

JEBISAN-FALIA Seminar in Nepal

April 25, 2023

Sustainability management of life insurance company

FALIA

Masayuki Tanaka

Agenda

- 1. Historical Background of spreading Sustainability Management**
- 2. What are the significant issues on Environment and Society?**
- 3. Sustainability Management**
- 4. Examples of Sustainability management of life insurance company in Europe, US and Japan**

1. Historical Background of spreading Sustainability Management

United Nations Conference on the Human Environment, 5-16 June 1972, Stockholm



First Conference on the Environment. UNEP started its activities.

<https://www.un.org/en/conferences/environment/stockholm1972>

United Nations Conference on Environment and Development, Rio de Janeiro, Brazil, 3-14 June 1992



The United Nations Framework Convention on Climate Change (UNFCCC) was signed. After this COP (Conference of the Parties) started its activities.

<https://www.un.org/en/conferences/environment/rio1992>

Millennium Summit, 6-8 September 2000, New York



8 MDGs (Millennium Development Goals)

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

World Summit on Sustainable Development, 26 August-4 September 2002, Johannesburg



Adopted Political Declaration and Implementation Plan on water, energy, health, agriculture, biological diversity and other areas of concern

<https://www.un.org/en/conferences/environment/johannesburg2002>⁷

High-level meeting on the Millennium Development Goals, 22-25 September 2008, New York



International Leaders gathered to accelerate MDGs

<https://www.un.org/en/conferences/environment/newyork2008>

United Nations Conference on Sustainable Development, 20-22 June 2012, Rio de Janeiro (Rio+20)



United Nations Summit on Sustainable Development, 25-27 September 2015, New York



Declaration of SDGs

<https://www.un.org/en/conferences/environment/newyork2015>¹⁰

Sustainable Development Goals (SDG)

SUSTAINABLE DEVELOPMENT GOALS



The Paris Agreement, adopted at COP21 in 2015



The Agreement sets goal to guide all nations to reduce GHG emissions and limit the global temperature increase in this century to 2 °C above pre-industrial levels.



COP27 held at Sharmel-Sheikh, Egypt in 2022



COP27 concluded with a historic decision to establish and operationalize a loss and damage fund

What is the key decisions of COP 27?



Establishing a dedicated fund for loss and damage



Maintaining a clear intention to keep 1.5°C within reach



Holding businesses and institutions to account

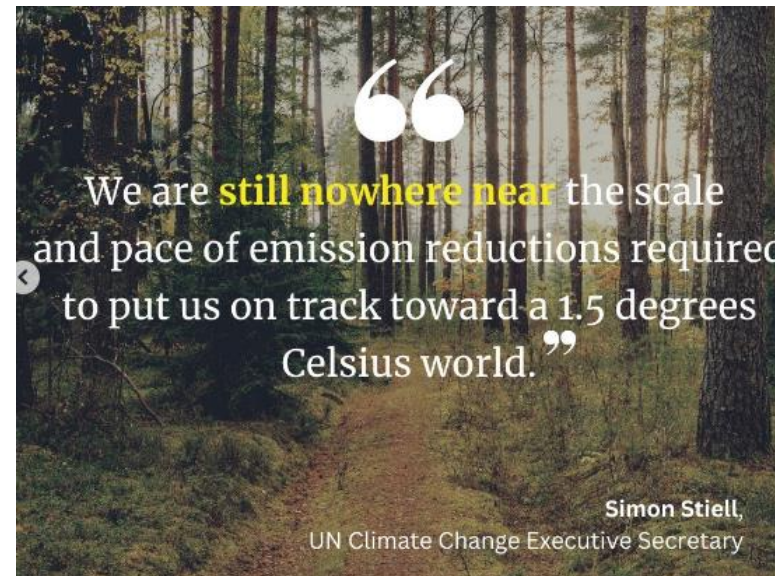
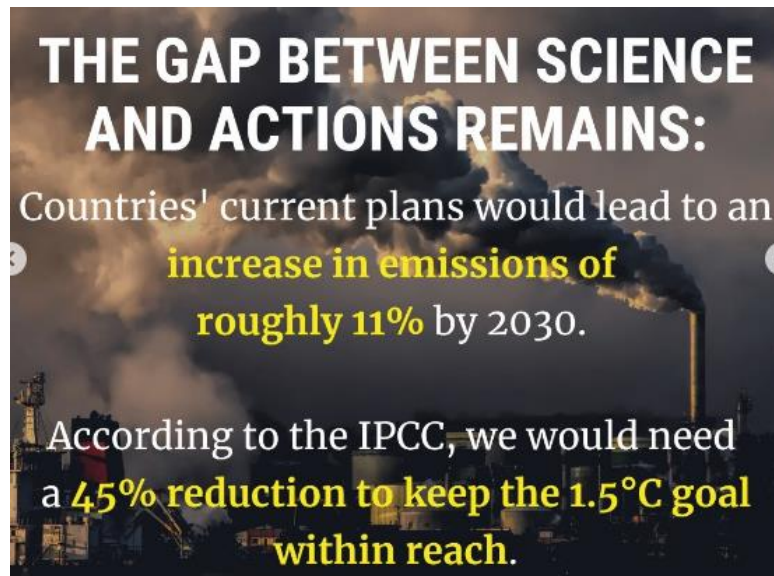


Mobilizing more financial support for developing countries



Making the pivot toward implementation

What is takeaways from COP27?



What is IPCC?

[REPORTS](#)[SYNTHESIS REPORT](#)[WORKING GROUPS](#)[ACTIVITIES](#)[NEWS](#)[CALENDAR](#)[FOLLOW](#)[SHARE](#)

About the IPCC

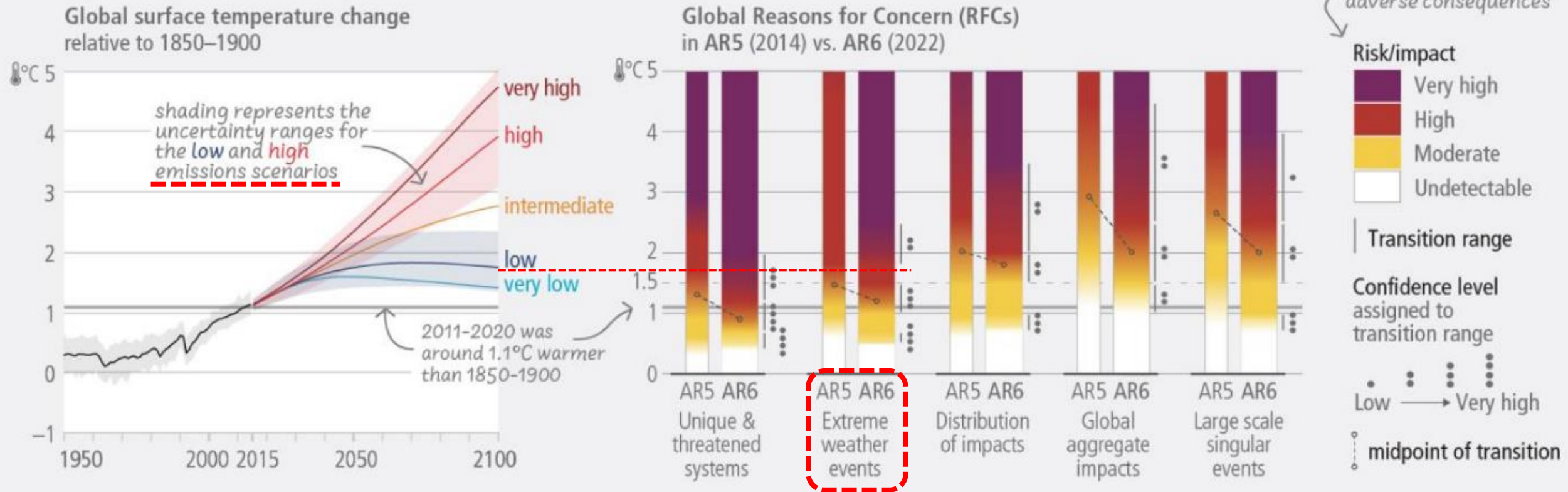
The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change.

[OVERVIEW_](#)[HISTORY](#)[STRUCTURE](#)[PREPARING REPORTS](#)[GENDER](#)[AD-HOC AND TASK
GROUPS](#)[FUTURE WORK](#)[SCHOLARSHIP](#)[ENGAGE](#)[CONTACT](#)

IPCC 6th Assessment Report (AR6)

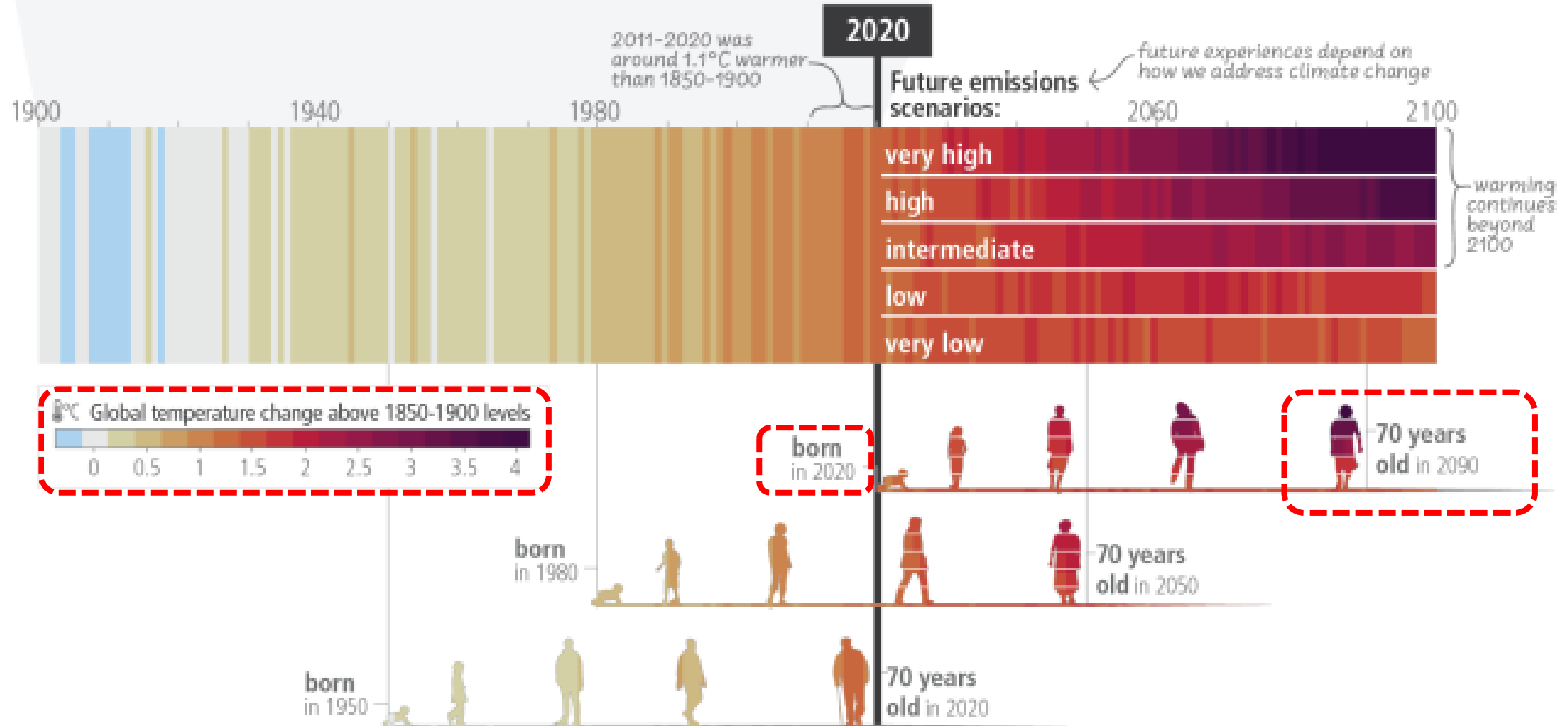
Risks are increasing with every increment of warming

