

August 9, 2022

Sompo Japan Insurance Inc.

Investment in Sustainable Development Bond Issued by the World Bank ~Supporting Initiatives to Improve Traffic Safety in Developing Countries~

Sompo Japan Insurance Inc. (President and CEO: Giichi Shirakawa, hereinafter "Sompo Japan") announced that it has invested in a Sustainable Development Bond (hereinafter the "Bond") issued by the World Bank (official name: International Bank for Reconstruction and Development (IBRD)) for the purpose of supporting initiatives to improve traffic safety in developing countries.

This is the first investment by a Japanese investor in the Bond, which raises awareness of the importance of traffic safety.

1. Background

According to the World Health Organization (WHO), traffic accidents and fatalities have been raising globally, with 50 million people injured and 1.35 million fatalities each year of these, 90% occur in low- to middle-income countries. Moreover, the number of fatalities is expected to increase to 1.5 million per year by 2030. *

The World Bank is working with the goal of eliminating extreme poverty globally and sharing prosperity so that all people can live abundantly together. In the area of traffic safety, the bank is financing various projects to contribute to improving traffic safety in developing countries, recognizing an issue that "the most vulnerable people are impacted by unsafe roads.

In spring of each year, Sompo Japan provides a Yellow Badges and traffic accident casualty insurance to new elementary school students throughout Japan. By wearing the Yellow Badges on their person, children beginning the practice of commuting to school gain an awareness of traffic safety, and draw the attention of guardians and drivers. This activity has continued since 1965 with the hope of helping prevent traffic accidents involving children.

Investment in the Bond is intended to support traffic safety initiatives in developing countries and has been realized through consultation between the World Bank and Sompo Japan, which hopes to reduce traffic accidents not only in Japan but in every country around the world.

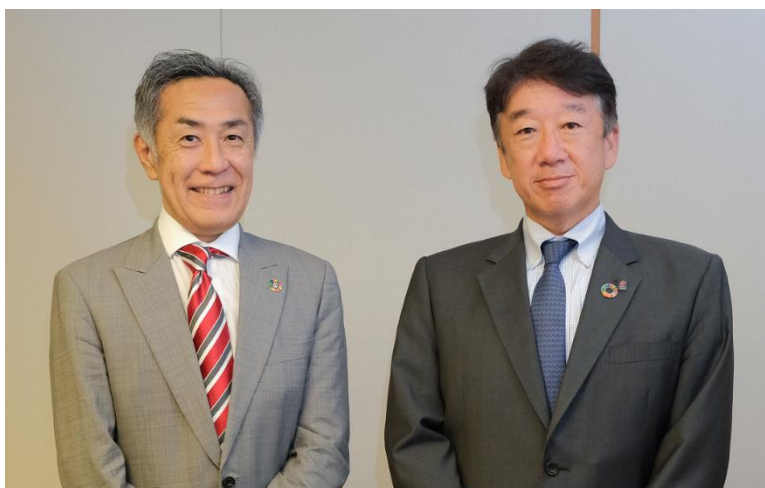
* Saving Lives Through Private Investment in Road Safety : Knowledge Report - 2022

URL : <https://openknowledge.worldbank.org/handle/10986/37039>

2. Overview of the Bond

An overview of the Bond is as follows.

Issuer	International Bank for Reconstruction and Development (IBRD)
Amount of issuance	AUD 50 million



Yoshiyuki Arima

Representative for the World Bank Treasury in Japan
World Bank

Shigeo Saito

Deputy President and Senior Managing Executive Officer
Sompo Japan

3. Outlook

Sompo Japan is working to achieve SOMPO's Purpose, which is expressed as follows: "With 'A Theme Park for Security, Health and Wellbeing,' create a society in which every person can live a healthy, prosperous and happy life in one's own way." To fulfill this purpose, Sompo Japan will confront and contribute to solutions to various social issues through ESG investment, while exercising appropriate risk management.

【Reference: Examples of the World Bank's projects to contribute to improving traffic safety】
"Karachi Mobility Project in Pakistan"

Karachi is Pakistan's largest city, with an estimated population of 15 million. There is currently no formal mass transit system in the city. Transportation is dominated by motorcycles and powered three-wheelers. Some corridors in the city record one fatality per kilometer per year.

This project will rehabilitate the road infrastructure and construct a Bus Rapid Transit system. Facilities for pedestrians and motorcyclists will be included in the project's design.

These measures are expected to lower the annual number of traffic fatalities in the region by 50% and save 15,000 lives. Moreover, economic savings equivalent to USD 142 million over the next 20 years and reductions in CO₂ emissions of 28,000 tons per year are expected.

* The above project is intended only as an example. Use of the funds from this World Bank bond is not limited to this project or area.

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