medium-term business plan, which was rolled out in fiscal 2020.

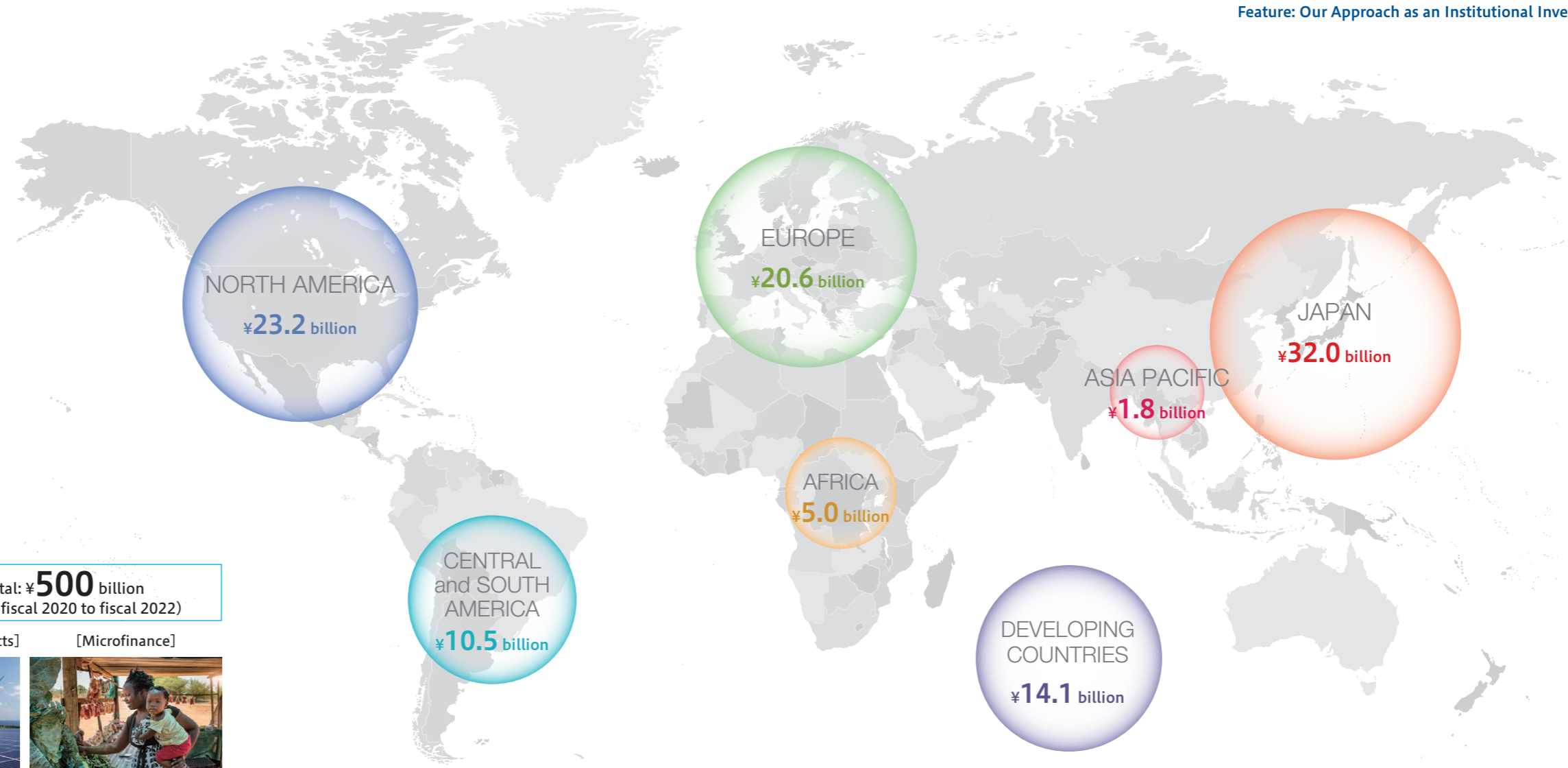
Thematic Investment Results (Fiscal 2019)

Total: approx. ¥ **57** billion

Thematic Investment Results (Fiscal 2020)

Total: approx. ¥ **146** billion

*The above results refer to amounts by the year in which the respective investment decisions were made. Conversely, the regional distribution to the right is the amount actually invested in fiscal 2020.



Thematic Investment Target	Cumulative Total: ¥ 500 billion (3-year period from fiscal 2020 to fiscal 2022)
[SDG bonds]	[Renewable energy projects]
[Microfinance]	

Main investment and financing projects (overseas, fiscal 2020)

Example Project	Amount Invested/Financed	Investment Theme	Description	SDGs
Sustainable Development Bond	¥6.9 billion	COVID-19 response	We invested in a Sustainable Development Bond issued by the International Bank for Reconstruction and Development (IBRD) to support the health care sector, including COVID-19 response measures. (May 2020)	3
Green bond	¥10.0 billion	Climate change	We invested in a green bond issued by Société Nationale SNCF SA (SNCF) to finance projects related to the maintenance, upgrades, and energy efficiency of the high speed lines and rail systems. (March 2021)	7, 13
Social bond	¥7.2 billion	COVID-19 response	We invested in a social bond issued by the International Finance Corporation (IFC) to support private companies in developing countries that have been affected by economic downturn caused by the spread of COVID-19. (June 2020)	3
Scheme to tackle COVID-19	¥5.0 billion	COVID-19 response	We invested in a credit line scheme to support those tackling COVID-19 set up by the African Export-Import Bank. (December 2020)	1, 2, 3
Renewable energy fund	¥10.5 billion	Climate change	We invested in the Global Renewable Power Fund III, an infrastructure fund that specializes in investing in renewable energy-related facilities. (November 2020)	7, 9, 13

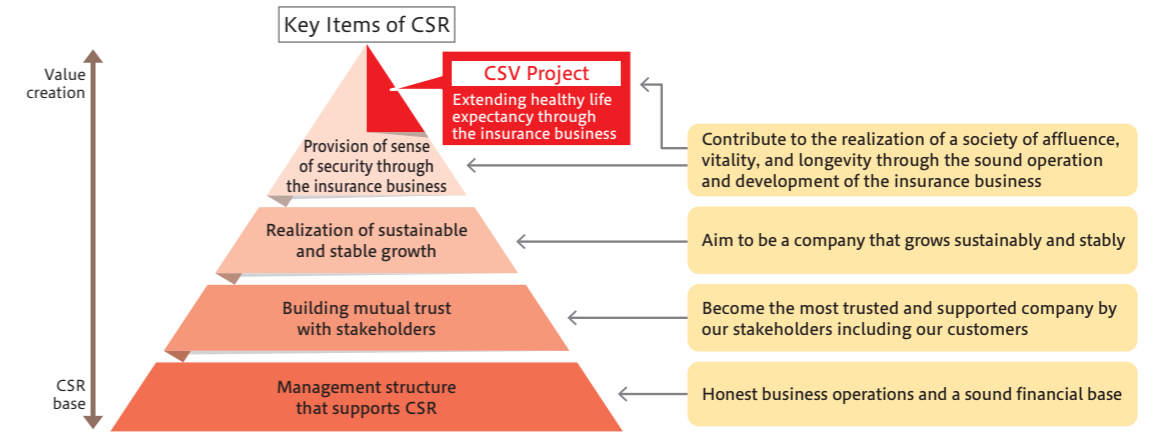
Main investment and financing projects (Japan, fiscal 2020)

Example Project	Amount Invested/Financed	Investment Theme	Description	SDGs
Japanese SDG bonds	¥15.9 billion	Smart city	We invested in green bonds issued by the Tokyo Metropolitan Government aiming for the creation of a "smart city," to finance environmental projects.	7, 11, 13
		Sustainable urban development	We invested in social bonds issued by Urban Renaissance Agency for the purpose of implementing initiatives to rebuild urban structures and to prevent and mitigate natural disasters.	11
		Education	We invested in social bonds issued by the University of Tokyo for the twin purposes of conducting research based on new global strategies for a post-COVID-19 era, and achieving a safe, smart and inclusive campus.	4, 9
Wind power project financing	¥2.4 billion	Climate change	We invested in a sustainability bond issued by Japan Railway Construction, Transport and Technology Agency (JRJT) to finance railway construction projects and joint ownership shipbuilding projects. (May 2020, etc.)	11, 13
			We provided finance for an onshore wind power generation project being implemented in Aomori Prefecture. This was the first time that Sumitomo Life had provided project finance for a wind power generation project.	7, 13
Solar power project financing	¥13.3 billion	Climate change	We provided finance for four solar power generation projects being implemented in Japan.	7, 13

Risks and Opportunities Associated with Material Issues

Sumitomo Life has defined items that are important in the promotion of CSR management (key items of CSR) based on CSR Management Policy. Key items of CSR are not only important for the promotion of Sumitomo Life's CSR management, but also help achieve the SDGs.

We organize key items of CSR into the SDGs that they aim to achieve, and the main related initiatives, to clarify which items are prioritized by Sumitomo Life.



Materiality	Risks and Opportunities	Material Issues	Our Visions	Relevant SDGs	
Extending healthy life expectancy through the insurance business	<p>Risks</p> <ul style="list-style-type: none"> Longer lives could result in decreasing demand for death protection, and increases in benefits paid in relation to hospitalization and surgery, etc. <p>Opportunities</p> <ul style="list-style-type: none"> Rising demand for pure endowments driven by longer lives and the increase in one-person households Market growth driven by development of proprietary products that contribute to the promotion of health 	<ul style="list-style-type: none"> Promotion of businesses <p>Implement initiatives to throughout society, as well products, programs, and</p>	related to SUMITOMO LIFE Vitality publicize SUMITOMO LIFE Vitality as initiatives to drive the evolution of rewards	Contribute to extending healthy life expectancy in Japan through the insurance business, with a view to realizing a society where people can continue to live with peace of mind in good health	3 GOOD HEALTH AND WELL-BEING
Provision of sense of security through the insurance business	<p>Risks</p> <ul style="list-style-type: none"> Mismatches between products and services provided and customer needs; obsolescence caused by similar products and services from other companies or neighboring industries Possibility of damage to asset values as a result of investment and financing behavior that ignores the ESG perspective <p>Opportunities</p> <ul style="list-style-type: none"> Enhancement of corporate value through the provision of products and services that capture customer needs Increase in investment and financing opportunities generated by the expansion of funding needs for ESG projects 	<ul style="list-style-type: none"> Services and information Contribution to the reali- (Responsible investment, 	for the era of the 100-year lifespan zation of a carbon neutral society etc.)	Provide all people with suitable life insurance products and services, as well as security that they will lead to, by pursuing customer-oriented management	1 NO POVERTY, 13 CLIMATE ACTION
Realization of sustainable and stable growth	<p>Risks</p> <ul style="list-style-type: none"> Loss of customers, reduced motivation to work, and obstacles to hiring employees resulting from an approach to operating the business that is incompatible with environmental changes <p>Opportunities</p> <ul style="list-style-type: none"> Enhancement of corporate value and gaining of social trust resulting from an approach to operating the business that captures the changing needs of society 	<ul style="list-style-type: none"> Work style reform Recruit & nurture diverse Coexistence with business New value creation through Strengthen business devel- 	human resources partners through alliances, etc. open innovation opment infrastructure (IT, etc.)	Under a management policy to be passed down through the ages, continue to grow steadily while responding to changes and reforms in society	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Building mutual trust with stakeholders	<p>Risks</p> <ul style="list-style-type: none"> Possibility of loss of social reason for existence caused by damage to mutual trust <p>Opportunities</p> <ul style="list-style-type: none"> Gaining the trust of society by fulfilling social responsibilities 	<ul style="list-style-type: none"> Promote financial literacy Global environmental Promote activities to con-collaborate with regional 	education protection tribute to society, and governments	Meet the expectations of stakeholders and aim to be a company that is trusted and supported by them	4 QUALITY EDUCATION, 14 LIFE BELOW WATER, 15 LIFE ON LAND, 17 PARTNERSHIPS FOR THE GOALS
Management structure that supports CSR	<p>Risks</p> <ul style="list-style-type: none"> Possibility of reduced trust and of damage to corporate value caused by infringements of laws and regulations or corporate behavior that deviates from social norms <p>Opportunities</p> <ul style="list-style-type: none"> Enhancing corporate value by achieving highly effective corporate governance and making continuous improvements to it thereafter 	<ul style="list-style-type: none"> Strengthen of corporate Compliance initiatives Human rights initiatives Initiatives for the protec- Increased sophistication of Restructure and enhance 	governance tion of personal data ERM risk management systems	Contribute to the creation of a sustainable society by conducting honest business operations and building a sound financial base	10 REDUCED INEQUALITIES, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Risks and Opportunities Associated with Material Issues

Risks and Opportunities Associated with Material Issues

Process for Identifying Materiality

Sumitomo Life has established the “CSR Management Policy” as one of its management policies, and promotes CSR. Based on current international trends in CSR, we have selected important items for the promotion of CSR management. When selecting key items of CSR, we performed verification in accordance with the following procedure, based on the

management. (key items of CSR). process for judging materiality presented in the GRI standards.

STEP 1 Uncovering CSR-Related Items

Taking into account advice from external resources, such as international guidelines, we uncovered items that were thought to be related to CSR. After further collating and revising the items, we extracted and organized the items that became the subject for the survey.

Guidelines, etc.

- GRI Guidelines
- IIRC
- United Nations Global Compact
- ISO26000, etc.

External advice, etc.

- Reference to advice, etc. from external resources (outside experts and groups)


Uncover → **CSR-related items (148 items)** → Extract / Organize → **Items subject to survey (to Step 2)**

STEP 2 Refining Based on Internal and External Assessments

Reflecting internal and external opinions on the priorities both from the stakeholder perspective and Sumitomo Life operational perspective. Based on the priorities derived from both perspectives, Sumitomo Life considered to be important. (Refer to diagram below)

Reflecting internal and external opinions


[Policyholder conference]



Viewpoints of stakeholders

Analyze items based on opinions received from customers at Policyholder conferences held throughout Japan

[Managers' meeting]



Viewpoints of Sumitomo Life's businesses

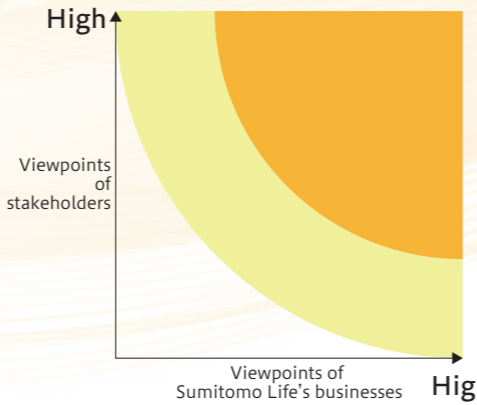
Carry out survey via questionnaire for management, and analyze items based on the results

Reflect opinions of NPOs, public interest incorporated foundations, etc.

