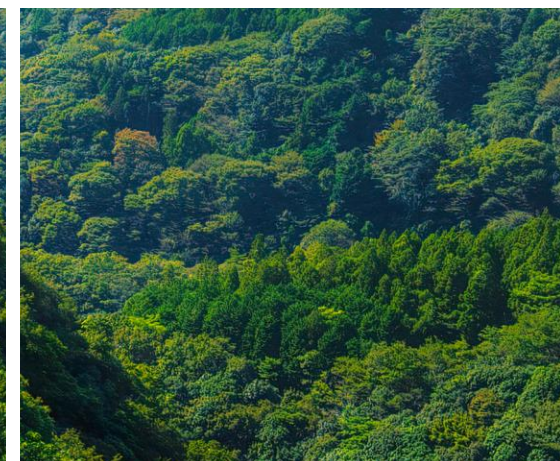
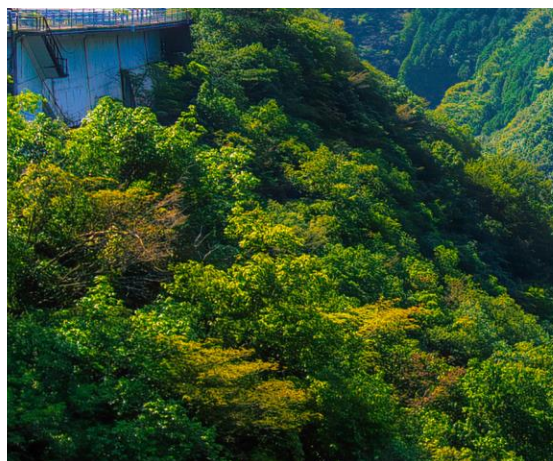
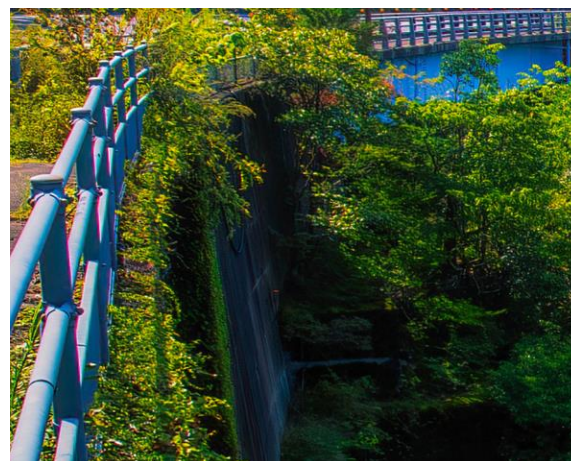
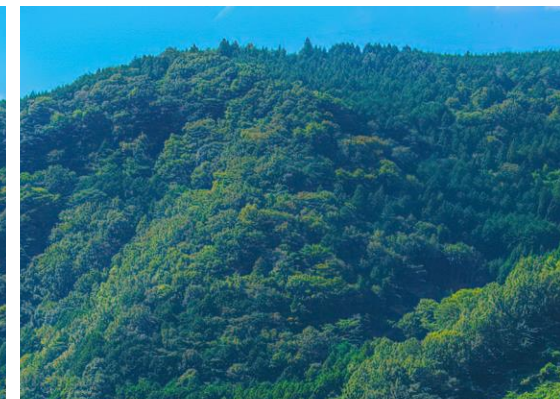
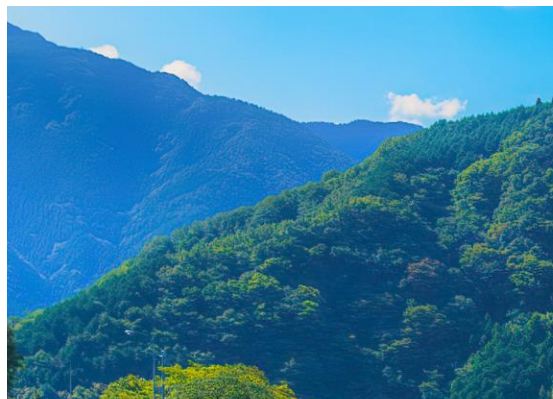


Responsible Investment Report
2022



By your side, for life



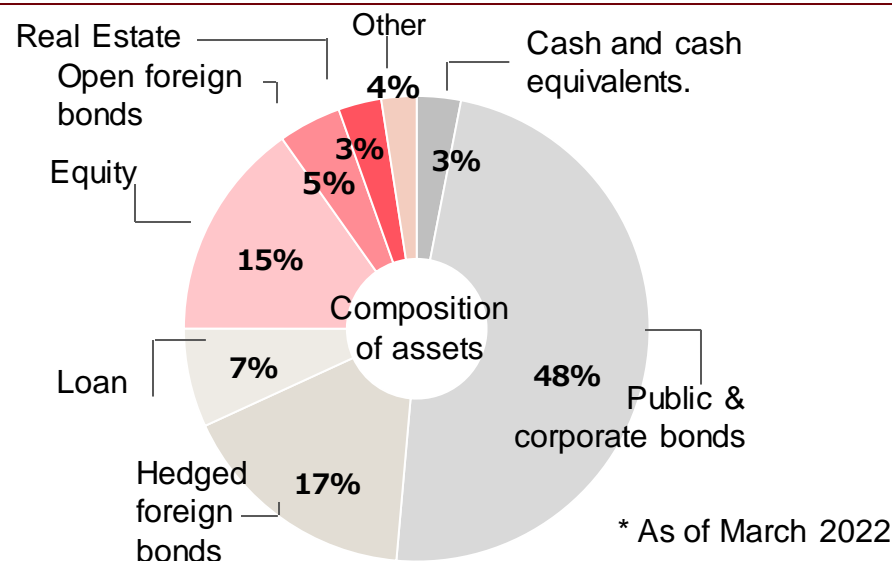
 Dai-ichi Life Group

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Overview of Responsible Investment

Assets Under Management

Approx. **¥38** trillion



ESG-themed investment

* As of July 2022

Investment amount

Approx. **¥1.4** trillion

Investments in Climate Change Solutions

Approx. **¥590** billion

SDGs bonds

Approx. **¥490** billion

SDGs projects

Approx. **¥520** billion

Impact investment

Approx. **¥98** billion

Others

Approx. **¥320** billion

Engagements

Number of companies engaged in dialogues

202 companies

Rate of interviews with Executives

Approx. **62%**

Ratio of companies engaged in dialogues in Japanese Equities portfolio

Accumulated for 3 years

Approx. **88%**

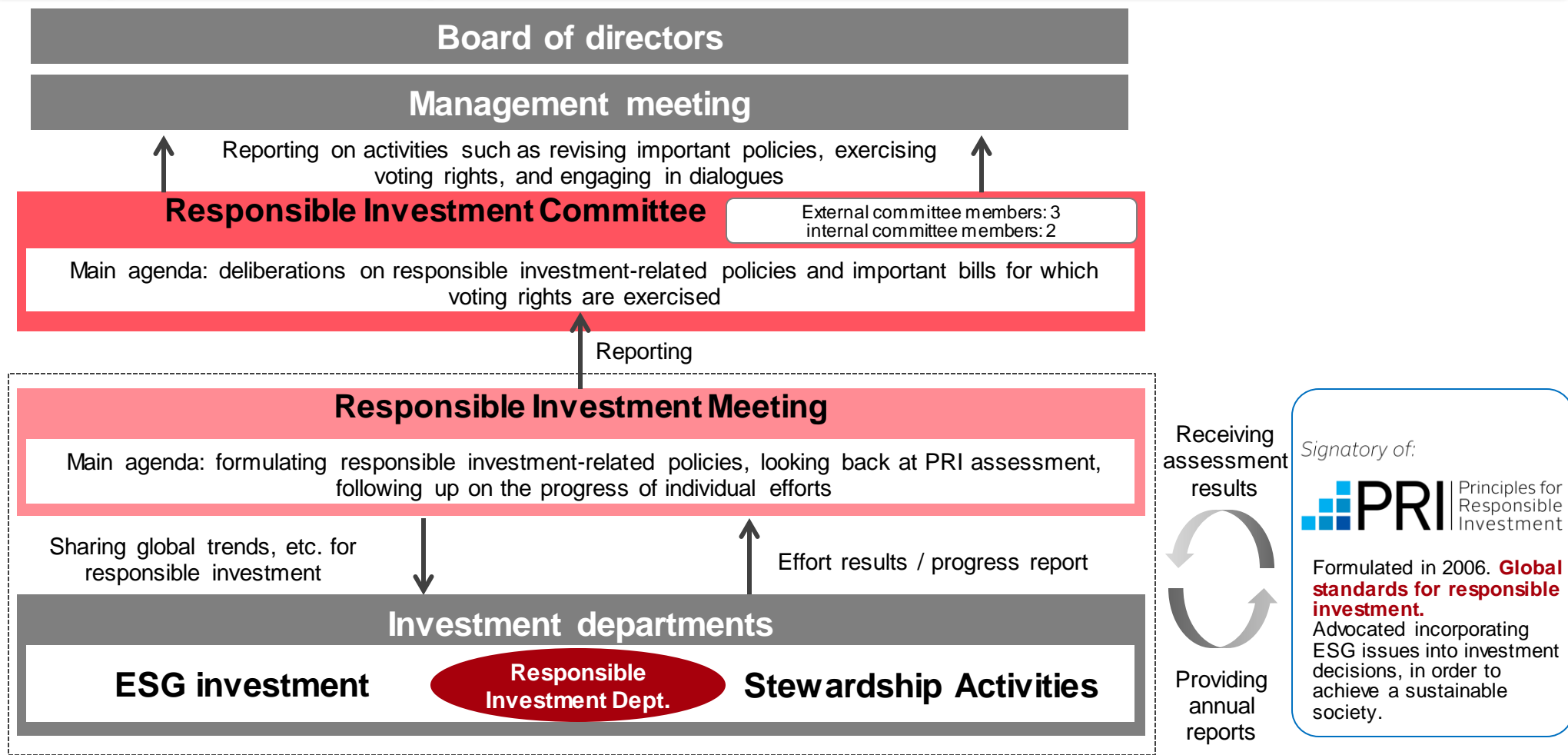
FY2021

Approx. **55%**

(based on market value)

Framework for Responsible Investment

- ◆ We formulate policies of responsible investment through deliberations at the Responsible Investment Committee of which the majority of its members are external members. Matters of particular importance are also reported to the Board of Directors and Management Meeting.
- ◆ We promote efforts in the entire investment department through activities including progress follow-ups and holding discussions at the Responsible Investment Meeting comprised of members engaged in responsible investment. We analyze the annual assessment results for the Principles for Responsible Investment (PRI) to raise the level of our efforts based on global standards.
- ◆ We continuously seek to enhance the sophistication of our framework, which has included appointing ESG analysts from to carry out cross-asset ESG analyses.



Organization and Track Record of the Responsible Investment Committee

- ◆ The majority of the members of the Responsible Investment Committee are external experts with extensive knowledge in management strategy, governance, ESG investment, and a variety of other subjects enabling a system that reflects broad external opinions in the Committee.
- ◆ In addition to external experts, Dai-ichi Life appoints officers in charge of compliance to the committee as members to deliberate and confirm important policies on responsible investment, exercising voting rights on important resolutions and other matters by from a stance fully addressing any conflicts of interest in life insurance contracts.

Committee Members

	Name/Title	Attendance/No. of Meetings
Internal Committee Members	 Kazuyuki Shigemoto Chairperson Managing Executive Officer in charge of Responsible Investment Dept.	4/4
	 Satoshi Takemoto Executive Officer in charge of Compliance Control Dept.	4/4 (including previous appointment)
External Committee Members	 Tetsuya Hishida Partner/Auditor Industrial Growth Platform, Inc.	4/4
	 Haruka Matsuyama Attorney at Law and Partner Hibiya Park Law Offices	4/4
	 Kikuo Kuroiwa President Kuroiwa Associates	4/4

(As of September 2022)

Meetings

<July 2021 to June 2022>

Period	Main deliberation agenda/reported matters
September 2021	<ul style="list-style-type: none"> • Stewardship Activities Report 2020 • Management of exercising voting rights taking into account the COVID-19 pandemic • 2020 PRI assessment results • Announcement of the Responsible Investment Report 2021
December 2021	<ul style="list-style-type: none"> • Management of exercising voting rights taking into account the COVID-19 pandemic
March 2022	<ul style="list-style-type: none"> • Exercise of voting rights on important resolutions* • Revisions of standards for exercising voting rights and certification of specified industries • Formulation of the Basic Policy on Responsible Investment • Medium-term Responsible Investment Policy and 2022 policies • Cooperative engagement activities with the Life Insurance Association of Japan • Responsible investment activity report/engagement survey results
June 2022	<ul style="list-style-type: none"> • Exercise of voting rights on important resolutions* • Progress report toward CO2 emission reduction targets in our portfolios

*Verified there were no problems with exercise of judgement at departments responsible for managing conflicts of interest

Basic Policy on Responsible Investment

- ◆ The purpose of responsible investment is to secure stable investment income in the medium to long term while helping to achieve a sustainable society—a prerequisite for the happiness of all people—by contributing to the resolution of key regional and social issues.
- ◆ We will strive to promote the spread of responsible investment by building the necessary framework for the promotion of responsible investment, disclosing information, and actively communicating our activities and opinions on responsible investment through participation in conferences and study groups.

◆ Basic stance on responsible investment

- ✓ We will promote responsible investment through ESG investment and stewardship activities while also participating in initiatives and collective engagement in order to maximize the effects of such investment.
- ✓ In terms of all asset management policies and investment processes, we will endeavor to consider sustainability according to asset- and region-specific characteristics and continuously improve the corresponding methods.
- ✓ We will work to create positive impacts for achieving a sustainable society. We will not invest in any business that violates laws or public order, any business related to the manufacturing of inhumane weapons, any business that has a significant negative effect on climate change, regional environments, society, or human rights, or any business that risks having any of the above effects.

◆ Commitment to the Japan's Stewardship Code

- ✓ We support the purport of Japan's Stewardship Code. We fulfil our stewardship responsibilities as an institutional investor in accordance with the Basic Policy on Responsible Investment.
- ✓ In order to promote the enhancement of the corporate value of the investee from a medium-to long-term perspective, we will continuously engage with the investee on governance, environmental and social issues, in addition to management strategy, financial strategy, and shareholder return policy, etc., and strive to improve issues based on a shared understanding.
- ✓ To fulfill our stewardship responsibilities, we regularly conduct self-evaluations aimed at the improvement of stewardship activities, and we publish those results together with the outcomes of stewardship activities, including engagement with investees.

Medium-term Responsible Investment Policy (through FY2024)

- ◆ Contributing to the creation of positive impacts on society by further expanding investment in solutions to social issues
- ◆ Setting climate change response as the top priority theme of our responsible investment to contribute to reducing GHG emissions and transition to a decarbonized society through investment, while promoting decarbonization efforts by investee companies through stewardship activities centered on engagement

Responsible Investment

Promotion of ESG-themed investment

- ✓ Creating positive impacts on society through investment to facilitate solutions to social issues
- ✓ Making cumulative ESG-themed investment of over **JPY 2 trillion** by the end of FY2024 (Approx. JPY 1.3 trillion at the end of FY2021)

Sophistication of ESG integration

- ✓ Continuing the sophistication of ESG integration for **all assets** based on their characteristics
- ✓ Continuously researching and incorporating important ESG themes, including human rights and natural capital

Promotion of stewardship activities

- ✓ Oriented toward stewardship activities centered on engagement for **all assets**, taking characteristics of each asset or each region and the extent of our influence as an investor into account

Climate change

Reduction of GHG emissions in our investment portfolio

- ✓ Achieving a **25% reduction** in GHG emissions in our portfolio of listed equities, corporate bonds, and real estate (Compared to FY2019)

Promotion of investment to help solve climate change

- ✓ Making cumulative investments in climate change solutions* of over **JPY 950 billion** by the end of FY2024
- ✓ (Approx. **JPY 500 billion** at the end of FY2021)

*Investment to facilitate solving climate change, such as green bonds and renewable energy power plant projects

Creation of positive impacts

- ✓ Avoided GHG emissions* in FY2024 **Approx. 1.5 million tCO2e**

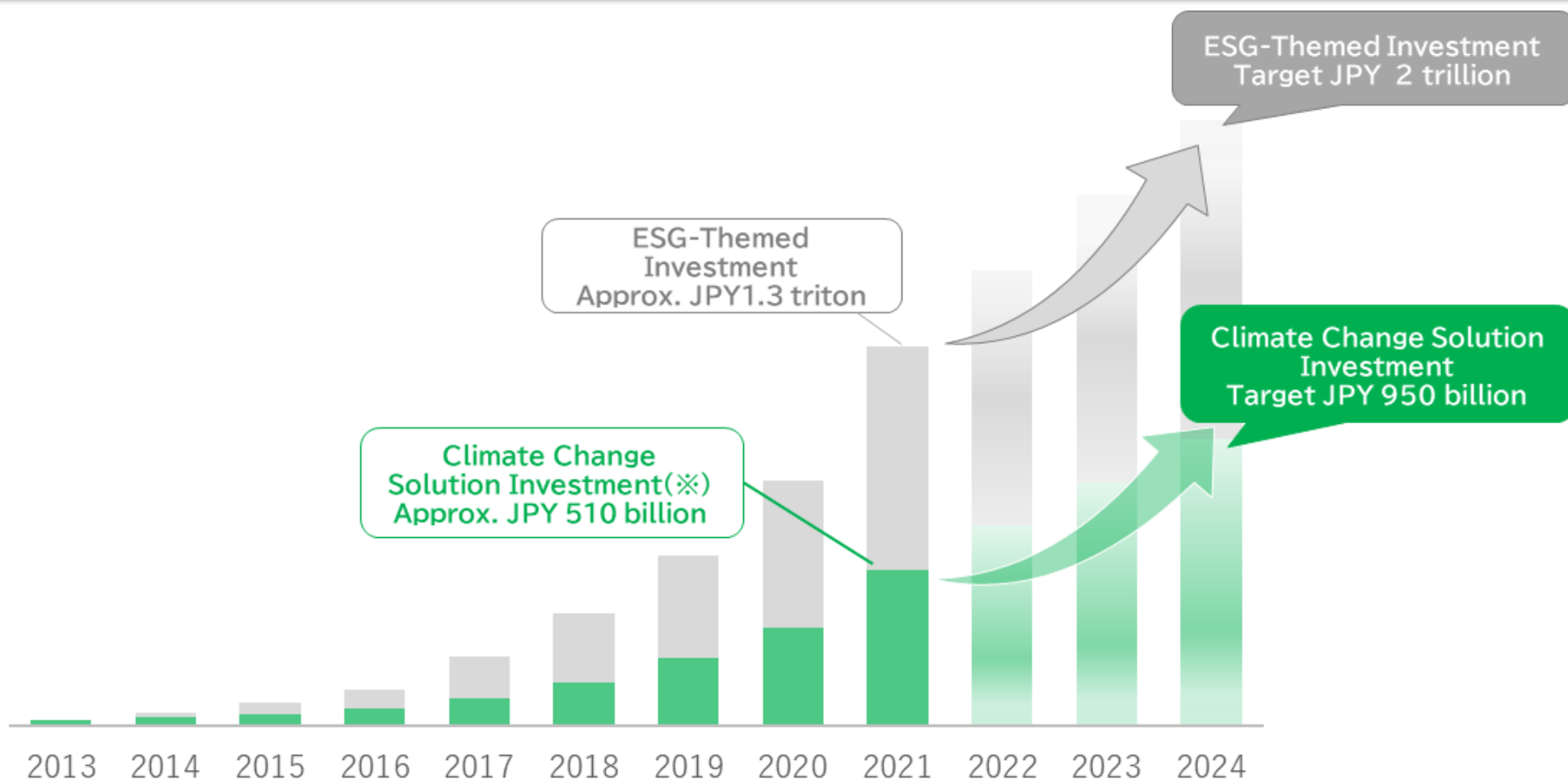
*Renewable energy generating business for which reduction effects have been disclosed. Target amount of avoided GHG emissions to be reviewed annually.

