

Responsible Investment Report 2023



By your side, for life

DAI-ICHI LIFE

 Dai-ichi Life Group

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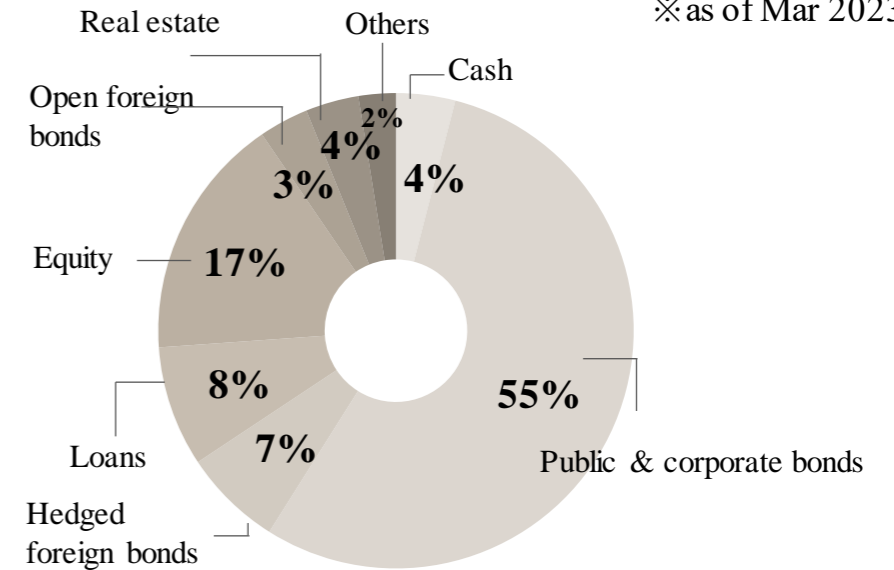
Overview of Responsible Investment



As a responsible investor

AUM

33 trillion JPY



ESG-themed investment

Accumulated investment amount

1,600 bn JPY

Of which climate solution investment

710 bn JPY

SDGs bonds

540 bn JPY

SDGs projects

600 bn JPY

Impact investing

100 bn JPY

Others

380 bn JPY

Engagement

Number of engagement

188 companies

Of which executives interviewed

46%

AUM coverage of engagement (within domestic listed equities)

Accumulated 3 years

87%

FY2022

61%

1

Overview of responsible investment
Framework for responsible
investment

Responsible investment
promotion structure

Dai-ichi Life has established the *Responsible Investment Committee* and *Responsible Investment Meeting* to promote both the discussion of initiatives related to responsible investment from various perspectives and to increase the sophistication of such efforts.

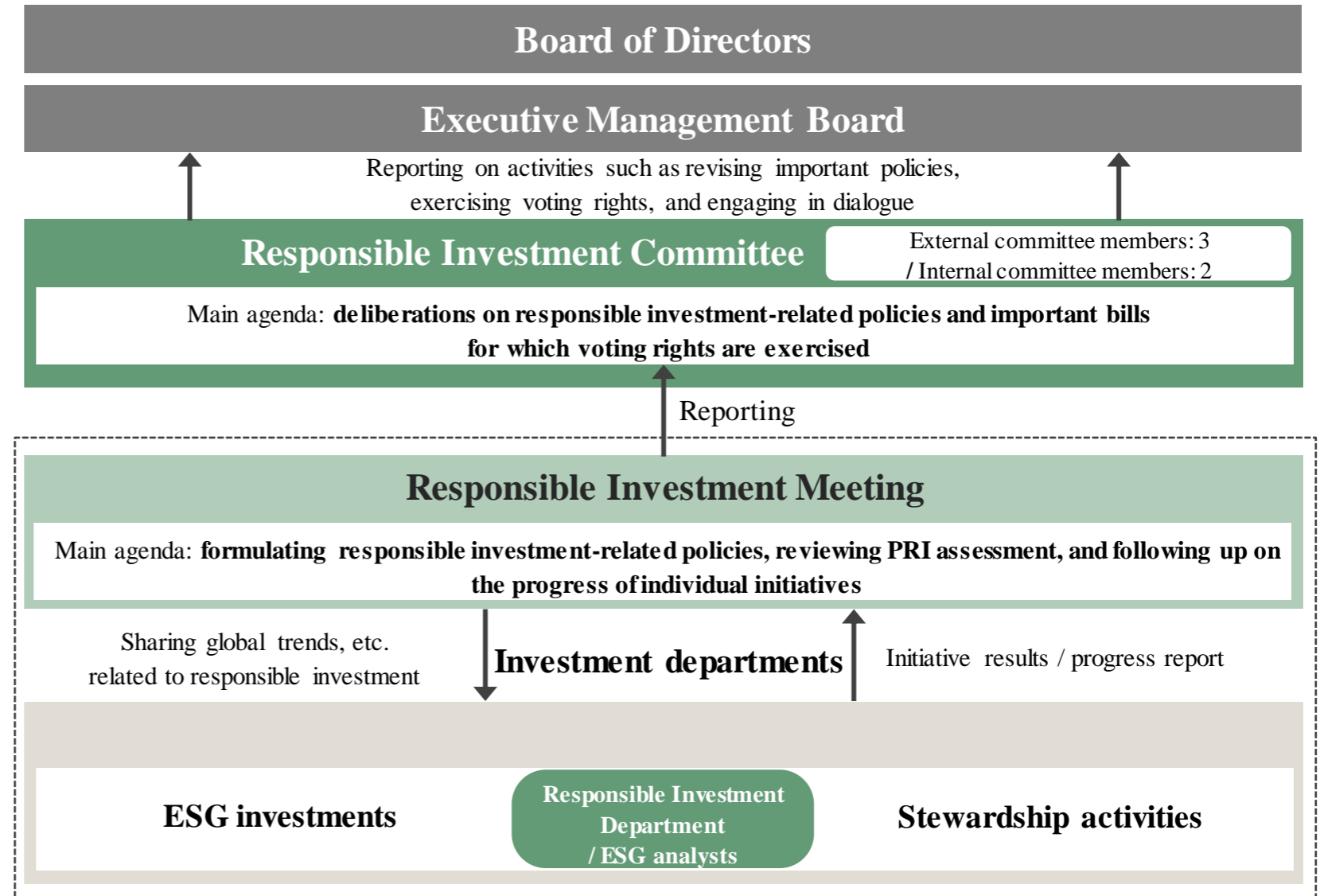
Its policies of responsible investment are formulated based on deliberations at the *Responsible Investment Committee*—the majority of which consists of external members—and especially important matters are reported to the Board of Directors and Executive Management Board. In addition, Dai-ichi Life monitors and discusses the progress of initiatives promoted by entire investment department through the *Responsible Investment Meetings* attended by members involved in responsible investment.