Verification by Sumitomo Life's management

Selection of items of particular importance (16 items)

Setting of items considered by both stakeholders and particularly important Sumitomo Life



High

Viewpoints of stakeholders

Viewpoints of Sumitomo Life's businesses

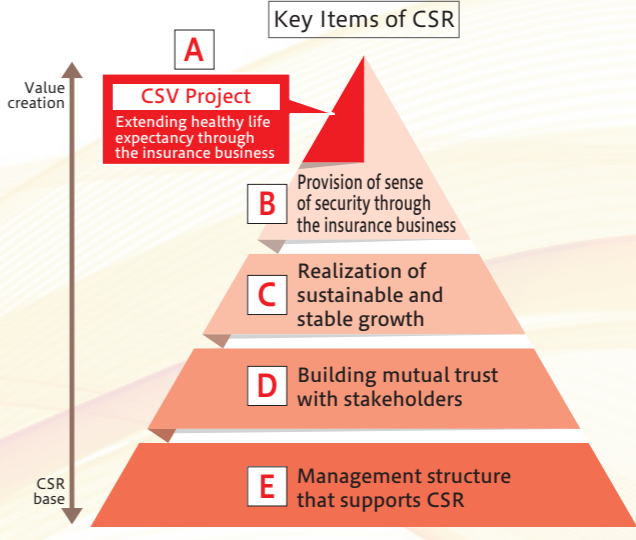
High

- 1 Development/provision of advanced products and services
- 2 Development/provision of products and services that contribute to sustainability
- 3 Provide impressive quality in existing products and services
- 4 Expand sales channels and enhance services
- 5 Pursue profits from a medium- to long-term perspective
- 6 Respond to changes in the business environment
- 7 Responsible investment activities as an institutional investor
- 8 Strengthening business development infrastructure (IT, etc.)
- 9 Create comfortable workplaces
- 10 Building mutual trust with customers
- 11 Dialogue with stakeholders
- 12 Contribute to local communities, build cooperative relationships
- 13 Preserve the global environment
- 14 Corporate governance
- 15 Risk management
- 16 Compliance

STEP 3 Verification of Key Items of CSR Based on the CSR Management Policy

Based on the CSR Management Policy, Sumitomo Life selected five key items of CSR. The Company confirmed that the five key items of CSR correspond to the 16 items derived from this process, and their reasonableness was verified.

Key Items of CSR



A CSV Project
Extending healthy life expectancy through the insurance business

B Provision of sense of security through the insurance business

C Realization of sustainable and stable growth

D Building mutual trust with stakeholders

E Management structure that supports CSR

Items of particular importance

A	1 Development/provision of advanced products and services 2 Development/provision of products and services that contribute to sustainability
B	3 Provide impressive quality in existing products and services 4 Expand sales channels and enhance services
C	5 Pursue profits from a medium- to long-term perspective 6 Respond to changes in the business environment 7 Responsible investment activities as an institutional investor 8 Strengthening business development infrastructure (IT, etc.)
D	9 Create comfortable workplaces 10 Building mutual trust with our customers 11 Dialogue with stakeholders 12 Contribute to local communities, build cooperative relationships 13 Preserve the global environment*
E	14 Corporate governance 15 Risk management 16 Compliance

* To be reorganized in fiscal 2021. The current category is B.

Materiality

Extending healthy life expectancy through the insurance business



Materiality:
Extending healthy life expectancy through the insurance business



Risks

- Longer lives could result in decreasing demand for death protection, and increases in benefits paid in relation to hospitalization and surgery, etc.

Opportunities

- Rising demand for pure endowments driven by longer lives and the increase in one-person households
- Market growth driven by development of proprietary products that contribute to the promotion of health

Awareness on issues

Japanese society has one of the longest life expectancies in the world, but the gap between life expectancy and healthy life expectancy (the period during which an individual can maintain an autonomous daily life without needing nursing care, etc.) is not insignificant, and closing this gap is a pressing social issue.

Sumitomo Life is working to resolve the social issue of extending healthy life expectancy through its main business. Its initiatives are centered on SUMITOMO LIFE Vitality Shared-Value Insurance, which supports the customer in their efforts to continuously work on activities that enhance their own health.

Our visions

Contribute to extending healthy life expectancy in Japan through the insurance business, with a view to realizing a society where people can continue to live with peace of mind in good health

Details of policies and initiatives

1 Promotion of businesses related to SUMITOMO LIFE Vitality

Sumitomo Life is endeavoring to solve the social challenge of “extending healthy life expectancy” through its efforts to promote health enhancement across society and health-focused management, centering around SUMITOMO LIFE Vitality Shared-Value Insurance.

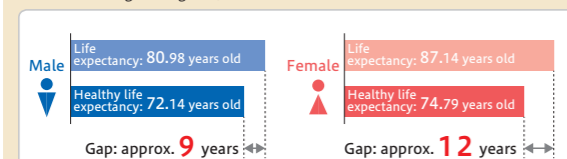


We regard these initiatives as our “CSV Project,” and aim to extend healthy life expectancy in Japan by creating a new shared value of health enhancement among customers, society, and the Company and our employees.

Gap between life expectancy and healthy life expectancy

The gap between life expectancy and healthy life expectancy* in Japan is not insignificant, and filling that gap has become a pressing social issue.

*The period during which an individual can maintain an autonomous daily life without needing nursing care, etc.



(Source) Life expectancy: “Abridged Life Tables 2016” (Ministry of Health, Labour and Welfare)
Healthy life expectancy: “Comprehensive Survey of Living Conditions 2016” (Ministry of Health, Labour and Welfare)

What is SUMITOMO LIFE Vitality?

“Vitality” was developed by a South African financial services company, Discovery Ltd., and has been offered in South Africa for more than 20 years, since 1997.

Currently the program is available in 26 countries and regions worldwide, including the UK, the US, China and Singapore. As of the end of December 2020, the program had approximately 21.7 million members.

Sumitomo Life has entered into an exclusive agreement to provide the program in Japan.



100 million members globally
Increase activity 20% by 2025

Status (approach) of fiscal 2020 initiatives

Implementation of the CSV Project centered around health enhancement

We gave priority to implementing digital promotions using social media and web video, at the same time as running new TV commercials, with the aim of raising awareness of SUMITOMO LIFE Vitality product characteristics. In response to the COVID-19 pandemic, we implemented fitness videos and social media campaigns using the celebrity Asada sisters under the “Vitality at Home” label, with the aim of encouraging activities to enhance health that can be conducted indoors.

By promoting health-focused management internally, the Company was selected as a “White 500” company of the 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program.



Philosophy of the CSV Project

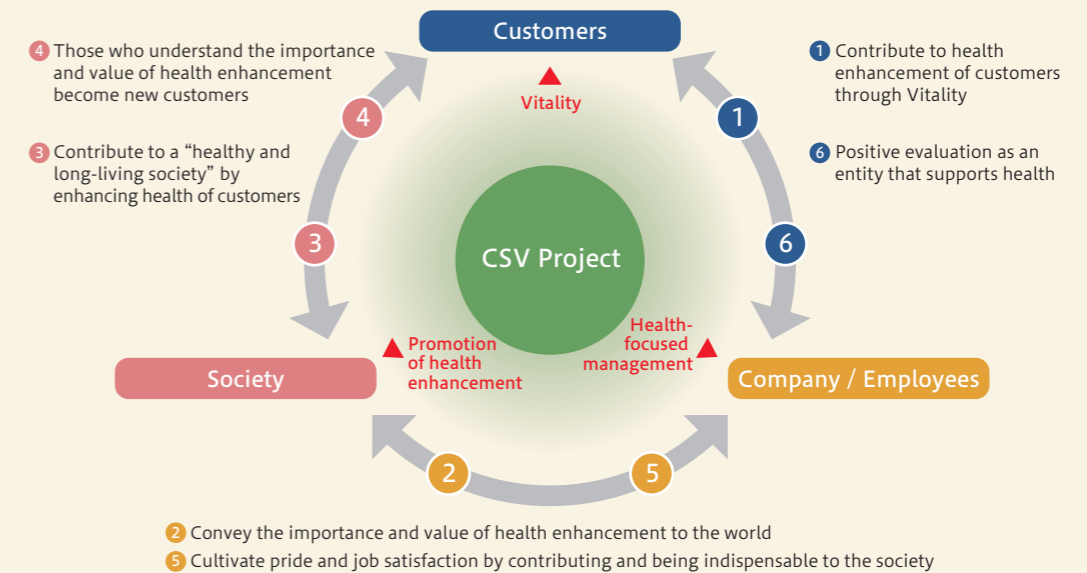
- Health-centric implementation of CSV -

- 1 Provision of Vitality to customers
- 2 Promotion of health enhancement across society
- 3 Promotion of health-focused management to help employees and their families become healthier

We aim to **extend healthy life expectancy in Japan** through these three actions.

*CSV is an acronym of Creating Shared Value. A business management concept that aims to achieve both “solution of social issues” and “enhancement of corporate value” through initiatives within the main business targeting social issues.

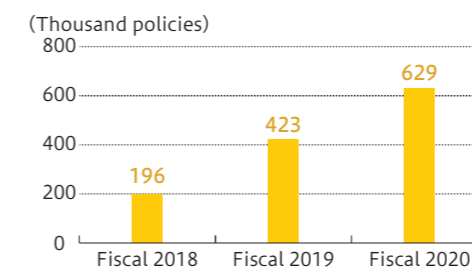
Overview of the CSV Project



Outcomes of fiscal 2020 initiatives

Steady sales of SUMITOMO LIFE Vitality resulted in 206,000 new policies in fiscal 2020, for a cumulative total of 629,000 policies.

[Number of SUMITOMO LIFE Vitality policies sold (cumulative)]



Contribution to “realizing a healthy and long-living society”

TOPICS »

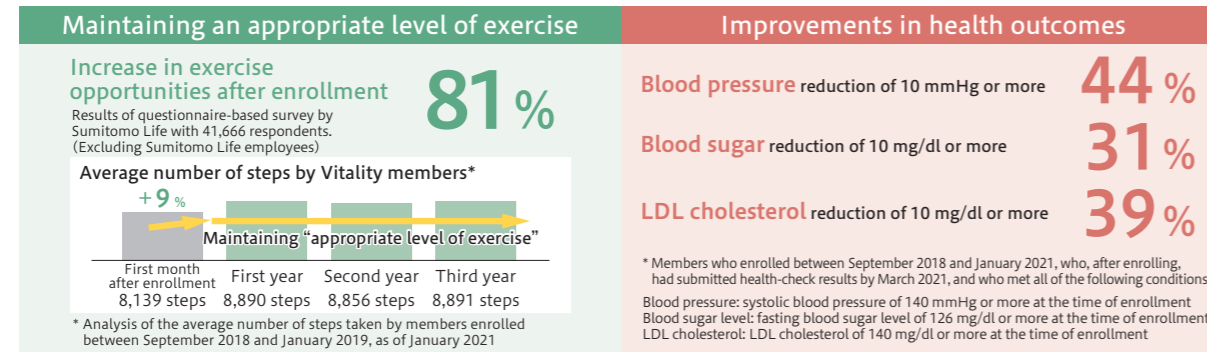
Extending healthy life expectancy through the insurance business

TOPIC 1 Daily-step/health-check results, and questionnaire results from surveys conducted among SUMITOMO LIFE Vitality members

Sumitomo Life conducted surveys among Vitality members, including one to find the number of steps taken each day and health-check results, and one in the form of a questionnaire.

The results showed that about 81% of people experienced more opportunities for exercise and recorded an increase in the number of steps taken day-to-day after enrolling in Vitality, with the number of steps increasing by around 9%. This level was still being maintained three years later.

In terms of health-check results, approximately 44% of those considered to have high blood pressure (systolic blood pressure of at least 140 mmHg) at enrollment recorded a reduction of 10 mmHg or more, while approximately 31% of those with high blood sugar levels (at least 126 mg/dl) experienced a reduction of 10 mg/dl or more. Finally, around 39% of those with high LDL cholesterol levels (at least 140 mg/dl) recorded a reduction of 10 mg/dl or more.



TOPIC 2 Provision of exercise opportunities during the COVID-19 pandemic

Vitality Run & Walk Challenge

We provided special sponsorship for the "Vitality Run & Walk Challenge" online activity event. By applying through a dedicated site, anybody can easily participate for free, at a place of their choosing, without gathering at a specific location.

Moreover, Vitality members can obtain Vitality Exercise Points by submitting proof of completion of runs or walks.



"Vitality at Home"

During the COVID-19 outbreak there have been calls for people to voluntarily refrain from going out, and so in order to support activities that members can perform at home (indoors) to enhance their health, we have provided additional rewards for a limited time, together with online fitness programs that members can participate in from home, to enable members to enjoy healthy living.

TOPIC 3 Full support for parkrun in Japan

CSV Project Initiative — Arrival of parkrun in Japan

1 parkrun

parkrun is an athletic community event which takes place every Saturday morning with no entry charge in which participants walk, jog or run 5 kilometers. Currently, parkrun is held every week in over 2,200 locations and 22 countries around the world, and more than 300,000 people take part every week as participants or volunteer staff.

Sumitomo Life signed a partnership agreement with parkrun Global (founder: Paul Sinton-Hewitt CBE), a non-profit organization in the UK. As the only official sponsor in Japan, we offer full support for expanding parkrun in Japan.

2 Significance of engaging in parkrun in the CSV Project

We regard parkrun as an important initiative within the CSV Project that allows us to reach out to customers, society, and the Company and our employees at the same time. In terms of customers, Vitality members can earn Vitality points when they participate in parkrun events and complete the run (walk). This serves as an opportunity for us to support health-enhancing activities, which is the role Vitality plays. In terms of society, parkrun is intended to create opportunities for fostering exercise habits, targeting a wide range of people in local communities, and to support the development of local communities. In terms of the Company and our employees, we encourage employees to participate as runners, walkers, and volunteers, as an activity in which they can demonstrate their initiatives in health enhancement together with the Company.

We will promote the parkrun initiative targeted at customers, society, and the Company and our employees in an all-encompassing way, and strive to extend healthy life expectancy in Japan, which is the CSV Project's philosophy.



TOPIC 4 Provision of stand-alone Vitality Wellness Program (trial version)

Since April 2021, we have been offering part of the Vitality Wellness Program (Active Challenge, etc.) on an experimental basis, for free and for a limited time. The aim is to create opportunities to develop exercise habits during the COVID-19 pandemic, and to enable those who do not have life insurance policies to experience for themselves the attraction of Vitality, without being required to enroll in a life insurance policy.