Engagement with investee companies

- ✓ Conducting focused engagement with **top 50 GHG emitting companies** of our portfolio to encourage them to set GHG emissions reduction goals consistent with the **1.5°C target** and **formulate and implement strategies to realize them**

(Reference) Investment Target for Solving Social Issues

- ◆ Cumulative total amount of ESG-themed investment (mainly for QOL improvement, mitigation of climate change, and regional development and revitalization) reached approx. JPY 1.3 trillion as of the end of FY2021. We will expand the cumulative total investment to over JPY 2 trillion by the end of FY2024 to create further positive impacts on society.
- ◆ We will increase the cumulative total investments to facilitate mitigating climate change to over JPY 950 billion by the end of FY2024 to bolster our response to climate change, or the top priority theme of our responsible investment. (Cumulative total investment as of the end of FY2021: Approx. JPY 510 billion)



*climate change solution : Investment to facilitate solving climate change, such as green bonds and renewable energy power plant projects

Responsible Investment Policy 2022

ESG Investment

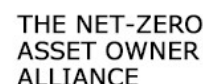
- ◆ **Creation of positive impacts through ESG investment**
 - ✓ Promotion of ESG-themed investment aimed at achieving the medium-term goals
 - ✓ Encouraging issuers to implement **impact disclosure** through engagement
- ◆ **Promotion of efforts toward solving climate change**
 - ✓ Sophistication of **the GHG emissions monitoring system** of our portfolio
 - ✓ Active promotion of investment in climate change solutions to support efforts toward decarbonization, including **green, transition, and impact financing**
- ◆ **Sophistication of the ESG research and integration system**
 - ✓ **Conducting in-depth research on our priority ESG themes** (mitigation of climate change, strengthening governance, QOL improvement, regional development and revitalization, respect for human rights and promotion of diversity, improvement of sustainability of natural capital)
 - ✓ Continuing efforts to **sophisticate ESG integration** for all assets, taking their characteristics into account

Stewardship Activities

- ◆ **Engagement aimed at resolving important issues**
 - ✓ Continuously improving engagement methods to **help companies to identify and resolve important issues**, including by incorporating the issues into engagement themes for key investee companies, based mainly on our findings on ESG themes
- ◆ **Strengthening climate change-related engagement**
 - ✓ Encouraging **top 50 GHG emitting companies** of our portfolio to create an appropriate roadmap to achieve net-zero emissions by 2050
- ◆ **Emphasis on engagement regarding management strategy**
 - ✓ Sharing issues with investee companies while confirming **consistency between corporate purpose/management principles and business models**
 - ✓ Ascertaining medium- to long-term investment strategies, including investment in **human capital and intellectual properties**, and sustainable business strategies based on the external environment such as **geopolitical risks** and **coexistence with COVID-19/post-COVID-19 world**

Promotion of Responsible Investment by Participating in Initiatives

- ✓ Facilitating the resolution of global challenges such as climate change by participating in and contributing to global initiatives, including GFANZ and Net-Zero AOA
- ✓ Actively participating in collaborative engagement and demonstrating the ability to influence companies



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Main Initiatives to Achieve Carbon Neutrality in Investment Portfolios

- ◆ Formulate mid-term reduction targets every five years, monitor progress, and strive to expand assets subject to these targets according to the Net-Zero Asset Owner Alliance Target Setting Protocol as a member to achieve carbon neutrality in portfolios by 2050.
- ◆ Support initiatives of any investee company via engagement and expand investments that help resolve climate-related issues to support a shift to a low-carbon society and efforts toward new environmental innovations

Set targets and analyze GHG emissions

- ✓ **Reduce 25% of GHG emissions** in stock, bonds, and real estate portfolios by 2025(compared to 2020).
- ✓ Regularly measure and analyze GHG emissions of investee companies and reflect those results in engagement and investment activities.

Push shift to a low-carbon society via investments

- ✓ Aim to actively invest a **cumulative total of JPY 950 billion** in climate change solutions investments to combat climate change issues.
- ✓ **Formulate policies on transition finance initiatives** and actively fund a shift toward a low-carbon society.
- ✓ Aim to 1.5-million-ton avoided GHG emissions by 2024 to create a positive impact through investments.

Drive initiatives at investee companies via engagement

- ✓ Encourage loftier GHG target reduction settings, more effective initiatives, and other efforts **at the 50 companies with the highest GHG emissions** in our portfolios.
- ✓ Lead positive change as an investor and drive forward initiatives at investee companies through cooperative engagement with the Climate Action 100+, The Life Insurance Association of Japan, and other such organizations.

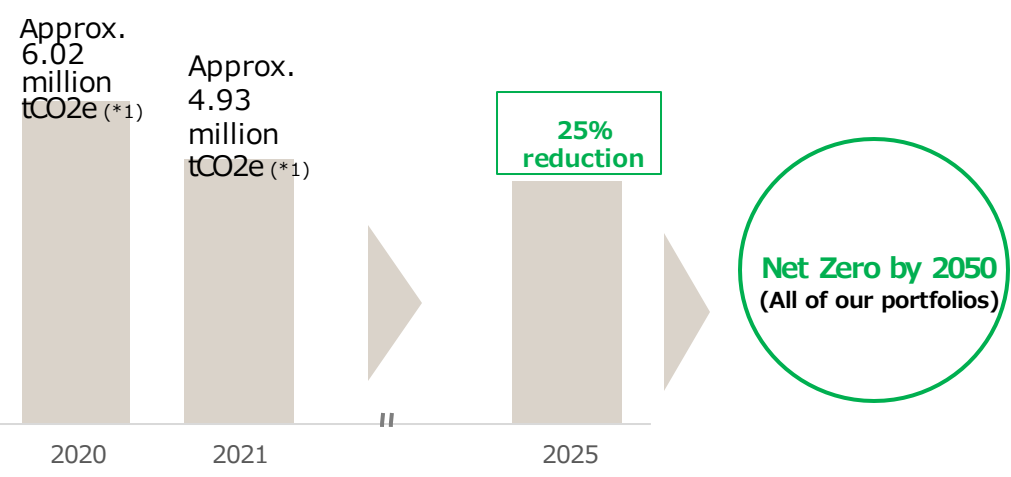
Take a leadership role in global investor initiatives

- ✓ Participate in the global Glasgow Financial Alliance for Net Zero initiative promoting net-zero emissions at financial institutions.
- ✓ Participate in the **GFANZ Principals Group and its workgroups** and support initiatives.

GHG Emission Reduction Target Settings and GHG Emission Analysis

- ◆ We have designated climate change as the highest priority issue for responsible investments. In February 2021, Dai-ichi Life joined the Net-Zero Asset Owner Alliance for the first time in Japan to publicly share its commitment to shift to carbon neutral portfolios by 2050.
- ◆ We will set targets to reduce GHG emissions by 25% in equity, bond, and real estate portfolios (compared to March 31, 2020) and analyze the level of GHG emissions of each portfolio based on the TCFD recommendations.

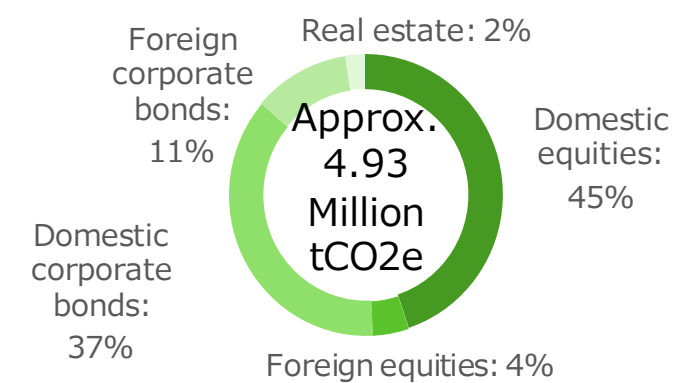
◆ Listed Equities, Corporate Bonds, and Real Estate Portfolio GHG Emissions and Reduction Targets



- ✓ The total GHG emissions for our listed equities, corporate bonds, and real estate portfolios added up to roughly 4.93 million tons as of 2021, which was an 18% year-on-year reduction from approx. 6.02 million tons in 2020.
- ✓ These results seem to stem from a variety of factors, including restrictions on corporate activities brought by the COVID-19 pandemic, the progress of GHG emission reduction initiatives at investee companies, market fluctuations influencing the GHG emissions calculations attributed to the Dai-ichi Life Group.

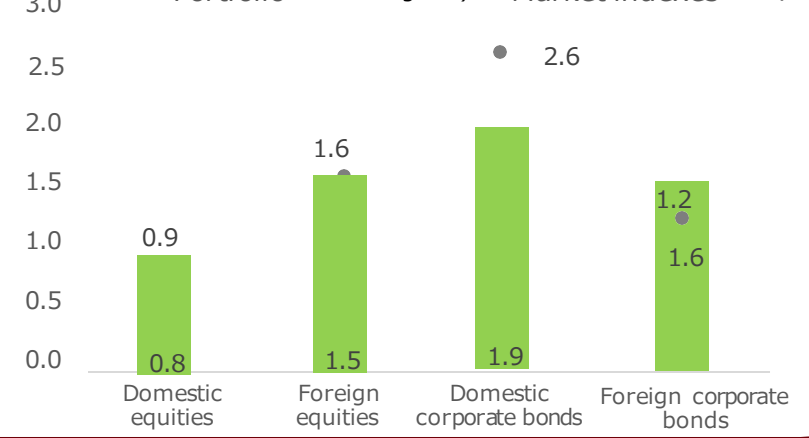
◆ GHG Emissions by Portfolio

Total CO₂ emissions from listed equities, corporate bonds, and real estate portfolios (breakdown)



Weighted Average Carbon Intensity (WACI)

(Value calculated by multiplying the carbon-to-revenue intensity of each company by the holding ratio)



(*1) Total value of Scope 1 and Scope 2 emissions from listed equities, corporate bonds, and real estate portfolios

(*2) Use of the TOPIX, MSCI ACWI ex-Japan, S&P Japan Corporate Bond Index, and S&P International Corporate Bond Index as market indexes

Policy on Transition Finance

- ◆ For realizing a decarbonized society, it is important to steadily advance a long-term transition strategy centered in high GHG emitting industries.
- ◆ In order to achieve net-zero portfolio by 2050 and contribute to the realization of a decarbonized society, we established a policy on Transition Finance by actively supporting the financing of companies that pursue such strategies.

Prioritizing achieving long-term carbon neutrality for society as a whole

- Investment to Transition Finance could lead to temporal increases in GHG emissions allocated to our company and negatively impact our interim GHG reduction targets.
- However, considering that decarbonization of GHG-intensive industries is essential to achieve carbon neutrality, the realization of Transition will be prioritized than our interim target.

When making investment decisions, we examine the feasibility of a transition strategy in light of its alignment with major guidelines on transition finance and from the perspective of investment returns.

- As net-zero pathways vary depending on their business models, locations and other factors, we take into account these company-specific characteristics in examinations.

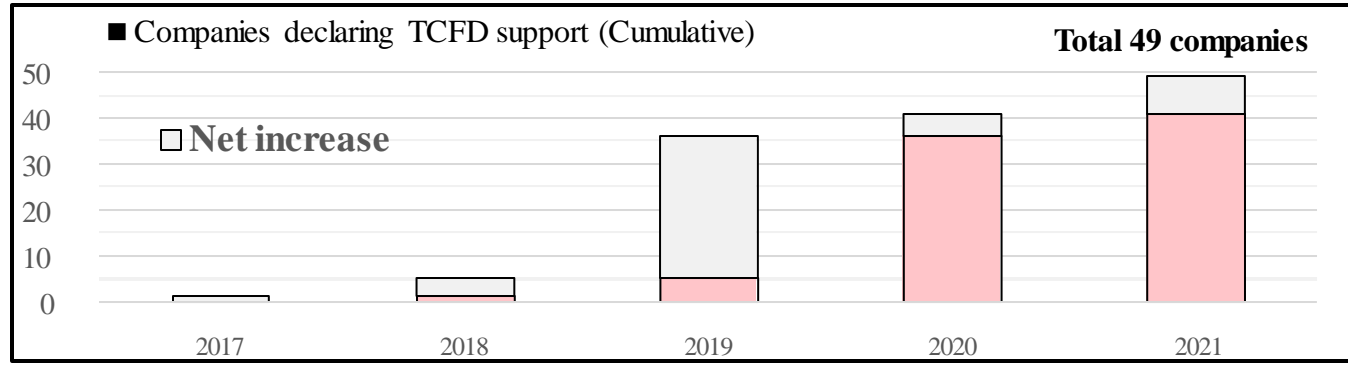
Continuously review the criteria for examining transition strategies in light of the external surrounding the transition finance, situations of technological innovations and other elements.



Based on the insights obtained in the examination process of transition finance, we conduct engagements with investee companies and encourage them to improve their transition strategies or effectiveness of their initiatives.

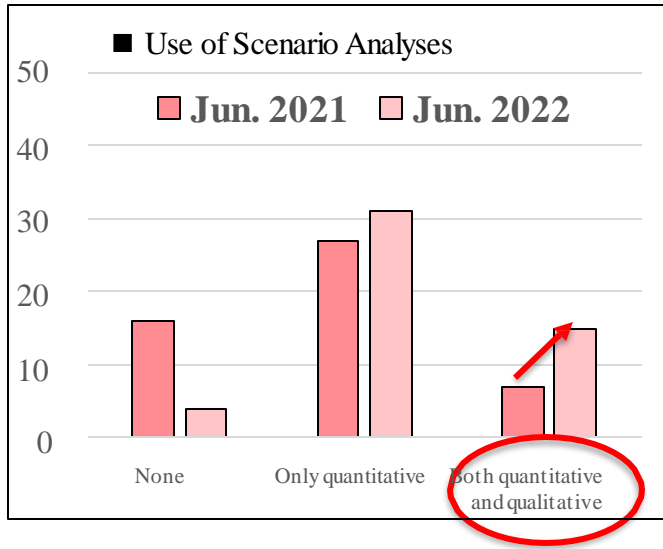
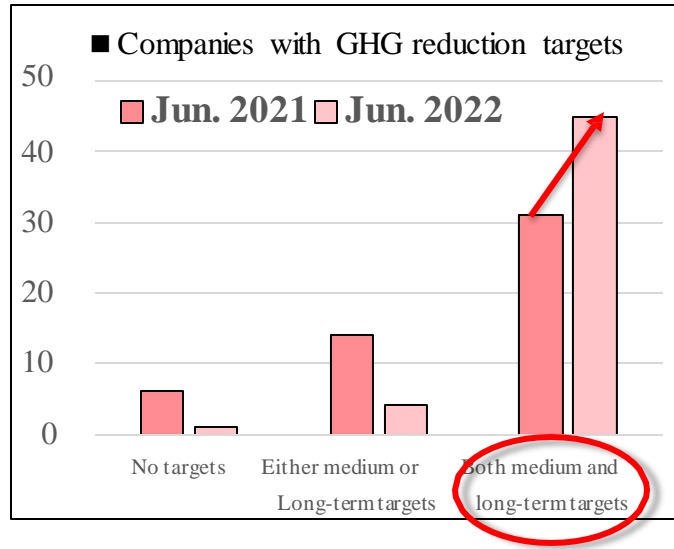
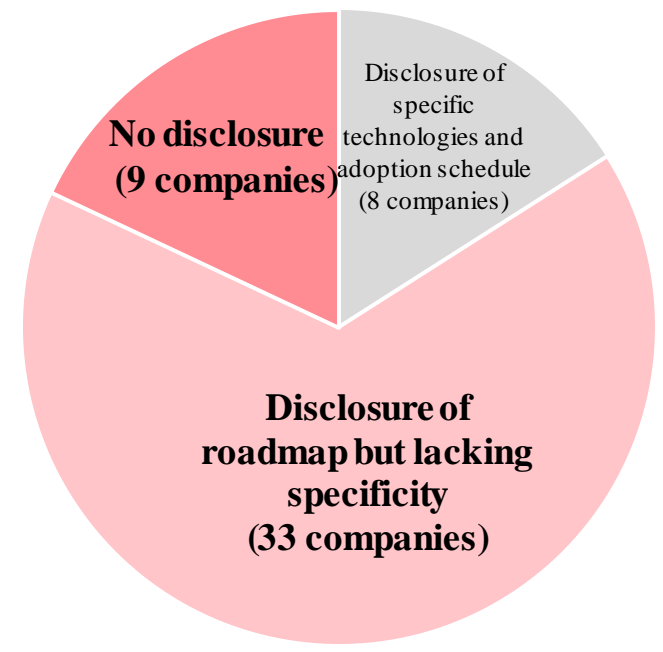
Progress of Emission Reduction Initiatives at 50 Companies with the Highest GHG Emissions

- ◆ Dai-ichi Life continuously engages in dialogues around themes on climate change. In fiscal year 2021, we identified and entered into dialogues with the 50 companies in our portfolios that have the highest GHG emissions.
- ◆ A large number of these 50 companies have shown a significant increase in adopting the TCFD recommendations to set targets toward achieving carbon neutrality by 2050. However, only a few have drafted quantitative scenario analyses^(*1) on climate-related issues and created a specific roadmap^(*2) to carbon neutrality.
- ◆ In the future, we will continue to engage in these dialogues to encourage these companies to disclose quantitative scenario analyses and formulate and execute specific roadmaps toward GHG reductions.



Please refer to p. 43 and p. 44 to see some examples of engagement activities on climate-related issues

■ Current disclosure of roadmaps to carbon neutrality



(*1) A scenario analysis examines a strategic response to the long-term uncertainty of climate change issues to identify both risks and opportunities and to conduct a quantitative and qualitative (impact, etc.) analysis in order to assess the impact and response.

(*2) A roadmap indicates specific targets and actions to realize carbon neutrality.

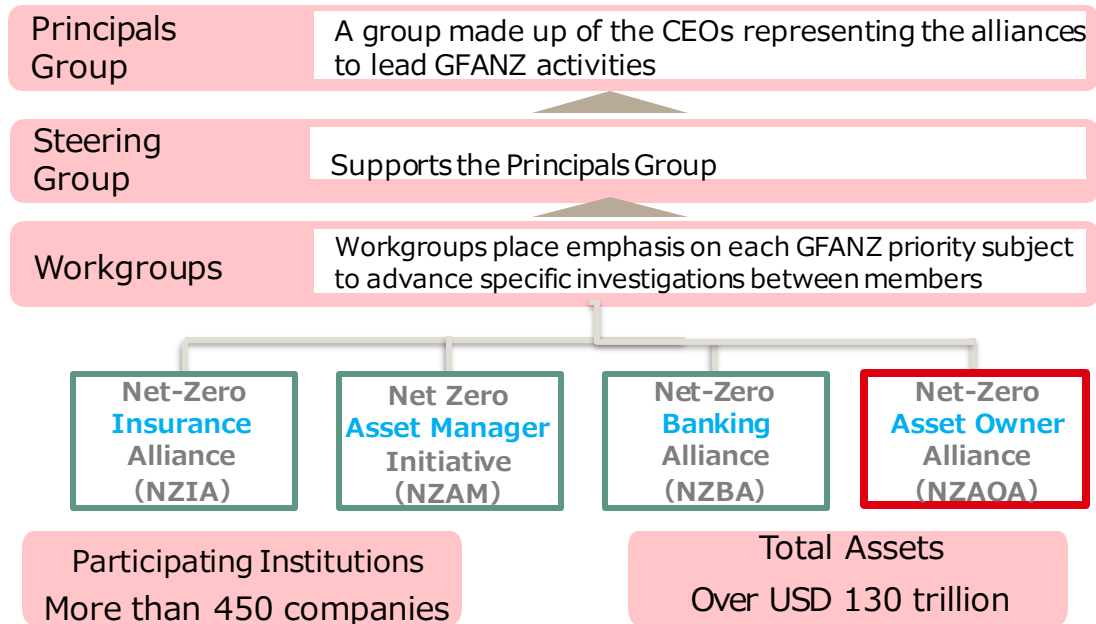
Actions in Global Investor Initiatives

◆ Dai-ichi Life participates in and actively supports GFANZ and NZAOA as global initiatives for institutional investors aiming to achieve net-zero portfolios and promote global decarbonization efforts.



- ✓ GFANZ was launched as a coalition of financial institutions engaging in initiatives that aim to achieve carbon neutrality by 2050. To realize its mission to accelerate the race to net-zero worldwide, GFANZ formulates transition plans across the financial industry, supports effective execution of these plans, provides funding toward decarbonizing developing nations, and makes policy proposals.
- ✓ Dai-ichi Life actively promotes the GFANZ initiative. In addition to President Seiji Inagaki's participation in the GFANZ Principals Group that leads GFANZ activities, we also participate in its workgroups and the Steering Group that assists the Principals Group.

GFANZ Organizational Overview



UN-convened Net-Zero Asset Owner Alliance

- ✓ NZAOA is an initiative of asset owners that aims to foster a transition to portfolios with net-zero GHG emissions by 2050.
- ✓ Dai-ichi Life is the first in Asia to participate in the NZAOA. We promote NZAOA initiatives by taking part in a principals group made up of representatives from participating firms and working groups that debate specific issues.