■ Responsible Investment Committee

In FY2022—in addition to deliberations on voting on major agenda items and revision of the criteria for exercising voting rights—the Committee reported on the GHG emission reduction status of Dai-ichi Life’s investment portfolio and discussed the formulation of a Policy on Transition Finance.

■ Responsible Investment Meeting

In FY2022, the meetings were held to discuss the promotion of responsible investment. Details included the progress of the responsible-investment initiative plans of each investment department, monitoring the positive impact of Dai-ichi Life’s investment projects, ESG analysts sharing their ESG research results and other matters.



1

Overview of responsible investment
Framework for responsible
investment

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.	3/3
	 Satoshi Take moto Executive Officer in charge of Compliance Control Dept.	3/3
External committee members	 Tetsuya Hishida Partner/Auditor Industrial Growth Platform, Inc.	3/3
	 Haruka Matsuyama Attorney at Law and Partner Hibiya Park Law Offices	3/3
	 Kikuo Kuroiwa President Kuroiwa Associates	3/3

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

Meetings

<2022/4~2023/3>

Period	Main deliberation agenda/reported matters
2022/6	<p><Discussion Agenda></p> <ul style="list-style-type: none"> • Exercise of voting rights on important resolutions* <p><Reported matters></p> <ul style="list-style-type: none"> • Progress toward GHG emission reduction targets in our portfolios
2022/9	<p><Discussion Agenda></p> <ul style="list-style-type: none"> • Policy on “Transition Finance” <p><Reported matters></p> <ul style="list-style-type: none"> • Stewardship Activities Report • Joining PRI Human Rights Initiative "ADVANCE" • Responsible Investment Report 2022
2023/3	<p><Discussion Agenda></p> <ul style="list-style-type: none"> • Exercise of voting rights on important resolutions* • Revision of voting standards <p><Reported matters></p> <ul style="list-style-type: none"> • Responsible Investment Policy 2022 • 2021 PRI assessment results • Responsible investment activity report/engagement survey results

1

Overview of responsible investment
Policies for responsible
investment

Basic Policy on Responsible Investment

We have established a "Basic Policy on Responsible Investment" as our highest level policy on responsible investment, which defines the purpose and basic stance of responsible investment, as well as our policy on compliance with the Japanese Stewardship Code. Based on this policy, we have formulated policies for each period, such as a medium-term policy and a single-year policy, as well as a policy for each type of financing, such as a "Policy for Transition Financing", and we are promoting efforts to advance responsible investment based on these policies.

◆ Basic stance on responsible investment

- ✓ We will promote responsible investment through **both 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.

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Overview of responsible investment
Policies for responsible investment

Medium-term Responsible Investment Policy (through FY2024)

In order to contribute to the creation of a positive impact on society through the promotion of responsible investment, the Medium-Term Initiatives Policy through FY2024 sets a cumulative ESG investment and financing target of ¥2 trillion, and also includes the further enhancement of ESG integration and stewardship activities centered on engagement in all assets. The Company has also established a target of ¥2 trillion in cumulative ESG investments.

In addition, we have positioned addressing climate change as a top priority theme for responsible investment, and through our investments and loans, we will contribute to transitions toward reducing GHG emissions and realizing a decarbonized society, while promoting the decarbonization efforts of our portfolio companies through engagement-based stewardship activities.