a) High risks are now assessed to occur at lower global warming levels

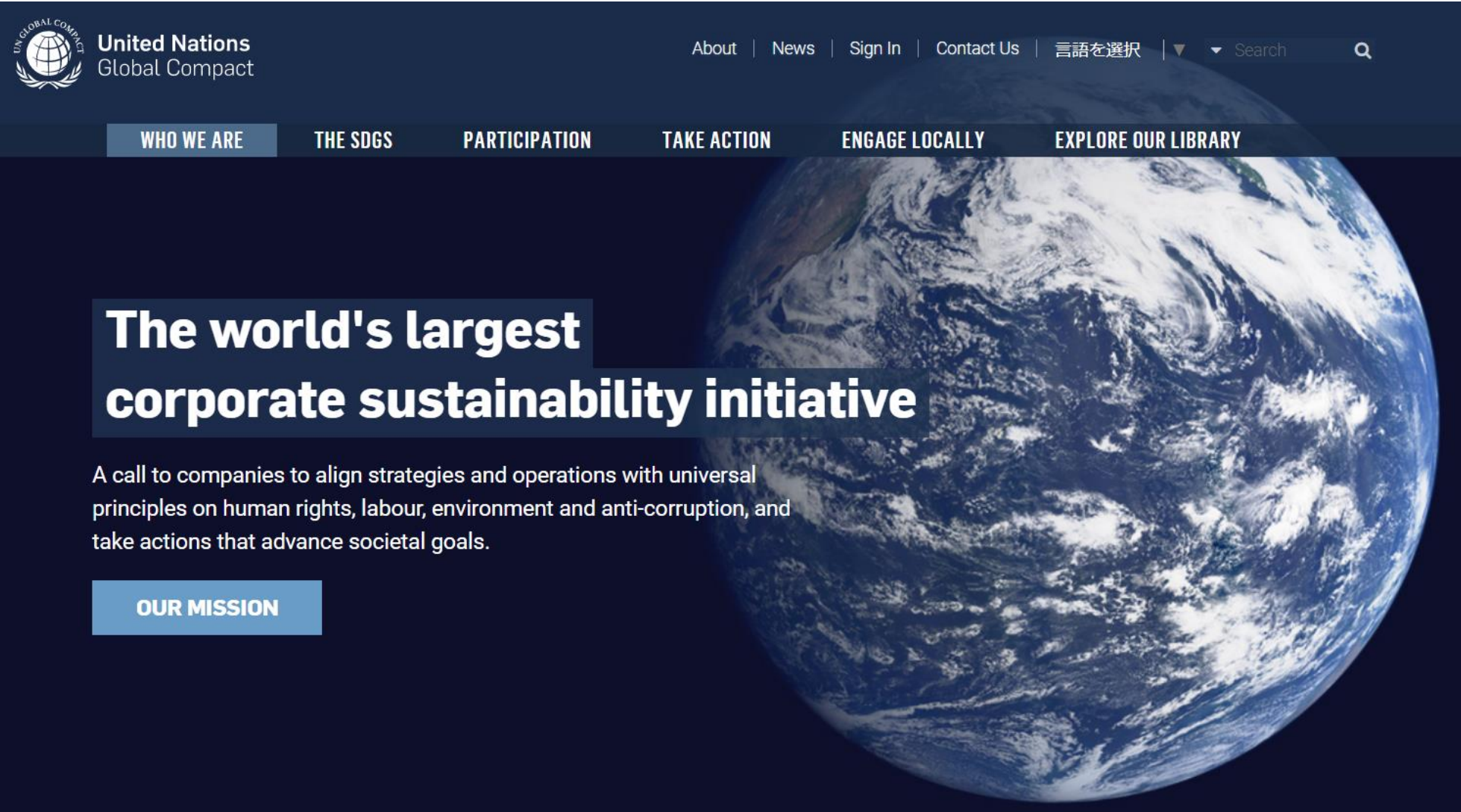


IPCC 6th Assessment Report (AR6)

c) The extent to which current and future generations will experience a hotter and different world depends on choices now and in the near-term



UN Global Compact



UN Global Compact Participants (as of March 30th)

21,631
PARTICIPANTS

162
COUNTRIES

96,521
PUBLIC REPORTS



43 Companies from Nepal

212 Insurance Companies involved from worldwide (8 from Japan)

UN Global Compact 10 Principles

Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2	make sure that they are not complicit in human rights abuses.
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4	the elimination of all forms of forced and compulsory labour;
	Principle 5	the effective abolition of child labour; and
	Principle 6	the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;
	Principle 8	undertake initiatives to promote greater environmental responsibility; and
	Principle 9	encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.

UN Global Compact

How will I benefit?

It's good for business. Corporate and organizational success requires stable economies and healthy, skilled and educated workers, among other factors. And sustainable companies experience increased brand trust and investor support.

It's good for society – and business really *can* make a difference. Companies offer fresh ideas and scalable solutions to society's challenges – exactly what we need to create a better world. More than 16,000 business participants and 3,800 non-business participants in the UN Global Compact are already changing the world. They're helping alleviate extreme poverty, address labour issues, reduce environmental risks around the globe, and more. [See who is involved.](#)

JOIN THE UN GLOBAL COMPACT

CEOs agree, SUSTAINABILITY MATTERS

93% Important to **the future success** of their business

80% A route to **competitive advantage** in their industry

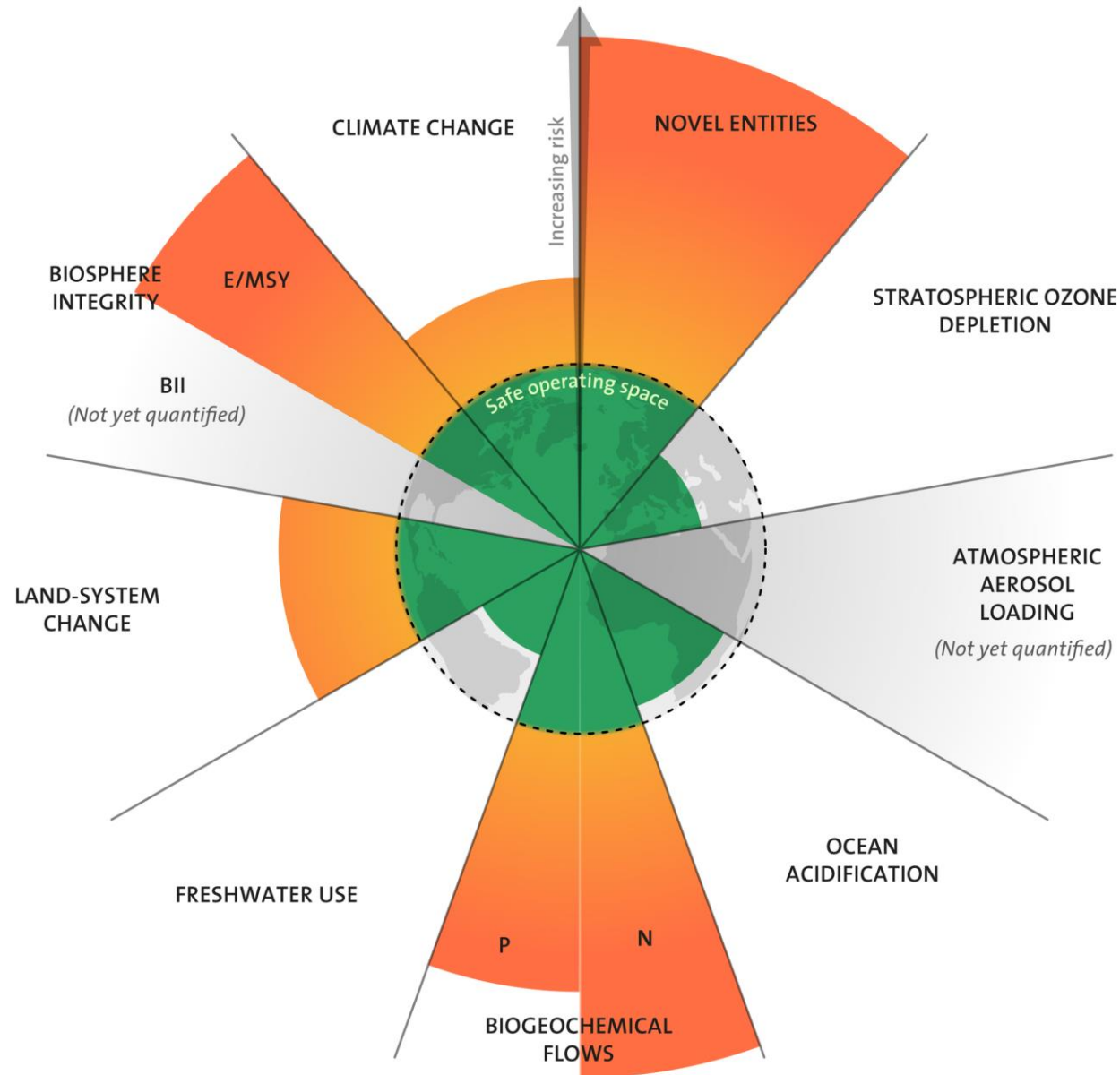
78% An opportunity for **growth and innovation**

Source: UN Global Compact-Accenture CEO Study

<https://unglobalcompact.org/what-is-gc>

2. What are the significant issues on Environment and Society?

Planetary Boundaries



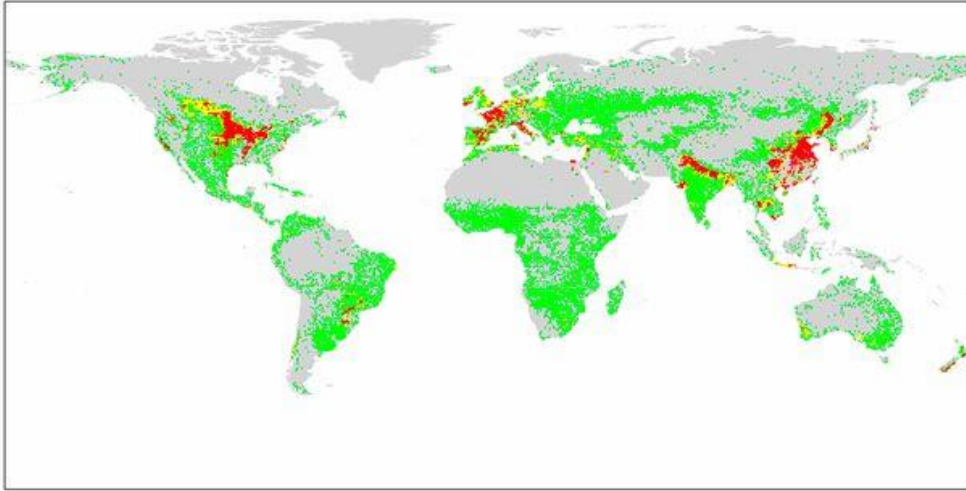
Johan Rockström

<https://www.youtube.com/watch?v=C51RZzTVzww>

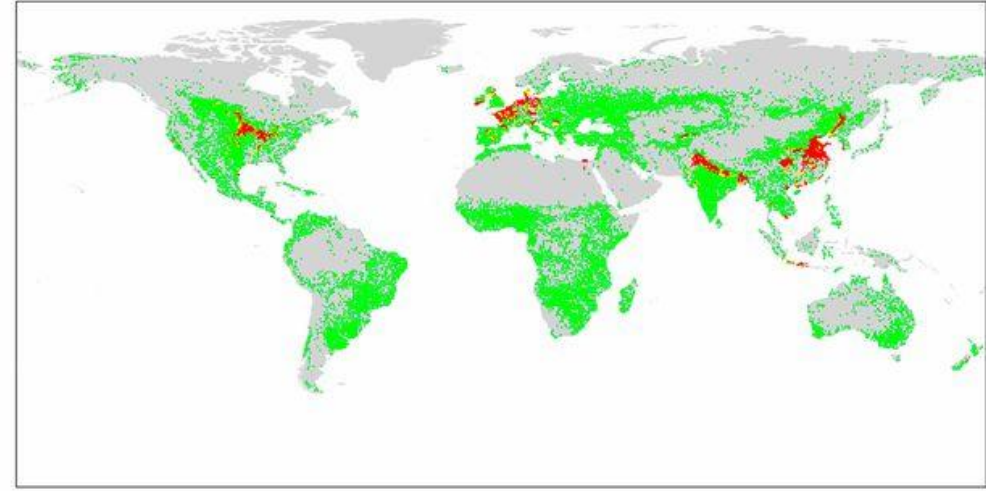
<https://www.youtube.com/watch?v=RgqtrlixYR4>