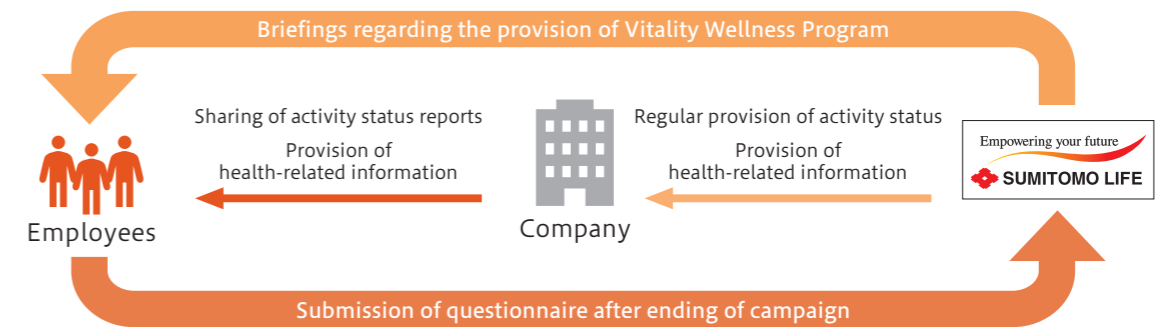
Currently there are two main patterns of provision. The individual trial version is provided to individuals via sales representatives, while the corporate version is provided to employees as part of our support for companies promoting health-focused management.

Going forward, we will continue with research and investigations aimed at encouraging customers to make further use of the Vitality Wellness Program as a way of contributing to their enhanced health.

[The Active Challenge system]



[Supporting health-focused management by proposing the corporate version of Vitality]

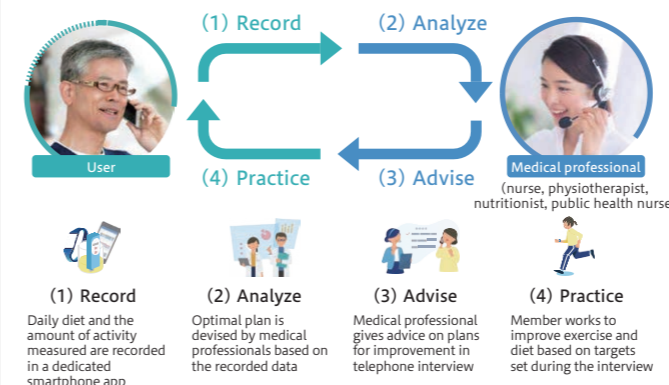


We support more effective management through the implementation of briefings and regular provision of information.

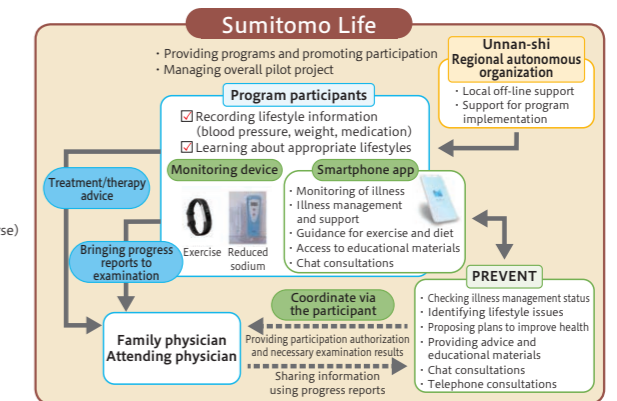
TOPIC 5 Beginning of pilot program for prevention of serious illness

Sumitomo Life has entered into a partnership agreement with PREVENT inc., which is developing "Mystar," a program conducted entirely online that seeks to prevent occurrence and progression of lifestyle diseases, and with Unnan-shi (Shimane Prefecture) that aims to contribute to better health outcomes for the entire community of that city. The pilot project of "Program for Protecting You from Lifestyle Diseases" began on June 28, 2021, in Unnan-shi, Shimane Prefecture, with the goal of leveraging the collective strength of the community to enhance quality of life (QOL) and extend healthy life expectancy.

["Mystar" program for preventing lifestyle diseases from occurring or from becoming more serious]



[Schematic of the pilot project]



Based on the outcomes of this pilot project, Sumitomo Life and PREVENT intend to work together to drive advances in the "Program for Protecting You from Lifestyle Diseases," and to provide it to the residents of Unnan-shi, as well as developing it as a service offered to local governments and other organizations nationwide.

Materiality

Provision of sense of security through the insurance business



Materiality:
Provision of sense of security through the insurance business



- Risks**
- Mismatches between products and services provided and customer needs; obsolescence caused by similar products and services from other companies or neighboring industries
 - Possibility of damage to asset values as a result of investment and financing behavior that ignores the ESG perspective

- Opportunities**
- Enhancement of corporate value through the provision of products and services that capture customer needs
 - Increase in investment and financing opportunities generated by the expansion of funding needs for ESG projects

Awareness on issues

In the domestic market, the progressively declining birthrate and aging of the population, the increase in one-person households, the full-fledged arrival of the 100-year lifespan and other factors have resulted in rising demand for pure endowments related to work disability and nursing care, dementia, medical, and old age. Moreover, the social environment is undergoing relentless change, exemplified by the announcement of the Japanese government that it will aim to achieve a decarbonized society by 2050.

As well as being a provider of insurance products, Sumitomo Life is an institutional investor that manages the insurance premiums that it receives from customers, and thus it works through this business to resolve social issues such as the super-aging society and carbon neutrality.

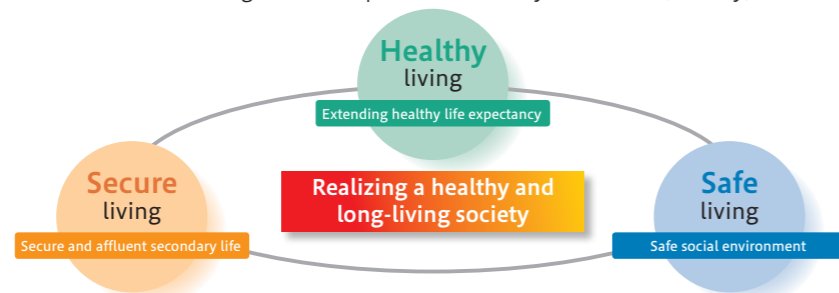
Our visions

Provide all people with suitable life insurance products and services, as well as security that they will lead to, by pursuing customer-oriented management

Details of policies and initiatives

1 Services and information for the arrival of the era of the 100-year lifespan

In an increasingly volatile environment characterized by the arrival of the 100-year lifespan, increasingly diverse lifestyles, and changes in medical services, Sumitomo Life is seeking to resolve the issues of a super-aging society to facilitate the healthy lifestyles and safe and secure living that are required for a society of affluence, vitality, health and longevity.



2 Contribution to the realization of a decarbonized society (responsible investment, etc.)

Given the public nature, scale, and social impact of its business, Sumitomo Life considers efforts to protect the global environment to be one of its most important management issues and is engaged in addressing the social issue of climate change, which is a problem that affects the whole world, not only Japan, in both its core businesses of life insurance and institutional investment with the aim of achieving net zero greenhouse gas (GHG) emissions.

Status (approach) of fiscal 2020 initiatives

Provision of products and services that contribute to solving social issues

Against the backdrop of the recent advances in medical technology and rising survival rates, we launched "Cancer PLUS ALIVE (an insurance package comprising riders for continuing coverage of cancer diagnosis, for cancer drug treatment and for cancer diagnosis)" in March 2021 in response to the era of "living with cancer." This new product offers coverages for patients who have suffered from cancer and are worried about recurrence and for anti-cancer treatment for a patient's lifetime.



Promotion of initiatives that contribute to fulfilling our role in a super-aging society

With the goal of helping to resolve issues in the super-aging society, we formed a "100-year Lifespan Support Council," which has met a total of four times. The Council has worked to confirm cross-departmental initiatives, and in the area of gerontology education in particular it has promoted partnerships and relationships with external organizations.

In addition, it has worked steadily to train "dementia supporters" in order to deepen the understanding of dementia within Sumitomo Life, and to enable a response closely aligned to customer needs.

Provision of products and services optimized for each customer's circumstances and situation by fusing unique human value and digital technology

In addition to providing and enhancing appropriate consulting and meticulous aftersales service based on face-to-face contact, we have responded to new lifestyles by promoting the provision of non-face-to-face contact in the form of email, Zoom, and other technologies.

Expanding the number of operations to be performed electronically	Advancing non-face-to-face, web-based procedures	Promoting non-contact sales and communication	Allowing inquiries by email, enhancing FAQs, and using AI chatbots	Beginning EX Support Center operations in some regions ahead of others
Gradually expanding the number of procedures that can be performed electronically on the Lief, a tablet for sales representatives, and promoting their use	Introducing web-based applications for new policies, and enhancing the functionality of internet services (Sumisei Direct Service)	Communicating using LINE WORKS, and implementing web-based interviews, etc. utilizing Zoom	Putting in place systems that enable questions and inquiries at any time	The Center provides an information and consultation service to customers via email, etc.

Stepping up efforts based on the "Policy on customer-oriented business operations"

Reports on the status of initiatives based on this policy are made on a half-yearly basis to the Customer First Promotion Committee, and we work to further improve its effectiveness. Various measures related to the promotion of a more customer-oriented approach are reported to and deliberated by the CS Enhancement Advisors Meeting, which includes members from outside the Company who are experts in consumer issues, so that external opinions play a useful role in improving the Company's services.

In addition to confirming the degree to which customer-oriented business operations have penetrated the awareness of the workforce by conducting surveys of Sumitomo Life's employees, we provide training and educational materials on customer orientation as appropriate.

Contribution to the realization of a decarbonized society (responsible investment, etc.)

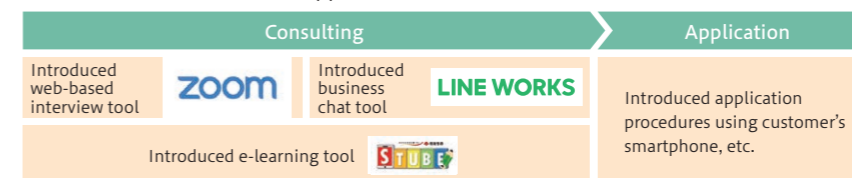
- GHG emission reduction targets and initiatives aimed at reduction [* See pages 19-22](#) (Feature: Measures Toward a Sustainable Environment)
- Initiatives for responsible investment [* See pages 23-26](#) (Feature: Our Approach as an Institutional Investor)

Outcomes of fiscal 2020 initiatives

In particular, we focused on using email and web-based technologies for non-face-to-face contact with customers and for various procedures and notifications. This led to significant progress in building mechanisms to provide optimal products and services tailored to the customer's situation and circumstances. In addition, the number of dementia supporters reached 35,206 people as of the end of March 2021, considerably exceeding the target of 25,000.

Establishing a new approach to sales

To match changes in inclination and lifestyle among customers following the spread of COVID-19, we introduced LINE WORKS and other tools and began working on initiatives to establish a new approach to sales.



Contribution to "realizing a healthy and long-living society"

TOPICS »

Provision of sense of security through the insurance business

TOPIC 1 Solving social issues by providing of products and services

Sumitomo Life has supported its clientele through the provision of products and services that take into account the needs of customers and the historical context in which they live. Below we provide an overview of the shift over time in the main products of Sumitomo Life in their historical context.

	Main products	Living benefits, etc.	Hospitalization/accident riders	Life expectancy	Average hospital stay in days	Historical context, etc.
Pre-/post-war	Jiyuu Hoken					
1963	Shiawase no Hoken					
1974			Illness hospitalization coverage rider with surgical benefit (benefit base type) For cases where hospitalization lasts for at least 20 consecutive days (days 1-120)			Oil shock
1976	Implemented conversion system		Illness hospitalization coverage rider with surgical benefit (daily amount type) For cases where hospitalization lasts for at least 20 consecutive days (days 1-180)			
1983	The Best			Male 74.20 years Female 79.78 years		
1987	New Best		New illness medical care rider (87) For cases where hospitalization lasts for at least 5 consecutive days (days 5-124)	Male 75.61 years Female 81.39 years	44 days	
1989						3% consumption tax Nikkei 225 hits record high
1993		ReGuard				
1994		"Living needs" rider				
1995	Ai & Ai					Great Hanshin-Awaji Earthquake
1996		V Guard	Nikkei Superior Products and Services Award			
1997						Individual becomes responsible for 20% of public medical insurance 5% consumption tax
1999		Love Series		Male 77.10 years Female 83.99 years	39 days	
2000		Genki Love				Launch of public long-term care insurance
2001	LIVE ONE		Kyu-Q-Tai 21 For cases where hospitalization lasts for at least 2 consecutive days (days 2-184)			
2002		Q-Kyoku Plan	Smart Insurance for Providing against Cancer			
2003		Love 30	Kyu-Q-Tai OK (Four days' worth even for outpatients)	Male 78.36 years Female 85.33 years		Individual becomes responsible for 30% of public medical insurance
2004			Doctor OK			
2005			Sumisei Senkyakubanrai			
2007	Nikkei Superior Products and Services Award	Kaigo Care Long-term cancer support rider	Advanced medical rider			Revised from "Highly advanced medical" to "Advanced medical" in 2006 Cancer Control Act enacted
2008					35 days	
2009			Doctor KING Kyu-Q-Tai KING (Lump sum + days 1-180)			
2010	LIVE ONE Full Care			Male 79.64 years Female 86.39 years		
2011	W Stage		New advanced medical rider	Male 79.44 years Female 85.90 years		Great East Japan Earthquake
2013		Value Care	Doctor GO Kyu-Q-Tai GO Cancer PLUS			
2014	Nikkei Superior Products and Services Award					8% consumption tax
2015	Future Design 1-UP	Lifestyle disability income coverage rider LV Guard Paid-up policy exemption rider (15)	Doctor GO / Kyu-Q-Tai GO GO (addition of 60-day medical) Long Journey			
2017	Prime Fit 1 PACK			Male 81.41 years Female 87.45 years		
2018	SUMITOMO LIFE Vitality	Nikkei Superior Products and Services Award				
2019						10% consumption tax
2020		Dementia coverage rider	Family Assist Plus			Spread of COVID-19
2021			Cancer PLUS ALIVE			

* Life expectancy: "Abridged Life Tables" (Ministry of Health, Labour and Welfare)

TOPIC 2 100-year lifespan support initiatives

In order to facilitate the healthy lifestyles and safe and secure living that are required for a society of affluence, vitality, health and longevity in the era of the 100-year lifespan, Sumitomo Life is seeking to resolve the issues of a super-aging society by partnering with external organizations and specialists knowledgeable in the area of gerontology*.