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 1.6 trillion at the end of FY2022)**

Sophistication of ESG integration

- ✓ **Continuing the sophistication of ESG integration for all assets based on their characteristics**
- ✓ **Continuously researching and incorporating important ESG themes**

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 1 trillion by the end of FY2024 (Approx. JPY 710 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 reduction target consistent with the 1.5°C target and formulate and implement strategies to realize them**

1

Overview of responsible investment
Policies for responsible
investment

Responsible Investment Policy 2023

In FY2023, we will continue our efforts to achieve each of the goals set forth in the Medium-Term Initiatives Policy by upgrading our GHG emissions monitoring system and promoting investment and financing for climate change solutions. In stewardship activities, we will work to enhance the sophistication of our activities by setting the latest ESG issues, such as "cyber security," as themes for engagement.

ESG Investment

◆ Creation of positive impacts

- ✓ Promotion of ESG-themed investment aimed at achieving the medium-term goals
- ✓ Encouraging issuers to implement **impact disclosure** through engagement

◆ 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** (climate change, strengthening governance, human rights and diversity, natural capital)
- ✓ Continuing efforts to sophisticate ESG integration for all assets, taking their characteristics into account

Stewardship Activities

◆ Engagement aimed at resolving important issues

- ✓ Improving engagement methods to **help companies to identify and resolve issues**, including by incorporating the issues into engagement themes, based 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 investees while confirming **consistency between corporate purpose 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**
- ✓ Confirm the status of response to "**Cybersecurity**"

Promotion of Responsible Investment by Participating in Initiatives

- ✓ Engage in international rulemaking through participation in international initiatives such as GFANZ and Net Zero AOA, working with a variety of stakeholders including other financial institutions, corporations, and governments.
- ✓ Actively participate in collaborative engagements and exert influence on corporations



UN-convened Net-Zero Asset Owner Alliance



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



1

Overview of responsible investment
Policies for responsible
investment

Policy on Transition finance

To achieve a decarbonized society, it is important to steadily promote a long-term transition strategy focused on industries that have high GHG emissions.

To contribute to achieving a decarbonized society, Dai-ichi Life has formulated a basic stance and approach related to transition finance. By referring to the GFANZ' four financing strategies and others, Dai-ichi Life aims to support the achievement of net-zero emissions by 2050 by actively providing financial support to companies pursuing transition strategies.

1

Dai-ichi Life chooses to take investment actions prioritizing the realization of long-term carbon neutrality for society as a whole.

2

When making investment decisions, Dai-ichi Life independently examines the validity and feasibility of companies' Transition strategies in terms of ensuring investment returns in addition to alignment with key Transition Finance guidelines.

3

Dai-ichi Life will continuously review its decision criteria used in examining companies' Transition strategies in light of the external environments surrounding the Transition, situations of technological innovations and other elements.

4

Based on the insights obtained in the detailed examination process of Transition Finance, Dai-ichi Life facilitates improvements in companies' Transition strategies and more effective initiatives through the engagements.

Awarded Gold Award (Minister of the Environment Award)

in the Investor Category at the Ministry of the Environment's 4th ESG Finance Awards Japan

In FY2022, in addition to further upgrading responsible investment by setting new targets in the Medium-term Responsible Investment Policy, we have also formulated our basic approach to "transition finance." In recognition of these efforts, we received our second Gold Award at the 4th ESG Finance Awards Japan (Investor Category) hosted by the Ministry of the Environment.

Reasons for selection as a Gold Award winner in the Investor Category

- Dai-ichi Life has established a new Medium-term Responsible Investment Policy that includes steps to create a positive impact on society and to promote stewardship activities, while making progress on its medium-term ESG investment goals ahead of schedule.
- Dai-ichi Life's Policy on Transition Finance focuses on engagement with high-emission companies instead of divestment and includes a clear plan to address the medium- to long-term increase due to transition finance in its portfolio GHG emissions.



▲ Tetsuya Kikuta, Group CEO, Dai-ichi Life Holdings, Inc.

* This award was presented to our Company (The Dai-ichi Life Insurance Company, Limited).

2

To Achieve Carbon Neutrality in investment portfolio



2

To achieve Carbon Neutrality in investment portfolio

Overview of the transition plan

Overview of the Net Zero Transition Plan

To formulate a credible transition plan, the Company refers to the transition-plan framework guidance of the TCFD and GFANZ, etc.

As a life insurance company, Dai-ichi Life promotes net-zero initiatives as both an institutional investor (by investing insurance premiums received from policyholders) and an operational company (by running and managing life insurance business).

For the full text of the "Net Zero Transition Plan," please refer to the website of Dai-ichi Life Holdings.

Link : [Net Zero Transition Plan](#)

Foundations

Objectives of the transition plan

Roadmap to achieving net-zero emissions

Strategies

Implementation Strategy

Engagement Strategy

Expand assets covered by emission reduction targets and analyze emissions

Support transition to a low-carbon society and creation of environmental innovation through investments

Emissions reduction initiatives related to business activities (shifting to renewable energy, saving energy, and reducing total paper usage, etc.)