Planetary Boundaries

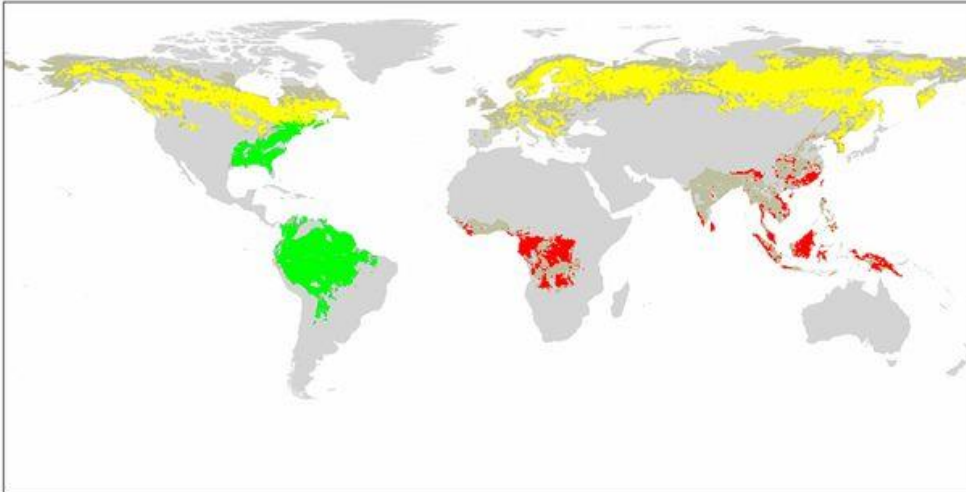
A Phosphorus



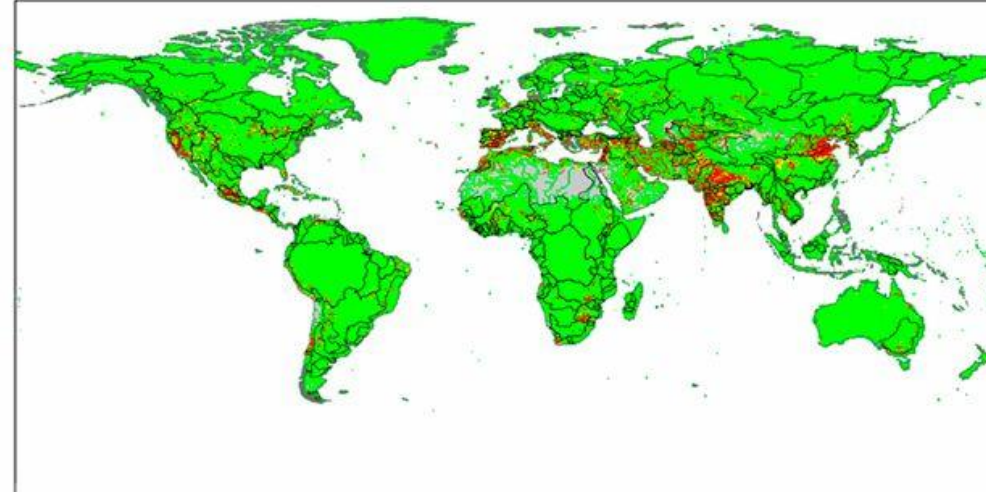
B Nitrogen



C Land-system change



D Freshwater use



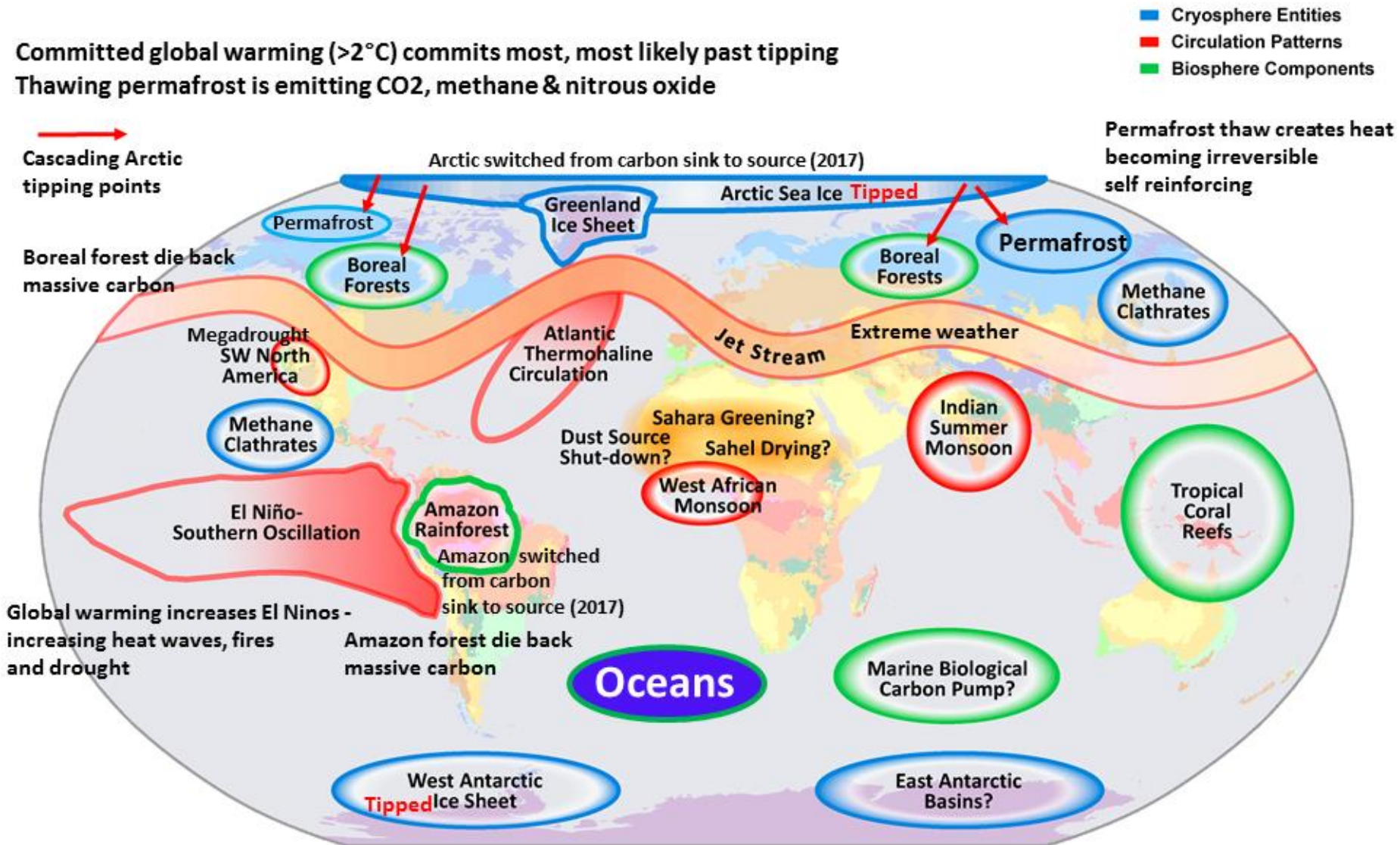
■ Beyond zone of uncertainty (high risk)

■ In zone of uncertainty (increasing risk)

■ Below boundary (safe)

Global Warming Vulnerable Tipping Points

Committed global warming ($>2^{\circ}\text{C}$) commits most, most likely past tipping
Thawing permafrost is emitting CO_2 , methane & nitrous oxide



Oceans: Heating, Acidification & Deoxygenation

Adapted from Potsdam Climate Institute
Tipping Elements the Achilles Heels
of the Earth System

Planetary Boundaries



There are three priorities: cut greenhouse gases to zero, protect the wetlands, soils, forests and oceans that absorb our impacts, and change our diets and the way we farm food. This is the mission. And everyone benefits. We will live in a cleaner, healthier and more peaceful world.