Main Topics Under Review at NZAOA

Expansion of Assets with GHG Reduction Targets

- ✓ NZAOA issues various guidelines to its members, such as approaches for measuring GHG emissions and setting targets, which are revised on an annual basis.
- ✓ Currently, NZAOA is looking into formulating guidelines on approaches to measure GHG emissions and set targets in addition to other measures relevant to new assets, such as government bonds, infrastructures, and unlisted equities.

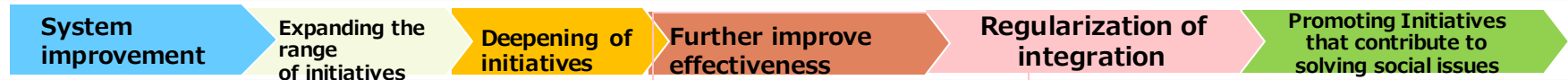
Promote Transition Investments

- ✓ There is a greater need to promote funding to developing nations and support a transition to achieve net-zero emissions globally.
- ✓ NZAOA is pushing forward blended financing to promote investments in emerging markets by properly balancing the risk and return between government and other public agencies and private financial institutes as a means to encourage these investments in developing nations. This initiative has released a discussion paper advocating broader investment and published a Call to Action to Asset Managers, to develop blended finance vehicles and other similar products.

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Our History for ESG Investment and 2021 Review

◆ In FY2021, we participated in GFANZ/NZAOA and committed to make our investment portfolio carbon neutral by 2050, while promoting efforts to reduce GHG emissions, such as starting a full-scale climate change dialogue with the top 50 GHG emitting companies. In addition, we promoted initiatives to help solve social issues, such as starting to disclose the positive impact of our investments.



FY	2010	2015	2016	2017	2018	2019	2020	2021
Investment Policy /Framework		Signed PRI	Formulation of ESG Investment Policy				ESG Analyst	Committed carbon neutrality by 2050 and set interim reduction targets
ESG-themed investment		Investments in renewable energy power plants				Strengthen of climate change initiatives	Diversification of Investment method	Expansion of Climate Change Solutions Investment
		Investments in SDGs bonds					Sophistication on impact monitoring	Positive Impact Disclosure
			Impact investment			Contributing to regional revitalization		
ESG integration		ESG factors incorporated in domestic equities			Incorporate climate change			
						Foreign equities ESG managed in-house	Implementation of ESG Index	
				Incorporate ESG factors into research process		Strengthen of climate change initiatives	Enhancement of ESG analysis	Engagements with top 50 GHG emitting companies
				ESG engagement			Expansion of assets	
			Negative screening		Coal·Weapon added		Oil- Gas added	
						Responsible Investment report		joined GFANZ/NZAOA

Definitions of ESG Investment Method

ESG Investment Method	Definitions
ESG Integration	Systematic integration of ESG factors into the investment process
Integration into Research	Systematic integration of ESG factors into analysis and evaluation performed by the Company
Positive Screening	Building a portfolio comprised of companies with high ESG ratings
Negative Screening	Excluding certain uses of funds and industries, etc. from the portfolio
Dialogue on ESG	Dialogue activities related to ESG issues
ESG-Themed Investment	Investment in fields that help resolve social issues premised on secure investment returns (Climate Change Solution Investments :Of the above, investments that contribute to solving climate change issues)
Investment and Financing for SDGs Bonds, etc.	Funding for international organizations and companies promoting businesses that contribute to achieving SDGs (Green, social, sustainability bonds, etc.)
Investment and Financing for SDGs Businesses	Funding for businesses that contribute to achieving SDGs (social infrastructure development, environment preservation, etc.)
Impact Investment(※)	An investment method in which decisions for investments are made while intending to both obtain income from investments and create a positive impact.

(※) The definition of impact investment has been changed since FY2022. Please see page 30 for details.

Enhancing Sophistication of ESG Integration

- ◆ We integrate ESG into each asset according to asset liquidity and characteristics to continually push forward action that increases the sophistication of ESG integration.

Asset	Stance Attune to ESG Evaluations	Approach to ESG Integration
Equities	<ul style="list-style-type: none"> ✓ Evaluate ESG elements from a stance considering the impact on the corporate value of investee companies. ✓ Evaluate ESG taking into account information gained through dialogues with companies in addition to information in the public domain, evaluations by third-party ESG assessment agencies, and other external information. 	<ul style="list-style-type: none"> ✓ Select and analyze priority themes from various ESG issues across sectors and issue an ESG score based on a quantitative and qualitative evaluation of the ESG elements at each company. ✓ Reflect the ESG score in the internal growth rating. ✓ Adopt ESG indexes to benchmarks for foreign equities.
Corporate bonds	<ul style="list-style-type: none"> ✓ Evaluate ESG elements from a stance considering the impact on the trustworthiness of investee companies. ✓ Evaluate ESG taking into account information gained through dialogues with companies in addition to data in the public domain, evaluations by third-party ESG assessment agencies, and other external information. 	<ul style="list-style-type: none"> ✓ Select and analyze priority themes from various ESG issues across sectors and issue an ESG score based on a quantitative and qualitative evaluation of the ESG elements at each company. ✓ Reflect the ESG score in the internal credit rating.
Government bonds	<ul style="list-style-type: none"> ✓ Evaluate ESG elements from a stance considering the impact on the trustworthiness of investee companies. 	<ul style="list-style-type: none"> ✓ Evaluate environmental and human rights initiatives, governance, and other major ESG elements to reflect in the internal credit rating.
Loans (corporate/project finance)	<ul style="list-style-type: none"> ✓ Evaluate ESG elements from a stance considering the impact on the trustworthiness of investee companies and projects. 	<ul style="list-style-type: none"> ✓ Corporate finance: Reflect ESG factors in the internal credit rating. ✓ Project finance: Verify whether a project clears the E and S criteria based on the Equator Principles and others during due diligence and regularly monitor these items after an investment is made.
Real estate	<ul style="list-style-type: none"> ✓ Evaluate the impact of primarily environmental elements on profitability as regulations on the environmental performance of buildings and GHG emissions become more stringent. 	<ul style="list-style-type: none"> ✓ Evaluate progress in acquiring environmental certifications and other ESG elements to reflect in the hurdle rate when making an investment.
Outsourced assets (hedge funds/alternatives)	<ul style="list-style-type: none"> ✓ Evaluate ESG elements when outsourcing ESG integration systems and frameworks for reporting ESG information to investors, and other management processes. 	<ul style="list-style-type: none"> ✓ Follow up on the progress of ESG initiatives when selecting or regularly monitoring an outsourcing contractor.

Methods of ESG Integration (Equities/Corporate Bonds)

- ◆ We optimally integrate ESG factors into each asset according to asset liquidity and characteristics, and strive to increase the sophistication of ESG integration.
- ◆ ESG analysts select priority themes from various ESG issues and conduct cross-sector analyses. The research results are shared with equity and credit analysts, and then each asset analyst reflects those results into the evaluation of each company.

Approach to ESG Issues (Equities/Corporate Bonds)

Top-down approach

ESG analyst

Selection of important ESG themes/cross-sector research and analysis

Various ESG issues

Climate change

Human rights

Governance

etc...

ESG scoring

Internal rank of each company

Equity/credit analyst

Research and analysis of each company

Bottom-up approach

Main ESG issues and evaluation stance

E

Climate change: Climate-related risks and opportunities, availability and progress of GHG reduction plans

Natural capital: Impact of deforestation, marine pollution, waste plastics and other environmental issues

S

Human rights: Level of human rights risks throughout the supply chain and identified by human rights due diligence

Diversity: Ratio of women appointed as managers and executives and other diversity issues

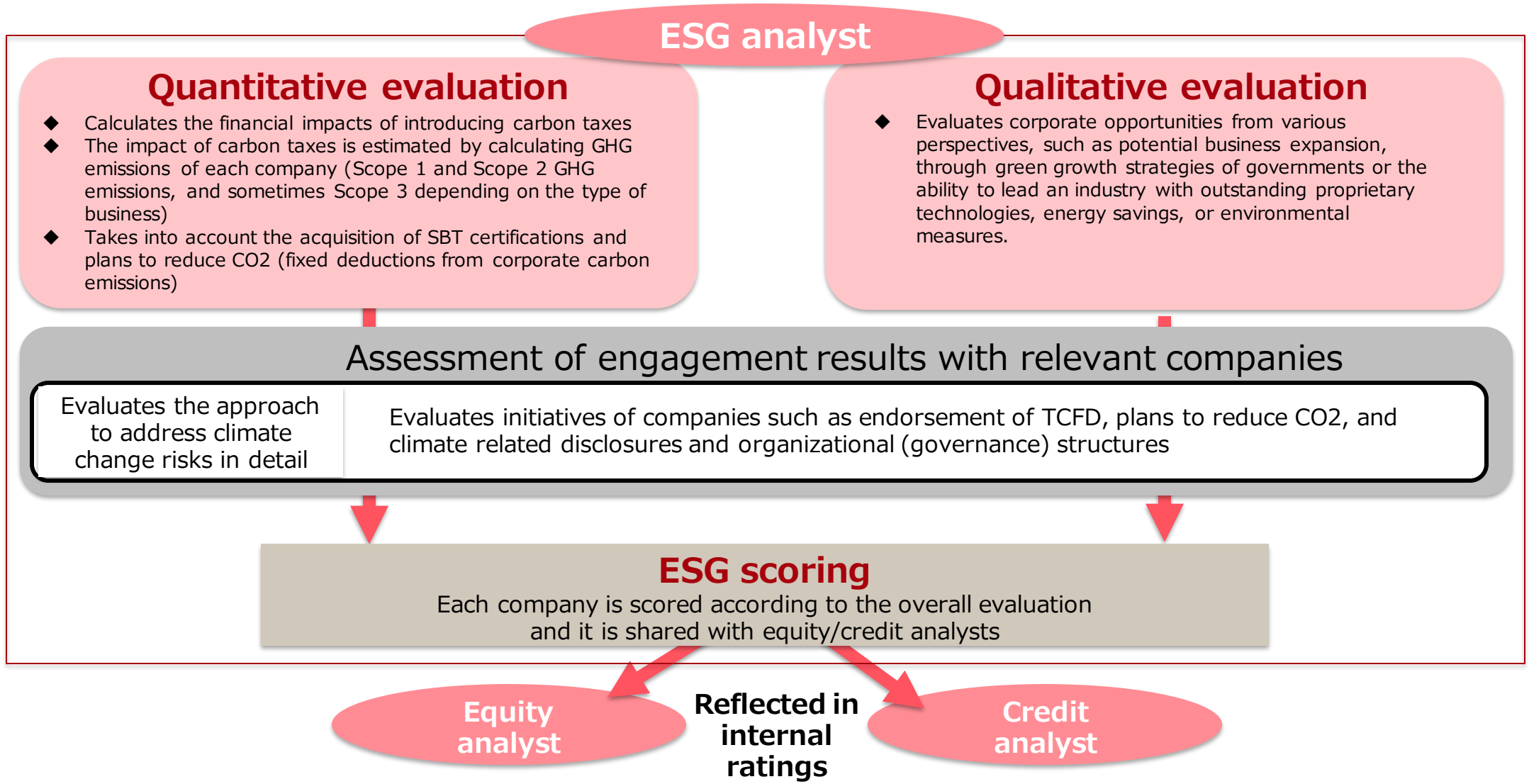
G

Governance structure: Execution of functions by outside directors with the appropriate participation and advice in nomination and remuneration committees

Integrated information disclosure: Level of disclosure integrating financial and non-financial information

Examples of ESG Integration (Climate Change)

- ◆ In terms of climate change integration, we score each company after quantitatively and qualitatively evaluations taking into account engagement results.
- ◆ More specifically, our quantitative evaluation calculates the effects of carbon taxes while our qualitative evaluation considers future opportunities, such as environmental technologies. Our engagement verifies and assesses initiatives of companies to address climate change risks, corporate governance, etc.



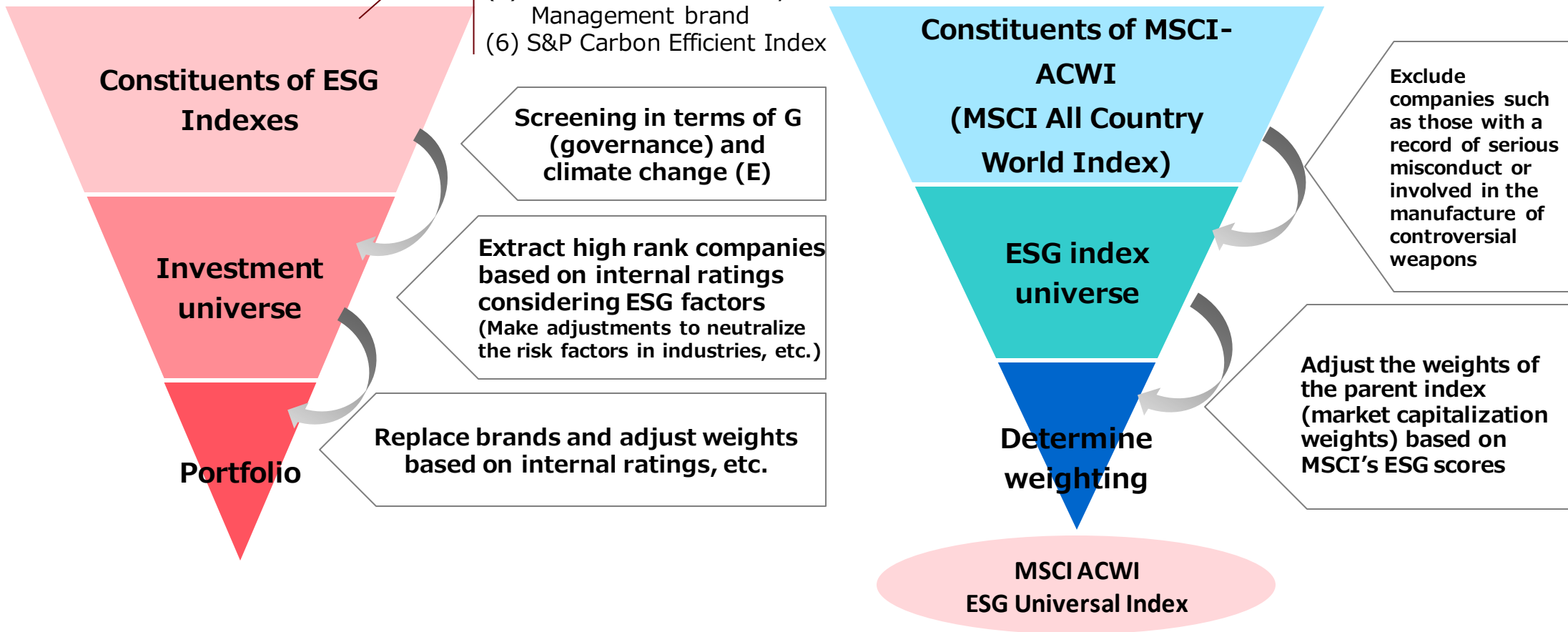
Positive Screening (Equities)

- ◆ An ESG fund in domestic equity portfolio conduct screening from the viewpoint of governance and climate change, and integrate ESG factors in internal ratings, and adjust the weight based on it.
- ◆ Since September 2020, the company has introduced an ESG index as a benchmark for foreign equity portfolio, and began reflecting ESG factors in all of its foreign equity investments managed in-house.

[ESG fund construction method for domestic equities]

- (1) FTSE Blossom Japan Index
- (2) MSCI Japan ESG Select Leaders Index
- (3) MSCI Japan Empowering Women Index
- (4) Nadeshiko brand
- (5) Health and Productivity Management brand
- (6) S&P Carbon Efficient Index

[foreign equity investments managed in-house]



Negative Screening

DAI-ICHI LIFE

Dai-ichi Life Group

- ◆ Our negative screen list is continuously reviewed taking into account the characteristics of the life insurance business and the sustainability of society.

List of negative screening

Screening targets	Assets under screening
<ul style="list-style-type: none"> ● Specific arms manufacturing (cluster bombs, biological/chemical weapons, anti-personnel mines, etc.) 	<ul style="list-style-type: none"> ● Equity ● Bond ● Corporate financing ● Project finance ● Real estate
<ul style="list-style-type: none"> ● New thermal power plant-related projects using fossil fuels(including coal, oil, and gas) ● coal mining projects 	<ul style="list-style-type: none"> ● Project finance

Process of negative screening



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		✓ Our History for stewardship activities and Review	
		✓ Examples of engagements	
		✓ Policy for FY2022	
		✓ Voting Policy and Voting records	
		✓ Self-evaluation and evaluation by others	
		✓ Message from the Chairperson of the Responsible Investment Committee.	
		✓ Reference (2021 PRI assessment)	

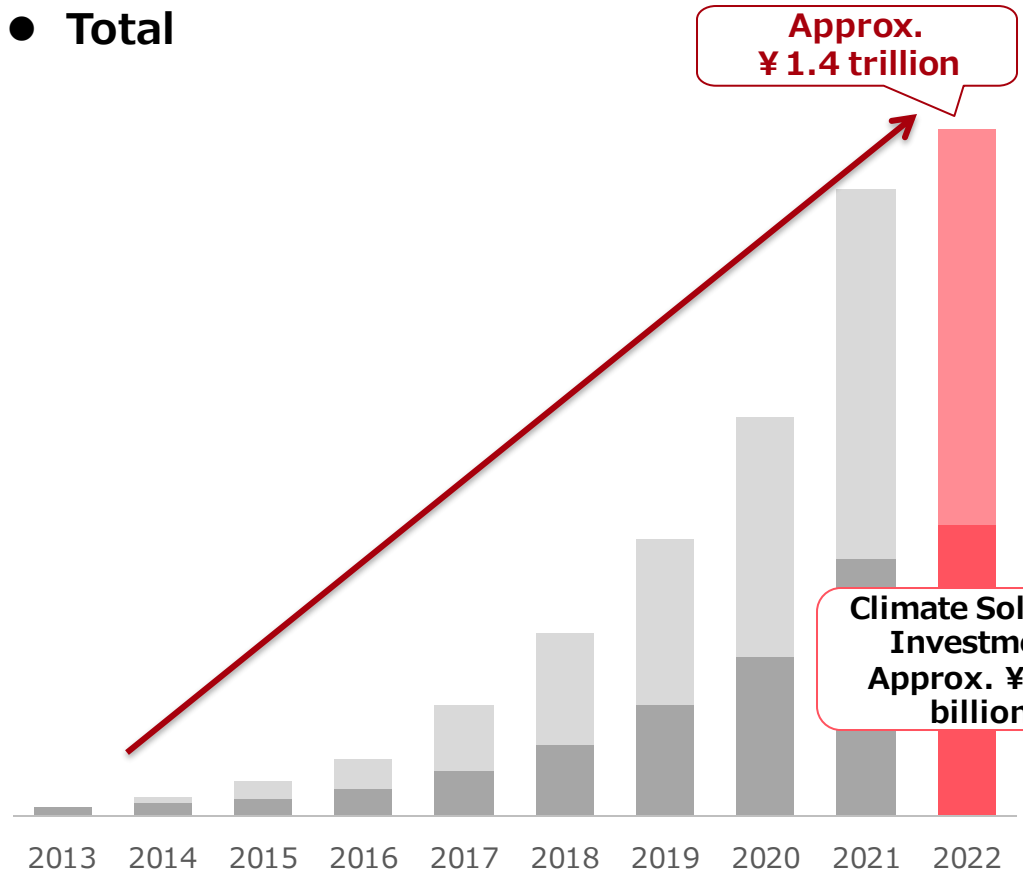
ESG-themed investment

※As of July 2022

- ◆ Accumulated ESG-themed has reached to ¥1.4trillion.
- ◆ Mainly, we actively invested in Climate Change Solutions.