* A discipline involving research in a wide range of fields on how old age is spent, and the various problems of aging societies

Specific initiatives >>

Training for dementia supporters

We are also working to train dementia supporters from among all our employees with the aim of helping to achieve a society without barriers to those suffering from dementia. In fiscal 2020 we trained an additional 29,079 dementia supporters.

Consulting to support the era of the 100-year lifespan

Using the "Future Guide" tool we have developed to enable specific discussions regarding such matters as nursing care, dementia, preparations for old age, and health in the era of the 100-year lifespan, we clarify customers' income and expenditure over their future timeline. At the same time, we promote consulting to support the customer in the era of the 100-year lifespan by using the "Future Diagnosis" and "Second Life Consulting" tools we have created to simulate what funds might be required in certain eventualities, and what funds the customer wishes to set aside to provide for a prosperous old age.

Promotion of gerontology education

We are promoting gerontology education across the Company to enable a response closely aligned to customer needs, based on providing employees with accurate information about the elderly and the aging society.

Specifically, we implement various kinds of training, encourage employees to take external examinations resulting in certification, and host lectures given by external specialists.

Promoting collaboration between government, industry and academia in relation to dementia

We are participants in COLTEM, a collaborative project between government, industry and academia. This initiative seeks to develop a comprehensive support system for providing seamless lifestyle assistance to the elderly from when they are still healthy to the point at which their judgment begins to decline due to dementia, and we are gathering knowledge related to support for decision-making and assessment of related competencies.

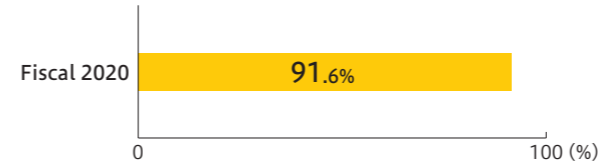
We have also entered into an advisory agreement with Decision-Making Support Organization Japan, whose director is Professor Jin Narumoto of the Department of Psychiatry, Graduate School of Medical Science, Kyoto Prefectural University of Medicine, and are exchanging insights with this organization with the objective of enhancing services for the elderly.

TOPIC 3 Customer-oriented business operations

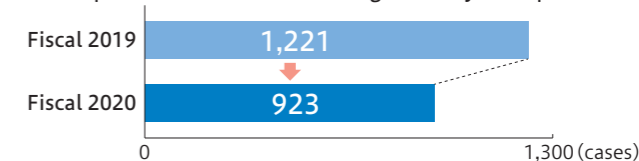
Sumitomo Life has formulated a "Policy on customer-oriented business operations," and in addition to actively promoting specific measures based on this policy, it conducts regular reviews to further improve the effectiveness of the various initiatives implemented.

We have established performance indicators (of which the key items are listed below) to promote acceptance of customer-oriented business operations within the Company. By also incorporating the results of these indicators, we will work continuously on advances and improvements to responses that have been closely aligned to customer needs, and further promote customer-oriented business operations.

[Customer satisfaction (overall satisfaction)]



[Complaints for variable and/or foreign currency based policies]



Long-term care service "Well Aging Support - ASUNOEGAO" provided through partnership with AXA Life Insurance

On April 1, 2021, we began offering "Well Aging Support - ASUNOEGAO," which was launched in advance in certain areas to realize a total coordination of long-term care for the elderly, to customers throughout Japan.

By expanding the number of customers eligible to use the service, regardless of region or age, it is now possible to respond to the needs related to long-term care and dementia by making this service available to all customers who took out individual insurance of both companies (exclude policies whose policyholders are corporations) through the sales representatives of branch offices of both companies throughout Japan.

Main services contained within "ASUNOEGAO"

- Dedicated "ASUNOEGAO" call center
 - Provides range of advice related to nursing care
 - Provides nursing-care facility explanations and guidance
 - Provides advice related to public long-term care insurance system
- Explanation varies in accordance with content of telephone consultation
 - Face-to-face consulting on nursing care facilities
 - Long-term care prevention/QOL enhancement support service
 - Long-term care/living support service
 - Asset management support service

Empowering your future
SUMITOMO LIFE AXA

TOPIC 4 Response to spread of COVID-19

Response for customers

- Active promotion of non-contact activities*1 conducted remotely using digital tools.
- When meeting face-to-face, obtaining the customer's prior consent before making appointments, without exception. (Being sure to always confirm whether the customer prefers a face-to-face or remote meeting)

Response for employees

- Restriction of workplace attendance in areas where declarations of emergency/priority measures to prevent the spread of disease are in effect.
- Whether or not in the above areas, restriction of risks associated with movement and concentrations of people by implementing working from home, staggered working hours, and distributed workplace attendance for sales locations.
- Taking temperature before coming to the workplace, disinfection prior to entering the building or floor, and use of measures to prevent infection on the office floor itself, such as physically distanced layouts.
- At the head office and Tokyo head office, implementation of occupational COVID-19 vaccinations.

*1: Zoom, LINE WORKS, web-based application procedures, etc.

*2: A service provided by T-Pec Corporation, to which operations are outsourced, and not an insurance product or service provided by Sumitomo Life.

Payment of insurance/benefits

- In cases where the customer is hospitalized or dies as a result of COVID-19, payment of hospitalization benefits or mortality (disaster) insurance claims. In addition, even in cases where the customer is unable to be hospitalized due to circumstances at the medical institution and receives treatment at a location other than a medical institution, payment of hospitalization benefits on presentation of a certificate or other documentation from a physician in relation to the period of treatment.

Special treatment of insurance policies, etc.

- Extension of grace periods in relation to payment of insurance premiums, reduction or exemption of interest rates on policy loans, allowable omission of some documents required for insurance claims, etc. (Some of these measures ended in September 2020)

Provision/explanation of supplementary services

- Provision of video and other media to encourage activities in the home for the enhancement of health, as well as provision of a COVID-19 consultation service to policyholders*2.

[Number of cases of payment, payment amount, and cases of special treatment, etc., as of the end of March 2021 (figures for Sumitomo Life parent only)]

Mortality insurance claims		Hospitalization benefits		Extension of grace periods for payment of insurance premiums	Reduction/exemption of interest rate on policy loans	
Number of payments	Payment amounts	Number of payments	Payment amounts	Total number of payments	Total number of payments	Loan amounts
445	¥3,006 million	9,032	¥1,131 million	11,487	64,865	¥21,435 million

Materiality

Realization of sustainable and stable growth

Materiality:
Realization of sustainable and stable growth



Risks

- Loss of customers, reduced motivation to work, and obstacles to hiring employees resulting from an approach to operating the business that is incompatible with environmental changes

Opportunities

- Enhancement of corporate value and gaining of social trust resulting from an approach to operating the business that captures the changing needs of society

Awareness on issues

Looking at the socio-economic environment in recent years and the impact of the recent COVID-19 pandemic, we see an acceleration of trends that have a significant impact on society as a whole, including those taking place under the post-coronavirus "new normal," such as changes in demographics, the advance of digitalization, and the promotion of work style reforms.

Sumitomo Life believes that, in order to continuously be of value to our customers in the future, it is crucial that it continues to be perceived by society as an indispensable company by accurately capturing and responding to social changes. In pursuit of this goal, we promote a variety of initiatives to achieve stable and sustainable growth.

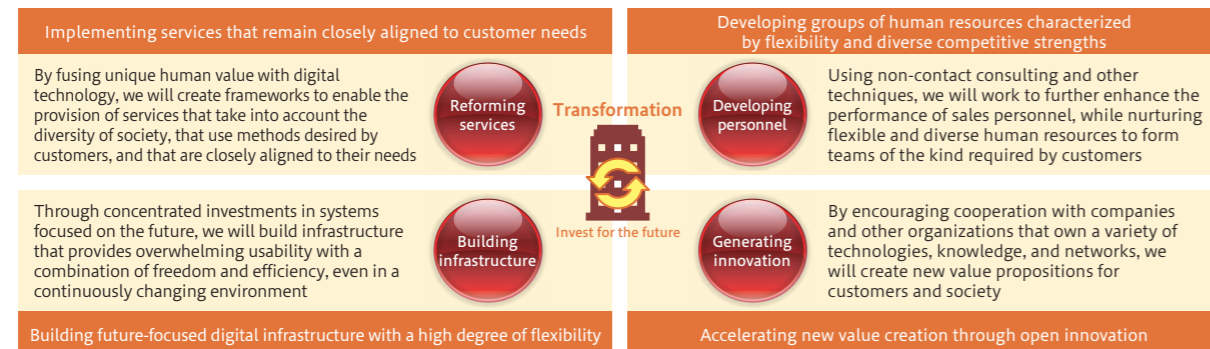
Our visions

Under a management policy to be passed down through the ages, continue to grow steadily while responding to changes and reforms in society

Details of policies and initiatives

- 1 Work style reform
- 2 Recruitment & nurturing of flexible and diverse human resources
- 3 Coexistence with business partners through alliances, etc.
- 4 New value creation through open innovation
- 5 Strengthening business development infrastructure (IT, etc.)

In the post-coronavirus "new normal" environment, or in an environment where trends that have a significant impact on society as a whole are accelerating, we are implementing radical changes to our existing operations so as to become a company whose business is sustainable whatever the changes in the environment. In addition, we are promoting initiatives to transform the business structure from a long-term perspective (reforming our services, developing personnel, building infrastructure, and generating innovation).



Status (approach) of fiscal 2020 initiatives

Promotion of work-life balance

Our goal is to implement a variety of work styles tailored to all the different life stages of officers and employees, such as child rearing, middle age or old age, and to leverage work-life balance to create a bright and enthusiastic workplace in which all officers and employees respect each other and work together harmoniously. In addition, from the perspective of achieving a high level of productivity at work, we have begun the "Workplace Brain Change" initiative, which intentionally creates a separate location and time for work, and allows operations to be conducted without being restricted by the place or hour of day. All employees are involved in implementation of this new approach to work.



Promotion of women's participation, promotion of employment of persons with disabilities

Since fiscal 2016, when we created the "Action Plan for Promoting Participation by Women," we have encouraged participation by women and promoted females into management positions. The percentage of employees with disabilities was 2.42% as of February 2021, which conforms to the statutory employment ratio of 2.3%, we continue our initiatives in this area.



Maintaining sound relationships with all business partners

Provision of products and services through business tie-ups and strengthening of partnerships with financial institutions, etc.

In addition to continuing to use Sumitomo Life's sales channels to provide products from other companies to meet the increasingly diverse needs of customers, we continue to provide Sumitomo Life's savings-type products via the channels of agents such as financial institutions, in response to the rising need for asset formation resulting from progressively longer lifespans. We take great care in transactions with other companies, such as those involving outsourcing, to ensure that our dealings are appropriate in terms of compliance, insider trading, and prevention of conflicts of interest.

Creation of new value for customers and society through open innovation and digital innovation

In November 2020, we set up a corporate venture capital (CVC) fund. By using the CVC to jointly create new businesses with promising start-ups, we will drive the evolution of SUMITOMO LIFE Vitality, create a network ecosystem for WaaS (Well-being as a Service) that provides support for our customers fulfilling and brilliant lives, and use new technologies and services to enable customer experiences that make life insurance a familiar part of their lives, and result in new contact points between customers and insurance companies.



Fund size **¥8.0 billion**

Infrastructure investment that contributes to continuous maintenance and improvement of service quality and cost control

In order to provide products and services in response to customer needs quickly and flexibly while controlling costs, we are building a data-sharing platform that allows cooperation with other industries, constructing a front-end system for customers that utilizes a rapid development platform, putting in place infrastructure for data analysis (Sumisei Data Platform), and actively promoting the use of cloud services.

Outcomes of fiscal 2020 initiatives

When promoting work-life balance, we manage progress by setting quantitative targets. In fiscal 2020 our achievements were as follows.



Aiming to Be an "Indispensable" Insurance Company for Society

*1: Target for the end of fiscal 2025 is 50% *2: Target for the end of fiscal 2022
*3: Changed to employees who have taken at least 1 day every month from July 2020 to March 2021 in fiscal 2020 to allow for the state of emergency declaration period from April 2020.

TOPICS »

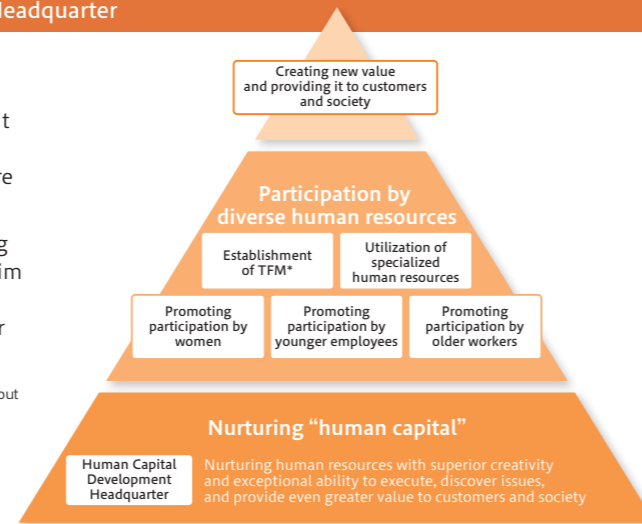
Realization of sustainable and stable growth

TOPIC 1 Launch of the Human Capital Development Headquarter

In April 2021, the Human Capital Development Headquarter was launched as a cross-departmental organization reporting directly to the President & CEO. It has begun investigating strategies for the medium and long term aimed at developing human resources who are able to create new value.

Working to utilize the diverse human resources resulting from this policy of "Human Capital Development," we aim to provide new value to customers and society, thus Aiming to Be an "Indispensable" Insurance Company for customers, employees, and society.

* Task force manager: a new management role established in July 2021 for staff without a fixed organization who work as team leaders on strategic issues (tasks).



TOPIC 2 Initiatives for diversity and inclusion

In March 2021, the Company formulated an action plan related to the promotion of women's participation, covering the period from April 2021 to the end of March 2026. The two targets set under this plan are shown in the boxes on the right. The Company is proceeding with initiatives centered on nurturing female managers, achieving flexible and diverse work styles, and reforming employee awareness and corporate culture.

Through these initiatives, we aim to achieve work-life balance for each and every employee while improving their performance, and Aiming to Be an "Indispensable" Insurance Company for Society.

Nurturing female managers and supporting their career development

The Company is promoting a step-by-step approach for appointing women to management positions by nurturing management candidates and sharing promotion plans with their organizations and the Human Resources Department, providing training to expand the candidate talent pool, and implementing selected training for those seen as candidates for upper management. In addition to encouraging rotations and changes in occupation, the Company provides information and support for up-skilling to facilitate independent career development.