Planetary Boundaries

10 key solutions needed to mitigate climate change



RETIRE
coal plants



INCREASE public transport,
biking and walking



INVEST in clean
energy & efficiency



DECARBONIZE
aviation and shipping



RETROFIT and
DECARBONIZE buildings



HALT deforestation &
RESTORE degraded lands



DECARBONIZE cement,
steel & plastics



REDUCE food loss and
waste and **IMPROVE**
agricultural practices



SHIFT to
electric vehicles



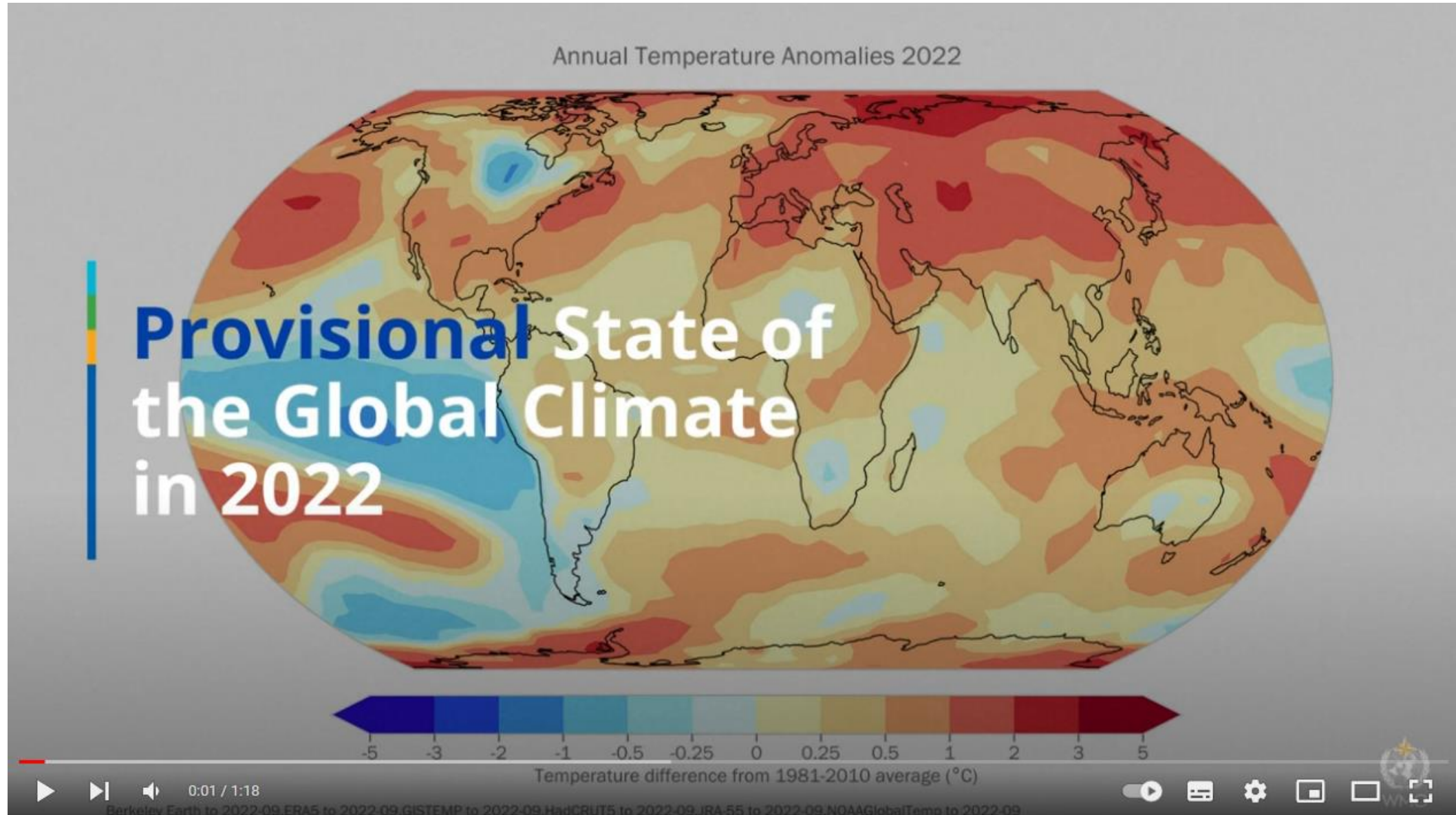
EAT more plants &
less meat

Source: IPCC AR6.
2021



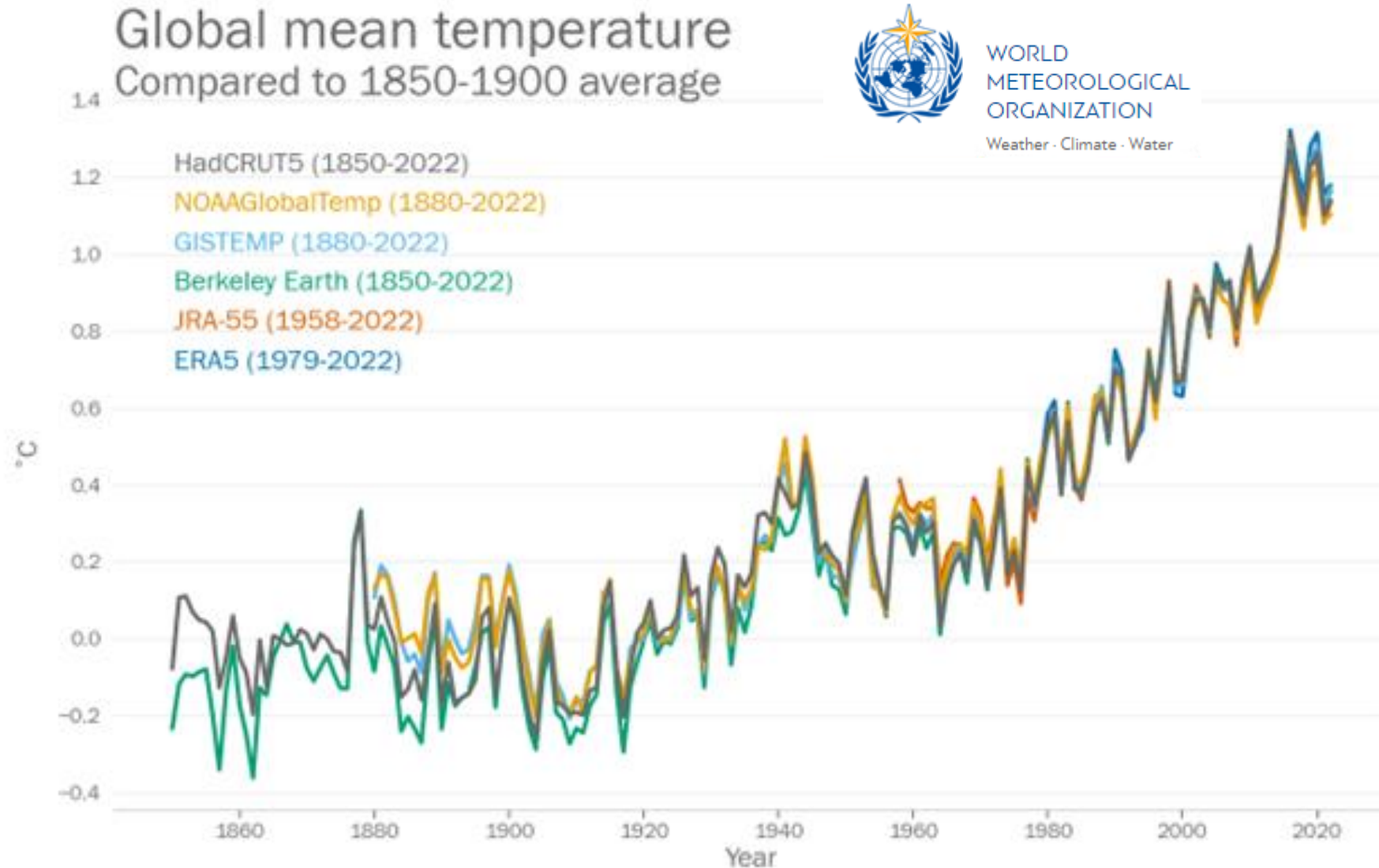
WORLD RESOURCES INSTITUTE

Climate Issues



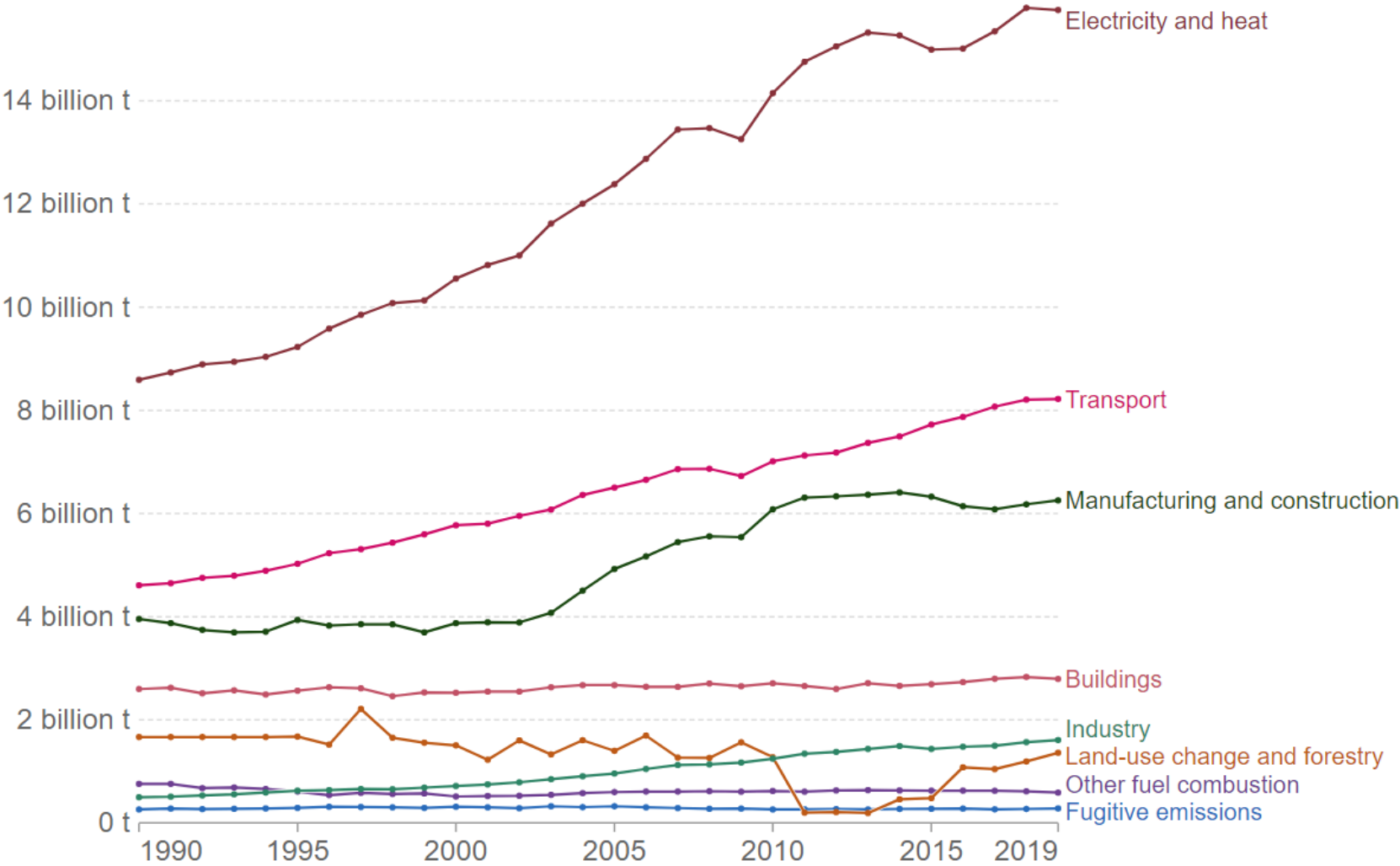
Climate Issues

1.15°C increase compared to the times of Industrial Revolution



Climate Issues (GHG emissions by sector)

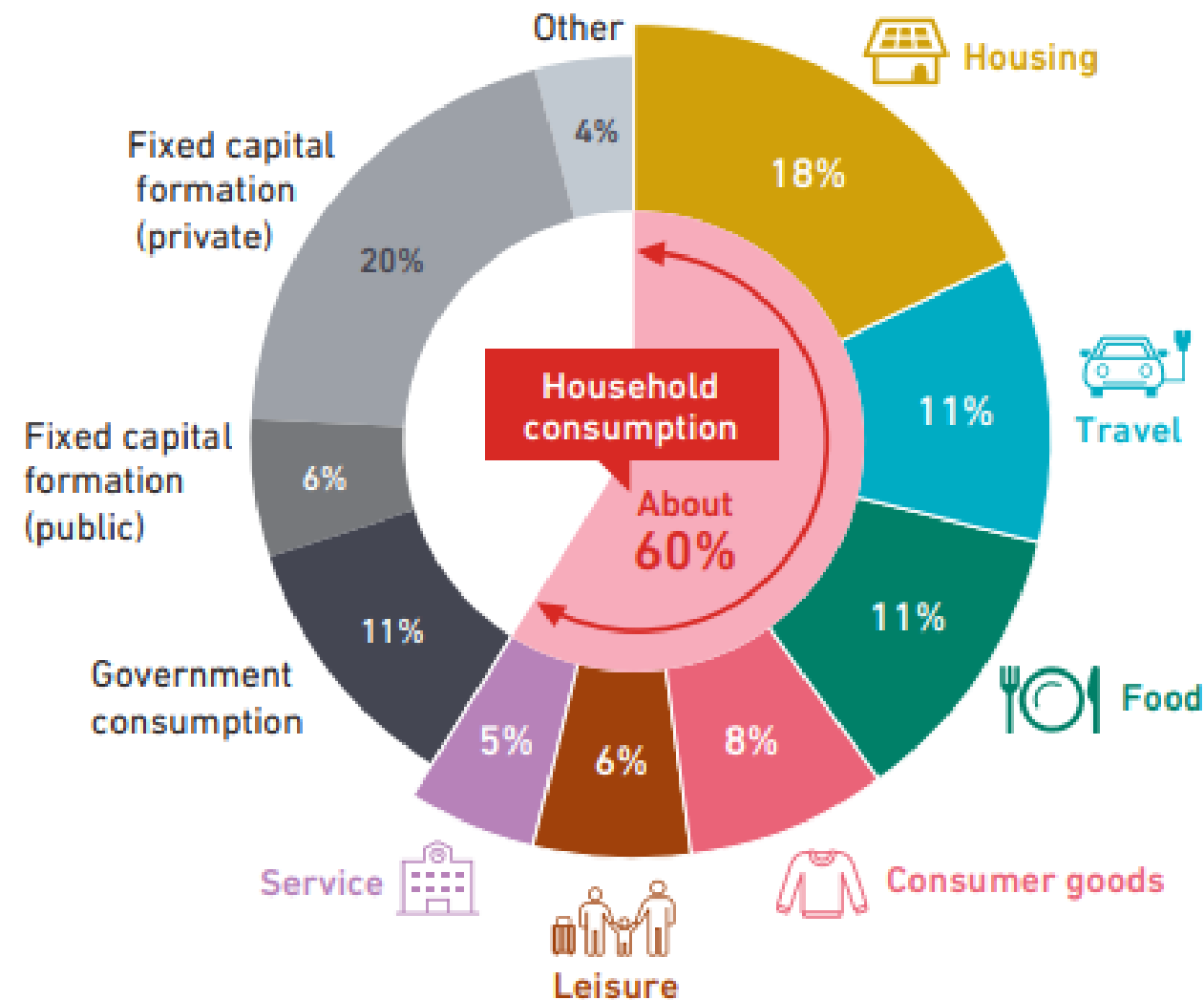
CO2 emissions by sector, World



Source: Our World in Data based on Climate Analysis Indicators Tool (CAIT). OurWorldInData.org/co2-and-greenhouse-gas-emissions • CC BY

Climate Issues (GHG emissions on a consumption basis in Japan)

Life cycle greenhouse gas emissions in Japan
on a consumption basis



Biodiversity Issues

are threatened with extinction

That is still 28% of all assessed species.