< Accumulated ESG-themed investment >

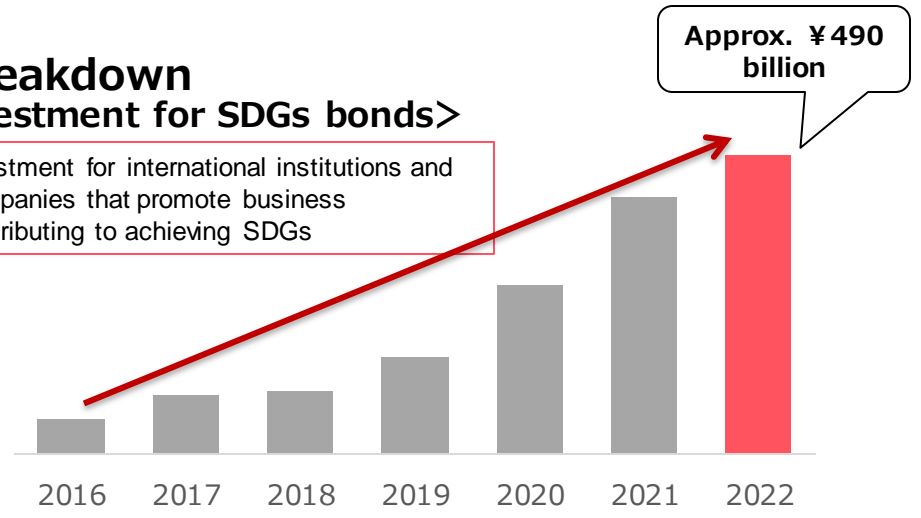
● Total



● Breakdown

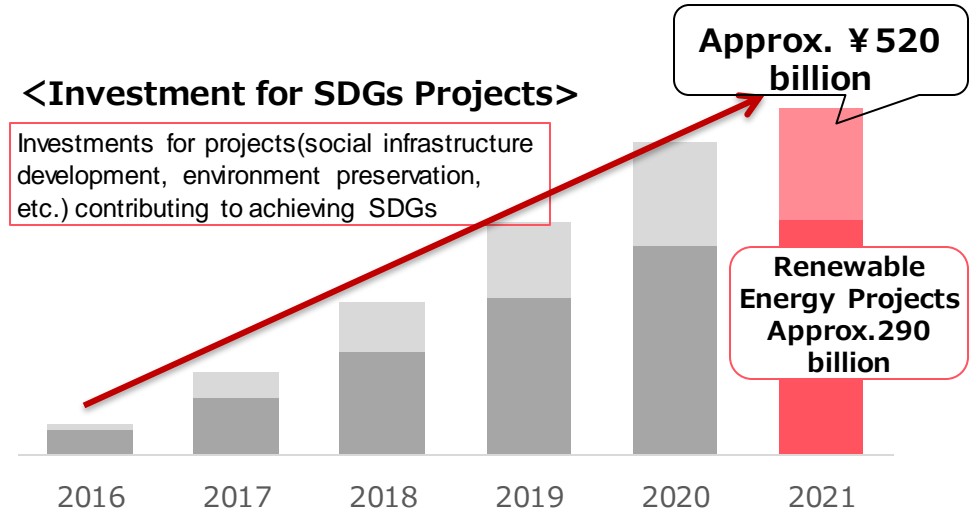
<Investment for SDGs bonds>

Investment for international institutions and companies that promote business contributing to achieving SDGs



<Investment for SDGs Projects>

Investments for projects(social infrastructure development, environment preservation, etc.) contributing to achieving SDGs



※ESG-themed investments include investments for SDG bonds, investments for SDG projects, impact investments, and investments that contribute to regional revitalization.

Promotion of Investments to Solve Social Issues

DAI-ICHI LIFE

Dai-ichi Life Group

- ◆ We strive to create a positive impact by investing in assets that contribute to solving social issues.
- ◆ Avoided GHG emissions from investment of green infrastructure projects were 1.06 million tons, equivalent to 20% of emissions from our portfolios in FY2021 (listed equities, corporate bonds, and real estate).

Investment Theme	Relevant SDGs	Cumulative Total
Climate change action	 	Approx. JPY 590 billion
Better QOL	     	Approx. JPY 530 billion
Regional development and revitalization	   	Approx. JPY 180 billion
Sustainability of natural capital	   	Approx. JPY 40 billion
Respect of human rights and promotion of diversity	 	Approx. JPY 10 billion

Positive impact of investments

Avoided GHG emissions

Approx. **1.06** million tons

Climate change mitigation investments for which GHG reduction contributions can be estimated, such as renewable energy power generation projects, or for which the impact is disclosed through green bonds. (※)

People benefited in emerging nations

Approx. **1.4** million people

Projects that disclose the number of beneficiaries of investments and loans focused on improving quality of life through the provision of microfinance and health services in emerging countries.

*The avoided GHG by investment of renewable power generation businesses is calculated using the PCAF concept. The PCAF is an international initiative developing methods to measure and calculate GHG emissions in investment and financing portfolios.

Climate Change Solution Investments

* As of the end of July 2022

**Cumulative investment amount:
Approx. ¥590 billion**

Classifications

Investment amount

Investments in SDGs projects

(Investments for Renewable Energy Power Generation projects)

About ¥200 billion

Domestic:
About
¥170 billion

Overseas:
About
¥120 billion



Investments in SDGs Bonds

(Investments for Green, sustainability link bonds, etc)

About ¥220 billion

Domestic:
About
¥110 billion

Overseas:
About
¥110 billion



Impact Investment / Others

About ¥75 billion

Domestic:
About
¥49 billion

Overseas:
About
¥26 billion



Examples of Investments in Climate Change Solutions

*Main projects after September 2021



Dai-ichi Life Group

Project Summary	Investments	Period		
<p>Green bonds (University of Tasmania)</p> <ul style="list-style-type: none"> This is the first green bond issued by the University of Tasmania in Australia. The University takes advantage of its location in the lushly natural Tasmanian environment and close proximity to Antarctica in training and education focused on the environment. The University used the funds raised in a construction project for campus maintenance to help reduce its greenhouse gas emissions, which pushes forward the preparation of a green campus and in turn a transition to a decarbonized society. 	<p>JPY 8.8 billion</p>	<p>Mar. 2021</p>		
<p>Sustainable development bonds (International Bank for Reconstruction and Development [IBRD])</p> <ul style="list-style-type: none"> Developed countries' support (provide funding) to developing nations through IBRD bonds. Funds secured through IBRD bonds are given to broad development assistance projects to enhance climate change solutions in developing nations. 	<p>JPY 12.3 billion</p>	<p>Apr. 2022</p>		
<p>Digitally Tracked Green Bonds (Japan Exchange Group)</p> <ul style="list-style-type: none"> The Japan Exchange Group provides and manages Japan's first green bond for use in blockchain networks. Funding secured through this bond provides funding toward the costs to install new solar panels and biomass power generation facilities that use discarded cooking oil for fuel. This initiative builds a framework that allows investors to remotely monitor the power generation, CO2 reductions, and other data recorded on the blockchain to realize benefits, such as greater efficiency in the collection of data indicating the green level of these facilities. 	<p>JPY 500 million</p>	<p>Jun. 2022</p>		

ESG Investment to Support the COVID-19 Response

*Main investment projects after December 2020



Dai-ichi Life Group

Cumulative investment: Approx. JPY 68 billion

◆ Provided financing to the African Export-Import Bank (Afreximbank): Supporting acquisition and supply of COVID-19 vaccines in Africa

- Investment: Approx. JPY 3 billion
- Support health and medical projects in Africa, including assistance in acquiring and supplying COVID-19 vaccines

Investment in Mar. 2022



◆ Invested in the Education Bond issued by the Asian Development Bank (ADB): Supporting provisions of high-quality education opportunities in anticipation of life after COVID-19 in the Asia-Pacific region

- Investment: Approx. JPY 6 billion
- Support initiatives to increase high-quality education opportunities in life after COVID-19 by enhancing online education, building inexpensive and safe internet environments, and other such measures

Investment in Feb. 2021



©ADB

◆ Provided financing to the African Export-Import Bank (Afreximbank): Supporting financing of companies in Africa impacted by the COVID-19 pandemic

- Investment: Approx. JPY 3 billion
- Support initiatives of the Afreximbank for the purpose of assisting African countries impacted by the COVID-19 pandemic

Investment in Dec. 2020



Other ESG-themed Investments

*As of end of July, 2022

By your side, for life

*Main investment projects after September 2021

DAI-ICHI LIFE

Dai-ichi Life Group

Cumulative investment: Approx. JPY 840 billion

Project Summary	Investment	Period		
<p>Project finance (Miyagi Prefecture Integrated Water Supply, Industrial Waterworks, and Sewerage Public-Private Partnership Management Project)</p> <ul style="list-style-type: none"> The investment in the project supports an initiative to facilitate more efficient management of industrial waterworks and sewerage in Miyagi Prefecture as well as vitalize the region. 	JPY 1.7 billion	Feb. 2022		
<p>Social impact bonds (City of Maebashi Urban Development Project in Gunma Prefecture)</p> <ul style="list-style-type: none"> Japan's first social impact bond in the urban development field aims to increase the foot traffic along Babakkawa-dori Street and vitalize the neighborhood. 	JPY 5 million	Oct. 2021		
<p>Sustainability bonds (City of Kitakyushu)</p> <ul style="list-style-type: none"> Japan's first municipal sustainability bond provides funding to achieve the SDGs strategy (vision) for the City of Kitakyushu's SDGs Future City Programme. 	- (Amount of investment not released)	Oct. 2021		

Investments to Create a Positive Impact on Society

*As of end of July,
2022

By your side, for life

DAI-ICHI LIFE

Dai-ichi Life Group

- ◆ We began impact investments centered upon unlisted equities in FY2017 (listed equities added from FY2020). We select these according to the vision of solutions and innovations to overcome social issues and regularly monitor the social impact after investing.
- ◆ In an effort to further expand the positive impact of the investment portfolio, from FY2022, investments that require the identification and measurement of impact due to the characteristics of the investment product will also be included in "impact investments" and impacts will be monitored.
- ◆ We also will measure the social impact of ESG-themed investments and encourage investees to disclose their impact through engagement with investee organizations.

Definition and of Impact Investments

Investment Category	Definition	Assets	Cumulative investment amount(*)	Future Initiatives
Broadly defined impact investments (new)	<p>Investments intended to foster innovation that helps change the social landscape and solve social issues</p> <p>(Typical impact investments) *See evaluation criteria below</p>	Listed equities, unlisted equities, funds, etc.	Approx. JPY 45 billion	New investment promotion and engagement (KPI follow-up)
	<p>Investments identify the environmental, social, and economic impact of the issuing company and business receiving the proceeds as well as manage evaluation analyses and measurements to determine the level of impact</p> <p>(Investments always identify and measure the impact unique to the investment product)</p>	Sustainability-linked bonds/loans, positive impact financing, positive impact real estate	Approx. JPY 53 billion Total impact investments: Approx. JPY 98 billion	New investment promotion and engagement (KPI follow-up)
ESG-themed investment	Investments in assets that have themes tied to solutions for addressing social issues	Green /social bonds/loans, sustainability bonds/loans, renewable energy, and other project	Approx. JPY 1.4 trillion	New investment promotion and engagement (Encourage impact disclosure)

Criteria for impact investments (must have all of the following)

1. The project has set indicators to monitor the social impact
2. The project has "innovativeness," or "uniqueness and a barrier to entry" as well as the potential to create the social impact that Dai-ichi Life expects
3. Management at the company under evaluation for an investment has a strong will to generate the social impact that Dai-ichi Life expects
4. The impact business is the primary business (or will become the primary business in the future)

Impact Investments

*Main investment projects after September 2021



Dai-ichi Life Group

Cumulative investment: Approx. JPY 45 billion
(Listed equities: JPY 29 billion; Unlisted equities: JPY 10 billion; Fund: JPY 6 billion)

Project Summary	Social Impact	Investment	Period		
<p>PaMeLa</p> <ul style="list-style-type: none"> The Japanese startup is developing a medical device that can objectively measure and evaluate the subjective sensation of pain. 	<p>Proper administration of analgesics for a higher QOL of patients</p>	<p>JPY 180 million</p>	<p>Sep. 2021</p>		
<p>WASSHA</p> <ul style="list-style-type: none"> This Japanese startup offers electric power services to off-grid communities in Africa through solar power generation. 	<p>Provision of electric power services via solar power to off-grid communities in Africa to help improve living standards and financial independence</p>	<p>JPY 300 million</p>	<p>Jun. 2022</p>		
<p>Clean Energy Connect</p> <ul style="list-style-type: none"> This Japanese startup offers low-voltage, distributed off-site corporate power purchase agreements (PPAs) to companies. 	<p>Installation of distributed small and medium-size solar power generation facilities for an early transition to a decarbonized society</p>	<p>JPY 300 million</p>	<p>Aug. 2022</p>		
<p>JEPLAN</p> <ul style="list-style-type: none"> This Japanese startup is striving to expand and standardize resource recycling using BRING Technology™, a proprietary chemical recycling technology, to achieve horizontal bottle-to-bottle recycling of PET bottles. 	<p>Resource recycling using chemical recycling technology to realize a sustainable society</p>	<p>JPY 500 million</p>	<p>Aug. 2022</p>		
<p>READYFOR</p> <ul style="list-style-type: none"> This Japanese startup provides new crowdfunding methods for projects that contribute greatly to society, including medical care, research, NPOs, community vitalization, and culture. 	<p>Vitalization of donation and subsidy markets to build a network to support the realization of a sustainable society.</p>	<p>- (Amount of investment not released)</p>	<p>Jul. 2022</p>		

Broadly defined impact investment

*Main investment projects after September 2021

DAI-ICHI LIFE

Dai-ichi Life Group

Cumulative investment: Approx. JPY 53 billion
 (Sustainability-linked bonds: JPY 26 billion; Sustainability-linked loans: JPY 16 billion; Real estate: JPY 11 billion)

Project summary	Social Impact	Investment	Period	
<p>Mitsui Fudosan Co., Ltd. (Sustainability-linked loan)</p> <ul style="list-style-type: none"> A sustainability-linked loan is a framework in which the applicable interest rate fluctuations according to the performance against mutually-agreed, sustainability performance targets (SPTs). This sustainability-linked loan sets the reduction of greenhouse gases throughout the entire Mitsui Fudosan Group as the SPT to drive action against climate change. 	<p>Reduction of greenhouse gas emissions throughout the Mitsui Fudosan Group</p>	<p>JPY 2 billion</p>	<p>Jan. 2022</p>	   
<p>Daiwa House REIT Investment (Sustainability-linked bond)</p> <ul style="list-style-type: none"> Daiwa House REIT Investment Corporation (DHR) is a listed real estate investment company targeting a diversified portfolio that focuses on logistics, residential, retail and hotel properties, which actively promotes the acquisition of eco-friendly properties and equipment. The CDP Climate Change Program recognized DHR as the highest A List company in 2021. The ongoing recognition of DHR as an A-list company has been set as the SPT for this sustainability-linked bond. 	<p>Sustainable urban development through broad environmentally conscious real estate investments</p>	<p>JPY 4 billion</p>	<p>May 2022</p>	 
<p>Investments in student apartments and authorized nursery facilities through real estate funds (Positive Impact Real Estate Investment)</p> <ul style="list-style-type: none"> Investments in a student apartment and authorized nursery facilities aim to create a positive impact on society by eliminating waiting lists, empowering women to work, and other such positive outcomes. This is our third positive impact real estate investment. 	<p>Elimination of waiting lists for nursery facilities and support to empower women in the workplace</p>	<p>JPY 3.4 billion</p>	<p>Nov. 2021</p>	 

Efforts for Solving Social Issues through Industry-Academia Partnership

- ◆ We actively partner with universities, which are educational institutions that shape the future, with the aim of creating innovations through industry-academia partnerships and solving social issues through regional development and revitalization.
- ◆ We carry out joint research that contributes to improving quality of life and extend healthy lifespans and promote its implementation in society. We are also engaged in initiatives aimed at solving social issues, including through revitalization of regional economies, by concluding comprehensive partnership agreements that set forth training innovative talents and creating businesses at university campuses and in local regions.
- ◆ In August 2022, we concluded a collaboration agreement with Osaka School of International Public Policy, Osaka Univ. with the aim of further upgrading ESG investments and loans through joint research on ESG integration.

Comprehensive partnership agreement partners

Institute for Advanced Biosciences (IAB), Keio University **Concluded August 2018**

Tokyo University of Science **Concluded March 2019**

Tohoku University **Concluded August 2019**

**Osaka School of International Public Policy
Osaka University** **Concluded August 2022**

Examples of investments in university-launched venture companies and university venture capital



* VC launched by Keio University
Investment: June 2016

TUSIC

東京理科大学イノベーション・キャピタル株式会社

* VC launched by Tokyo University of Science
Investment: September 2019

MIYAKO CAPITAL

* VC launched by Kyoto University
Investment: November 2017



* Venture company launched by Nagoya University
Investment: July 2020



* VC launched by Tokyo University
Investment: March 2018



* VC launched by Tohoku University
Investment: December 2020



* Venture company launched by IAB, Keio University
Investment: November 2018



* Venture company launched by Yamaguchi University
Investment: March 2021



* Venture company launched by Kobe University
Investment: September 2019



* Venture company launched by Tokyo University of Technology / Tokyo medical and dental University
Investment: July 2021



* Venture company launched by Osaka University
Investment: September 2021

ESG Initiatives in Real Estate Investment

◆ Promotion of renewable energy at our properties

- We joined the global RE100 initiative aiming to encourage members to procure renewable energy as 100% of the electricity used for business activities **to promote a transition to renewable energy for the electricity used on our real estate properties.**
- As one initiative to shift to the use of renewable energy, we are installing private energy generation systems on our real estate properties, directly procuring renewable energy from power producers, and undertaking other initiatives as a **means to actively procure additional renewable energy.**

[Private Renewable Energy Generation System]

- **Solar power generation systems installed on the rooves of our sales offices** establish a system to generate power in-house. Dai-ichi Life has begun gradually adopting these systems starting with the Kanto area.

[Direct Renewable Energy Procurement from Power Producers]

- Dedicated Dai-ichi Life solar power plants installed by Clean Energy Connect, a startup receiving an investment from Dai-ichi Life, **act as new systems to generate and supply Dai-ichi Life buildings with renewable energy.**
- The Ministry of the Environment Japan has recognized this initiative as an *Off-site Corporate PPA Solar Power Supply Model Creation Project* (first financial institution).

◆ Solutions to social issues through real estate ESG funds

- In November 2021, we invested approximately JPY 3.4 billion into one student apartment building in Tokyo and four authorized nursery facilities located inside the central 23 wards of Tokyo through a real estate investment fund handled for us by Samurai Capital Inc.
- We intend to not only gain stable returns on our investments but also create a positive impact on society by making helping eliminate waiting lists at nursery facilities, empower women to pursue professional careers and help give other households raising children who have difficulty finding jobs with better employment options. That is why we selected these projects for **Positive Impact Real Estate Investments.**
- As an initial test in the life insurance industry, we have been inviting nursery facilities to open at our real estate properties throughout Japan in addition to other measures aiming to address the issue of long waiting lists for children to enter nursery facilities since 2011. This effort aims to create places for 2,500 children, which is roughly 10% of the children currently on waiting lists throughout Japan.
- We have invited and invested in **a cumulative total of 51 nursery facilities**, which equates to spaces for **more than 3,000 children.**

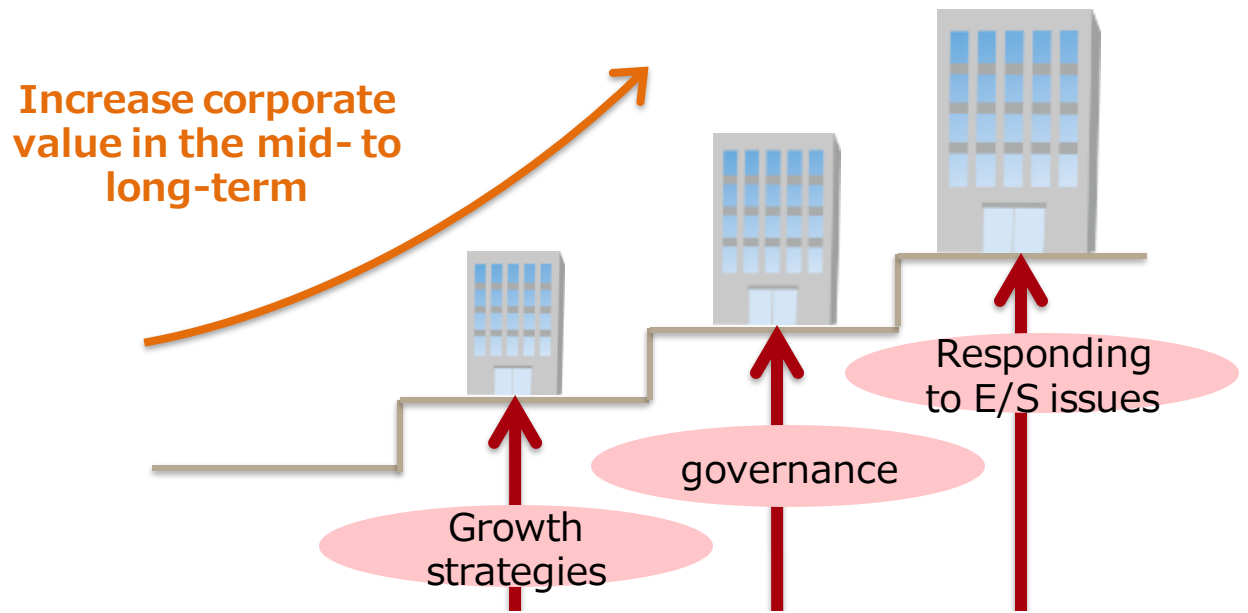


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		✓ Reference (2021 PRI assessment)	



Our Basic Approach for Stewardship Activities

- ◆ We engage in stewardship activities the “Dai-ichi Life way,” reflecting our group mission of “By your side, for life.” We undertake activities with a close understanding of the issues facing investee companies which differ by growth stage, and help increase corporate value in the mid- to long-term.
- ◆ We are actively pursuing more sophisticated efforts, based on both Japan’s Stewardship Code and Corporate Governance Code.