Encourage investees' initiatives

Opinion and rule-making through global finance initiatives

Metrics and targets

As an institutional investor

Financed emissions (Scope 3 Category 15)

Investments in climate solutions

Positive impact via investments

Number of companies engaged with

As an operational company

CO₂ emissions from business activities (Scope 1 and 2)

CO₂ emissions from business activities (Scope 3, excluding Category 15)

Governance

Governance and promotion structure on climate change issues

Governance structure that reports to the Executive Management Board and Board of Directors and is overseen by the Board of Directors

Introduction of sustainability metrics as executive remuneration assessment criteria (including progress on CO₂ emission reduction)

Promotion by the Group Sustainability Committee and Group ERM Committee

Transition plan: Oversight: CSuO*, Administration: Corporate Planning Unit, Implementation: relevant departments of Dai-ichi Life

Skills and culture

Building awareness among Group officers and employees

2 | Overview of the transition plan

Initiatives to achieve net-zero emissions through investments

To contribute to achieving a sustainable society which is essential for the well-being of all while securing stable investment returns over the medium to long-term, Dai-ichi Life promotes responsible investments that contribute to resolving material issues related to local communities and society.

Dai-ichi Life considers climate change to be one of the most important topics in terms of responsible investment, and Dai-ichi Life contributes to GHG emission reduction as well as the transition to achieve a decarbonized society through investments. In addition, through stewardship activities based on engagement, Dai-ichi Life also promotes the decarbonization initiatives of investee companies.

Implementation Strategy

Expand assets covered by the emission reduction targets and analyze emissions

- Expand the assets covered by the investment-portfolio emission reduction targets, which included **listed equities, corporate bonds, and real estate** before, to **also include corporate loans**.
- Regularly measure and analyze the GHG emissions of investee companies by utilizing multiple indicators that include the WACI*, and then reflect those results in engagement activities and investment decisions (**ESG integration**).

Support the transition to decarbonization and the creation of environmental innovations through investments

- Actively pursue **climate solution investments** that contribute to resolving climate change issues, aiming for a **cumulative total of ¥1 trillion** by FY2024.
- In terms of **creating a positive impact** through investments, aim to achieve **annual avoided GHG emissions of 1.5 million tons CO₂e** by FY2024.
- **Formulate a Policy on Transition Finance**, and actively supply funds aimed at transitioning to decarbonization.
- Implement **negative screening** to exclude new thermal power plant projects that use fossil fuels as well as similar pursuits from financing.

Engagement Strategy

Support the initiatives of investee companies through engagement

- Regarding the **top 50 or so companies in terms of GHG emissions** in Dai-ichi Life's investment portfolio, **promote raiseses in the target setting level related to GHG emission reductions as well as improved initiative effectiveness, etc.**
- Demonstrate influence as an investor while also supporting the initiatives of investee companies through **collaborative engagement** with Climate Action 100+, the Life Insurance Association of Japan, etc.

Communicate views and participate in rule-making through global financial initiatives

- **Participate in GFANZ, a global initiative** aimed at promoting the decarbonization initiatives of financial institutions.
- Become a **member of the Principals Group**—which leads GFANZ—and participate in affiliated working groups to promote initiatives that include **considering the role financial institutions should play in the decarbonization of society as well as being actively involved in rule-making.**

* WACI: Weighted Average Carbon Intensity

2

To achieve Carbon Neutrality in investment portfolio

Overview of the transition plan

Net-zero targets

We have set a goal to achieve net-zero emissions in our investment portfolio and are working to achieve it. In order to reduce financed emissions, we had set an interim target of 25% reduction by 2025 (compared to 2020) and have newly set an interim target of 50% reduction by 2030 (compared to 2020). This interim reduction target includes corporate loans as a target asset.

Metrics	Results	Targets
Financed Emission (Scope 3 Category 15)	2022 : 16% reduction ^{*1} (approximately 4.5 million tons CO ₂ e)	2025: 25% reduction*1 2030: 50%reduction*2 Newly set 2050: net zero
Climate solution investments (Cumulative invested amount)	FY2022: approximately ¥710 billion	FY2024: ¥1 trillion
Creating positive impacts by investments (Avoided GHG emission per year)	FY2022: 1.23 million tons CO ₂ e	FY2024: 1.5 million tons CO ₂ e
Number of investees targetted for engagement	2022: top 55 investees in investment portfolio (emission coverage ratio: 72%)	Approximately 50 highest emitters in investment portfolio in a financial year

* 1 Compared to 2020 (listed equities, corporate bond, and real estate portfolios) *2 Compared to 2020 (listed equities, corporate bonds, real estate, and loan portfolios)