AMPHIBIANS

41%



MAMMALS

26%



CONIFERS

34%



BIRDS

13%



SHARKS &
RAYS

37%



REEF CORALS

33%



SELECTED
CRUSTACEANS

28%



REPTILES

21%

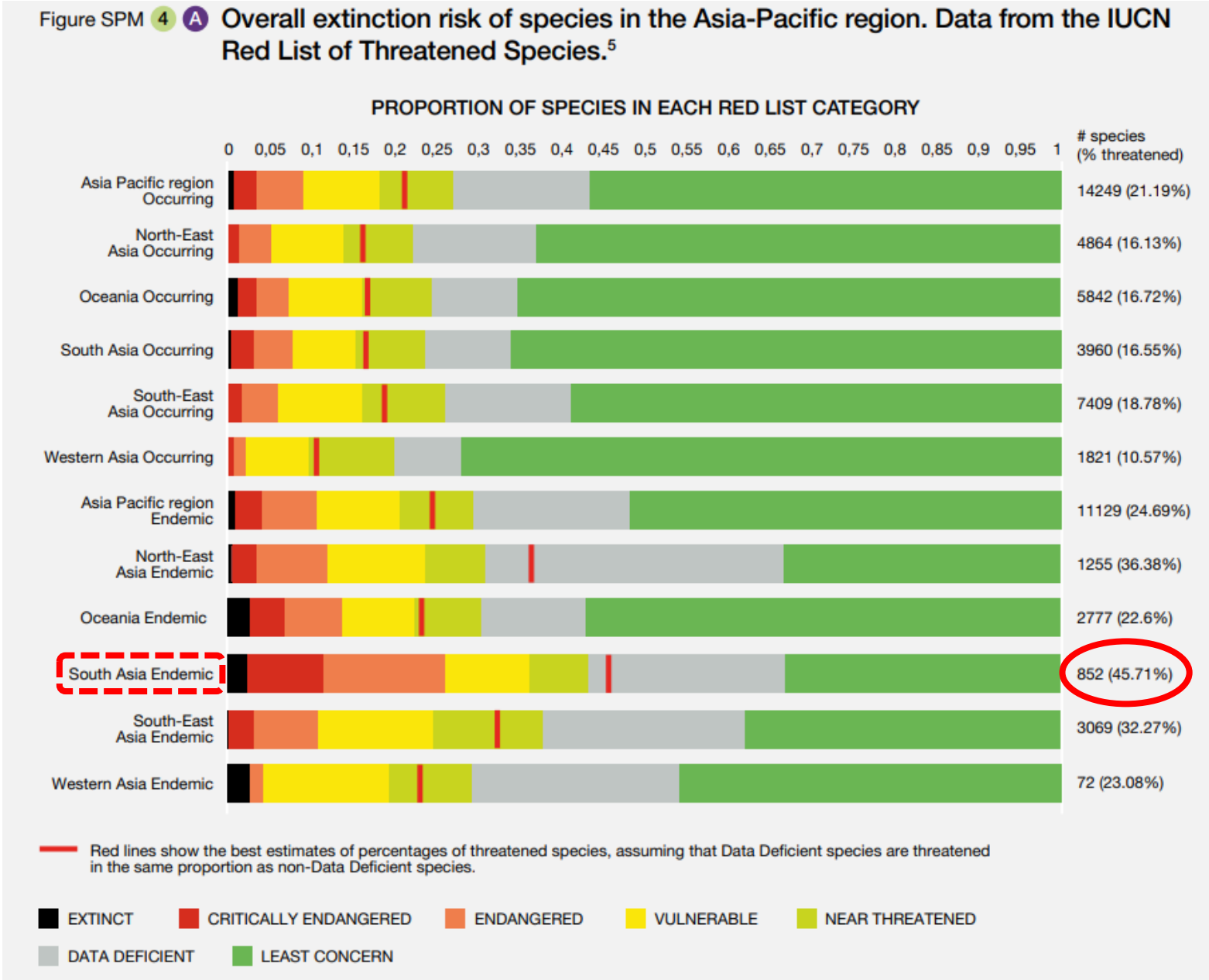


CYCADS

63%



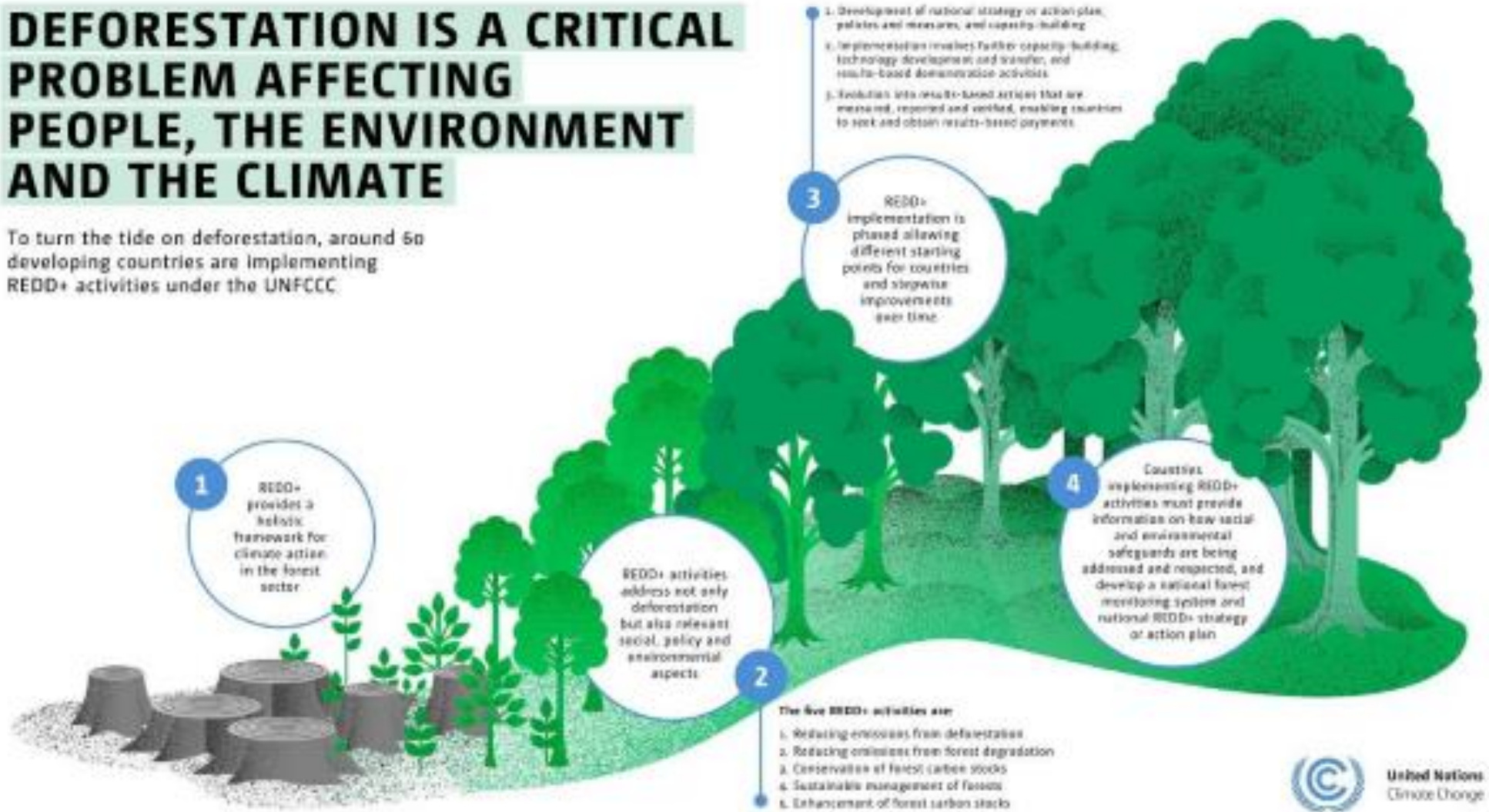
Biodiversity Issues



Biodiversity Issues

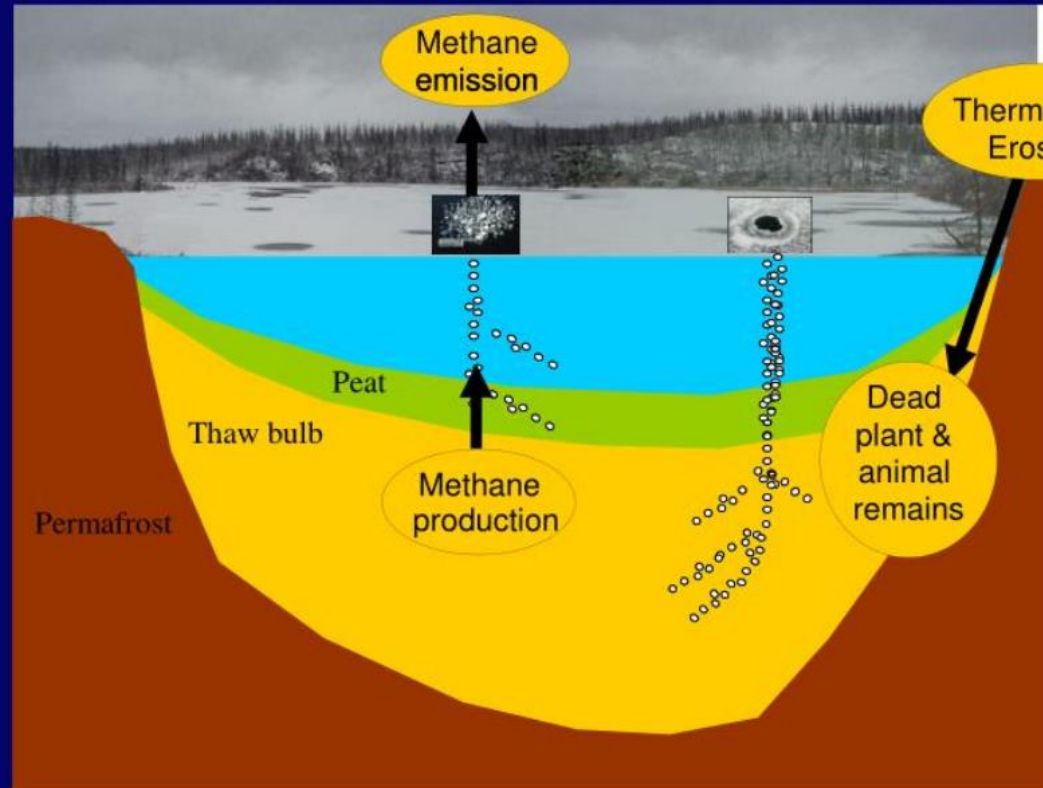
DEFORESTATION IS A CRITICAL PROBLEM AFFECTING PEOPLE, THE ENVIRONMENT AND THE CLIMATE

To turn the tide on deforestation, around 50 developing countries are implementing REDD+ activities under the UNFCCC.



