

Environmental Initiatives

SBI Holdings has been registered on the ESG Dialogue Platform of the Environmental Reporting Platform Development Pilot Project, sponsored by the Ministry of the Environment. The Company's environmental-related information is disclosed on the following website.

<https://www.env-report.env.go.jp/en/portal.html> (user registration required)

Recognizing the Organizational and Societal Impact and Opportunities of Environmental Issues, and Contributing to Maintain and Develop a Sustainable Society

The SBI Group Environmental Policy

The SBI Group recognizes the importance of long-term coexistence between society and the natural environment, and that environmental issues have impact on, and present both risks and opportunities to, organizations and society. Accordingly, the Company has instituted the SBI Group Environmental Policy for the purpose of contributing to the maintenance and development of a sustainable society through business activities.

The SBI Group Environmental Policy



<https://www.sbigroup.co.jp/english/csr/environment.html>

Initiatives at SBI Group Companies

Responding to Risks Related to Climate Change

Amid the escalating problems surrounding the Earth's environment, the SBI Group companies are developing response measures to mitigate the impact of natural disasters arising from climate change.

SBI SECURITIES has drawn up contingency plans to prepare for business continuity by effective staffing reallocation and securing system resources in times of natural disaster. Also, SBI SECURITIES is conducting face-to-face business by using financial instruments intermediary service providers (independent financial advisers or IFAs). In light of actual examples from past disasters, SBI SECURITIES is taking care not to unduly bias the allocation of nationwide IFA channels for risk diversification purposes adding to operational considerations. At SBI MONEY PLAZA, which also conducts face-to-face sales, the branch offices are planning to contract for durable real estate properties, where the necessity for disaster countermeasures is comparatively low.

SBI Insurance is utilizing a mix of proportional and non-proportional reinsurance policies to respond to the risk of payment claims associated with large-scale disasters. In the fiscal year ended March 31, 2020, payment claims resulting from Typhoon No. 19 in 2019 (Hagibis) were ¥530 million in principal, but with reinsurance policies, SBI Insurance's actual losses were only ¥230 million.

Toward the Further Proliferation of Renewable Energy

SBI ENERGY, which operates an electric power business using renewable energy, generates power from 27,222 MWh of renewable energy per year, which contributes an emissions reduction

of 15,759 tons CO₂ equivalent*1. It plans to add an additional 20 MW of power generation capacity. Especially, there will be an increasing utilization of electricity, due to wider IT adoption caused by large-scale farming owing to the decrease in the number of farm workers. In particular, farming-type solar power generation, which is one of the characteristic power generation methods that achieves both power generation and agricultural production, will continue to grow. This is regarded to be an important source of multifaceted contributions, as a power supply source that will not only contribute to regional revitalization and environmental conservation through the stabilization of power generation, but also to be utilized as a distributed power source in the event of a disaster.

Promoting Issuance of Green Bonds

The OECD estimates*2 that global financing needs related to renewable energy are undergoing dramatic growth, with an estimated need of US\$839 billion in 2020 projected to increase to US\$4.3 trillion in 2035. According to Climate Bonds Initiative (CBI)*3, an NGO in the U.K., the global issuance of green bonds rose significantly to US\$257.7 billion in 2019 (a 51% increase year-on-year). SBI SECURITIES is advancing its support for issuing green bonds, and by May 2020, it had conducted 16 Internet offerings of about ¥2.16 billion. In March 2019, the company was registered as a "Registered Support Operator" on the "Green Bond Issuance Promotion Platform" of the Green Bond Issuance Promotion System Maintenance Support Project, run by the Ministry of the Environment.

*1. An estimated reduction in CO₂ emissions is calculated by using alternative values for the emissions coefficients for each power company, as published by Ministry of the Environment. When the usage rate for a facility is unknown, the calculation uses the average from June 2018 to May 2019 listed in documents from the Ministry of Economy, Trade and Industry's Procurement Price Calculation Committee

*2. Source: OECD "Green bonds policy perspectives"

*3. Source: CBI "2019_annual_highlights-final"

Change in CO₂ Emissions**

(Unit: t-CO₂)

	FY2017	FY2018	FY2019
CO ₂ emissions (Scope 1)	14	13	104
CO ₂ emissions (Scope 2)	3,412	3,331	4,145

*4. Scope of coverage: Defined by the GHG protocol at SBI Holdings and major domestic sites of the Group companies.
Scope 1 (Direct emissions from the use of fossil fuels, etc.)
Scope 2 (Indirect emissions owing to use of purchased electricity and heat) Each emission amount is listed.

*5. Calculation method: Based on the electricity usage of SBI Holdings and its Group companies, the CO₂ emissions in the relevant range are calculated using various emission factors announced by the Ministry of the Environment