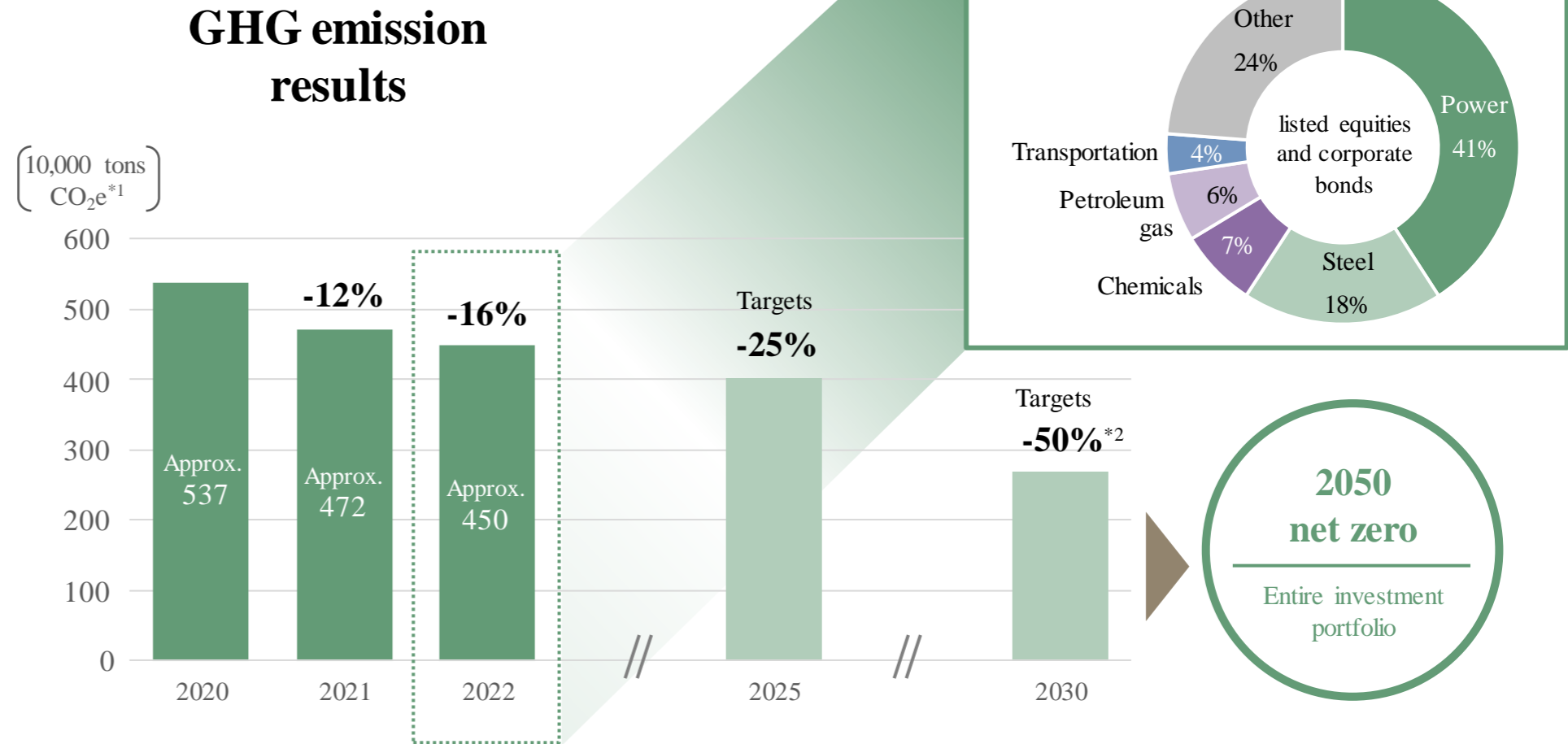
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To achieve Carbon Neutrality in investment portfolio
Overview of the transition plan

Emission results and breakdown by sector

To build a net-zero portfolio by 2050, Dai-ichi Life has set interim targets—including reducing emissions by 25% by the fiscal year ending March 31, 2025 (for listed equities, corporate bonds, and real estate) and reducing emissions by 50% by the fiscal year ending March 31, 2030 (for listed equities, corporate bonds, real estate, and loan)—and is steadily promoting initiatives that include reducing emissions by 16% for the fiscal year ended March 31, 2022.

Of its investment portfolio of listed equities and corporate bonds, Dai-ichi Life considers the top 50 companies in terms of emissions—including the power and steel sectors, which account for a relatively high percentage of emissions—to be high-priority engagement targets and is actively engaging with them.



*1 Total Scope 1 and 2 values for Dai-ichi Life’s listed equities, corporate bonds, and real estate portfolio. The figures for listed equities and corporate bonds were compiled by Dai-ichi Life based on MSCI ESG Research LLC data. The real estate figures were compiled after being calculated by Dai-ichi Life. Because Dai-ichi Life changed its vendor from S&P Trucost Limited to MSCI ESG Research LLC, Dai-ichi Life revised the GHG emission results for 2020 and 2021. Note that, when Dai-ichi Life used S&P Trucost Limited data, the 2022 GHG emissions amounted to approximately 4.7 million tons CO₂e (and the 2020 emissions amounted to approximately 6.02 million tons CO₂e).

*2 Dai-ichi Life set its interim reduction target for 2030 in line with the NZAOA Protocol. Dai-ichi Life also added corporate loans to the assets covered by its interim reduction target.

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To achieve Carbon Neutrality in investment portfolio
Overview of the transition plan