Permafrost Issues

Methane Release from Thawing Permafrost



Burning methane over a thermokarst lake in Siberia (K. Walter)

Social Issues (Poverty & Hunger)

1
NO
POVERTY

END POVERTY IN ALL ITS FORMS EVERYWHERE

2
ZERO
HUNGER

END HUNGER, ACHIEVE FOOD SECURITY AND IMPROVED NUTRITION AND PROMOTE SUSTAINABLE AGRICULTURE

RISING INFLATION AND IMPACTS OF WAR
 IN UKRAINE **FURTHER DERAIL PROGRESS**

NUMBER OF PEOPLE LIVING IN EXTREME POVERTY IN 2022



CONFLICT, COVID-19, CLIMATE CHANGE
 AND GROWING INEQUALITIES
 ARE CONVERGING TO UNDERMINE
 FOOD SECURITY WORLDWIDE



Social Issues (Health & Education)

3

GOOD HEALTH
AND WELL-BEING



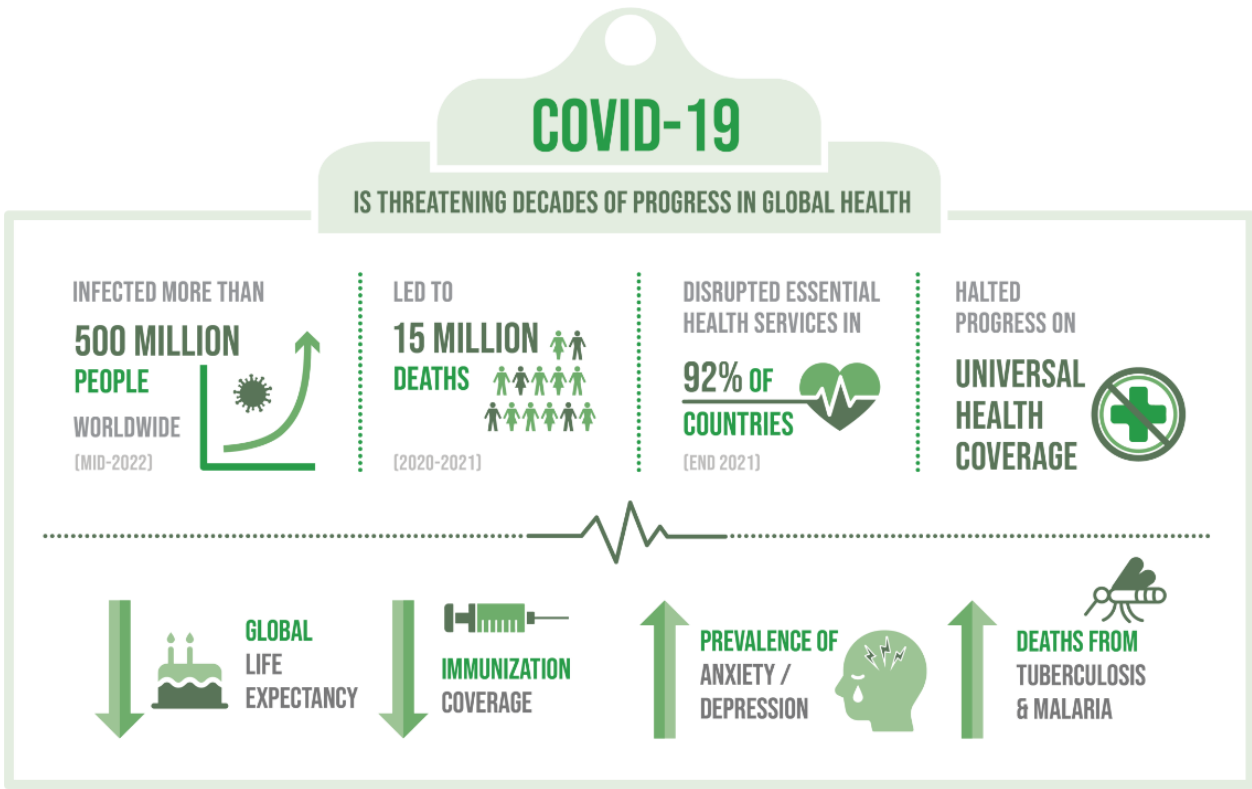
ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

4

QUALITY
EDUCATION



ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL



COVID-19 PANDEMIC

HAS DEEPEINED A
GLOBAL LEARNING CRISIS

147 MILLION CHILDREN
MISSED OVER HALF
OF IN-PERSON
INSTRUCTION
IN 2020-2021



Social Issues (Women Empowerment & Water)

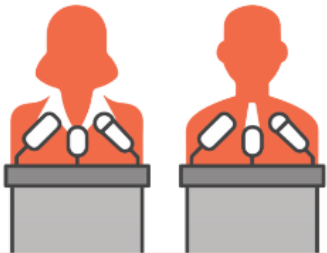
5 GENDER EQUALITY



ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

IT WOULD TAKE ANOTHER

40 YEARS



FOR WOMEN AND MEN TO BE REPRESENTED EQUALLY IN NATIONAL POLITICAL LEADERSHIP AT THE CURRENT PACE

WOMEN'S SHARE IN NATIONAL PARLIAMENTS



6 CLEAN WATER AND SANITATION



ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL

MEETING DRINKING WATER, SANITATION AND HYGIENE TARGETS BY 2030 REQUIRES A 4X INCREASE IN THE PACE OF PROGRESS

AT CURRENT RATES, IN 2030



1.6 BILLION PEOPLE

WILL LACK SAFELY MANAGED DRINKING WATER



2.8 BILLION PEOPLE

WILL LACK SAFELY MANAGED SANITATION



1.9 BILLION PEOPLE

WILL LACK BASIC HAND HYGIENE FACILITIES

3. Sustainability Management and Sustainable Insurance

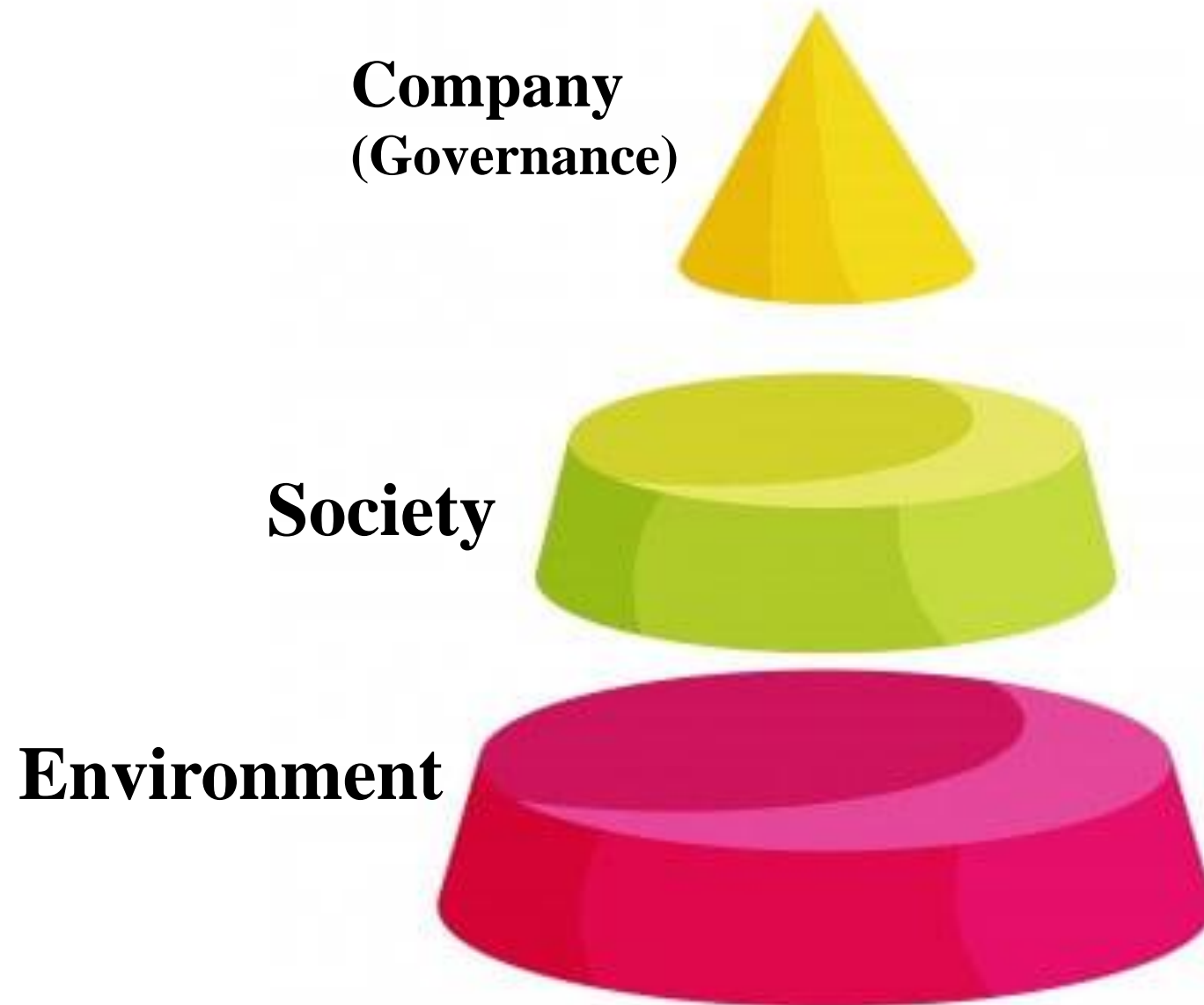
Definition of Sustainability Management

Sustainability management of life insurance company refers to the practice of integrating environmental, social, and governance (ESG) factors into the business operations and decision-making processes of such companies. This involves considering the impact of the company's activities on the environment, society, and economy, as well as assessing the risks and opportunities associated with ESG issues.

In the context of life insurance companies, sustainability management may involve strategies such as investing in renewable energy, promoting social responsibility through community engagement programs, and ensuring ethical governance practices. By adopting sustainable practices, life insurance companies can not only minimize their negative impact on the environment and society, but also enhance their long-term financial performance and reputation.

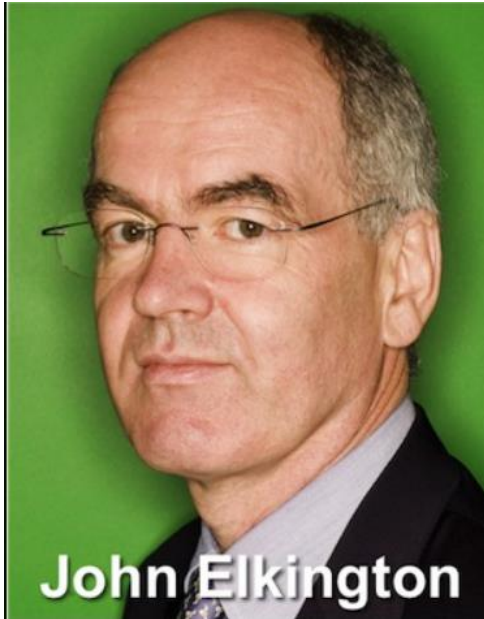
By Monica

What is Sustainability Management?



**ESG is the key
elements of
Sustainability
Management**

What is Sustainability Management?



“Triple Bottom Line” to measure corporate performance

What is Sustainability Management?



The Creating Shared Value (CSV) concept focuses on “policies and operating practices that enhance the competitiveness of a company while simultaneously advancing social and economic conditions in the communities in which it operates” (Porter and Kramer 2011).

What is Sustainability Management?

The story of DSM through the eyes of CEO, Feike Sijbesma



Business Leader need to address challenges of climate change, inequality and health crises.