Changes to the occupation system	System for supporting career progression
It is possible to change occupation from the general business track to the managerial track, and vice versa. Approximately 350 people have changed from the general business track to the managerial track, and many are also active in managerial roles.	This is a system that enables the operations of a different organization to be experienced for a limited time. It supports career development through the broadening of employee knowledge and intellectual horizons. (Eligible roles are those in which transfers do not involve relocation)

Initiatives to support LGBT

As well as implementing training for all employees to promote understanding of LGBT issues, we distribute "ally stickers" to those who want them, and have also set up advice hotlines. In 2019, the Company issued a "Management Declaration" internally and externally to the effect that it respects and will work towards employee diversity and participation. It is also involved in social contribution activities such as donations to LGBT support organizations.



[Percentage of female employees in managerial positions]

As of April 2021	End of fiscal 2025 (Target)
44%	50%

[Target]

- Target for female employees in managerial positions by the end of fiscal 2025: 50%
- Creating a comfortable workplace environment for all employees by targeting 100% take-up of paternity leave by employees

Achieving flexible and diverse work styles

The Company holds seminars and provides information aimed at facilitating a balance between work and childcare or nursing care. Notifications are also sent by email to male employees following the birth of their children, encouraging them to take paternity leave. The ratio of those taking paternity leave reached 100% in fiscal 2019.

By combining these measures with the use of teleworking and flextime systems, we are taking steps to create an enthusiastic and fulfilling workplace for all employees.

Reforming employee awareness and corporate culture

Every year we hold seminars on diversity for those in managerial positions, introducing people who are active within the Company, and work continuously to foster awareness of diversity and a supportive corporate culture.

TOPIC 3 Promotion of open innovation

In order for Sumitomo Life to become an "indispensable" life insurance company for both customers and society, it is important that it wins their trust by continuing to accurately capture and respond to social needs.

Previously, the Company had established an organization to promote open innovation, made investments in venture capital funds, and worked to cooperate with companies and other organizations that own a variety of technologies, knowledge, and networks. In November 2020, the Company also set up a corporate venture capital (CVC) fund with the intention of further accelerating open innovation to create new value for customers and society.

The CVC is a structure to promote business co-creation efficiently and effectively through investments in promising start-ups. Benefiting from the operational assistance of SBI Investment, which has extensive experience in investing in and supporting start-ups, the SUMISEI INNOVATION FUND is a CVC fund for business co-creation with investees.

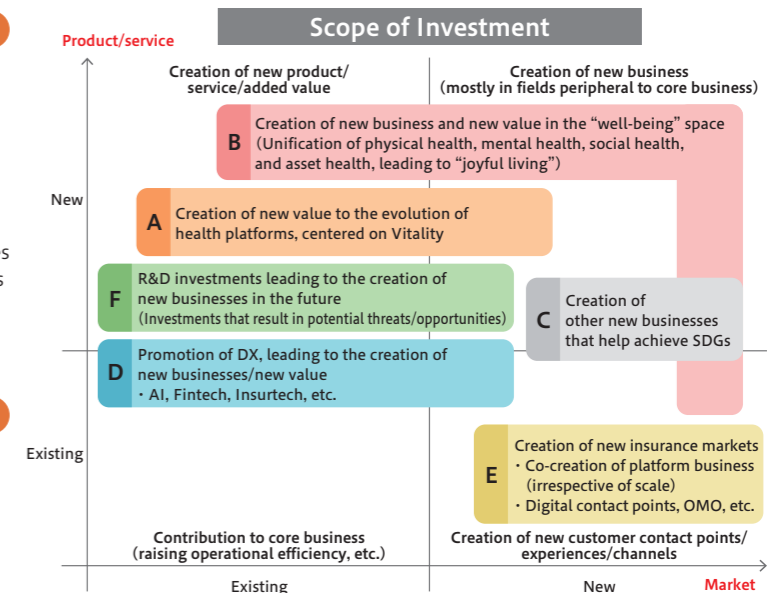


Main areas of investment

- Well-being-related companies in order to build an ecosystem centered on health-enhancing activities through SUMITOMO LIFE Vitality
- Well-being area for "physical, mental, and social health" beyond mere "physical health"
- New technologies and services that can be utilized for the creation of "customer experiences that familiarize customers with life insurance" as well as "a new contact point between customers and the insurance company"
- DX promotion

Fund size

- ¥8.0 billion



TOPIC 4 Digital innovation initiatives

In order to provide new experiences and value to customers and to resolve social issues, we are working on digital innovation initiatives with the aim of utilizing digital technology to rapidly create transformative businesses and services. In April 2018, we established Sumitomo Life Digital Innovation Labs in Silicon Valley and Tokyo, and formally organized it as Digital Innovation Promotion Sect., in April 2020.

Launch of TomoWork Project

In order to further promote Sumitomo Life Group's diversity and inclusion initiatives to ensure that diverse people are placed in the right position, Sumitomo Life has actively engaged in employment of persons with disabilities mainly through its subsidiary. Since 2019, the Group has worked in Singapore with local partners to launch the "TomoWork Project," leading to the emergence of a new model for employing persons with disabilities in the digital age.



Realization of sustainable and stable growth

Realization of sustainable and stable growth

Materiality

Building mutual trust with stakeholders

Materiality:
Building mutual trust with stakeholders



Risks

- Possibility of loss of social reason for existence caused by damage to mutual trust

Opportunities

- Gaining the trust of society by fulfilling social responsibilities

Awareness on issues

Companies are being called on to address a progressively expanding range of social responsibilities along with significant changes in actions to be taken. Meanwhile, gaining the trust of our stakeholders and society as a whole is becoming increasingly important in order to serve as an “indispensable” life insurance company.

Our visions

Meet the expectations of stakeholders and aim to be a company that is trusted and supported by them

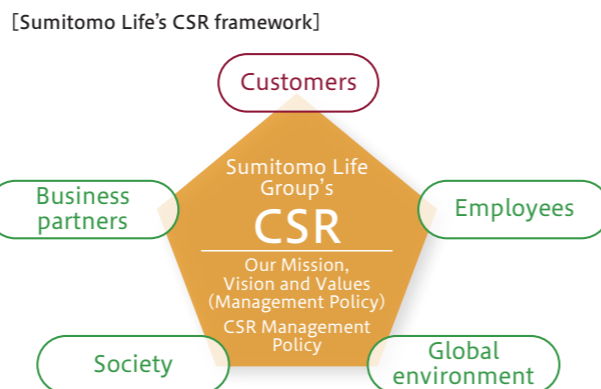
Details of policies and initiatives

- 1 Promotion of financial literacy education
- 2 Global environmental protection
- 3 Promotion of activities to contribute to society, and collaboration with regional governments

100th anniversary and the CSR Management Policy
We celebrated the 100th anniversary of our founding in 2007. The notion of what it means to serve as an ideal company has shifted significantly in the eyes of our stakeholders amid dramatic changes in the environment surrounding the life insurance industry, including deregulation allowing for mutual entry into the life and non-life insurance fields through subsidiaries and a full lifting of the ban that had been imposed on banks selling insurance products over the counter.

When marking our 100th anniversary, we positioned our corporate philosophy, the “Management Policy,” as the roots of Sumitomo Life’s CSR, such that is to be passed down through the ages. We accordingly drew up our “CSR Management Policy” reflecting the principles flowing through the “Management Policy” to serve as our vision for an ideal company to which we aspire. Underlying Sumitomo Life’s CSR is its traditional ethos that we have consistently passed down to this day, our “spirit of trust, certainty, and public interest.”

Within its “CSR Management Policy,” which serves as one element of its operating policy, Sumitomo Life stipulates a policy of seeking to become a company trusted and supported by its stakeholders, including its customers, business partners, employees, society, and the global environment. Underpinned by this policy, we will contribute to creating a sustainable society in addressing expectations of such stakeholders through sound operations and development of our insurance business.



Status (approach) of fiscal 2020 initiatives

Delivery of endowed lectures to external audiences and promotion of understanding of life insurance and life planning for all generations

We have been engaging in initiatives that include an instructor dispatch to endeavor to facilitate greater understanding and trust with respect to life insurance, and a hands-on program for bringing about more extensive understanding of life insurance work. In addition to providing endowed lectures at Kyushu University and Ritsumeikan University, which are an ongoing practice (performed online in fiscal 2020), we conducted numerous life planning seminars and second life seminars for client companies.



Lecture

Promotion of energy and resource conservation in business activities, initiatives for climate change issues, and environmental protection activities

Coral Reef Conservation Project	<ul style="list-style-type: none"> • Working on the “Coral Reef Conservation Project” since January 2008 • Supported WWF Japan on Ishigaki Island, Okinawa Prefecture
Environmental conservation project	<ul style="list-style-type: none"> • Volunteer activities involving employees • Supported CD production of a song symbolizing protection of the natural environment
Addressing the marine plastic issue	<ul style="list-style-type: none"> • Abolished the use of plastic bags and plastic straws at our head office and Tokyo head office • Promoted use of personal-use thermos bottles and personal-use bags • Supported the Ministry of the Environment’s Plastics Smart Campaign

Promotion of contribution to local communities and society

Sumitomo Life has been rolling out Sumisei “Humany” activities on a Company-wide basis. In fiscal 2020, we engaged in initiatives designed as “new activities that are not bound by time and place.” One such activity involved organizing food drives that entailed collecting surplus food from households and donating it to single-parent households and elderly people who have difficulty sourcing meals. Another such activity was our “Humany at Home” initiative that involved making disposable cleaning cloths and dusters at home and donating them to residential facilities for sick children and their families.

Promotion of collaboration with local governments (status of collaboration with local governments)

In fiscal 2020, we carried out collaborative projects across various fields with local governments with which we have entered into comprehensive partnership agreements* such as Tokyo and Osaka. Amid the ongoing COVID-19 pandemic, we have also been lending our cooperation in efforts to communicate details of measures to combat infectious disease. We have also entered into agreements for cooperation on infectious disease control with multiple local governments. Going forward, we will keep cooperating with prefectures and cities nationwide.

* We have entered into comprehensive partnership agreements with Yamagata Prefecture, the Tokyo Metropolitan Government, Kyoto Prefecture, Mie Prefecture, Osaka Prefecture, Okayama Prefecture, and Ehime Prefecture.

Sumisei “Humany” activities (staff volunteers)

Sumisei “Humany” activities are employee-based volunteer activities. They were started in 1992 underpinned by the slogan “Humany (human & harmony)” expressing the notion of our desire to serve as a company full of humanity (human) that is able to harmonize with local communities (harmony). We have been contributing to achievement of the SDGs by engaging in a wide range of activities across various locations, with initiatives including clean-up activities and picture books furnished to children overseas.



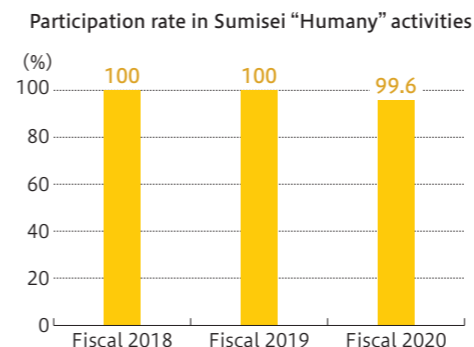
Initiatives in the fields of health enhancement and sports

We have gained recognition for our initiatives to promote employee sports and for our activities that contribute to society in the field of sports. For instance, since fiscal 2019, we have consistently gained “Tokyo Sports Promotion Company” certification from the Tokyo Metropolitan Government and “Sports Yell Company” certification from the Japan Sports Agency.



Outcomes of fiscal 2020 initiatives

“New activities that are not bound by time and place” were introduced for the Sumisei “Humany” activities promoted on a Company-wide basis, and the participation rate was 99.6% in fiscal 2020, despite the COVID-19 pandemic. There were also 43 instances of cooperation with municipal and prefectural governments.



Number of instances of cooperation with municipal and prefectural governments

43

Number of customer companies for which life planning seminars and second life seminars were held

125 companies

(No. of participants: approx. 7,500)

Aiming to Be an “Indispensable” Insurance Company for Society

TOPICS »

Building mutual trust with stakeholders

TOPIC 1 Sumitomo Life's approach to social contribution activities

Sumitomo Life aims to serve as an "indispensable" life insurance company for society. To such ends, it takes action in the priority fields of "health enhancement," "support for child rearing," and "global environmental protection" with the aim of contributing to society by promoting initiatives to achieve the SDGs through business activities.

Moreover, we will further promote social contribution activities as the basis for these initiatives, which will involve implementing our Sumisei "Humany" activities enlisting employee volunteers, fostering awareness of social contribution among our employees.

■ Priority fields of activities

<p>Health enhancement</p> <ul style="list-style-type: none"> Sumisei Vitality Action Support for cancer patient associations, dementia associations, etc. Grant provided to Sawayaka Welfare Foundation, etc. 	<p>Support for child rearing</p> <ul style="list-style-type: none"> Child Raising Project to Empower the Future Sumisei After School Project Grants provided to associations focused on child rearing Support related to child-rearing education 	<p>Global environmental protection</p> <ul style="list-style-type: none"> Coral Reef Conservation Project (supporting WWF Japan) Abolish plastic bags at in-house kiosks (encourage people to bring their own shopping bags) Reduce number of plastic straws at in-house cafeterias, etc. 
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■ Volunteer activities involving employees (activities centered on the priority fields)

Sumisei "Humany" activities

- In fiscal 2020, we embarked on new activities that are not bound by time and place



TOPIC 2 Sumisei Vitality Action

Since 2017, we have been carrying out the Sumisei Vitality Action social contribution program with the theme of health enhancement, and have been addressing social issues involving health enhancement with the cooperation of local governments, foundations, athletes and other such entities and individuals.

In fiscal 2020, we held online events enabling parents and children to engage in physical exercise together, to which we invited top athletes to serve as instructors.

The events have been held at 111 locations (as of March 31, 2021) involving more than 5,800 families thus far.

TOPIC 3 Healthcare initiatives

Supporting Pink Ribbon Campaigns

We have been supporting the Pink Ribbon Campaigns and contributing to the Hohoemi Fund run by the Japan Cancer Society since fiscal 2007, based on the notion that we assume vital social responsibilities as a life insurance company with respect to facilitating early detection of breast cancer and communicating the importance of appropriately undergoing treatment.

We also distribute booklets on breast cancer screening to heighten understanding and awareness regarding breast cancer.



Business approval P762

Encouragement prize for contribution to community healthcare

Sumitomo Life Welfare and Culture Foundation

We award "encouragement prizes for contributions to community healthcare" to doctors working with longstanding dedication and tireless effort to contribute to securing and improving regional healthcare and promoting the health and welfare of people in rural locations lacking sufficient medical services and also lacking in terms of preventive medicine due to an uneven geographic distribution of doctors.