Mid- to long-term stewardship activities according to the growth stage of companies



More sophisticated governance system

More sophisticated stewardship activities

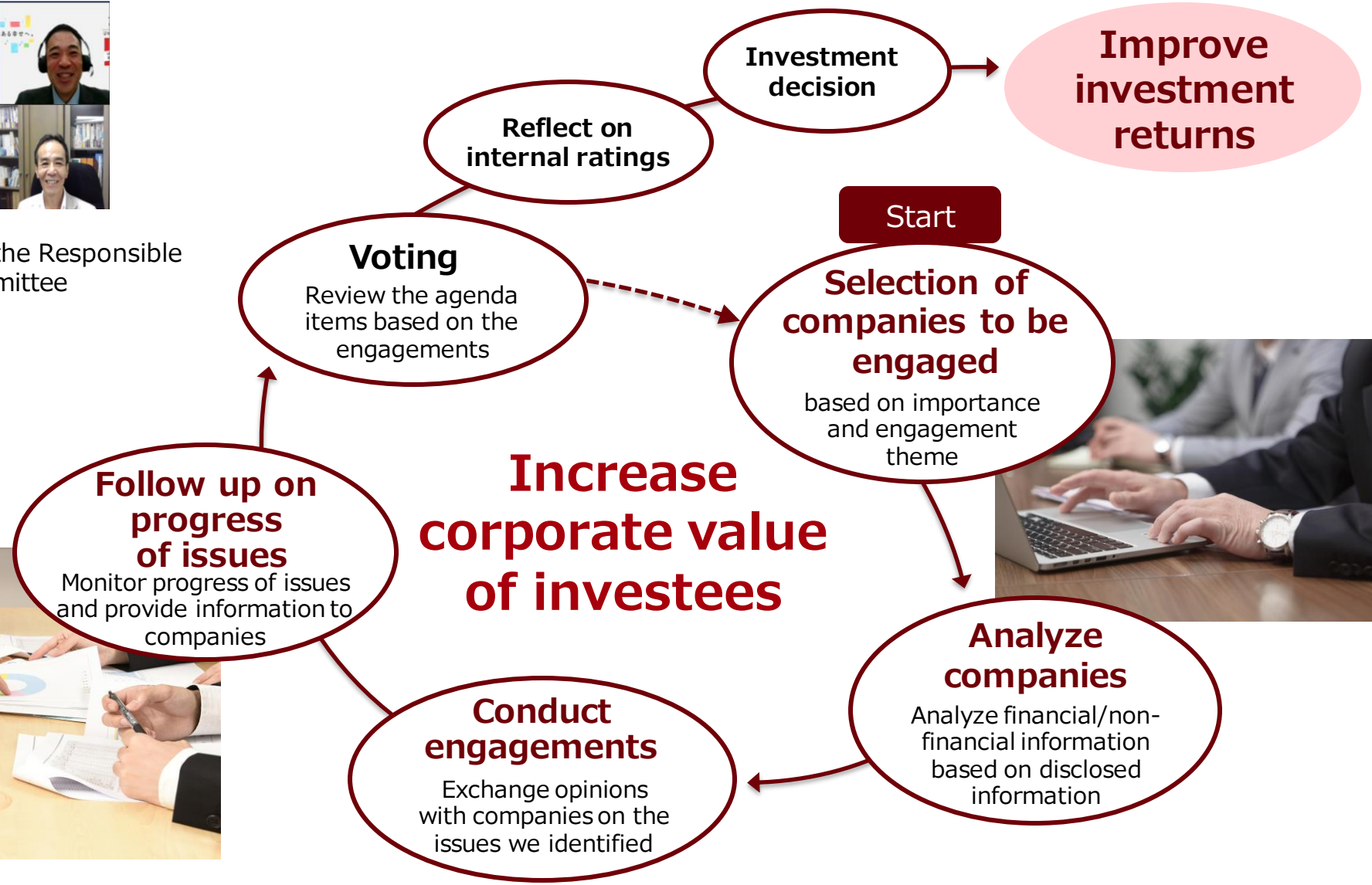


Our Stewardship Activity Process

◆ We conduct stewardship activities focused on engagements, with a view to promoting increases in the corporate value of investee companies and improving our mid- to long-term investment returns.



*Deliberations by the Responsible Investment Committee



Following up Progress of Engagement Issues

◆ We regularly follow up on the progress of the issues based on engagements, and help solve the issues of investee companies by providing information in response to the issues.

Tracking 4-step milestones

- 1 **Raise issue: Dai-ichi Life raises a matter it considers to be an issue with a investee company**
- 2 **Recognize issue: The investee company recognizes that it must address this issue**
- 3 **Address issue: The investee company begins addressing the issue**
- 4 **Solve issue: Dai-ichi Life confirms that the issue has been solved**



Help solve issues through providing information

Examples of issues of each theme

Governance

- Application of independent outside directors
- Composition of board of directors and its effectiveness
- Nomination/remuneration

Management/financial strategies

- Identifying materiality and reflecting it in management strategy
- Formulating and disclosing mid-term management plan and KPI considering validity
- Business portfolio

- Formulating and disclosing capital policies (investment, shareholder return and retained earnings)
- Improving total return ratio
- Cross-Shareholdings
- Capital efficiency

Environmental /social issues

- Addressing climate change
- Human rights and diversity
- Approach to natural capital and biodiversity

Our history on Stewardship Activities

- ◆ We are continuously upgrading our stewardship activities with an emphasis on engagement by diversifying engagement methods and themes through the strengthening of our systems, and improving transparency through enhanced information disclosure on the result of voting .
- ◆ Themes for engagement are ESG and management and financial strategies, with "climate change" as a priority theme from FY 2019 onward, and "human rights" as a priority theme in FY 2021 to promote responses in investee companies.

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Engagement Structure	Analysts conducts engagements	Assignment of Dedicated person		Responsible Investment Dept.			ESG Analysts	
Engagement companies	110	233	277	271	251	239	248	202
		Collaborative engagements (LIAJ)		100	110	140	140	170
Engagement themes	Corporate governance			Environmental/ social issues	ESG			
					Strengthen climate change engagements			
					Plastic waste		Human Rights	
Disclosure of voting records	Disclose voting tally table (for each agenda item type)							
	Disclose summary voting policy			Disclose details of voting policy				
	Improve transparency			Disclose votes in favor/against each agenda item (quarterly)				

Announced commitment to Stewardship Code

Commence bonds engagements
 Cover about 90% of market capitalization of portfolio as 3-year cumulative total

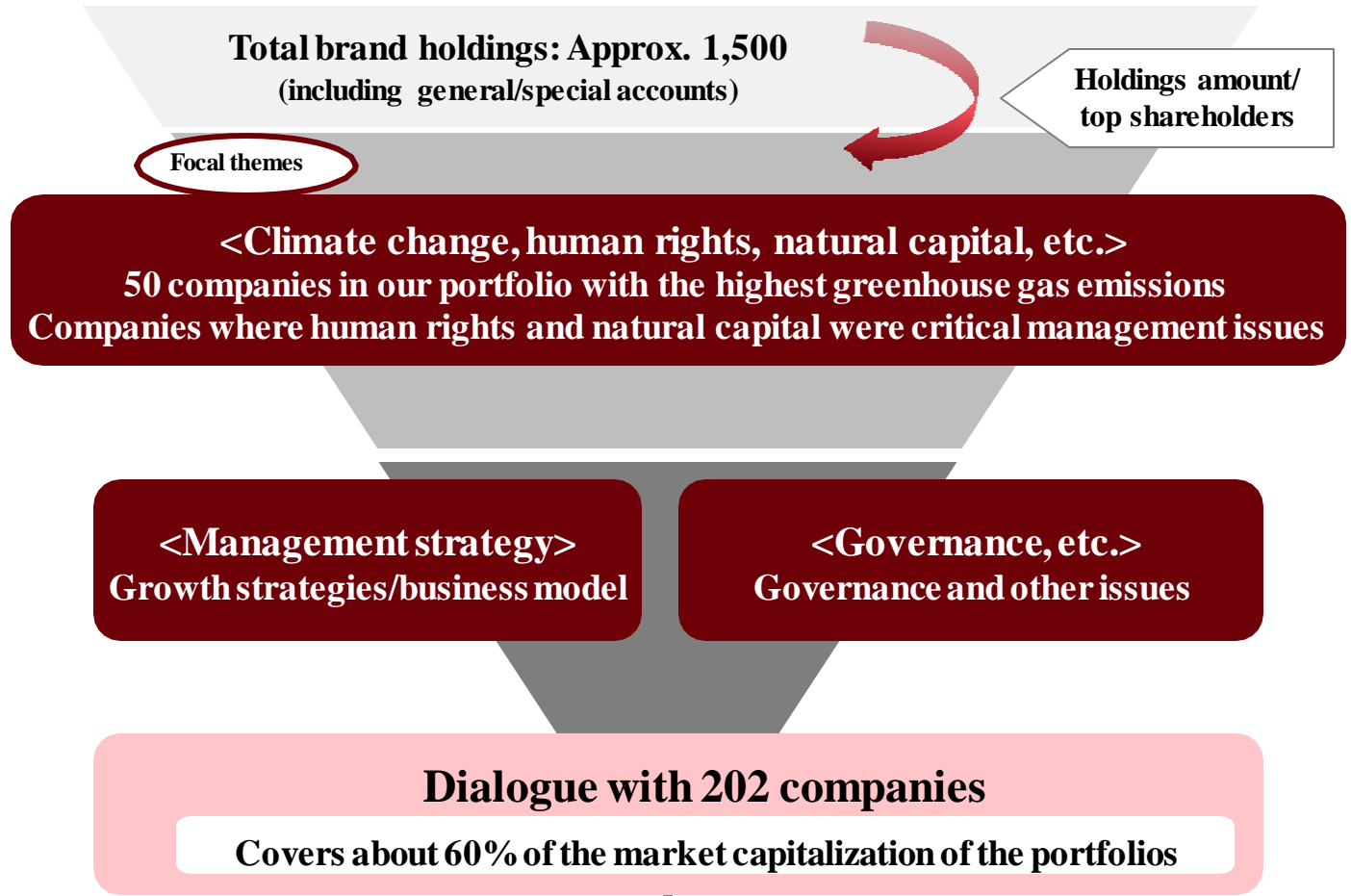
Full-scale launch
 ESG
 Top 50 emitting companies

※The number of companies is counted with July-June as one fiscal year.

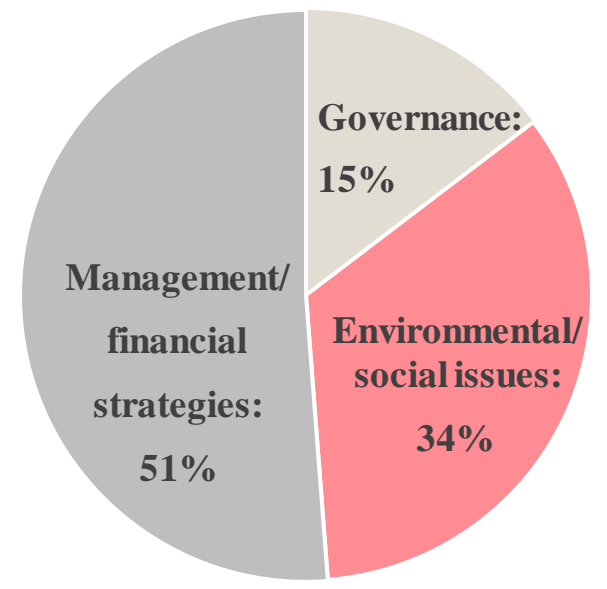
Review of Stewardship Activities in FY2021

(Target period: July 2021 to June 2022)

- ◆ Engagement targeted a total of 202 companies including not only the 50 companies with the highest GHG emissions in our portfolios but also companies selected for prioritizing focal dialogue themes as priority management issues as well as management strategies and governance based on factors such as the amount of holdings and top shareholdings.
- ◆ Dai-ichi Life engages with companies from the perspective of enhancing medium to long-term corporate value. We have set targets toward realizing a carbon-neutral society, laid out roadmaps and specific initiatives, and determined new challenges to overcome from a stance of generating higher profitability and establishing management strategies in anticipation of changes in the business environment.



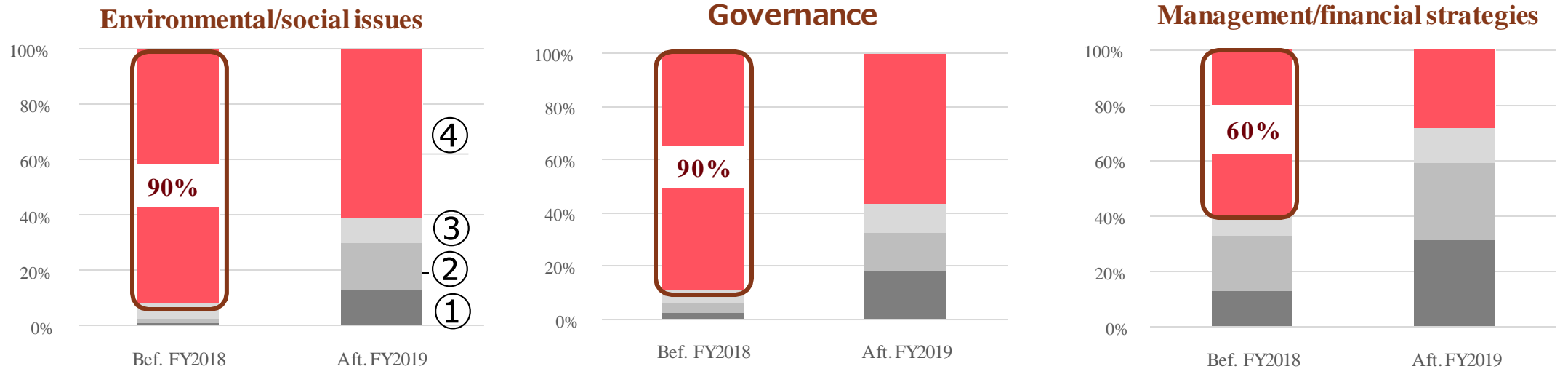
New issues set for FY2021



Medium-term Engagement Outcomes

- ◆ Progress has been made to solve the issues raised with companies over time.
- ◆ Investee companies have resolved 90% of the environmental, social and governance issues of those identified before 2018 as well as 60% of the management and financial strategies.
- ◆ The main issues related to management and financial strategies not yet resolved involved the formulation of management plans and disclosure of shareholder return policies.
- ◆ We will focus on issues prioritized by the companies and investors and continually support the initiatives of each company.

<Progress in resolving issues as of June 31, 2022 (By period issue was set)>



Tracking engagement milestones

- ① Raise issue: Dai-ichi Life raises a matter it considers to be an issue with a company
- ② Recognize issue: The company recognizes that it must address the issue
- ③ Address issue: The company begins addressing the issue
- ④ Solve issue: Dai-ichi Life confirms that the issue has been resolved

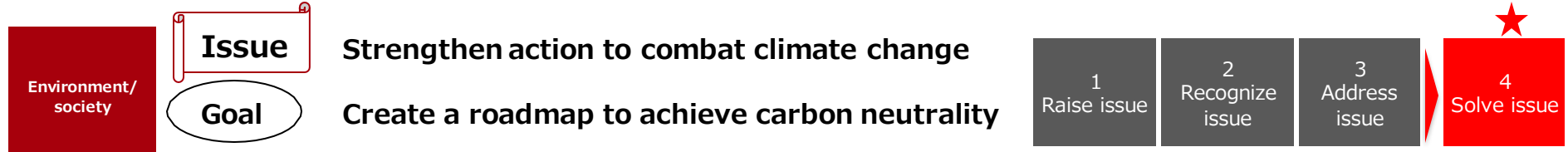
Progress of engagement ↓

1. Overview of Responsible Investment	... 2	5. ESG Investment Report	...16
2. Framework for Responsible Investment	... 3	✓ Our History for ESG Investment and 2021 Review	
3. Policies for Responsible Investment	... 5	✓ ESG Integration	
4. To Achieve Carbon Neutrality in investment portfolio	...10	✓ ESG-themed investment	
		6. Report on Stewardship Activities	...36
		✓ Basic approach and processes	
		✓ Our History for stewardship activities and Review	
		✓ Examples of engagements	
		✓ Policy for FY2022	
		✓ Voting Policy and Voting records	
		✓ Self-evaluation and evaluation by others	
		✓ Message from the Chairperson of the Responsible Investment Committee.	
		✓ Reference (2021 PRI assessment)	

Leading Examples of Engagement <Environment>

<Main points of engagement>

- ◆ Set targets and establish a specific roadmap to achieve carbon neutrality by 2050
- ◆ Set medium-term targets for GHG emission reductions (2030 targets, etc.) and specific short to medium-term measures
- ◆ Support and build governance systems based on the TCFD recommendations, and create and disclose scenario analyses including the financial impact
- ◆ Monitor progress of initiatives toward acquiring the SBT certification



Company A
Oil

Environment/ society	Issue	Strengthen action to combat climate change		1 Raise issue	2 Recognize issue	3 Address issue	★ 4 Solve issue
Governance	Goal	Create a roadmap to achieve carbon neutrality					
Management/ finance	Overview of dialogue		Company response		Voting record		Future polices
	Number of dialogues: 4 since 2018 Mutually recognized the importance of taking action to combat climate change and exchanged ideas on scenario analyses and other more comprehensive means of information disclosure.		Disclosed the quantitative financial impact of climate change through scenario analyses and a roadmap to carbon neutrality.		—		• Support progress in accordance with the roadmap. • Support initiatives to transition medium to long-term business portfolios.