<https://www.youtube.com/watch?v=BiAdFEY9Tal&t=303s>

<https://www.worldbank.org/en/news/video/2016/06/01/interview-with-feike-sijbesma-ceo-royal-dsm>

WFE ESG Metrics and Related SDGs

Environment	Society	Governance
GHG Emissions Emissions Intensity Energy Usage Energy Intensity Energy Mix Water Usage Environmental Operations Environmental Oversight Climate Risk Mitigation	CEO Pay Ratio Gender Pay Ratio Employee Turnover Gender Diversity Temporary Worker Ratio Non-Discrimination Injury Rate Global Health & Safety Child & Forced Labor Human Rights	Board Diversity Board Independence Incentivized Pay Collective Bargaining Supplier Code of Conduct Ethics & Anti-Corruption Data Privacy <u>Sustainability Reporting</u> Disclosure Practices External Assurance
    	         	

Sustainability Reporting (ESG information disclosure)

Rules introduced by the Non-Financial Reporting Directive

The rules introduced by the [Non-Financial Reporting Directive \(NFRD\)](#)  remain in force until companies have to apply the new rules of the CSRD. Under the NFRD, large companies have to publish information related to

- environmental matters
- social matters and treatment of employees
- respect for human rights
- anti-corruption and bribery
- diversity on company boards (in terms of age, gender, educational and professional background)

Sustainability Reporting Standard

Sustainability Reporting: Impact Materiality

Sustainability Reporting:
Financial Materiality



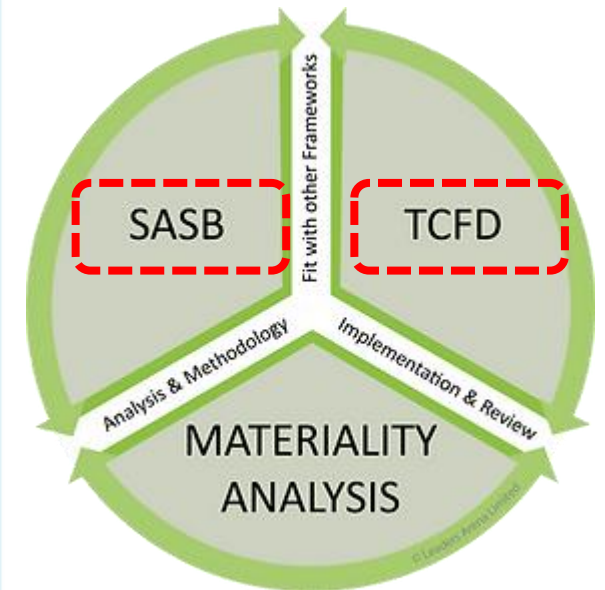
**SASB
STANDARDS**

Now part of IFRS Foundation

Financial Reporting



TCFD



4. Examples of Sustainability management of life insurance company in Europe, US and Japan

- **CEO message on Sustainability Management**
- **Purpose/Vision/Value of the Company**
- **Annual Report Structure**
- **Materiality Matrix of the Company**
- **Sustainability Strategy**
- **Sustainability Marketing of the Company**
- **Corporate Governance**
- **Skill Matrix of Directors**
- **Remuneration Disclosure**
- **Board Reviews explained in the annual report**

CEO message on Sustainability Management (AXA)



Expand

health and protection businesses

Simplify

customer experience and accelerate efficiency

Strengthen

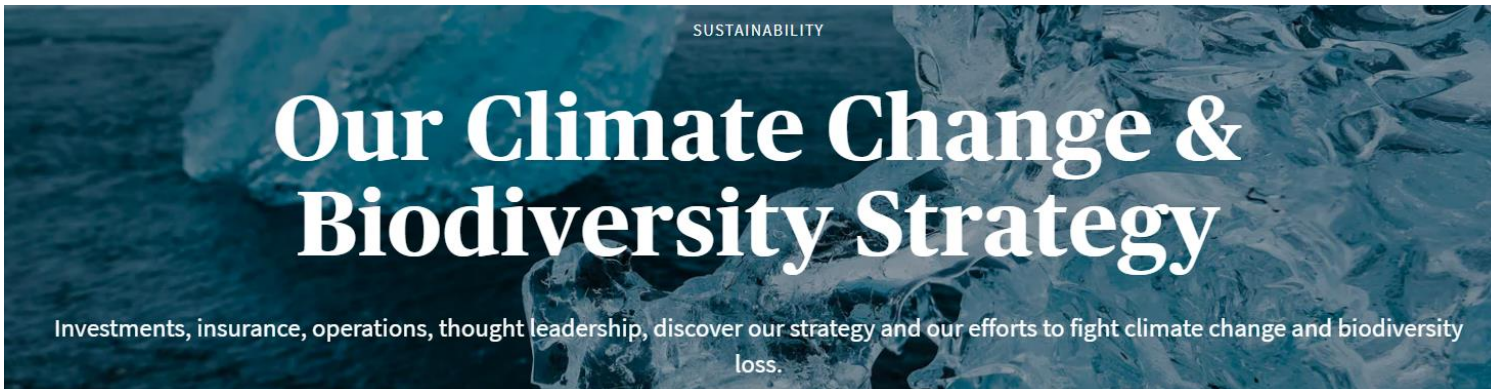
underwriting performance

Sustain

our climate leadership position

Grow

cash-flows across the Group



CEO message on Sustainability Management (AXA)

Reinventing insurance: An inclusive business model in practice

Adapting insurance to the needs of emerging customers involves reinventing our business model to overcome barriers of cost, access, understanding and trust. AXA Emerging Customers has adapted products and distribution strategy to our target segment. For this, the products must be:

Affordable : Accessible : Ambitious : Understandable

9.5

million customers

15

countries

50+

partners

Purpose/Vision/Value of the Company at a glance

	AXA	Allianz	Generali	Prudential plc	Prudential Financial
Purpose Mission	To act for <u>human progress</u> by protecting what matters.	We secure your future	To enable people to shape a safer and more sustainable future by caring for their lives and dreams	To help people get the most out of life, by making healthcare affordable and accessible and by promoting financial inclusion	We make lives better by solving the financial challenges of our changing world
Vision Aspiration Ambition Principles	To transform AXA's value proposition "from payer to partner", we will deliver new services complementing the traditional insurance coverage and build new business models to increase the protection of our customers	To be the trusted <u>partner</u> for protecting and growing your most valuable assets	Be a Lifetime <u>Partner</u> to our Customers	We put customers first, act with integrity, embrace a growth mindset and invest in all our communities	<ul style="list-style-type: none"> • We do the right thing • We take a long-term perspective • We win with talent, culture and execution • We make and keep promises
Value Focus	<ul style="list-style-type: none"> • Courage • Integrity • One AXA • <u>Customer First</u> 	<ul style="list-style-type: none"> • True <u>Customer</u> Centricity • Digital by Default • Technical Excellence • Growth Engine • Inclusive Meritocracy. 	<ul style="list-style-type: none"> • Deliver on the promise • Value our people • Be Open • Live the Community 	<ul style="list-style-type: none"> • Ambitious • Curious • Empathetic • Courageous • Nimble 	<ul style="list-style-type: none"> • Worthy of Trust • <u>Customer Focused</u> • Respect for Each Other • Winning with Integrity

Source	Annual Report 2022	https://www.allianz.com/en/about-us/strategy-values.html	Group Annual Integrated Report 2022	https://www.prudentialplc.com/en/about-us/our-company	Prudential's Code of Conduct
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Purpose/Vision/Value of the Company at a glance

	Tokio Marine	SOMPO	MS&AD	Dai-ichi Life Holdings
Purpose Mission	Protecting our customers and <u>society</u> in times of need	With “A Theme Park for Security, Health & Wellbeing”, create a <u>society</u> in which every person can live a healthy, prosperous and happy life in one’s own way.	To contribute to the development of a vibrant <u>society</u> and help secure a <u>sound future for the planet by enabling safety and peace of mind</u> through the global insurance and financial services business	By your side, for life
Vision Aspiration Ambition Principles	To Be a Good Company	Rather than merely assisting customers in times of injury or accident, we will be a constant presence at their side—a <u>partner</u> , who enhances every day	To create a world-leading insurance and financial services group that consistently pursues sustainable growth and enhances corporate value	Protect and improve the well-being of all
Value Focus	<ul style="list-style-type: none"> • Look Beyond Profit • Empower Our People • Deliver On Commitments 	<ul style="list-style-type: none"> • Protect people from future risks facing the society • Create a future society for healthy and happy lives • Foster the ability to change the future society with diverse talents and connections 	<ul style="list-style-type: none"> • <u>Customer Focus</u> • <u>Integrity</u> • Teamwork • Innovation • Professionalism 	<ul style="list-style-type: none"> • <u>Customer satisfaction</u> • <u>Communication</u> • Compliance • Respect for human rights • Diversity & Inclusion • Environmental protection • Social contribution • Promoting Health • Creating sustainable corporate value

Source	Integrated Annual Report 2022 https://www.tmhcc.com/en-us/about-us/philosophy-vision/good-company	Integrated Annual Report 2022	Integrated Report 2022	Integrated Report 2022
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Annual Report Structure (AXA 2021)

1

CERTAIN PRELIMINARY INFORMATION ABOUT THIS ANNUAL REPORT 1

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SNFP refers to the Statement of Non-Financial Performance (*Déclaration de performance extra-financière*).

Materiality Matrix of the Company (Allianz)

05.3 Materiality



Our material issues

Our assessment identified 19 material issues which were prioritized as either having high or medium importance. Topics are ranked and presented in a materiality matrix along two axes according to stakeholder views on their importance to society and to our business.

All topics in the materiality matrix relate to sustainability and several are linked to our sustainability strategy pillars, including:

E: Our climate approach – climate change, environmental footprint in our operations.

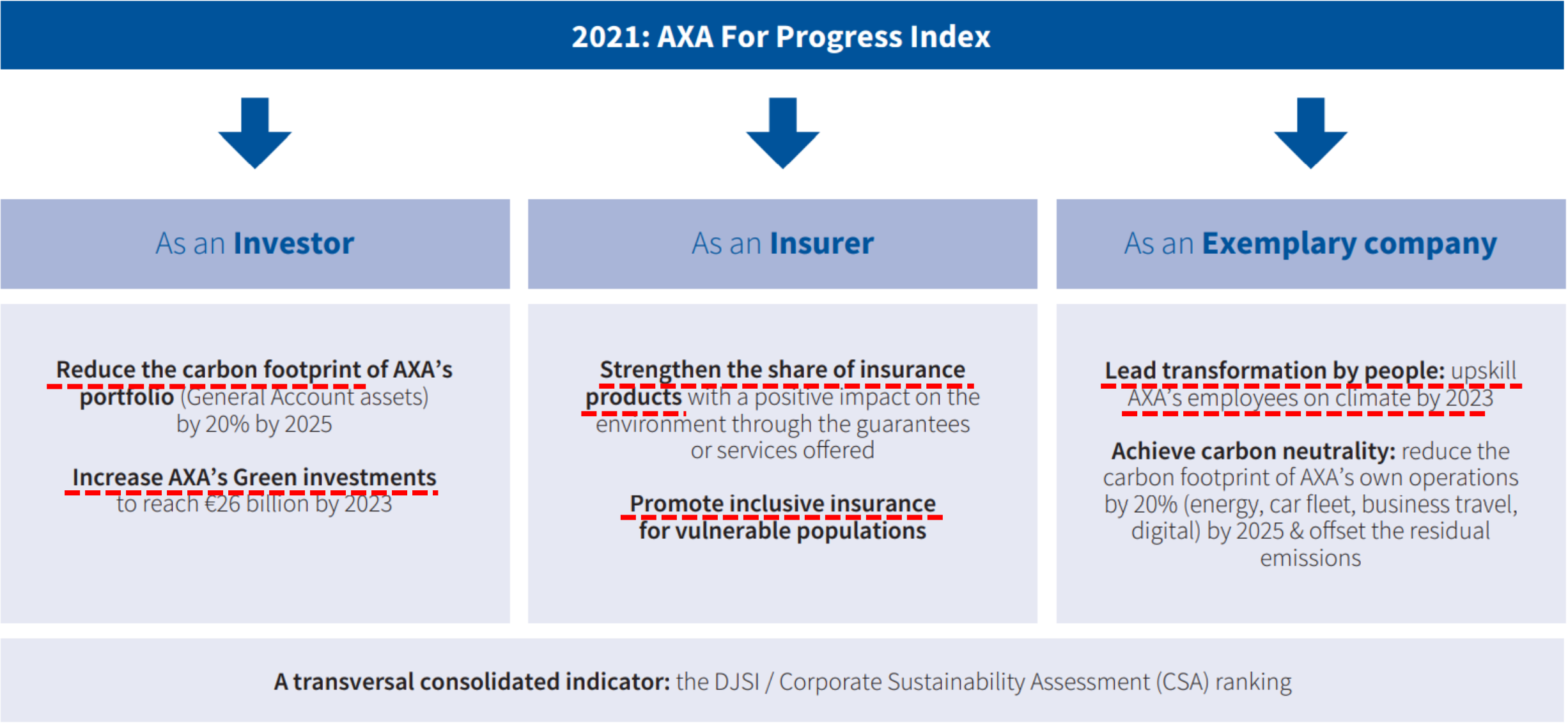
S: Our social approach – financial inclusion, local community engagement, human rights, D&I.