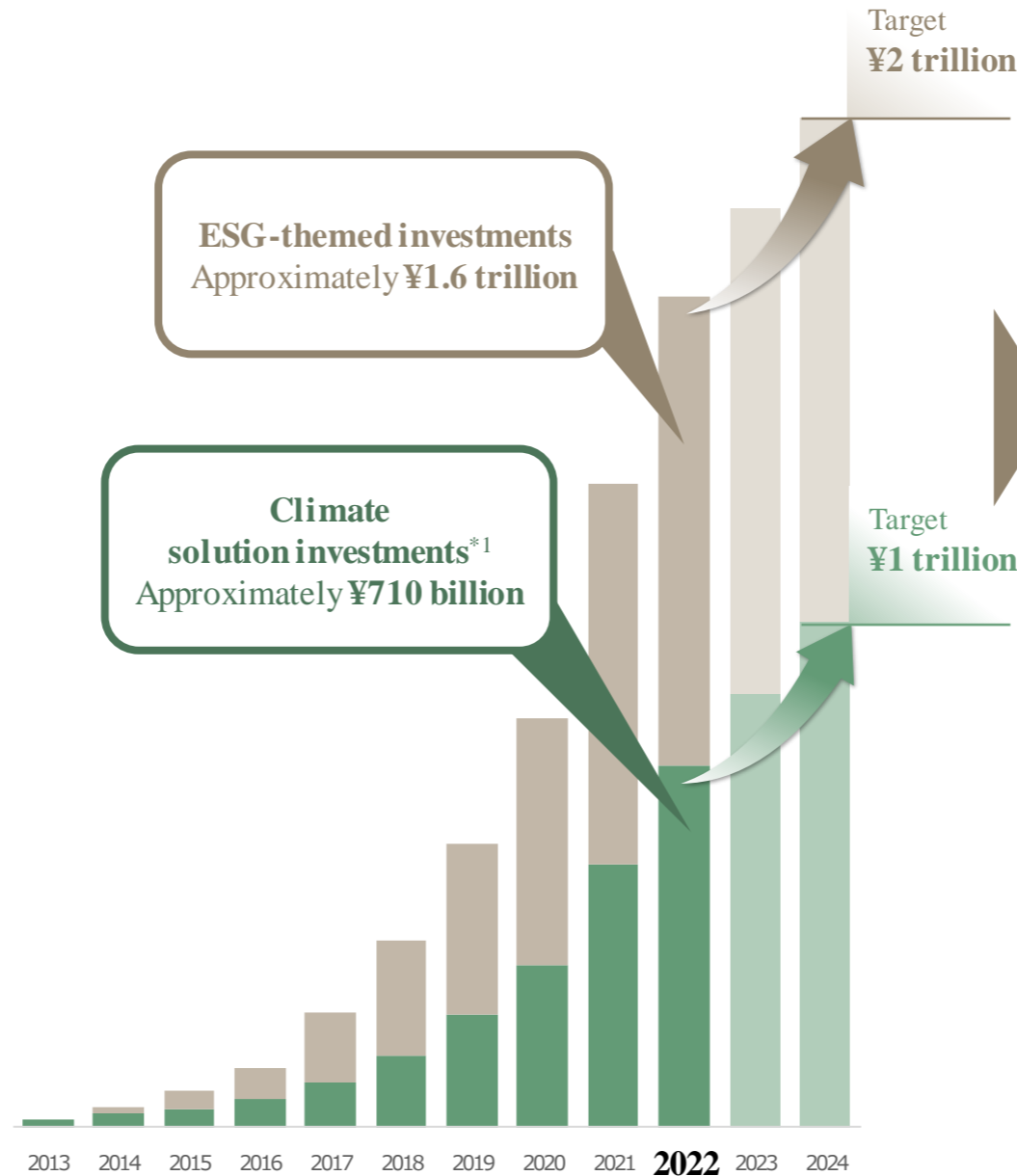
Climate Solution Investments and Positive Impact

Dai-ichi Life has reached a cumulative total of approximately ¥710 billion in investments that contribute to resolving climate change issues (climate solution investments). Dai-ichi Life plans to expand this amount to at least ¥1 trillion by March 31, 2025.

In addition, we also believe positive impact on society from such investment are important, and the annual avoided GHG emissions from these in FY2022 were 1.23 million tons CO₂e (equivalent to approximately 27% of the portfolio GHG emissions). We plan to expand this to 1.5 million tons CO₂e by FY2024.

▶ Please refer to P.30~36 for examples of ESG investment.

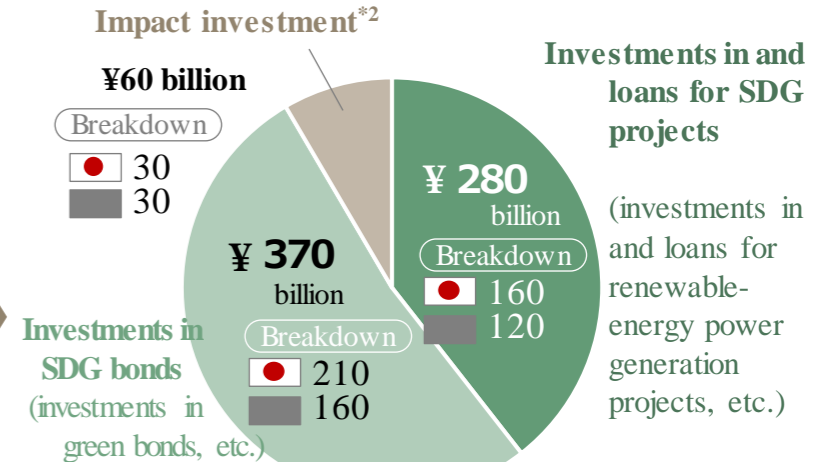
Climate solution investments



*1 Climate solution investments: investments that contribute to solving climate change issues, including investments in and loans for green bonds as well as renewable-energy power plant projects

Positive impact through investments

Breakdown of total cumulative results by FY2022



Annual avoided GHG emissions
Approximately **1.23 million tons CO₂e**

Investment projects that are related to resolving climate change issues and for which it is possible to estimate the greenhouse gas reduction contribution—such as of renewable-energy power generation projects—or for which the impact has been disclosed through green bonds, etc.