Leading Examples of Engagement <Environment>

Company B
Glass, soil, and stone

Environment/ society	Issue Strengthen action to combat climate change	1 Raise issue	2 Recognize issue	3 Address issue	4 Solve issue
	Goal Set medium-term targets and establish a specific roadmap to achieve carbon neutrality				
Governance	Overview of dialogue Number of dialogues: 2 since 2020 Exchanged ideas on disclosing a specific roadmap and setting medium-term targets to build on the vision that it had already released to realize carbon neutrality.	Company response Disclosed medium-term targets and a roadmap.	Voting record -	Future polices Regularly support the progress of the plan that the company has published and continue to engage in a dialogue on specific initiatives and challenges to achieve its goals.	
Management/ finance					

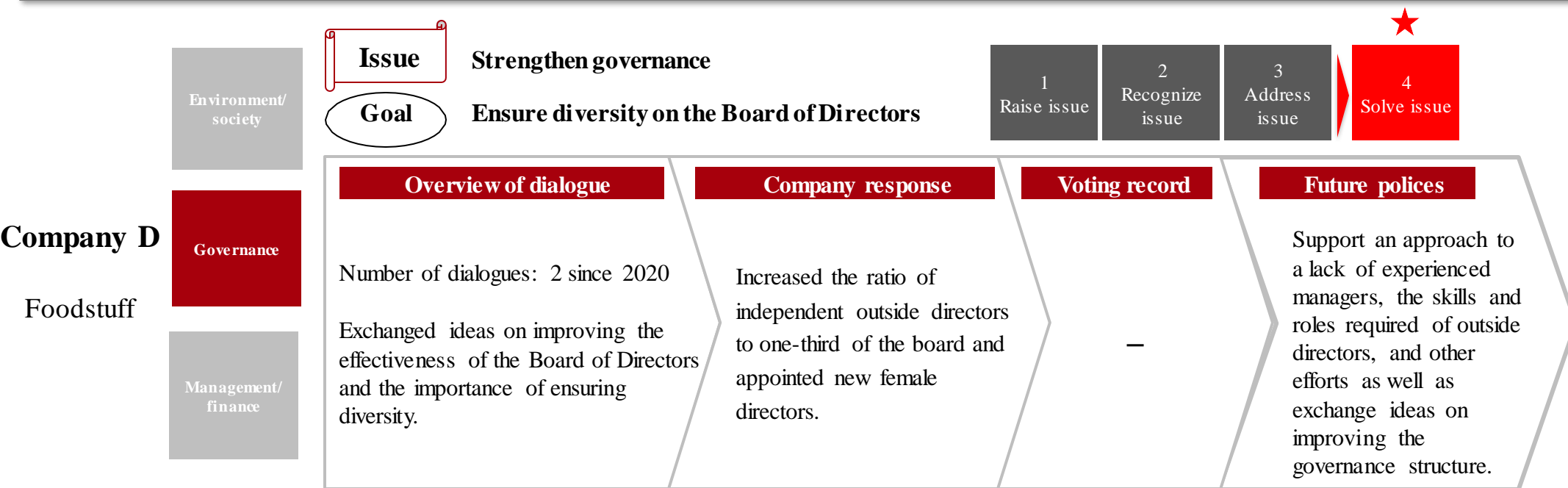
Company C
Machinery

Environment/ society	Issue Strengthen action to combat climate change	1 Raise issue	2 Recognize issue	3 Address issue	4 Solve issue
	Goal Set specific initiatives and medium-term targets to achieve carbon neutrality				
Governance	Overview of dialogue Number of dialogues: 3 since 2018 Exchanged ideas on topics such as the important impact climate change has on businesses, taking action, and setting goals.	Company response Committed to supporting TCFD in 2019, and then established a policy to reach carbon neutrality by 2050, and Company C plans to disclose medium-term targets, specific initiatives, and other such information in the future.	Voting record -	Future polices Support the company in disclosing medium-term targets and specific initiatives, integrating business and other plans, and monitoring the progress of initiatives disclosed in those plans.	
Management/ finance					

Leading Examples of Engagement <ESG (Other Than Environment)>

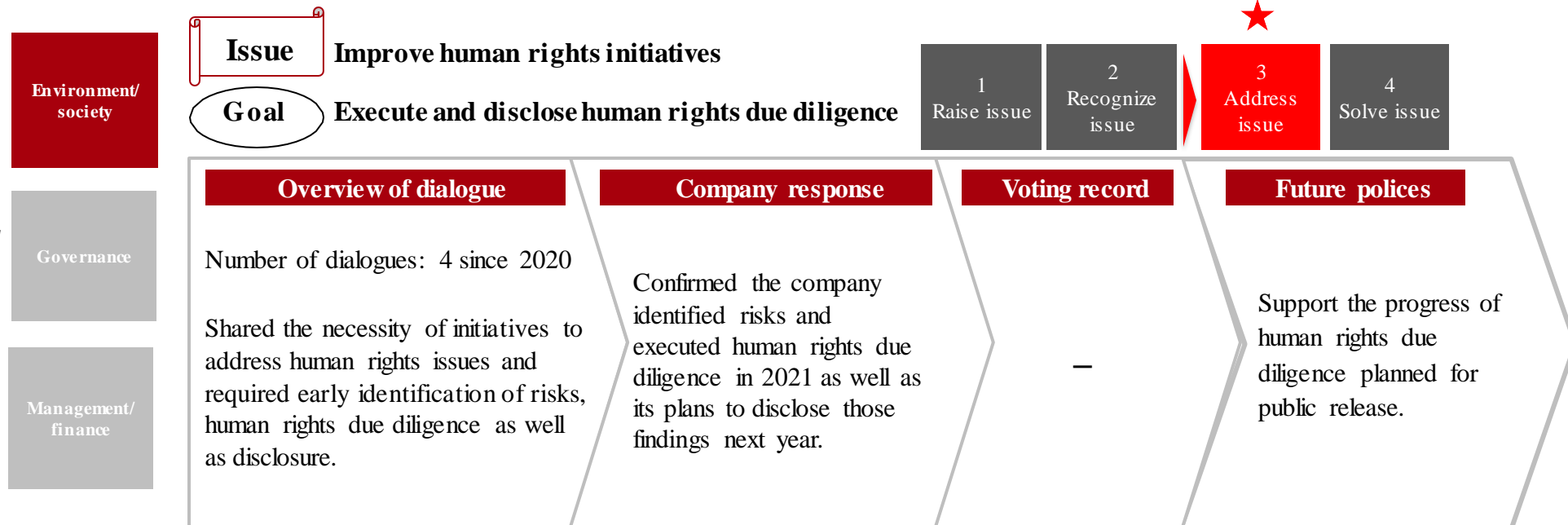
<Main points of engagement>

- ◆ Preparation of a governance structure
 - Initiatives to constantly improve the effectiveness of management
 - Secure and effectively use a sufficient number of independent outside directors who will properly fulfill the duties and advise nomination and remuneration committees
 - Ensure diversity and the ideal number of directors on the Board
 - Build effective governance structures, such as reinforcing independent outside directors, at listed subsidiary companies
- ◆ Human rights and diversity
 - Identify and manage any human rights issues unique to businesses through human rights due diligence
 - Ensure the diversity of corporate officers and employees
- ◆ Natural capital and biodiversity
 - Identify the impact on the company, work to minimize the negative impact, and build a framework for strategies and action
- ◆ Comprehensive disclosure overall
 - Enhance overall disclosure of financial and non-financial information, including ESG
- ◆ Put in place sustainable management strategies based on the COVID-19 pandemic and other changes in the external environment

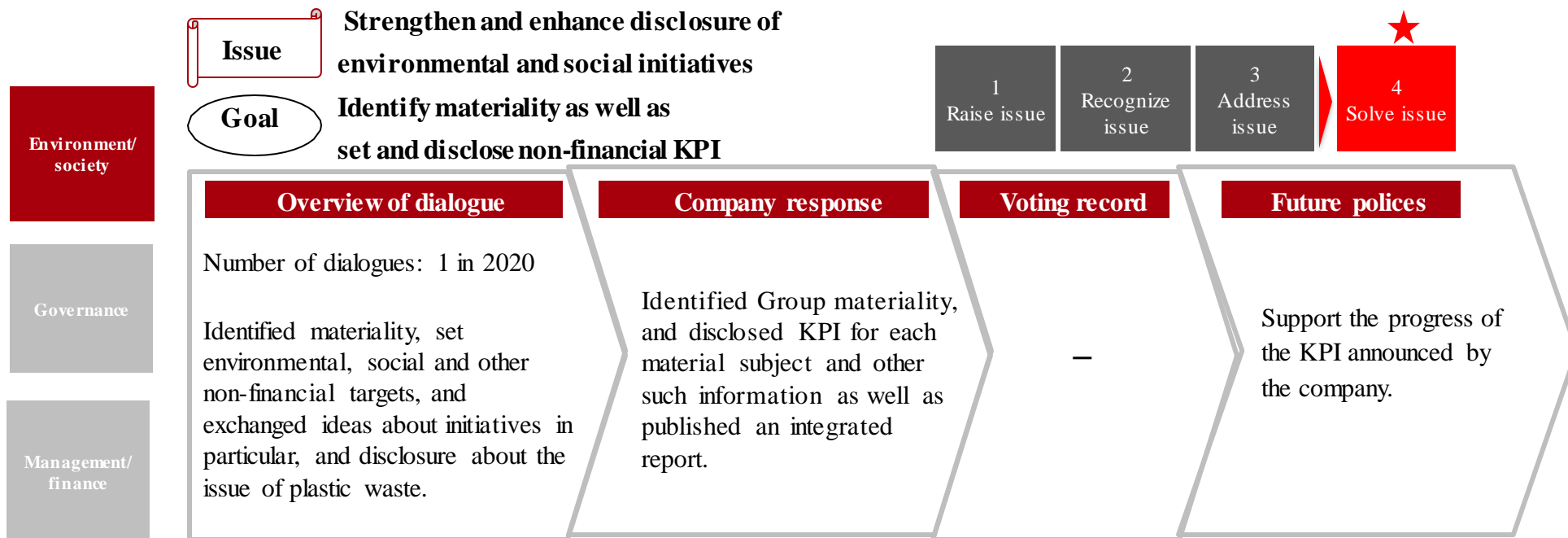


Leading Examples of Engagement <ESG (Other Than Environment)>

Company E
Iron and Steel



Company F
Retail



Leading Examples of Engagement <Management/Financial Strategies>

DAI-ICHI LIFE

Dai-ichi Life Group

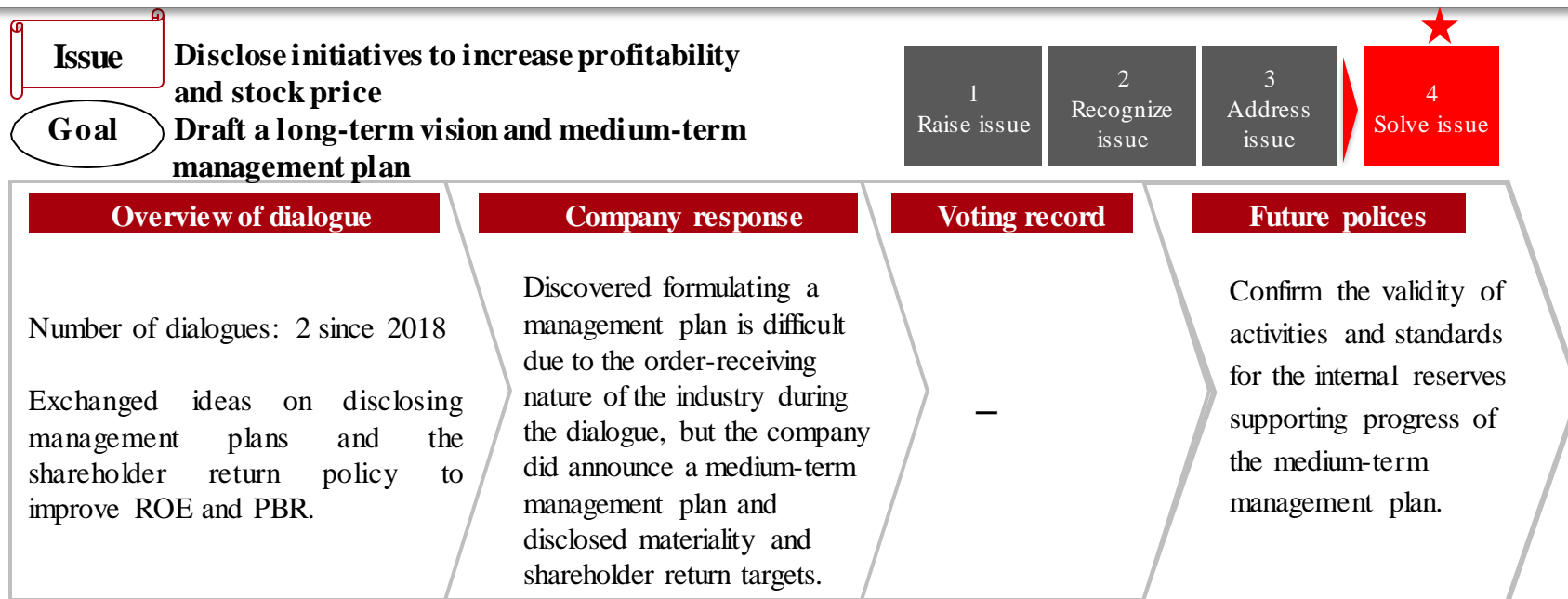
<Main points of engagement>

Management strategies

- Integrate materiality in management strategies
- Establish medium and long-term visions, strategies, and specific management plans as well as disclose key performance indicators (KPI) to evaluate outcomes and the progress made by the company
- Identify capital costs as well as set and achieve KPI for capital efficiency exceeding capital costs
- Provide strategic investments in anticipation of changes in the management environment
- Revise business portfolios through measures that include the withdrawal and sell off of some businesses.

Financial strategies

- Properly balance growth investments, shareholder returns and internal reserves based on medium and long-term management strategies
- Establish a clear policy and enhance shareholder returns
- Stay aware of the ideal capital structure to effectively use capital and cash on hand
- Rationally review and reduce cross-shareholdings



Leading Examples of Engagement <Management/Financial Strategies>



Dai-ichi Life Group

Company H
Construction

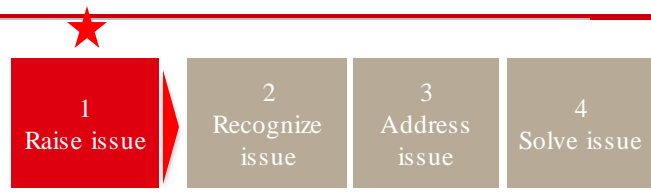
Environment/
society

Governance

Management/
finance

Issue Draft and disclose a specific shareholder return policy

Goal Set a target for shareholder returns above a certain standard



Overview of dialogue	Company response	Voting record	Future polices
Number of dialogues: 3 since 2017 Examined the level of internal reserves and exchanged ideas on setting medium to long-term shareholder return targets and standards due to the low level of shareholder returns.	Defined only a policy on stable dividends without setting a quantitative target and continued to have a lower payout ratio than the standard level for dividends.	Voted against a proposal for the second consecutive time since 2021 on a proposal for the appropriation of surplus.	Continue a dialogue about the approach to shareholder returns.

Company I
Chemical

Environment/
society

Governance

Management/
finance

Issue Improve profitability

Goal Improve the ROE by revising the business portfolio through reforms to unprofitable businesses



Overview of dialogue	Company response	Voting record	Future polices
Number of dialogues: 2 since 2018 Exchanged ideas to increase profitability by improving the business portfolio through reforms to unprofitable businesses.	Withdrew from some businesses but did not fully improve profitability, and then announced a dramatic scale down of unprofitable businesses.	—	Support improvements to the business portfolio that includes investments in growth sectors.

Participation in Collective Engagement Initiatives

- ◆ We participate in collective engagement opportunities as an effort to strengthen and enhance the effectiveness of our own engagement activities.

一般社団法人協働対話フォーラム 機関投資家協働対話フォーラム Institutional Investors Collective Engagement Forum

- ◆ The Institutional Investors Collective Engagement Forum is an initiative overseeing collective engagement of institutional investors. This group of seven institutional investors sends letters to companies and engages with them collectively around themes that include materiality, publicly listed parent/subsidiary pairs, cross-shareholding policies, defense against hostile takeovers, many “against” votes, and scandals.

Example of FY2021 Collective Dialogues (Jan. 2022)

Theme: Corporate Governance Issues Related to the Parent/Subsidiary Listing Company: Sumitomo Chemical

- Executed engagement from the perspectives of integration into Group management strategy, significance of subsidiary listing, the conflict of interest management framework, Group governance, and deliberations at Board of Directors meetings
- Exchanged ideas after receiving a briefing on the basic policy on the parent/subsidiary listing, strategic role of the listed subsidiary, the institutional design to ensure independence and respect minority shareholder rights, the progress of deliberations at Board of Directors meetings, and other matters
- Encouraged the company to work with institutional investors to identify and share issues

Climate Action 100+

Global Investors Driving Business Transition

- ◆ Shared favorable examples of engagement at the regular meeting held with institutional investors in the Asian region
- ◆ Updated Net-Zero Company Benchmarks in March 2022, which evaluates corporate climate change initiatives
- ◆ Published a report aggregating comprehensive information including initiatives investors and companies need to undertake in each sector to decarbonize those with high GHG emissions, such as the airline, railway, and power sectors

30% Club

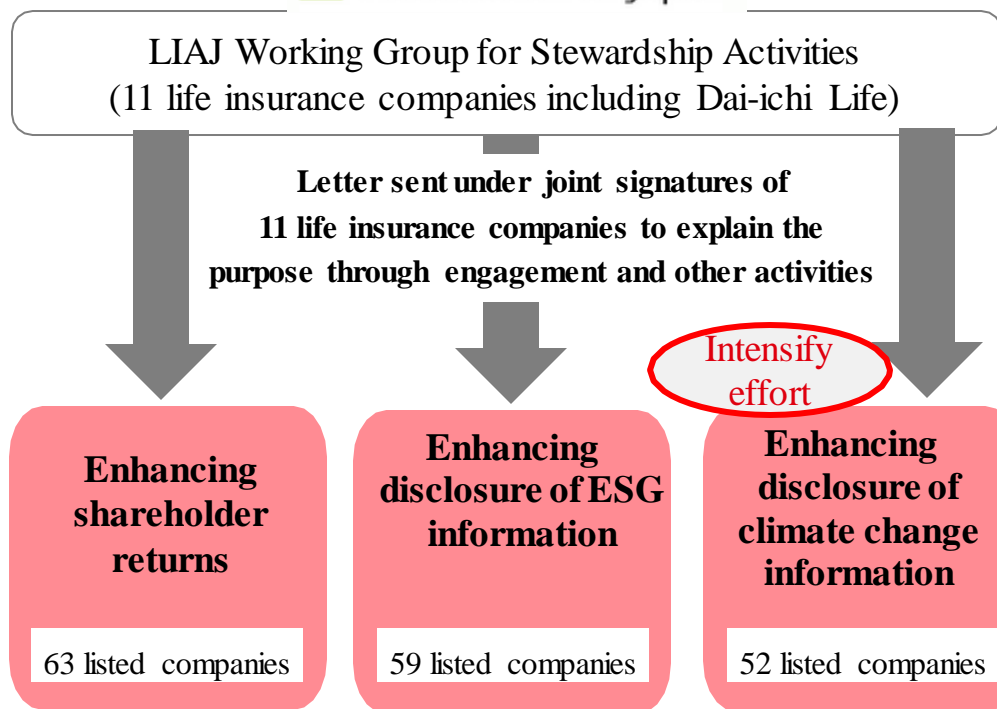
GROWTH THROUGH DIVERSITY

- ◆ Participated in the Best Practices Subgroup and held several brainstorming meetings with outside female directors who belong to certified public account and lawyer associations
- ◆ Collected corporate best practice examples on empowering women in the workplace and included these examples in the annual report

Participation in Collaborative Engagement Opportunities through the Life Insurance Association of Japan

- ◆ As an effort to strengthen our engagement activities and enhance the effectiveness, we continuously participate in collaborative engagement opportunities conducted by the Working Group for Stewardship Activities of the Life Insurance Association of Japan (LIAJ).
- ◆ In fiscal year 2021, the LIAJ carried out engagement opportunities around the three themes of increasing shareholder returns, improving the disclosure of ESG information, and enhancing the disclosure of climate change information with 170 companies (cumulative total of 174 companies). Especially in regards to the theme on enhancing disclosure of climate change information, the LIAJ strengthened its efforts to encourage the 50 companies with the highest GHG emissions to take greater action toward decarbonization in addition to other initiatives.