G: Our approach to sustainability integration – ethics and responsible business, data and AI ethics, data privacy, cybersecurity, sustainability integration into products.

The top three most material issues for all our key stakeholders and our business are:

1. Climate change
2. Ethics and responsible business
3. Cybersecurity

Sustainability Strategy of the Company (AXA)



Sustainability Strategy of the Company (AXA's KPI)

Means or key performance indicator for monitoring	Unit	Results and Objectives				
		Result 2021	Result 2020	Result 2019	Target	Timeline
Reduce the carbon footprint of AXA's portfolio (General Accounts assets)	t CO ₂ /EV €m	Calculation in progress ^(a)	66.06	69.84	-20%	2019–2025
Increase AXA's Green investments	€ billion	22.6	16.1	11.7	26	2023
Strengthen the share of insurance products with a positive impact on the environment through the guarantees or services offered	€ billion Revenue	Calculation in progress ^(a)	1.1	n/a	Target in progress	2023
<u>Promote inclusive insurance for vulnerable populations</u>	Million customers	10.6	n/a	n/a	target in progress	2023
Reduce the carbon footprint of AXA's own operations (energy, car fleet, business travel, digital) and offset the residual emissions	t CO ₂ eq	84,945	110,017	216,536	-20%	2019–2025
<u>Lead transformation by people: upskill employees on climate by 2023</u>	Share of current permanent employees ^(b)	n/a	n/a	n/a	100% -----	2023
The DJSI/The Corporate Sustainability Assessment (CSA) ranking	Percentile ranking in DJSI	97 th	99 th	97 th	95 th – 99 th	Annually

NA: Not Available

(a) The result of this indicator will be available in AXA's 2022 Climate/TCFD Report.

(b) According to SDR scope.

Sustainability Marketing of the Company (Generali)

“A tree for a shareholder” Project



<https://www.generali.com/governance/annual-general-meeting/a-tree-for-a-shareholder>

Sustainability Marketing of the Company (MS&AD)

Indonesia Reforestation Project Video (subtitled in English)



<https://www.ms-ins.com/english/company/csr/environment/rainforest/>

https://www.ms-ad-hd.com/en/ir/library/disclosure/main/015/teaserItems2/0/link/MSAD_2022_E2.pdf

Corporate Governance (Annual Report at a glance)

Structure of Annual Report/Integrated Report by contents

	Allianz	AXA	Generali	Prudential plc	Prudential Financial
Total	208	512	398	403	260
Group introduction /strength/management strategy	77	96	158	74	88
Corporate Governance	37	72		88	
Sustainability (ESG) strategy		62		71	
Consolidated financial statements	77	258	166	126	134
(Introduction of Directos)	2	26	48	6	5
(Remuneration)	27	36	120	40	29
Reference	Annual Report 2021	Annual Report 2021	Annual Integrated Report and Consolidated Financial Report 2021	Annual Report 2021	Annual Report 2021
Alternative Report	Sustainability report 2021 111 p	Integrated report 52p	Corporate Governance & Share Ownership Report 126p	Environmental, Social and Governance Report 2021 71p	2021 ESG Report 66 p 2022 Proxv Statement 76 p
QR code navigates to Directors' detailed profile			Detailed information on the company website	(Source) Various Company Reports above processed by FALIA ©2023 FALIA	

- Large Quantity
- Corporate Governance and Sustainability Strategy well explained
- Introduction of Directors and Remuneration Policy are well explained
- Various kind of Reports to explain ESG
- Annual Report, Integration Report, Sustainability Report, Corporate Governance & Share Ownership Report, ESG Report

Corporate Governance (Board of Directors at a glance)

Structure of Board of Directors

	(Unit) Number of Persons				
	Allianz	AXA	Generali	Prudential plc	Prudential Financial
Board of Directors	Supervisory Board				
Number of Directors	12	17	13	15	13
Female	5	9	5	6	4
Involvement with company business execution	0	1	1	3	2
No involvement with company business execution	12	16	12	12	11
Employees representatives	6	3	0	0	0
Independent directors	6	12	8	11	11
Number of Nationalities	5	8	2	not clear	not clear
LGBT					1
Senior Independent Director		○		○	○ Lead Independent Director

- Large number of Female Directors
- Most of the Board of Directors do not involve with business execution
- Employee Representatives are included in Board of Directors in Germany and France
- Number of Nationalities are addressed in Germany, France and Italy
- Senior Independent Directors are in charge of supporting, representing and evaluating chairman of BoD, so that Board of Directors are managed effectively.

Corporate Governance (Governance Form / Committee Structure at a glance)

	Allianz	AXA	Generali	Prudential plc	Prudential Financial	Tokio Marine	SOMPO	MS&AD	Dai-ichi Life Holdings
Governance Form of the company	German Form	French Form	Italian Form	UK Form	US Form	Company with Kansayaku Board	Company with Three Committees	Company with Kansayaku Board	Company with Audit & Supervisory Committee
Committee									
Audit	○	○	Board of Auditors	○	○	Kansayaku Board	○	Kansayaku Board	○
Nomination	○		○	○	○	○ (optional)	○	○ (optional)	○ (optional)
Compensation		○	○	○	○	○ (optional)	○	○ (optional)	○ (optional)
Sustainability	○	○	○	○	Corporate Governance & Business Ethics	○ (outside of BoD)	○ (outside of BoD)	○ (outside of BoD)	○ (outside of BoD)
Finance & Risk	○	○	○		○	○ (outside of BoD)	○ (outside of BoD)	○ (outside of BoD)	○ (outside of BoD)
CSuO	○	○	○	○	Chief Governance Officer, Senior VP	○ (Board Member)	○		After April, 2023
Reference	Annual Report 2021	Annual Report 2021	Annual Integrated Report and Consolidated Financial Report 2021	Annual Report 2021	Annual Report 2021	Integrated report 2022	Integrated report 2022	Integrated report 2022	Integrated report 2022
Alternative Report	Sustainability report 2021 111 p	Integrated report 52p	Corporate Governance & Share Ownership Report	Environmental, Social and Governance Report 2021 71p	2021 ESG Report 66 p 2022 Proxy Statement	Sustainability report 2022 197 p	Sustainability report 2022 115p	Sustainability report 2022 210p	Sustainability report 2021 160p

- Chairman of BoD or CEO explains its Governance Form and Committee Structure of the company in its Annual Report or Integrated Report.
- In Japan there are three major governance Forms for the listed companies. Audit, Nomination, Compensation and Finance & Risk Committees are popular in Europe, US and Japan.
- Sustainability Committee is Board Committee in Europe and US.

Skill Matrix of Directors (Allianz)

Supervisory Board of Allianz SE: skill matrix

		Diekmann	Snabe	Boissard	Bosse	Eichiner	Hainer	Burkhardt-Berg	Le Goaër	Grundler	Hayward	Kirsch	Lawrenz
Tenure	Joined Board in	2017	2014	2017	2012	2016	2017	2012	2018	2016	2017	2018	2015
Personal appropriateness	Regulatory requirement (Fit & Proper)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Independence ¹	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	No Overboarding ¹	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Diversity	Gender	male	male	female	female	male	male	female	male	female	male	male	male
	Nationality	German	Danish	French	Danish	German	German	German	French	German	British	German	German
Expertise	Accounting	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Insurance Actuarial Practice	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Investment Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Technology	✓	✓	✓	✓	✓	-	✓	✓	✓	-	✓	✓
	Digital Transformation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Employee Engagement	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Sustainability	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	✓
Regional Expertise	North America	✓	✓	-	-	✓	✓	-	-	-	-	-	-
	Growth Markets	✓	✓	-	-	✓	✓	-	-	-	-	-	-
	Europe (EU)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

✓ Criteria met. Expertise criteria based on yearly self-assessment. Tick means at least "Good knowledge" and implies the capacity to understand the relevant matters well, and to take educated decisions. Good knowledge may result from existing qualifications and from the training measures regularly attended by all members of the Supervisory Board. On a scale from A-E this requires at least grade B.

¹ According to German Corporate Governance Code.

Remuneration Disclosure (Allianz)

	% of target compensation	Target compensation in € thou	Modifier for target level	Other characteristics
30 % fix	30 % Base salary	CEO*: 1,911 RBM*: 975	• Fix	Shareholding requirement • CEO: 2 x base salary • RBM: 1 x base salary
36 % cash	25 % Annual bonus	CEO: 1,593 RBM: 813	Group result \times Individual contribution factor 0 - 150%	
64 % deferred	45 % Long-term incentive (LTI) ¹	CEO: 2,867 RBM: 1,463	Annual bonus target achievement factor \times 4-year share price performance \times 4-year relative performance (peer index) 0 - 272% ² \times Sustainability check (100 % down to 0)	• Malus (up to 100 %) • Clawback (up to 3 years)
70 % variable	100 %	CEO: 6,371 RBM: 3,251	• Severance payment \leq 2 x target compensation	
	+ Pension contribution	CEO: 956 RBM: 488	• 15 % of target compensation (50 % of base salary)	Total stock exposure³ • CEO: 800 % of base salary • RBM: 700 % of base salary
	Total compensation	CEO: 7,327 RBM: 3,739	• Cap incl. pension contribution: CEO: 11,750, RBM: 6,000	

* CEO = Chief Executive Officer, RBM = regular board member.

¹ For simplicity reasons, the LTI percentage as well as the LTI target amount are based on target allocation values.

² The overall compensation cap of € 11,750 thou | € 6,000 thou including pension contributions limits the effective payout of the LTI to a maximum of 272 %

³ Shareholding requirement plus LTI at full run-rate.

Board Reviews explained in the annual report (Generali, Prudential Financial)

Board review and Advice for Shareholders

As required by the CG Code, the Board of Directors evaluates its own operation and that of the Board Committees at least once a year. In accordance with a practice followed by most Italian large-cap issuers, Generali has for some time outsourced the task of supporting the relevant Board Committee, and, consequently, the Board of Directors, to a firm of external consultants. For the three years 2019-21, subject to the opinion of the GSC, the firm has been identified as Egon Zehnder International S.p.A. The Board of Directors provided for the consultant to be actively involved in the Board reviews for the financial years 2019 and 2021, with the preparation of a questionnaire for the members of the Board of Directors and the chair of the Board of Statutory Auditors, followed by interviews. The activity for financial year 2020 was performed in-house, with the consultant merely providing support.

Board effectiveness

Actions during 2021 arising from the 2020 review

The performance evaluation of the Board and its principal Committees for 2020 was conducted externally by Independent Board Evaluation, an independent consultancy. The external nature of the review met the provisions of the UK Code which requires external evaluations on no less than three-yearly intervals. The findings were presented to the Nomination & Governance Committee and Board for discussion in December 2020. A final report was presented in February 2021, and the Board approved a number of action points for 2021. Set out below is an update on progress to address the 2021 actions:

This is the end of my presentation.

Thanks for your patience.