Distribution of cancer-awareness booklet

We have published the "Things to Know about Cancer" educational booklet under the supervision of the National Cancer Center Japan, with the aim of making correct information about cancer available.

The booklet contains a wide range of information that includes basic cancer-related knowledge, treatment specifics and costs, points of contact for consultations, and patient feedback. It was distributed to people across Japan through Sumisei Life Designers, drawing on our network of branches and offices.



"Cancer Treatment without a Fight" - Cancer Treatment in the 21st Century: Information on Particle Beam Therapy -

Sumitomo Life conducted lectures and other events enlisting Dr. Yoshio Hishikawa, an MD and authority on particle beam therapy (honorary director of Hyogo Ion Beam Medical Center, and honorary director of Medipolis Proton Therapy and Research Center), created a DVD titled "Cancer Treatment without a Fight" and distributed it to customers, along with other information.



TOPIC 4 Sumisei After School Project

The Sumisei After School Project provides children with opportunities to learn and grow by gaining physical or online access to all of the project's 17 types of programs offered under the themes of life, health, and the future. It was started in 2014 as a project for support of after-school childcare and other such arrangements nationwide that provide elementary school children with a place to spend their time after school.



Examples of programs

<p>Future</p> <p>Approaches to shopping that help ensure an environment-friendly future</p>  <p>© Cat Holloway/WWF</p> <p>Enjoy learning tips you can readily put to use, such as approaches to reading labels of fish products and making purchases that help ensure an environment-friendly future.</p>	<p>Life</p> <p>Science for radiant lives</p>  <p>This is a science program that draws out children's enthusiasm and curiosity. Children will be thrilled by the program's exciting and fun scientific experiments.</p>
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TOPIC 5 Addressing challenges through collaboration with regional governments

[Collaboration with Yokohama City]

Yokohama Gate Tower Project toward establishing Yokohama as an SDGs city of the future
Sumitomo Life is engaging in collaborative initiatives with Yokohama City, and has accordingly entered into agreements in conjunction with KAJIMA CORPORATION and Mitsui Sumitomo Insurance Company, Limited for cooperation with Yokohama City on the Yokohama Gate Tower Project in progress in the Minato Mirai 21 Central District Block 58 development.



Conceptual image of Yokohama Gate Tower

Toward realization of an SDGs city of the future, we will seek further cooperation with Yokohama City together with Sumitomo Life, KAJIMA CORPORATION, and Mitsui Sumitomo Insurance Company, and will furthermore engage in activities with our sights set on developing the area and achieving the SDGs in a manner that helps bring about innovation.

[Project involving collaboration with local governments with which we have entered into comprehensive partnership agreements]

Having entered into comprehensive partnership agreements with multiple regional governments such as the Tokyo Metropolitan Government and Osaka Prefecture, Sumitomo Life will continue to draw on partnership agreements with respective municipalities going forward.

Examples of collaborative projects

Tokyo "Nagara Mimamori" and "Machi-no-zen Mimamori" collaborative projects subsequent to conclusion of extensive collaboration agreements

We have been taking part in "Nagara Mimamori" activities that involve watching out for vulnerable people such as children and senior citizens while performing daily tasks at work. In addition, we engaged in "Machi-no-zen Mimamori" (watching out for community safety) activities geared toward greater safety and security in regions slated for the Tokyo 2020 Olympic and Paralympic Games. We will continue to engage in various collaborative projects with the Tokyo Metropolitan Government.



Osaka Participation in Osaka Smart City Partners Forum

We are taking part in the Osaka Smart City Partners Forum, established with the aim of promoting initiatives looking toward achieving an "Osaka Model" smart city. The forum enlists the cooperation of entities such as Osaka Prefecture, corporations, civic tech, prefectural municipalities, and universities, looking toward Expo 2025 Osaka, Kansai. We also have plans for pilot projects to be carried out within the prefecture for the senior citizen demographic.



[Activities to communicate details of measures to combat infectious disease]

Examples of measures to combat infectious disease

Tokyo/Osaka Cooperation on infectious disease control enlisting branch offices in Tokyo and Osaka

We have been involved with education on infectious disease prevention. Through our direct message system, we also assisted Tokyo Metropolitan Government and Osaka Prefectural Government, in distributing stickers and flyers regarding campaign for prevention of COVID-19 and information on Support Fund.



Materiality

Management structure that supports CSR

Materiality:
Management structure that supports CSR



Risks

- Possibility of reduced trust and of damage to corporate value caused by infringements of laws and regulations or corporate behavior that deviates from social norms

Opportunities

- Enhancing corporate value by achieving highly effective corporate governance and making continuous improvements to it thereafter

Awareness on issues

Life insurance entails business of a highly public nature built on mechanisms of “mutual aid” and “mutual support” in that large numbers of people mutually assume payment of insurance premiums, and then are eligible for insurance claims and benefits using such funds as a financial resource when death or illness occurs. Sumitomo Life maintains a mutual company organizational structure whereby, unlike a joint-stock company there are no shareholders, and its policyholders are constituents of the company, or in other words its “members.”

We aim to grow substantially and stably as we become the most trusted and supported company by our stakeholders, including our “members” and customers, which will involve conducting honest business operations and building a sound financial base by creating a highly transparent mutual company organization.

Our visions

Contribute to the creation of a sustainable society by conducting honest business operations and building a sound financial base

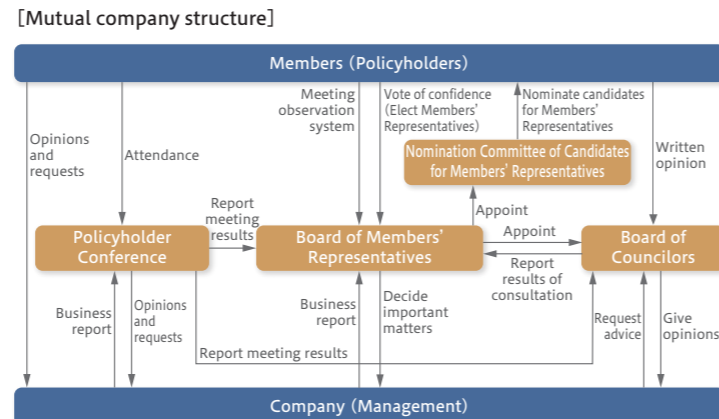
Details of policies and initiatives

- 1 Strengthening of corporate governance
- 2 Compliance initiatives
- 3 Human rights initiatives
- 4 Initiatives for the protection of personal data
- 5 Increased sophistication of ERM
- 6 Restructuring and enhancement of risk management systems

We are striving to further promote customer-oriented business operations through initiatives that include communicating details of our Sumitomo Life Group Code of Conduct, letting it take hold, and putting it into practice in order to advance all of our businesses together with our customers.

We seek to further strengthen our business fundamentals in terms of consistently living up to the trust of our customers. We accordingly regard compliance as an important management issue, and have developed a compliance promotion system.

We will ensure business sustainability by engaging in efforts that involve shifting to more sophisticated approaches to enterprise risk management (ERM) and risk control, while also promoting stable dividend returns to our customers (members).



Status (approach) of fiscal 2020 initiatives

Realization of a company that values customer feedback by creating a highly transparent mutual company organization

The Policyholder Conference coordinates with the Board of Members' Representatives by relaying to the Board the main opinions and questions from the conference. In addition, in the interest of enhancing information disclosure, we prepare and disclose reports on a voluntary basis, in accordance with the “Corporate Governance Report” requirements prescribed by the Tokyo Stock Exchange.



Board of Members' Representatives

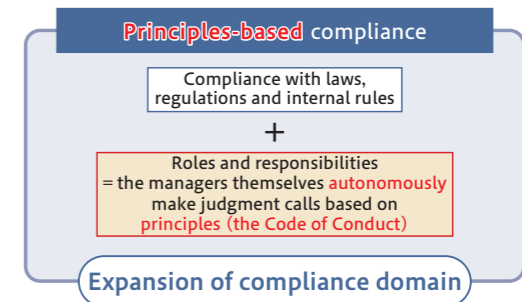
Development of compliance framework and cultivation of compliance mindset

Elimination of relationships with antisocial forces

Strict management of personal information through systems, training, and networks, and further enhancement of security

We have fortified our insurance solicitation management structure and promoted workplace environment compliance in accordance with the fiscal 2020 Compliance Program, and have furthermore formulated our fiscal 2021 Compliance Program incorporating our forthcoming compliance strategies. Moreover, we carry out various forms of compliance training aligned with the Sumitomo Life Group Code of Conduct.

[Sumitomo Life's approach to compliance]



We undertook a contemporary review on the matter of judging the propriety of business transactions, while ensuring effectiveness with respect to rejecting ties with antisocial forces. In addition, we have been appropriately engaging in business operations in accordance with our security policies and our fiscal 2020 Compliance Program.

Raising human rights awareness among employees and building a workplace culture that respects human rights

We have been promoting initiatives to respect human rights, clearly stating “respect for human rights and ensuring a good workplace environment” in the Sumitomo Life Group Code of Conduct which stipulates operating policy for each and every officer and employee of Sumitomo Life and each Group company to put into practice through their actions. During fiscal 2020, we engaged in efforts to build a workplace culture that respects human rights. This involved conducting awareness training and human rights presentations on various topics related to human rights, preparing educational materials on human rights issues that have emerged during the COVID-19 pandemic, and furthermore raising human rights awareness in conjunction with annual initiatives of soliciting ideas for human rights slogans and instituting our “Human Rights Awareness Day.”

Use of risk-return indicators and steady execution of operations based on capital allocation

Improvement taking effectiveness into account

Appropriate control over the balance between risk and capital

On a semi-annual basis, we monitor risk-return indicators in respective business areas and report findings to the ERM Committee and the Executive Management Committee. When engaging in additional risk-taking, we confirm effects of such risk-taking with respect to the status of additional investment allocations, past use of investment, and risk coverage ratios. Under the business plan for fiscal 2021, we confirmed risk-return indicators of respective business areas, optimized capital allocations, and raised the target levels with respect to indicators of the Asset Management Department.

Recent Topic

We have declared our commitment as a company to taking on initiatives that facilitate respect for human rights by endorsing the objectives of the “My Jinken Declaration” project of Japan's Ministry of Justice undertaken on the basis of the “National Action Plan (2020-2025) on ‘Business and Human Rights’” released by the Japanese government in October 2020 amid mounting interest in human rights worldwide, particularly due to the COVID-19 pandemic.



My Jinken Declaration

Aiming to Be an “Indispensable” Insurance Company for Society

TOPICS »

Management structure that supports CSR

TOPIC 1 Strengthening the effectiveness of compliance

The Sumitomo Life Group Code of Conduct provides the basis for all our awareness and behavior, and it is with this Code that we promote compliance.

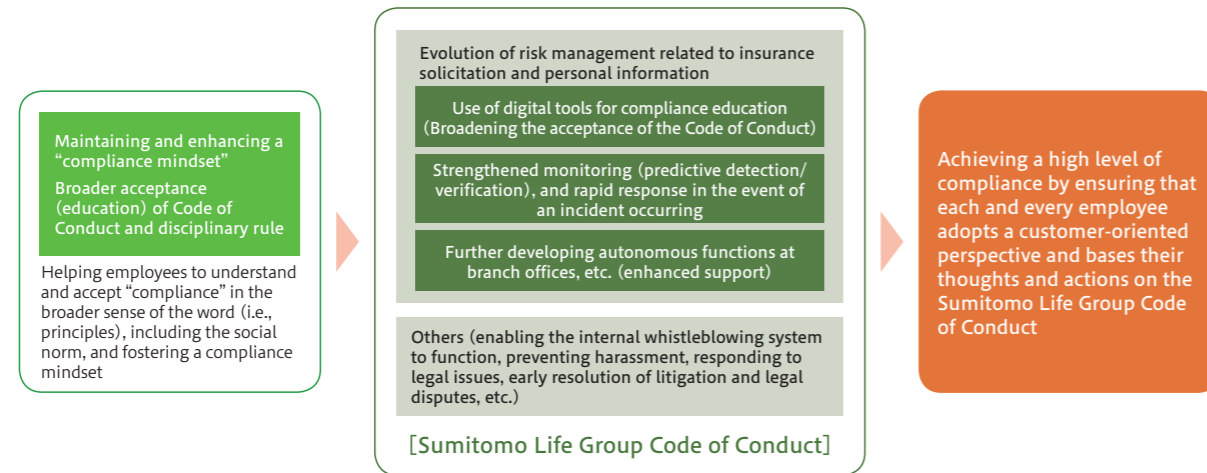
Basic Principles of the fiscal 2021 Compliance Program

Basic Principles that take into account all environments

Basic Principles for fiscal 2021

Assumption The Sumitomo Life Group Code of Conduct provides the basis for all awareness and behavior, and for remaining a company trusted by society

- While the vision of compliance to which we aspire is that of “zero risk” (eradicating violations of laws and regulations, etc.), we will manage the business by further evolving our principles-based^{*1} approach to risk management.
*1: Making judgments and taking action not only in accordance with laws and regulations, but in accordance with principles based on morals and norms, with the aim of responding appropriately to unforeseen events and changes in the environment.
- Our principles are embodied in the Sumitomo Life Group Code of Conduct, and we will further broaden their acceptance through the promotion of compliance education.
- By implementing reviews and monitoring of effective and efficient checks and balances that take into account the degree of risk, we will maintain and enhance autonomous functions for the control of insurance solicitation at branch offices, etc.



TOPIC 2 Anti-corruption initiatives

In recent years, there has been a trend in overseas countries towards more stringent action to prevent corruption, and it has become the norm for Japanese companies operating globally to commit to anti-corruption measures. The Sumitomo Life Group also engages in group-wide anti-corruption measures.

Sumitomo Life has formulated Anti-Corruption Regulations, and set out the following rules.

Rules with which officers and employees must comply

Rules	Aims, etc.
(1) Prohibition on giving or receiving bribes	Patterns with a high probability of being punished for bribery or breach of trust, etc.
(2) Prohibition on entertaining or giving gifts to interested parties who are national public employees, etc.	Under the National Public Service Ethics Act, the provision of entertainment or giving of gifts by Sumitomo Life to national public employees who are interested parties is prohibited. (Example: the provision of entertainment or giving of gifts to employees of the Financial Services Agency, which is involved in approval and authorization of Sumitomo Life's business, is prohibited)
(3) Prohibition on excessive entertainment or giving of gifts	Even if it does not correspond to giving or receiving bribes, the provision or acceptance of entertainment or gifts that exceeds the bounds of normal social courtesy is prohibited under the Code of Conduct.
(4) Appropriate control of third parties (companies to which business is outsourced, etc.)	Third parties (such as companies to which business is outsourced) shall be kept under appropriate control to prevent them from committing bribery in relation to contracts with Sumitomo Life.
(5) Appropriate response to requests for bribes	In the event that a public employee requests a bribe, an immediate report shall be made to the Compliance Control Department, and an appropriate response shall be considered. (with the cooperation of an attorney, if required)

TOPIC 3 Approach to protection of personal information, and related initiatives

We recognize that the personal information of the customer is a valuable asset entrusted to us for use only to the extent necessary for operational purposes. We handle this information appropriately in accordance with the Act on the Protection of Personal Information, etc.