*2 Dai-ichi Life defines *impact investment* as an investment methodology under which investment decisions are made based on the intention to both secure investment returns and achieve a social impact (such as changing the social structure).

The situation of top 50 companies in Dai-ichi Life's investment portfolio in terms of GHG emissions

2

To achieve Carbon Neutrality in investment portfolio

Overview of the transition plan

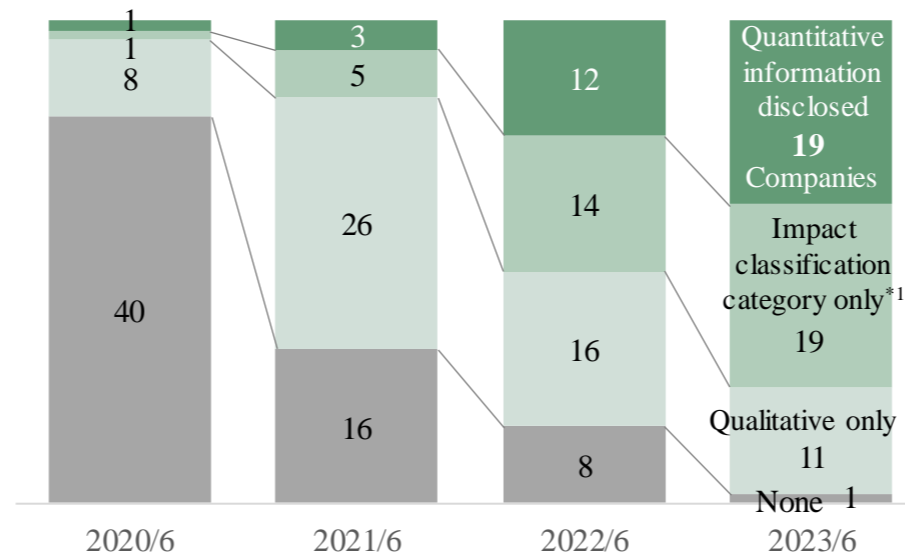
Engagement with investees

Dai-ichi Life considers engagement with investee companies to be one of the most important and effective strategies for contributing to the achievement of a net-zero society.

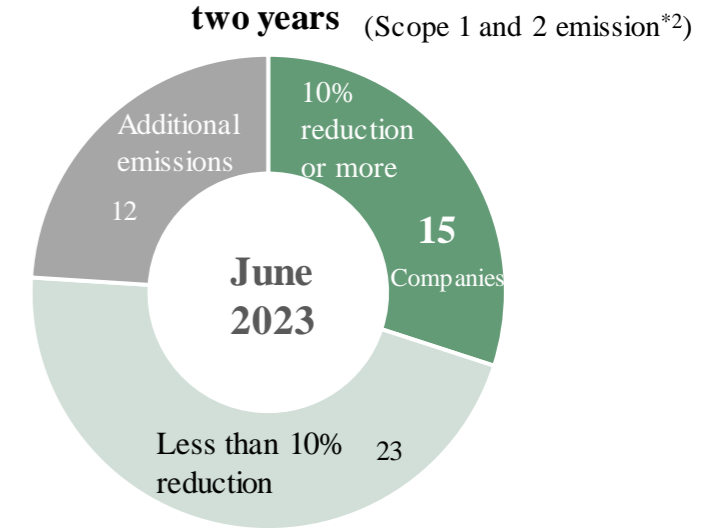
Dai-ichi Life continues to engage with the top 50 companies in terms of GHG emissions. Among these, there is an increasing trend of companies conducting scenario-based analyses to strategically respond to climate change issues, as well as companies promoting the formulation of targets in line with achieving net-zero emissions by 2050. On the other hand, the number of companies that have formulated specific roadmaps to achieve the targets and obtained third-party certification is still insufficient, so Dai-ichi Life will continue to encourage companies to take action through engagement.

▶ please refer P.45~46 for examples of climate change engagement.