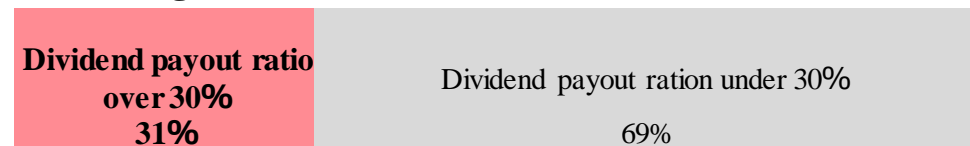
FY2021 Engagement Themes



FY2020 Results of Efforts

<Progress of efforts at companies after engagement>

Enhancing shareholder returns



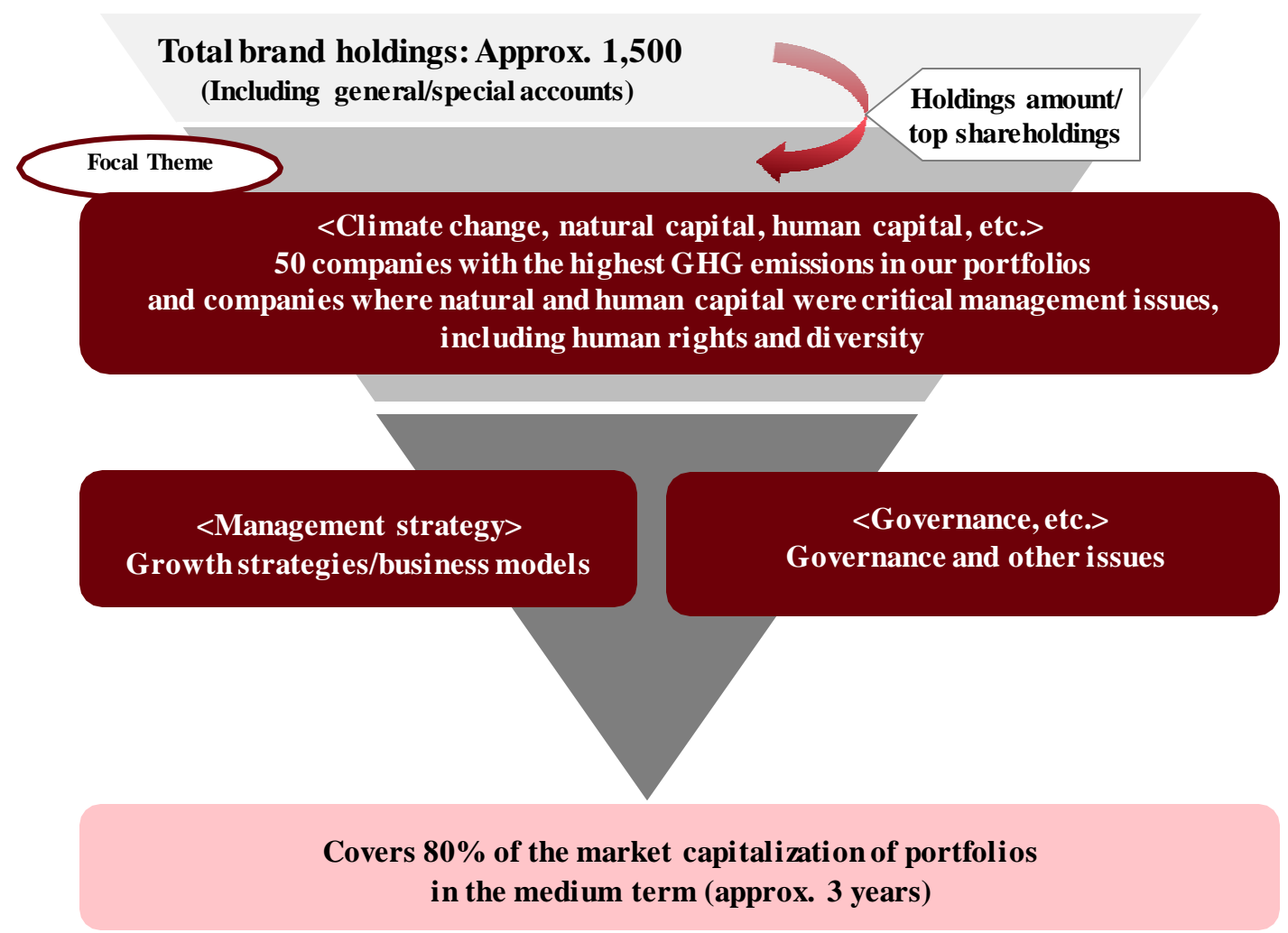
Enhancing disclosure of ESG information



Source: Prepared by Dai-ichi Life based on LIAJ *Life Insurance Companies' Efforts to Revitalize the Stock Market and Realize a Sustainable Society through Asset Management*

Companies Targeted for Engagement in FY2022

◆ In fiscal year 2022, we selected and carried out engagement at companies where climate change, natural capital, human capital and other important dialogue themes were critical management issues as well as companies where critical issues were identified during engagement in the past fiscal years, taking into account the importance of their holding amounts, top shareholdings and other such factors.



1. Overview of Responsible Investment	... 2	5. ESG Investment Report	...16
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		✓ Reference (2021 PRI assessment)	

Voting Policy (Main Points)

- ◆ Our voting policy is designed to increase the corporate value of portfolio companies and promote sustainable growth.
- ◆ We review the voting policy as needed based on various factors, including the social and economic situations surrounding the companies.

Agenda item	Candidate	Current		Planned Revision		
		Market	After April 2022	Market	After April 2024	
Appointing directors, auditors, etc. (*)	Representative director	All markets	When ongoing dialogues do not show improvements in ESG issues that use problems and priority themes of portfolio companies	No change		
	Representative director	TSE Prime	Independent outside director: under 2 person	Independent outside director: under 1/3, or 1 person		
		TSE Standard		No change		
		TSE Growth	Absence of independent outside director	No change		
	Representative director of listed subsidiary that has a controlling interest	All markets	Independent outside director: under 1/3, or 1 person		No change	
	Director	All markets	Deficit for three consecutive fiscal years/under 5% ROE for five straight fiscal years (expand applicable people to reappointed directors)		No change	
	Independent outside officer (director/auditor, etc.)	TSE Prime	•Originally from major shareholders with 15% or more holding ratio or Long tenure (total of 12 years or more)		•Originally from major shareholders with 10% or more holding ratio or Long tenure (total of 12 years or more)	
		Other than TSE Prime	-		Originally from major shareholders with 10% or more holding ratio	
Outside officer (director, auditor, etc.)	All markets	Under 75% attendance rate at board of directors and board of auditors meetings		No change		

(*) Includes directors serving as Audit & Supervisory Committee members

Voting Policy (Main Points)

Agenda item	Current		Planned Revision	
	Market	After April 2022	After April 2023	After April 2024
Officer compensation, retirement allowance, stock-based compensation, and issuing and granting stock options	All markets	Granting stock-based compensation and stock options to auditors, etc.	No change	
		Granting of stock-based compensation and stock options that may cause over 10% dilution		
	Increase in officer compensation and payment of officer bonuses in poorly performing companies			
	TSE Prime	Provision of retirement allowances to auditors, etc.		
Appropriation of surplus (representative director is reappointed as director if there is no applicable agenda item)	All markets	Under 20% total return ratio for three cumulative fiscal years and most recent fiscal year	Under 20% total return ratio for three cumulative fiscal years and most recent fiscal year, or Under 30% total return ratio for three cumulative fiscal years and most recent fiscal year and Net cash is more than 50% of net assets for the last two consecutive terms	
Introduction and update of takeover defense measures	All markets	(One of the following applies) Under 5% ROE for three consecutive fiscal years; less than two independent outside directors; economic compensation provided	No change	(One of the following applies) Under 5% ROE for three consecutive fiscal years; independent outside director: under 1/3, or 1 person

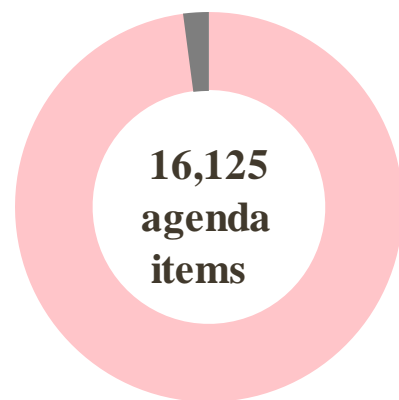
*See materials on our website for more information on our voting policy. <https://www.dai-ichi-life.co.jp/dsr/investment/ssc2.html>

Voting Record (July 2021 – June 2022)

Agenda Items Proposed by Companies

<Based on the number of subordinate agenda items>

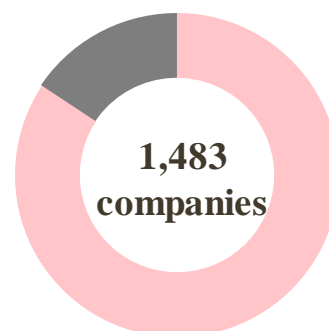
2.0% voted against ($\pm 0.0\%$)



The ratio of our votes against agenda items proposed by companies remains relatively low, in part because we emphasize medium to long-term engagements with investee companies and make efforts to spread awareness of our policies on voting against proposals.

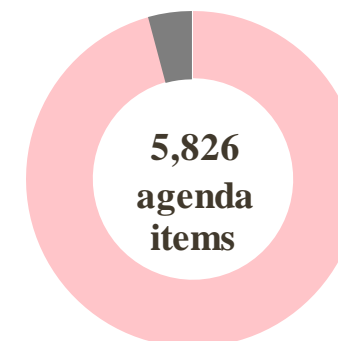
<Based on the number of companies>

15.6% voted against (-0.5%)



<Based on the number of parent agenda items>

4.2% voted against (-1.3%)



Agenda Items Proposed by Shareholders

<Based on the number of subordinate agenda items>

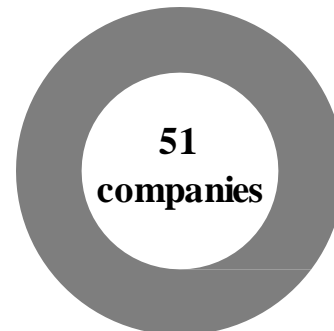
0.0% voted against (-4.1%)



We decide to vote in favor of shareholder agenda items by determining whether the proposal contributes to increasing medium to long-term corporate value after examining proposal details and progress of corporate initiatives.

<Based on the number of companies>

0.0% voted against (-8.6%)



<Based on the number of parent agenda items>

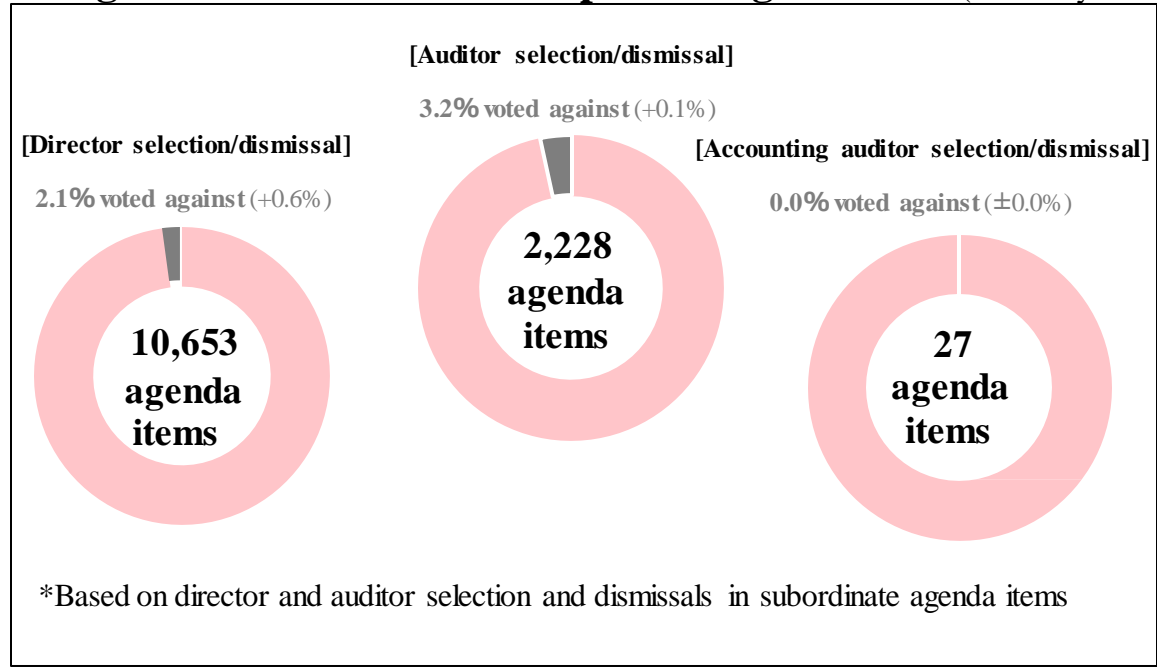
0.0% voted against (-3.1%)



(Year on year)

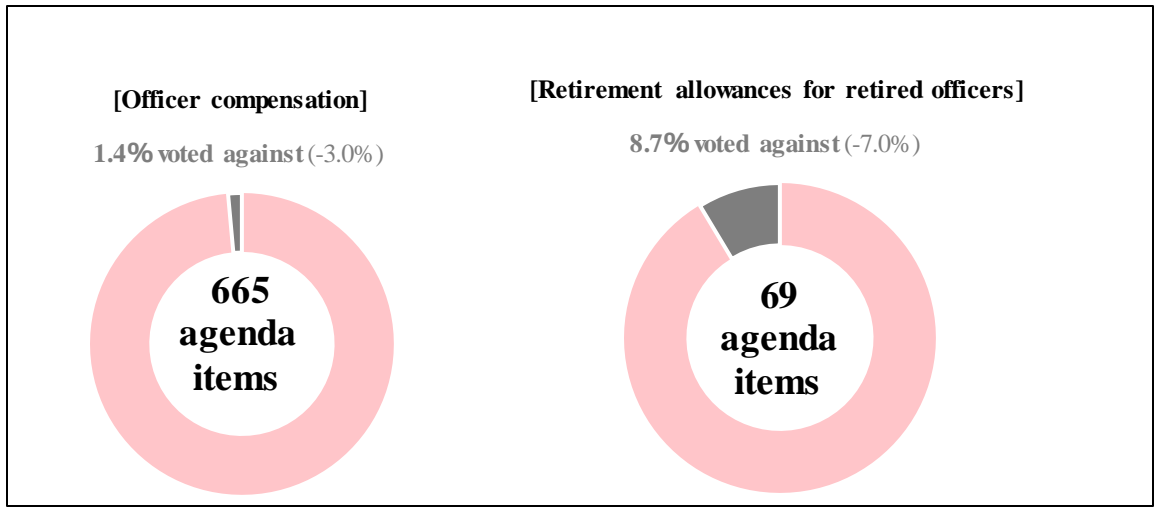
Voting Record (July 2021 – June 2022)

■ Agenda items related to corporate organization (Year on year)



- We decide to approve the selection and dismissal of directors taking into account business results as well as the number, ratio, and independence of independent outside directors. Up until March 2022, Dai-ichi Life had been managing its voting practices by not applying criteria on business results as a general rule in light of the impact the COVID-19 pandemic had on corporate business performance. However, this policy changed in April 2022 to review the impact of the COVID-19 pandemic on a company-by-company basis. As a result, the ratio of votes against subordinate agenda items increased by 0.6% year on year.
- We decide to approve the auditor selection and dismissal taking into account the independence of those corporate auditors.

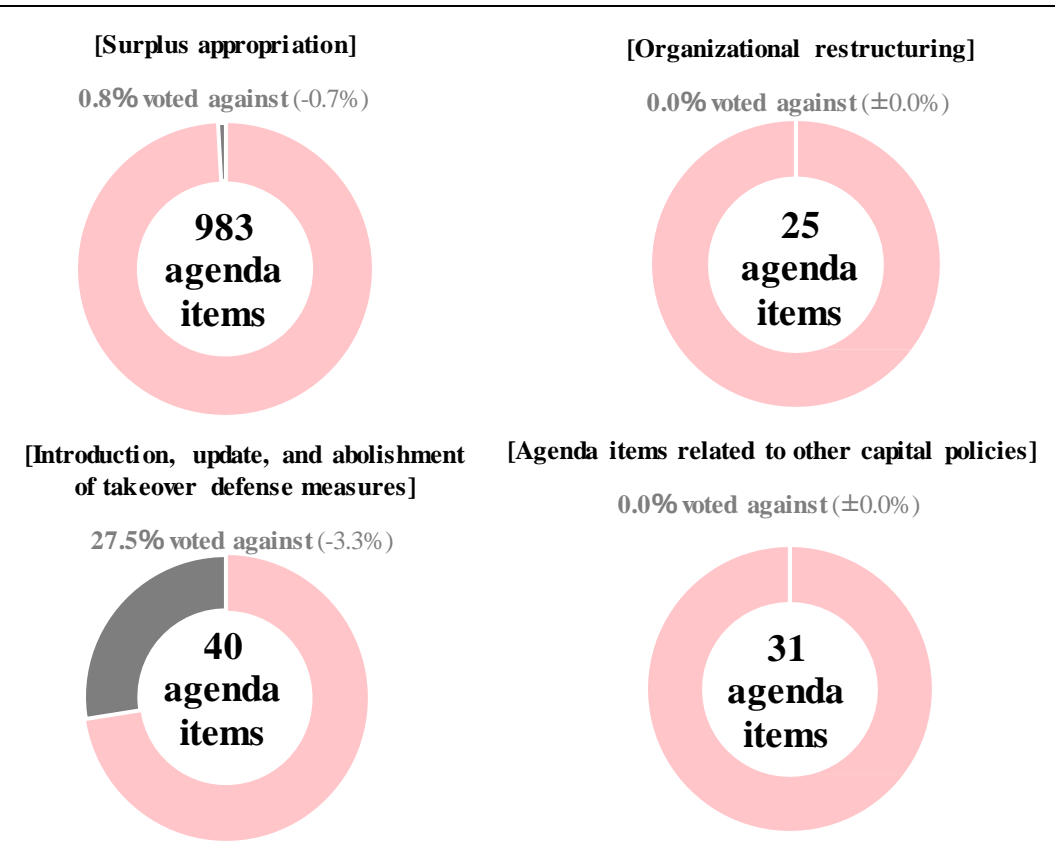
■ Agenda items related to officer compensation



- We believe the adoption of incentives for executive officers is an effective measure to enhance medium to long-term corporate value.
- However, our general rule is to vote against granting stock options, retirement benefits, and stock options that result in a significant dilution of stock to auditors and other such officers. In fiscal year 2021, the above agenda items declined and in turn so did our votes against these proposals, including stock compensation in the form of stock options.

Voting Record (July 2021 – June 2022)

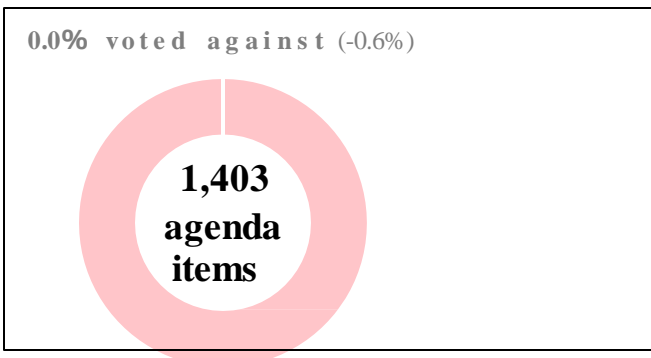
■ Agenda items related to capital policies (except those for Articles of Incorporation) (Year on year)



- We vote against shareholder return policies for companies not satisfying a certain total return ratio if the company is performing favorably, such as realizing a high capital efficiency.
- We will change this policy to vote against shareholder return proposals after April 2023 even if the company has a total payout ratio above the current standard when the company has abundant net cash.

- We do not believe the adoption and other takeover defense measures are desirable because there is a risk management will use such measures to protect themselves and prolong inefficient management practices.
- We vote to approve capital policies if the company has realized a certain level of governance structure and capital efficiency based on our current standards but will require a more sophisticated governance structure and greater capital efficiency after April 2024.
- We decide whether to vote for or against specific types of takeover defense measures by considering whether they will enhance corporate value or benefit the company in other ways.

■ Agenda items related to Articles of Incorporation



Our Compliance with Japan's Stewardship Code (Self-evaluation)

DAI-ICHI LIFE

Dai-ichi Life Group

Principle	Status of Efforts	Self-evaluation
Principle 1 Formulate and publicly disclose policy	<ul style="list-style-type: none"> ● In April 2022, we revised the Policy on Stewardship Activities and announced a new Basic Policy on Responsible Investment that: <ul style="list-style-type: none"> ✓ defines the purpose of responsible investing <i>as securing stable investment income while helping to achieve a sustainable society by contributing to the resolution of key regional and social issues;</i> ✓ clarifies our policy to not invest in or finance businesses that violate laws or public order, have a significant negative impact on climate change, regional environments, society or human rights, or have risks related to any of the above effects; ✓ and clarifies our policy to carry out stewardship activities with all assets centered upon engagement. 	<ul style="list-style-type: none"> ● We evaluate that Dai-ichi Life is executing this principle appropriately by revising and publicly disclosing this policy based on circumstances, such as trends in the external environment.
Principle 2 Manage conflicts of interest	<ul style="list-style-type: none"> ● In April 2017, we established the Responsible Investment Committee. In April 2018, the Committee has three external members and two internal members (one of whom is the executive officer of the Compliance Control Department in charge of managing conflicts of interest), such that external members make up the majority of the Committee. ● The Responsible Investment Committee deliberates and decides on exercising particularly important voting rights matters, such as companies with a large amount of holdings as well as companies and proposals that are attracting significant attention in society, and receives reports on all matters about exercising important voting rights. 	<ul style="list-style-type: none"> ● We evaluate that Dai-ichi Life is executing this principle appropriately by carrying out efforts, such as establishing and running the Responsible Investment Committee.
Principle 3 Monitor investee companies	<ul style="list-style-type: none"> ● We quantitatively monitor business results and financial situations as well as collect and analyze non-financial information, including governance, environmental, and social issues (especially action on climate change and human rights in fiscal year 2021) in order to evaluate medium to long-term profit growth of investee companies. 	<ul style="list-style-type: none"> ● We are struggling to: select and conduct more in-depth research on important ESG themes, systematically integrate companies' non-financial data analysis and evaluations, increase the effectiveness of engagement efforts, such initiatives we newly participated in, and further increase the sophistication of engagement efforts by taking part in collaborative engagement opportunities.
Principle 4 Engage in dialogues with companies	<ul style="list-style-type: none"> ● In April 2020, we assigned new ESG analysts, which will lead to more in-depth ESG surveys. Our ESG integrations are done by organically linking the survey findings to in-house ratings and investment decisions. In fiscal year 2021, we integrated ESG in all of our assets and achieved the standards initially forecast. Dai-ichi Life will continue to seek to increase the sophistication of our ESG integration. ● We carried out engagement activities with companies that have about 90% market capitalization of the equity portfolio in Japan as a three-year cumulative total from fiscal year 2019 to fiscal year 2021. ● As a result of interviews with executive officers and other human resources as well as sharing issues that Dai-ichi Life sees as a problem with management of the investee company, around 60% of the companies that we entered into a dialogue with in fiscal year 2021 have resolved 90% of the environmental, social and governance issues and 60% of the management and financial strategies identified as issues before 2018. ● In February 2021, we joined The Net-Zero Asset Owner Alliance. In fiscal year 2021, we carried out engagement efforts with 50 companies that have the highest GHG emissions. We also strive to continually participate in initiatives in Japan and overseas, such as taking part in collaborative engagement activities with the Working Group for Stewardship Activities of the Life Insurance Association of Japan, Climate Action 100+, and the Institutional Investors Collective Engagement Forum. 	<ul style="list-style-type: none"> ● We are struggling to: select and conduct more in-depth research on important ESG themes, systematically integrate companies' non-financial data analysis and evaluations, increase the effectiveness of engagement efforts, such initiatives we newly participated in, and further increase the sophistication of engagement efforts by taking part in collaborative engagement opportunities.