Basic principles

First, in the Sumitomo Life Group Code of Conduct, the Company prescribes guidelines for the strict control of customer information by all officers and employees. The Company has also drawn up “Customer Information Management Principles” as basic principles aimed at preventing leakage of customer information and ensuring that it is managed appropriately, and works in other ways to protect the personal information of the customer.

In addition, the Company complies faithfully with the Act on the Protection of Personal Information, etc. by collecting only appropriate personal information, identifying the purpose for which personal information is used within the Company, and rigorously ensuring that it is used only to the extent necessary to achieve this purpose.

These principles and initiatives related to the protection of personal data have been summarized in “Basic Principles of Protection of Personal Information,” which has been made publicly available on the Company website.

Rigorous security

The Company clarifies the duty of confidentiality incurred by officers and employees by entering into non-disclosure agreements with them in relation to personal information at the time it concludes their contracts of employment, and additionally by restricting access to personal information to the minimum extent required for operational purposes.

For example, use of a user ID and password or some other method is invariably required to identify and authenticate the user in the case of mobile terminals for sales personnel and online systems used for the management of personal information. In addition, rigorous controls on the extent to which personal information can be accessed have been implemented, such as by applying appropriate restrictions in accordance with the operation in question.

We have also devised various safety measures to prevent unauthorized access from outside the Company.

In this way, we have put in place necessary and appropriate security countermeasures to safely control personal information.

Prompt and appropriate response to customers

The Company responds promptly and appropriately to inquiries, opinions, and requests from customers in relation to the handling of personal information.

When we receive a request from a customer in relation to disclosing or correcting their own information, unless there is a particular reason for not doing so, we respond or correct the information after carefully confirming their identity.

Initiatives for Material Issues Aimed at Achieving the SDGs -Status of Fiscal 2020 Initiatives, and Policies and Initiatives for Fiscal 2021-

Material Issue 1: Extending Healthy Life Expectancy through the Insurance Business

<Our Visions> Contribute to extending healthy life expectancy in Japan through the insurance business, with a view to realizing a society where people can continue to live with peace of mind in good health

Main initiatives	Initiative indicators for fiscal 2020	Status of fiscal 2020 initiatives	Initiative indicators for fiscal 2021
Promotion of businesses related to SUMITOMO LIFE Vitality	○ Implementation of the CSV project centered around health enhancement	<ul style="list-style-type: none"> We implemented digital promotions using social media and web video, including new TV commercials, with the aim of raising awareness of SUMITOMO LIFE Vitality product characteristics In response to the COVID-19 pandemic, we implemented fitness videos and social media campaigns using the celebrity Asada sisters under the "Vitality at Home" label, with the aim of encouraging activities to enhance health that can be conducted indoors By promoting health-focused management, the Company won certification as a Health & Productivity Management Outstanding Organization (White 500) under the 2021 program 	○ Implementation of the CSV project centered around health enhancement

Material Issue 2: Provision of Sense of Security through the Insurance Business

<Our Visions> Provide all people with suitable life insurance products and services, as well as security that they will lead to, by pursuing customer-oriented management

Main initiatives	Initiative indicators for fiscal 2020	Status of fiscal 2020 initiatives	Initiative indicators for fiscal 2021
Services and information for the era of the 100-year lifespan	○ Provision of products and services that contribute to solving social issues	<ul style="list-style-type: none"> Following changes in the medical environment, we responded to shortened hospitalization visits by raising the cap on benefits for hospitalization coverage enhanced rider policies (launched in April 2021) Through SUMITOMO LIFE Vitality, we offered a product that increased the level of cancer benefits. It provides comprehensive value from prevention, early detection, to payment of benefits (launched in April 2021) Began a web-based application service for group insurance 	○ Provision of products and services that contribute to solving social issues
	○ Promotion of initiatives that contribute to fulfilling our role in a super-aging society	<ul style="list-style-type: none"> Formed a "100-year Lifespan Support Council," which has already met four times. The Council has worked to confirm cross-departmental initiatives, and promoted partnerships and relationships with external organizations. Reached 35,206 Dementia Supporters (thus achieving the target of 25,000) 	○ Promotion of initiatives that contribute to fulfilling our role in a highly graying society
	○ Provision of products and services optimized for each customer's circumstances and situation by fusing unique human value and digital technology	<ul style="list-style-type: none"> In addition to providing face-to-face contact, we have responded to new lifestyles by beginning to operate non-face-to-face contact in the form of email, web-based interview tools, and other technologies In order to provide an information and consultation service to customers via email, we have begun operating the EX Support Center in some regions ahead of others Looking ahead to the progressive aging of society, we have implemented, promoted and converted to electronic form a family registration service that can also be used by people other than older persons, and created a guide to Dementia PLUS that incorporates opinions from external experts We arranged implementation content and began trial operation of video chat/screen sharing systems to enable joint participation over the internet, remote contact to customers by head office employees, and web-based administrative training. We implemented business chat and other measures for non-face-to-face sales, and deployed an AI chatbot for frequently asked questions We implemented electronic versions of various procedures and notifications, such as web-based procedures for new applications, maintenance procedures for existing policies, including family registration, etc., and newsletters for SUMITOMO LIFE Vitality members 	○ Provision of products and services optimized for each customer's circumstances and situation by fusing unique human value and digital technology
Contribution to the realization of a carbon neutral society (Responsible investment etc.)	○ Stepping up efforts based on the "Policy on Customer-oriented Business Operations"	<ul style="list-style-type: none"> The status of initiatives based on this policy during fiscal 2019 was announced on June 26, 2020, and the status of initiatives for the first half of fiscal 2020 was reported to the Customer First Promotion Committee on December 1, 2020 To enable external opinions to play a useful role, various measures related to the promotion of a more customer-oriented approach were reported to and deliberated by the CS Enhancement Advisors Meeting, which includes members from outside the Company who are experts in consumer issues In order to understand the degree to which customer-orientated business operations have been accepted, we conducted a survey of employees, provided feedback on the results to each organization, and utilized the analysis in training and elsewhere 	○ Stepping up efforts based on the "Policy on Customer-oriented Business Operations"
	○ Investment and financing decisions using ESG information in addition to quantitative information ○ Promotion of engagement activities, taking ESG issues of investees into account ○ Investments in bonds, etc. aimed at resolving ESG issues (SDG bonds) (3-year total) → Target of investments in SDG bonds, etc.: ¥300 billion	<ul style="list-style-type: none"> We began an initiative to set and assess materiality by industry of credit assets (bonds and loans), as well as that of stocks Following the revision to Japan's stewardship code, in addition to our efforts with domestic listed companies, we began engaging with issuers of domestic bonds The actual amount of thematic investment executed during the full fiscal year was ¥145.7 billion, exceeding the target of ¥100.0 billion, as a result of which we have revised up our cumulative investment and financing target for the three years to ¥500.0 billion Based on the results of our PRI (Principles for Responsible Investment) assessment for fiscal 2020, we released a review of the outcomes In addition to strengthening aspects of our systems in order to promote responsible investment (ESG investment and financing, and stewardship activities), we made an organizational decision to aim for net-zero GHG emissions in our asset portfolio by 2050 (Announcement made on April 1, 2020) In order to investigate the impact of climate change on the operations of the Company, we conducted scenario analyses for the insurance business and the asset management business 	<ul style="list-style-type: none"> Investment and financing decisions using ESG information in addition to quantitative information Promotion of stewardship activities, taking ESG issues of investees into account Investments in bonds, etc. aimed at resolving ESG issues (SDG bonds) (3-year total) Target of investments in SDG bonds, etc.: ¥500 billion Promotion of initiatives towards net-zero greenhouse gas emissions Scope 1+2: 40% reduction from the fiscal 2013 level (fiscal 2030) Scope 3: 30% reduction from the fiscal 2019 level (fiscal 2030) Asset portfolio: 42% reduction from the fiscal 2019 level (fiscal 2030)

Material Issue 3: Realization of Sustainable and Stable Growth

<Our Visions> Under a management policy to be passed down through the ages, continue to grow steadily while responding to changes and reforms in society

Main initiatives	Initiative indicators for fiscal 2020	Status of fiscal 2020 initiatives	Initiative indicators for fiscal 2021
Work style reform	○ Promotion of work-life balance → Percentage of employees taking paternity leave: 100% → Percentage of employees who actually feel the effects of work style reform: 90% or more*1 → Percentage of employees who are able to work from the customer/market perspective: 80% or more*1 → Percentage of employees who have taken at least 17 days of paid annual leave: 80%*1 *1 By the end of fiscal 2022	<ul style="list-style-type: none"> From the perspective of achieving a high level of productivity at work, at the head office we began the "Workplace Brain Change" initiative, which intentionally creates a separate location and time for work, and allows operations to be conducted without being restricted by the place or hour of day Percentage of employees taking paternity leave in fiscal 2020: 98.7% (156 out of 158 eligible) Percentage of employees who understand and are able to practice work style reform initiatives: 81.2% Percentage of employees who are able to implement a customer-oriented approach to work: 89.2% Percentage of employees who have taken at least 1 day of paid leave per month: 73.9%*2 	○ Promotion of work-life balance → Percentage of employees taking paternity leave: 100% → Percentage of employees who actually feel the effects of work style reform: 90% or more*3 → Percentage of employees who are able to work from the customer/market perspective: 80% or more*3 → Percentage of employees who have taken at least 17 days of paid annual leave: 80%*3 *3 By the end of fiscal 2022
	○ Promotion of women's participation → Percentage of female employees in managerial positions: 33% or more ○ Promotion of employment of persons with disabilities (initiative to meet the statutory employment ratio)	<ul style="list-style-type: none"> Percentage of female employees in managerial positions by end of fiscal 2020: 40.0% We implemented measures to achieve a percentage of employees with disabilities of 2.42% as of February 2021, in conformance with the statutory employment ratio of 2.3% 	○ Promotion of women's participation → Percentage of female employees in managerial positions: 50% (end of fiscal 2025) ○ Promotion of employment of persons with disabilities (initiative to meet the statutory employment ratio)

Main initiatives	Initiative indicators for fiscal 2020	Status of fiscal 2020 initiatives	Initiative indicators for fiscal 2021
Coexistence with business partners through alliances, etc.	○ Maintaining sound relationships with all business partners ○ Provision of products and services through business tie-ups and strengthening of partnerships with financial institutions, etc.	<ul style="list-style-type: none"> In order to meet the increasingly diverse needs of customers, we continued to use our own sales channels to provide products from other companies, such as corporate insurance from NN Life, foreign currency-denominated insurance from Sony Life, and non-life insurance from Mitsu Sumitomo Insurance We continued to provide our savings-type products via the channels of agents such as financial institutions, in response to the rising need for asset formation resulting from progressively longer lifespans When implementing transactions with other companies, such as those involving outsourcing, we ensured that our dealings were appropriate in terms of compliance, insider trading, and prevention of conflicts of interest We held a "Vitality Run & Walk Challenge" online activity event in collaboration with our business co-creation partner, Runtrip, thus supporting activities to enhance the health of participants We expanded the "Well Aging Support - ASUNOEGAO" initiative, which provides comprehensive coordination for the implementation of nursing care services for older people, which had previously been operating on a pilot basis in some regions, to cover the entire country (starting on April 1, 2021) 	○ Maintaining sound relationships with all business partners ○ Provision of products and services through business tie-ups and strengthening of partnerships with financial institutions, etc.
New value creation through open innovation	○ Creation of new value for customers and society through open innovation and digital innovation	<ul style="list-style-type: none"> In order to create new businesses through open innovation with start-up companies, we shared the status of investigations by providing reports to project team and management In November 2020 we set up a corporate venture capital (CVC) fund, and promoted business co-creation with start-up companies In order to help resolve the structural social problem of employment for people with disabilities, we promoted the building of an employment ecosystem in Singapore for people with disabilities (we are also considering introducing this in Japan in the future) 	○ Creation of new value for customers and society through open innovation and digital innovation
Strengthen business development infrastructure (IT, etc.)	○ Infrastructure investment that contributes to continuous maintenance and improvement of service quality and cost control	<ul style="list-style-type: none"> We implemented the following initiatives to provide products and services in response to customer needs quickly and flexibly while controlling costs (Building a data-sharing platform that allows cooperation with other industries, constructing a front-end system for customers that utilizes a rapid development platform, putting in place infrastructure for data analysis [Sumisei Data Platform], and actively promoting the use of cloud services.) 	○ Infrastructure investment that contributes to continuous maintenance and improvement of service quality and cost control

Material Issue 4: Building Mutual Trust with Stakeholders

<Our Visions> Meet the expectations of stakeholders and aim to be a company that is trusted and supported by them

Main initiatives	Initiative indicators for fiscal 2020	Status of fiscal 2020 initiatives	Initiative indicators for fiscal 2021
Promote of financial literacy education	○ External delivery of endowed lectures and promotion of understanding of life insurance and life planning for all generations	<ul style="list-style-type: none"> Delivered endowed lectures at Kyushu University and Ritsumeikan University utilizing an online approach Delivered life-planning seminars and second-life seminars to 125 client companies (a total of 7,500 participants) 	○ External delivery of endowed lectures and promotion of understanding of life insurance and life planning for all generations
Global environmental protection	○ Promotion of energy and resource conservation in business activities, initiatives for climate change issues, and environmental protection activities → CO ₂ emissions: 40% reduction from the fiscal 2013 level (fiscal 2030)	<ul style="list-style-type: none"> Engaged in activities to inform and facilitate deeper understanding of environmental conservation activities such as programs to encourage people to use their own bags and bottles In July 2020, we began prohibiting shops in our Tokyo and Osaka head offices from distributing bags at the cash register, in order to encourage people to use their own bags We upgraded facilities to enable enhanced environmental performance (air-conditioning, lighting, etc.) We made the decision to become carbon neutral by 2050 by targeting net-zero greenhouse gas emissions (announcement made on April 1, 2020) 	○ Promotion of initiatives towards net-zero greenhouse gas emissions → Scope 1+2: 40% reduction from the fiscal 2013 level (fiscal 2030) → Scope 3: 30% reduction from the fiscal 2019 level (fiscal 2030) → Asset portfolio: 42% reduction from the fiscal 2019 level (fiscal 2030)
Promote of activities to contribute to society, and collaborate with regional governments	○ Promotion of contribution to local communities and society → Participation rate in staff volunteers: 100%	<ul style="list-style-type: none"> Participation rate in "Humany" activities: 99.6% In terms of new activities whose implementation is not affected by time and place, we conducted "Food Drive," where we collected surplus foodstuffs from households and donated them to food banks for single-parent families and older persons struggling to get enough to eat, and "Humany at Home," where employees made disposable cloths at their homes to be donated to facilities offering accommodation for sick children and their families 	○ Promotion of contribution to local communities and society → Participation rate in staff volunteers: 100%
	○ Promotion of collaboration with local governments (status of collaboration with local governments)	<ul style="list-style-type: none"> We implemented collaborative projects in multiple fields with local governments, including Tokyo and Osaka, with which we have concluded cooperation agreements During the recent COVID-19 pandemic, we worked with multiple local governments on activities to make infection countermeasures better known, and concluded cooperation agreements with multiple organizations with regard to infection countermeasures We continue to negotiate cooperation agreements with a number of prefectures and cities (as of the end of March 2021, we had agreements with 43 prefectures) 	○ Promotion of collaboration with local governments (status of collaboration with local governments)

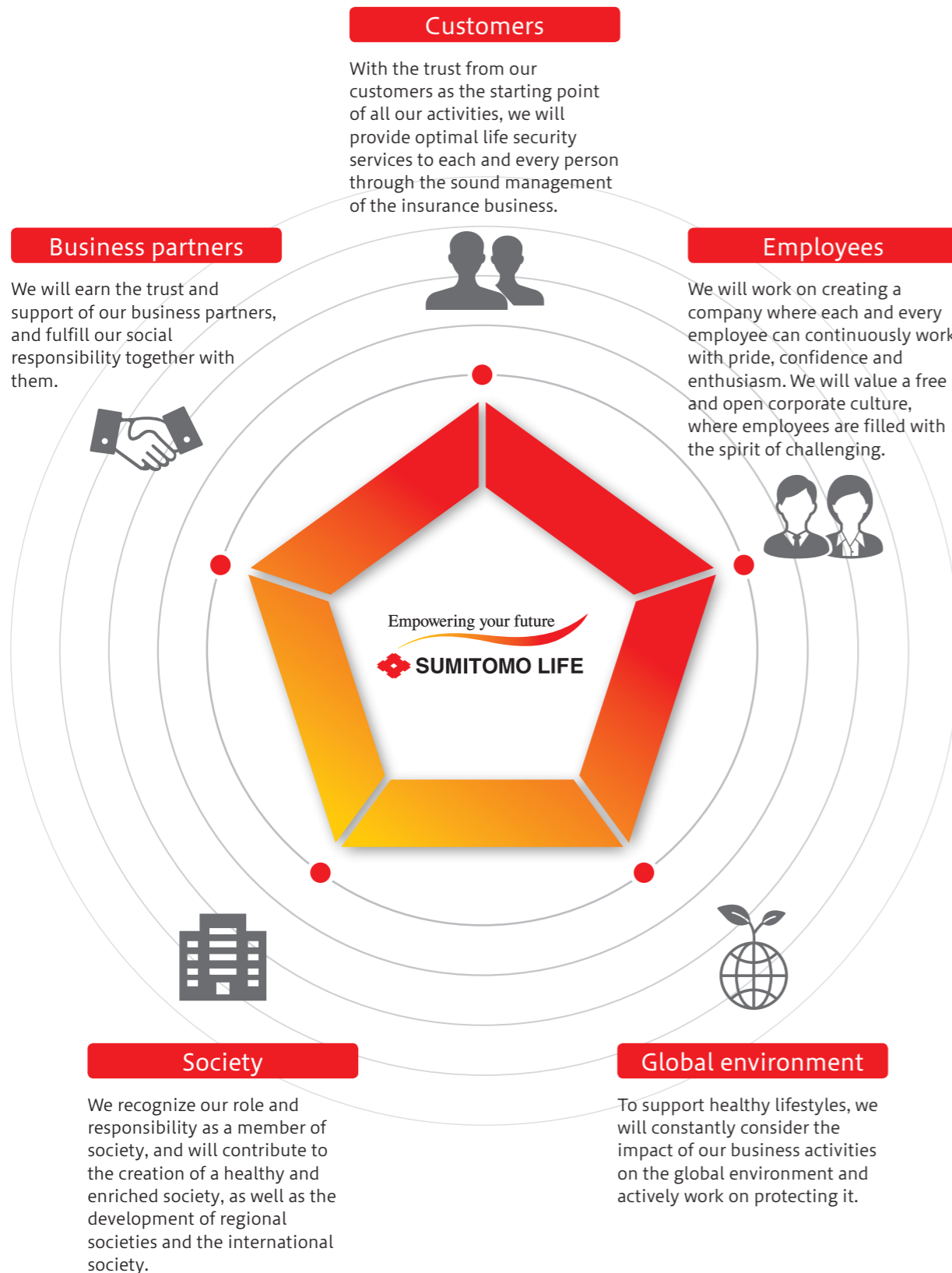
Material Issue 5: Management Structure That Supports CSR

<Our Visions> Contribute to the creation of a sustainable society by conducting honest business operations and building a sound financial base

Main initiatives	Initiative indicators for fiscal 2020	Status of fiscal 2020 initiatives	Initiative indicators for fiscal 2021
Strengthen corporate governance	○ Realization of a company that values customer feedback by creating a highly transparent mutual company organization	<ul style="list-style-type: none"> We reported opinions and problems raised in Policyholder Conferences at the Board of Members' Representatives We used external organizations to conduct assessments of the effectiveness of the Board of Directors and to analyze its functionality from a more objective perspective 	○ Realization of a company that values customer feedback by creating a highly transparent mutual company organization
Compliance initiatives and initiatives for the protection of personal data	○ Development of compliance framework and cultivation of compliance mindset	<ul style="list-style-type: none"> In accordance with the fiscal 2020 compliance program, we worked to strengthen our framework for managing insurance solicitation, and promoted compliance in the workplace environment We formulated the fiscal 2021 compliance program, incorporating our compliance strategy going forward We implemented various training programs related to compliance that incorporate the content of the Sumitomo Life Group Code of Conduct 	○ Development of compliance framework and cultivation of compliance mindset
	○ Elimination of relationships with antisocial forces	<ul style="list-style-type: none"> While ensuring the effectiveness of our efforts to eliminate antisocial forces, we implemented modern-day reviews of our decisions to deal or not deal with an organization 	○ Elimination of relationships with antisocial forces
	○ Strict management of personal information through systems, training, and networks, and further enhancement of security	<ul style="list-style-type: none"> In accordance with our security policy and fiscal 2020 compliance program, we continued to implement appropriate business operations 	○ Strict management of personal information through systems, training, and networks, and further enhancement of security
Human rights initiatives	○ Raising human rights awareness among employees and building a workplace culture that respects human rights	<ul style="list-style-type: none"> In order to gain deeper understanding and awareness of a diverse range of human rights problems, we implemented rank-specific educational training and human rights presentations, and created educational materials relating to new human rights problems that have emerged during the COVID-19 pandemic We provided opportunities to raise awareness of human rights by soliciting human rights slogans and holding a "Human Rights Awareness Day" 	○ Raising human rights awareness among employees and building a workplace culture that respects human rights
Increased sophistication of ERM (including risk management systems)	○ Use of risk-return indicators and steady execution of operations based on capital allocation. Improvement taking effectiveness into account ○ Appropriate control over the balance between risk and capital	<ul style="list-style-type: none"> We monitored risk-return indicators by field of business based on actual results for fiscal 2019 and the first half of fiscal 2020, and reported the results to the ERM Committee and the Executive Management Committee When taking on additional risk, we checked the status of allocation for additional investment limits, historical usage, and the impact on the risk coverage ratio on each occasion In the fiscal 2021 business plan, we checked risk-return indicators for each field of business, allocated capital, and implemented upgrades to indicators used in the asset management division 	○ Use of risk-return indicators and steady execution of operations based on capital allocation. Improvement taking effectiveness into account ○ Appropriate control over the balance between risk and capital

Stakeholder Communication

Through the sound operation of its insurance business, Sumitomo Life aims to maintain its position as a company that is trusted and supported by its stakeholders, including its customers, business partners, employees, society, and the global environment.



	Approaches	Specific Initiatives	Future Activity Policies
Customers	<ul style="list-style-type: none"> Mechanism for tracking customer feedback Framework for utilizing customer feedback in management Optimal consulting & framework 	<ul style="list-style-type: none"> Consumer-oriented Declaration / participation in follow-up activities Customer satisfaction survey Opinions and requests raised in Policyholder Conferences Internal proposal system Holding of CS Enhancement Advisors Meeting Sumisei Future Support Activities Future support services 	Expanding the SUMITOMO LIFE Vitality circle nationwide
Business partners	<ul style="list-style-type: none"> Initiatives for agencies (financial institutions, etc.) and insurance outlets Sales of other cooperating companies' products Initiatives for overseas businesses 	<ul style="list-style-type: none"> Actual number of policies made through financial institution channels since 2002: 2,292,466 (as of the end of March 2021) Bidirectional communication Entered the Chinese, Vietnamese, Indonesian, US, and Singaporean markets 	Strengthening cooperative structures through communication, in order to fulfill social responsibilities
Employees	<ul style="list-style-type: none"> Promoting diversity Health-focused management / work style reforms Comfortable workplace environment Support for career development 	<ul style="list-style-type: none"> Initiatives to promote female participation Employment of persons with disabilities Promoting participation by global human resources Promoting participation by senior generation Health-focused Management Declaration Health enhancement initiatives Promoting Work Performance Innovation (WPI) project Work-life balance Human rights initiatives Initiatives for preventing harassment Extensive education and training system 	Creating a more fulfilling work environment
Society	<ul style="list-style-type: none"> Health enhancement Support for child rearing Workplace volunteers Supporting activities at the foundations Financial education 	<ul style="list-style-type: none"> Sumisei Vitality Action Medical and nursing care initiatives Mental health care through the power of music Children's drawing concours "Empowering your future" child-rearing project Sumisei after-school project Sumisei "Humany" activities Granting of encouragement prize for contribution to community healthcare Dispatching instructors to university lectures Actuarial internships 	Promotion of social contribution activities aimed at achieving a society of affluence, vitality and longevity
Global environment	<ul style="list-style-type: none"> Initiatives to save energy and resources Social contribution initiatives Compliance with TCFD 	<ul style="list-style-type: none"> Initiatives implemented through business activities Real estate management that takes the environment into consideration Coral reef conservation project Environmental preservation activities Measures to deal with marine plastic issue Climate-related scenario analysis 	Promotion of initiatives for achieving net-zero greenhouse gas emissions by 2050

Evaluation by Society / Participation in Initiatives

External Evaluation / Prizes



2021
健康経営優良法人
Health and productivity
ホワイト500

Obtained certification in 2020 as a **Health & Productivity Management Outstanding Organization (White 500)**



SOCIAL PRODUCTS AWARD 2021

SUMITOMO LIFE Vitality won Judges' Special Prize at the **Social Products Award 2021**




Obtained **Platinum Kurumin** certification (2015)




Awarded **Minister Prize in Equal Employment/Work-Life Balance Enterprises**, Ministry of Health, Labour and Welfare
Won Most Excellence Award, Ministry of Health, Labour and Welfare in the categories for Enterprises Promoting Equal Employment and Family-friendly Enterprises (fiscal 2010, fiscal 2014)




Won Award for **Leading Companies Where Women Shine** from the special appointed Cabinet Minister of State for Gender Equality (fiscal 2018)




Won Gold Prize for **PRIDE Index 2020** (2020)



Chosen as one of the **Diversity Management Selection 100** (fiscal 2013)




Won Special Prize for Encouragement, **Ikumen Enterprise Award 2014**



Won Prize for Excellence in the Japan Productivity Center **7th Work-Life Balance Award** (fiscal 2013)



Won Minister of Health Prize for Excellence at the **7th Smart Life Project Award (Let's extend healthy life expectancy!)**




Won **Nikkei Veritas Award for Excellence at the Nikkei Superior Products and Services Awards** (2018; this was the 5th time we had received this award)


Participation in Initiatives



"The Valuable 500"
A global movement launched at the Davos World Economic Forum in January 2019, the aim of which is for business leaders to effect a transformation in business, society, and the economy, in order to enable people with disabilities to fulfill their potential.
Sumitomo Life became a member in September 2020.



Task Force on Climate-Related Financial Disclosures
A private sector-led task force established by the Financial Stability Board (FSB) in December 2015. In June 2017, TCFD released its final report (TCFD recommendations) providing a framework for companies' voluntary disclosure of information regarding climate-related risks and opportunities
Sumitomo Life announced the endorsement of the TCFD recommendations in March 2019.



Signatory of: **Principles for Responsible Investment**
A set of investment principles launched by the United Nations in 2006 that calls for institutional investors to incorporate ESG perspectives into their investment and financing decision-making processes.
Sumitomo Life signed the PRI in April 2019.




Climate Action 100+
An initiative to seek the reduction of greenhouse gas emissions through engagement with companies. (Five-year project that started in December 2017)
Sumitomo Life signed the initiative in December 2020.



CDP
An initiative to encourage major companies around the world to disclose information on climate change, water, forests, etc., and to engage in collaborative engagement. Launched in 2000.
Sumitomo Life signed the initiative in December 2020.




United Nations Global Compact (UNGC)
An initiative that encourages organizations to comply with and put into practice 10 principles in the four areas of human rights, labor, environment, and anti-corruption.
Sumitomo Life has been a participant since July 2008.



Principles for Financial Action for the 21st Century
A code of conduct established in October 2011 for financial institutions seeking to fulfill the responsibilities and duties required to shape a sustainable society. Its official name is "Principles for Financial Action Towards a Sustainable Society."
Sumitomo Life signed the principles in November 2020.



In support of **WOMEN'S EMPOWERMENT PRINCIPLES**
Established by UN Women and the UN Global Compact Office
A set of international principles for female economic empowerment drawn up for companies jointly by the UN and UNGC UNIFEM (now UN Women), an autonomous compact framework established between the UN and companies in March 2010. These aim to energize corporate activity and promote growth by encouraging companies to put gender equality and female empowerment at the heart of management, and to autonomously implement related initiatives.
Sumitomo Life signed the principles in September 2020.



PCAF
An initiative launched in 2015 that aims to standardize assessment and disclosure related to asset portfolio greenhouse gas emissions.
Sumitomo Life signed the initiative in August 2021.



JSI
An initiative launched in November 2019 to enable a free exchange of views between industry participants such as asset owners and asset managers. JSI provides opportunities to share information and explore solutions for practical issues relating to stewardship.
Sumitomo Life has been a participant since it was launched.



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