Our Compliance with Japan's Stewardship Code (Self-evaluation)

DAI-ICHI LIFE

Dai-ichi Life Group

Principle	Status of Efforts	Self-evaluation
<p>Principle 5 Exercise voting rights</p>	<ul style="list-style-type: none"> ● In fiscal year 2021, we exercised our voting rights at the general meeting of shareholders for all of the roughly 1,500 listed companies in Japan that Dai-ichi Life holds shares (no services or advisory companies are used to exercise these voting rights). ● We revised and announced our policy on exercising voting rights in March 2022 based on deliberations at the Responsible Investment Committee. The timing for applying the revised policy is set to a period deemed feasible for companies to appropriately adapt to each amended item of the policy. ● Every quarter, we disclose the aggregated results of each type of agenda item that has been voted on, and the number of votes in favor and against the proposals for each investee company and agenda item. As of January 2019, we also began disclosing the reason for voting against each agenda item. As of April 2020, we have been disclosing the reason regardless of whether voting in favor or against an agenda item for those in particular that we have deemed an explanation is necessary. 	<ul style="list-style-type: none"> ● We evaluate that Dai-ichi Life is executing this principle appropriately by revising the policy on exercising voting rights and disclosing our voting record, including reasons for voting in favor or against proposals.
<p>Principle 6 Report regularly</p>	<ul style="list-style-type: none"> ● We disclose the status of our overall stewardship activities each fiscal year in the Stewardship Activities Report (Responsible Investment Report since fiscal year 2018) available on our website, which is also distributed as a booklet to explain engagement activities with companies and other stewardship efforts. ● We disclose our entire policy on exercising voting rights, any scheduled revisions of the policy, and quarterly voting results on our website. 	<ul style="list-style-type: none"> ● We evaluate that Dai-ichi Life is executing this principle appropriately by disclosing our stewardship and other investment activities on our website in addition to other such measures.
<p>Principle 7 Acquire competency</p>	<ul style="list-style-type: none"> ● In April 2017, we established the Responsible Investment Department to consolidate personnel and functions related to stewardship activities. The Department seeks to increase the sophistication of our stewardship efforts, accumulate expertise, and develop human resources. ● We regularly hold in-house workshops for improving engagement skills and acquiring knowledge on environmental and social issues surrounding companies by inviting external experts as lecturers. ● We participate in brainstorming sessions with external experts and investors invited to the Working Group for Stewardship Activities of the Life Insurance Association of Japan. ● We actively exchange ideas on climate-related measures with other financial institutions and participants of The Net-Zero Asset Owner Alliance and other such initiatives. 	<ul style="list-style-type: none"> ● We evaluate that Dai-ichi Life is executing this principle appropriately by consolidating personnel and functions through the establishment of the Responsible Investment Department as well as participation in workshops and opinion exchanges with external experts and investors.

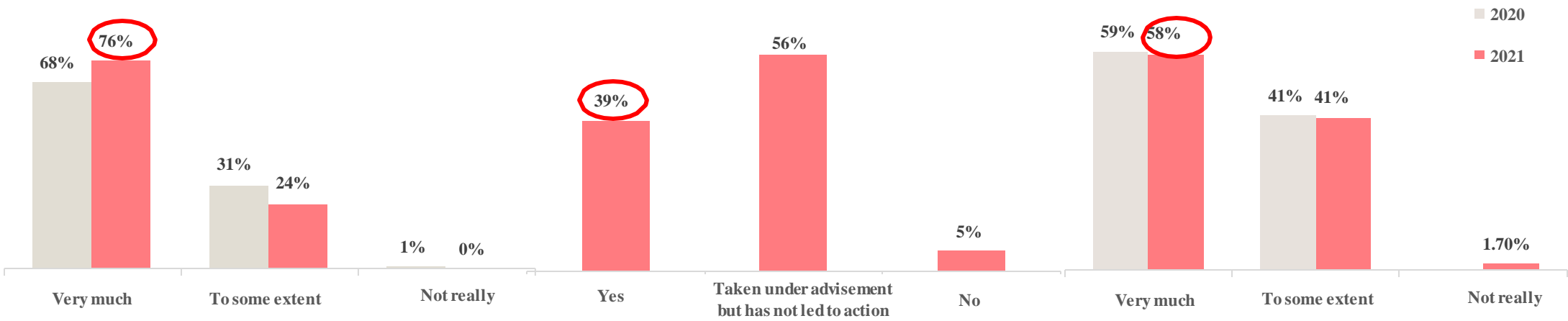
Engagement Partner Survey Results (Third-party Evaluation)

- ◆ A survey on our engagement with investee companies highly evaluated our engagement and details of the Responsible Investment Report again this fiscal year.
- ◆ Around 40% of investee companies took some kind of action based on Dai-ichi’s engagement, which is an extremely high result (a majority of action focused on governance issues).
- ◆ We have seen a large increase in the ratio of feedback from Dai-ichi’s engagement being shared with the Board of Directors, responsible investment committees, and chairpersons, which has confirmed the trend of investee companies actively sharing the feedback from management and other investors internally.

Was Dai-ichi Life's engagement helpful?

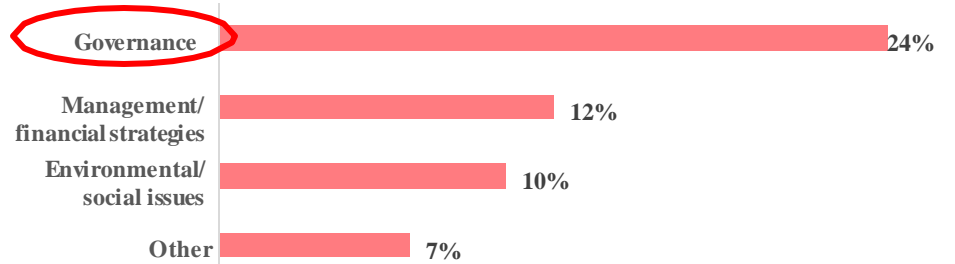
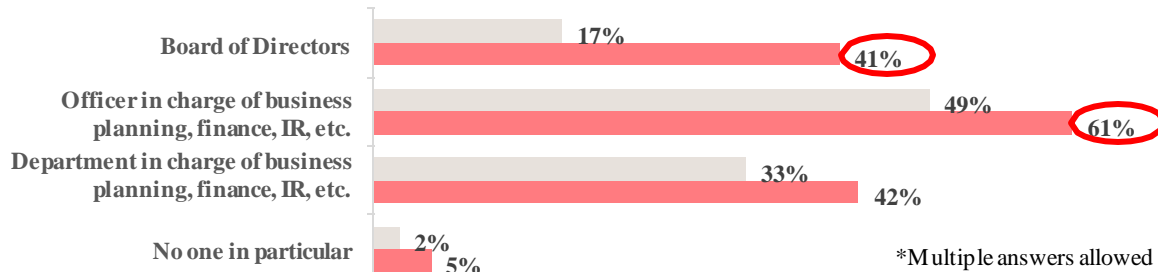
Has your company taken any action based on Dai-ichi’s engagement?

Was the Responsible Investment Report useful?



Who do you report or plan to report feedback from Dai-ichi Life to in your company?

What specific issues did you take action to address?



Message from the Chairperson of the Responsible Investment Committee

Promoting Responsible Investment to Realize a Sustainable Society Where the Well-being of All People Is Essential

I would first like to thank all of you for your understanding and support of Dai-ichi Life responsible investment activities.

Dai-ichi engages in responsible investment for the purpose of not only securing medium to long-term, stable investment income as an institutional investor that manages a variety of assets over the long term through funds invested in by its clients, but also helping resolve important local and social issues to realize a sustainable society in which the well-being (happiness) of all people is essential.

Our medium-term action policy through fiscal year 2024 has stated that we will (1) contribute to the creation of positive impacts on society by further expanding investment in solutions to social issues and (2) set climate change response as the top priority theme of our responsible investment to contribute to reducing GHG emissions and transition to a decarbonized society through investment, while promoting decarbonization efforts by investee companies through stewardship activities centered on engagement.

We are facing issues demanding urgent global action from the normalization of the COVID-19 pandemic and an increase in geopolitical risks to higher inflation driving extremely high prices of energy and foodstuff. In light of this global landscape, debate is also growing about the ideal role of responsible investments, whether to take action against climate change and decarbonization worldwide or addressing human rights issues and the biodiversity crisis. All of us at Dai-ichi Life sincerely accept the wide range of feedback that we receive and work to improve future initiatives. Although some people are calling for a division of society and diversification of values, protection of the global environment will leave a healthy world inhabitable by future generations. Economically, efforts to solidify a social foundation based on universal values will build a society that ensures intergenerational equality and recognizes the human rights and individuality of all people. I believe this type of responsible investment will ultimately contribute to both our clients and society at large as beneficiaries.

My goal is for Dai-ichi Life responsible investments to put into practice efforts which can empathize with everyone from multiple stakeholder perspectives. I fully recognize accountability and transparency as indispensable in accomplishing this goal. In particular, the response to combat climate change is seen as an important issue. Therefore, we have laid out an action plan on transition finance to clarify our intention to support decarbonization by industry. Dai-ichi Life will contribute to the realization of a decarbonized society by actively supporting the fundraising of companies aspiring to reform their business models in order to realize carbon neutrality while executing initiatives to reduce greenhouse gas emissions in accordance with transition strategies.

There are many issues facing us—all of which are quite challenging. I know these issues will be difficult to overcome by simply doing what we have been doing. I also recognize the limitations of what can be done through the actions of a single company alone. That is why I want us to participate in initiatives both in Japan and overseas to promote cooperation and co-creation in responsible investments.



Kazuyuki Shigemoto
Responsible Investment Committee
Chairperson, Managing Executive
Officer, and Chief General Manager,
Investment

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(Reference) 2021 PRI Assessment Results

- ◆ In the 2021 PRI Assessment, we received the highest “5” rating for our investment and stewardship policies as well as real estate investments. Dai-ichi Life will continue to promote more sophisticated responsible investment initiatives.

	2019 (Assessment period: January – December 2018)		2020 (Assessment period: January – December 2019)		2021 (Assessment period: January – December 2020)	
	Dai-ichi's (Median) score		Dai-ichi's (Median) score		Dai-ichi's Score	
Strategy and Governance	A	(A)	A+	(A)	Investment/ Stewardship Policy	5
Stewardship Activities	A+	(B)	A+	(B)	Voting*	4
Listed Equity	A	(B)	A+	(A)	Listed Equity*	4.5
Fixed Income	A	(B)	A	(B)	Fixed Income*	4.75
Real Estate	A+	(B)	A+	(B)	Real Estate	5

Some overlap

Changes to Evaluation Method in 2021 PRI Assessment

- ✓ The 2021 PRI assessment takes into account the latest trends in responsible investments and has completely revised the assessment structure and questions. The evaluation method has also been changed from a six level A+ – E rating to a five level 5 – 1 rating.

*Voting and listed equity include the average assessment of two modules (fundamental/REITs, etc.) and fixed income includes the average assessment of four modules (SSA, corporate, private debt, and securitized).

(Reference) Participating in initiatives

Climate change- related



Participating since Sep. 2018

First by Japanese life insurance company

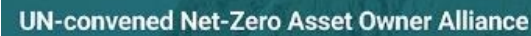
Task force established in December 2015 by the Financial Stability Board (FSB) at the request of the G20. Published recommendations that encourage knowing climate change-related opportunities and risks and disclosing such information.



Participating since Aug. 2019

First by Japanese life insurance company

An initiative of institutional investors that carries out constructive dialogues regarding emissions reduction efforts and information disclosure with companies that are large emitters of greenhouse gases.



Participating since Feb, 2021

First by Japanese life insurance company

An international initiative in which institutional investors aim to transition to portfolios with net-zero greenhouse gas emissions by 2050.
*Dai-ichi life pays annual membership fee of 20,000 EUR



Participating since Apr, 2021

First by Japanese life insurance company

A strategic forum bringing together the leading net-zero initiatives across the financial sector.

インパクト志向金融宣言
Japan Impact-driven Financing Initiative

Participating since Nov. 2021

Involved with establishment

First by Japanese life insurance company

An initiative established in 2021 to promote the implementation of impact-oriented investment and financing through the cooperation of multiple financial institutions.



Participating since 2011

Involved with establishment

First by Japanese life insurance company

Formulated in October 2011, these action guidelines for financial institutions are designed to encourage actions for creating a sustainable society.



Participating since Nov. 2015

Launched in 2006, the Principles for Responsible Investment advocates incorporating ESG issues into investment processes to realize a sustainable society.

(Reference) Participating in initiatives

access to medicine FOUNDATION

Participating since Sep. 2018

First by Japanese
life insurance
company

Evaluates the top 20 global pharmaceutical companies to improve access to pharmaceuticals in developing countries. Its purpose is to help improve access to pharmaceuticals by incorporating indices into institutional investors' investment decisions.



ICGN

International Corporate Governance Network

Participating since Sep. 2019

First by Japanese
life insurance
company

An initiative that aims to improve effective standards of corporate governance and investor stewardship to advance efficient markets and sustainable economic development worldwide.



Participating since Nov. 2019

Involved with
establishment

First by Japanese
life insurance
company

An initiative established for exchanging opinions on practical issues, sharing information, and reviewing measures between asset owners and industry participants, including asset management institutions, on a cross-industry basis.

一般社団法人
機関投資家協働対話フォーラム
Institutional Investors Collective Engagement Forum

Participating since Mar. 2020

First by Japanese
life insurance
company

Forum established in 2017 to support collaborative engagements by institutional investors.



Participating since May 2020

Japan
Investor Group

First by Japanese
life insurance
company

Established in 2019, this group of institutional investors aims to promote gender diversity to raise mid- to long-term corporate value.



Participating since Jul. 2020

First by Japanese
life insurance
company

An independent and non-profit organization established in the United States in 2011 that formulates ESG information disclosure standards.

(Reference) Glossary

* In alphabetical order

Term	Explanation
Blue bonds	Bond issued by limiting the use of funds for purposes related to water, such as marine and ocean conservation, sustainability of the fishing industry, and waste processing
Carbon neutral	Balance between the amount of greenhouse gas emissions and absorption through greenhouse gas reduction, absorption and other initiatives.
Climate Action 100+	A global initiative of institutional investors that engages companies with large greenhouse gas emissions to take actions, including improving climate change governance, curbing emissions, and strengthening information disclosures
Collaborative engagement	Multiple investors collaborate to hold engagement with companies aimed at increasing their mid- to long-term corporate value
Corporate Governance Code	Code of conduct on corporate governance outlining behavioral standards to be followed by listed companies. Established in 2015, it provides guidelines for securing shareholder rights and equality, ensuring appropriate information disclosure and transparency, and the responsibilities of the board of directors.

Term	Explanation
Engagement	Dialogue between investors and companies aimed at increasing their mid- to long-term corporate value
ESG	Stands for Environment, Social, and Governance. It is often used in the context of corporate initiatives for increasing corporate values through environmental and social considerations and enhancement of corporate governance, as well investment strategies of institutional investors that reflect such corporate initiatives.
ESG integration	Systematic inclusion of ESG factors in investment decision-making (buy or sell) processes
FinTech	Term coined by combining finance and technology. It refers to innovative efforts that link financial services and the latest information technologies.
GHG	Acronym for greenhouse gases, which includes carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O) and other gases causing the greenhouse effect

Term	Explanation
Green bond	Bond issued to raise funds needed for environmental initiatives (tackling global warming, renewable energy measures, etc.)
Hedged foreign bond	A foreign bond that can reduce the impact of foreign exchange fluctuations on income and expenditure by using a mechanism that avoids foreign exchange fluctuation risks (hedging)
Hurdle rate	One standard of investment evaluation indicating the minimum rate of return
InsTech	Term coined by combining insurance and technology. Similar to FinTech, it refers to the creation of new insurance services through combining insurance and the latest information technologies.
KPI	Acronym for Key Performance Indicator. An important indicator measuring progress toward achieving a business goal.

Term	Explanation
Materiality	Critical issues related to the environment, society, governance, and other areas that may have a significant impact on the sustainability of a company's business model
Negative screening	Exclusion of specific industries and companies from the investment portfolio
Portfolio	A collection of financial products (stocks, bonds, etc.) held by investors
Positive screening	Selection of specific industries and companies to include in the investment portfolio
PRI	Acronym for Principles for Responsible Investment. An initiative advocated by then UN Secretary-General Annan to the financial industry in 2006. It presents principles aimed at incorporating ESG issues into investment decision-making by institutional investors.

(Reference) Glossary

* In alphabetical order

Term	Explanation
Project finance	Provision of funds obtained from a specific project (cash flow) as a source of repayment
QOL	Acronym for Quality Of Life
Resilience	An ability to adapt flexibly to the circumstances, including strong external pressure
ROE	Acronym for Return On Equity. It is the ratio of net income to a company's own capital, and is one of the management efficiency indicators showing how much profit is generated relative to capital.
SBT	Acronym for the Science Based Targets initiative that sets greenhouse gas reduction targets for companies conforming to accepted scientific knowledge inline with the standards outlined in the Paris Agreement

Term	Explanation
Scope 1 Scope 2 Scope 3	Categories of greenhouse gas emissions; Scope 1 refers to direct emissions from companies; Scope 2 refers to power consumption and other indirect emissions; Scope 3 refers to all other indirect emissions throughout the entire supply chain
SDGs	Acronym for the Sustainable Development Goals. They are international goals adopted at the UN Summit in September 2015 to create a sustainable and better world by 2030, and consist of 17 goals and 169 targets.
SDGs bond	Bonds that limit the use of proceeds to projects that contribute to the SDGs
Social bond	Bond issued to raise funds needed for solving social issues

(Reference) Glossary

* In alphabetical order

Term	Explanation
Stewardship activities	Activities by institutional investors to improve and foster investee companies' corporate value and sustainable growth through constructive engagement, or purposeful dialogue, and the exercise of voting rights
Stewardship Code	Code of conduct of institutional investors to promote the sustainable growth of companies. Established in 2014, it provides guidelines for the formulation of stewardship policies, development of structures for conflict of interest management, exercise of voting rights, and other efforts.
Sustainability bonds	Bond issued by limiting the use of funds to businesses contributing to environmental and social sustainability

Term	Explanation
TCFD	Acronym for Task Force on Climate-related Financial Disclosures, which was established by the Financial Stability Board in 2016. It presents a framework for companies to voluntarily disclose climate-related risks and opportunities.
Transition finance	Provision of funds for initiatives to transition out of an economy that uses large quantities of coal to a low-carbon economy
Universe	A collection of financial products (stocks, bonds, etc.) chosen for investment in accordance with a certain objective
WACI	Acronym for weighted average carbon intensity calculated by multiplying the carbon-to-revenue intensity of each company by the holding ratio of our portfolio

By your side, for life

DAI-ICHI LIFE

 Dai-ichi Life Group

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