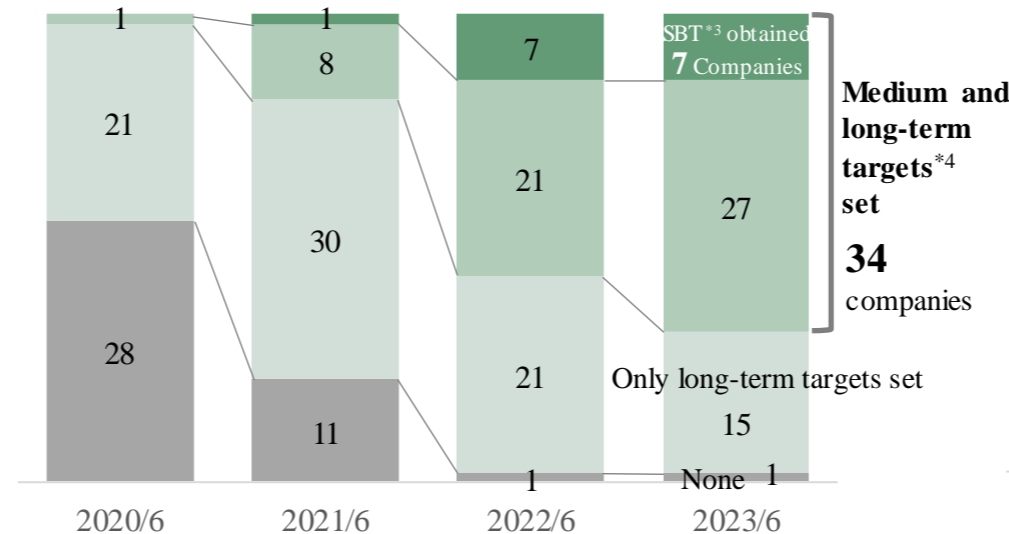
TCFD scenario analysis disclosure



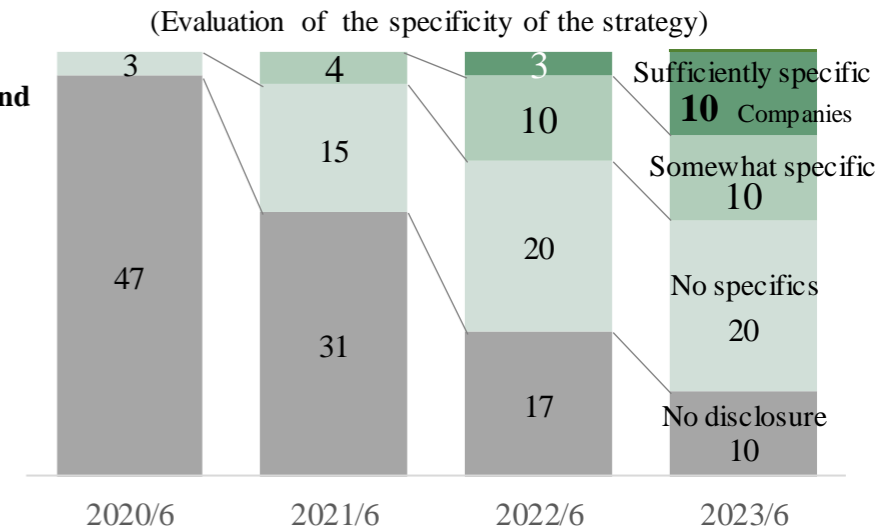
GHG emission reduction results for the most recent two years (Scope 1 and 2 emission*)



Number of companies formulating GHG reduction targets



Disclosure of roadmap toward Carbon neutrality (Evaluation of the specificity of the strategy)



*1 These companies have disclosed information on the degree of impact (minor, moderate, major, etc.), but they have not disclosed quantitative information
 *2 Source: MSCI ESG Research LLC
 *3 Science Based Targets. This international certification shows that the company has stipulated GHG emission reduction targets aligned with the Paris Agreement.
 *4 Targets in line with Japanese government targets (2030: 46% reduction, 2050: carbon neutrality)

2

To achieve Carbon Neutrality in investment portfolio
Overview of the transition plan

Participation in initiatives

Dai-ichi Life participates in the working groups of GFANZ—which creates *Financial Institution Net-zero Transition Plans: Fundamentals, Recommendations, and Guidance*—and contributed to the creation of this report.

In addition, the GFANZ Japan Chapter was launched in June 2023, and Seiji Inagaki, Director, Chair of the Board of Dai-ichi Life, was appointed as the first Chair of the Consultative Group of the chapter. To encourage Japanese financial institutions to formulate transition plans aimed at decarbonization, this chapter is used to share insights and successful examples while also supporting cooperation with companies as well as the relevant ministries and agencies.



Co-Chairs (Mark Carney, Michael Bloomberg)
Vice-Chair (Mary Schapiro)

Principals Group
■ Sets strategic direction and priorities and monitoring progress

Steering Group
■ Supports the Principals Group

Working Groups
Involve in specific tasks, such as guidance development

Activity example **Financial Institution Net-zero Transition Plans: Fundamentals, Recommendations, and Guidance (issued in November 2022)**



Recommendations on elements necessary for a credible net-zero transition plan for financial institutions to decarbonize the real economy, as well as key transition finance strategies to achieve the transition.

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Other regional networks, etc.

APAC Network

- Launched in June 2022.
- Supports the acceleration of net-zero transition in the APAC region

Activity example

Draft guidance on the phaseout of coal-fired power plants in Asia (issued in June 2023: for public consultation)



Recommendations on the coal-fired power phase-out process in terms of what should be considered with respect to the credibility of the transition and phase-out plan, social and economic impacts, and transparency and accountability

Japan Chapter

- Launched in June 2023 (the first GFANZ country chapter in the world)
- Supports collaboration among domestic financial institutions, relevant authorities and companies to accelerate the transition to net-zero in Japan
- **Seiji Inagaki (Director, Chair of the Board, Dai-ichi Life) appointed as the first Chair of the GFANZ Japan Chapter Consultative Group***

Net-zero alliances, including NZAOA (asset owners), NZBA (banks), and NZAM (asset managers)

* Advisory organization consisting of representatives of financial institutions and government agencies, etc.

By your side, for life

DAI-ICHI LIFE

Dai-ichi Life Group

Responsible Investment
Report 2023



3

ESG Investment Report

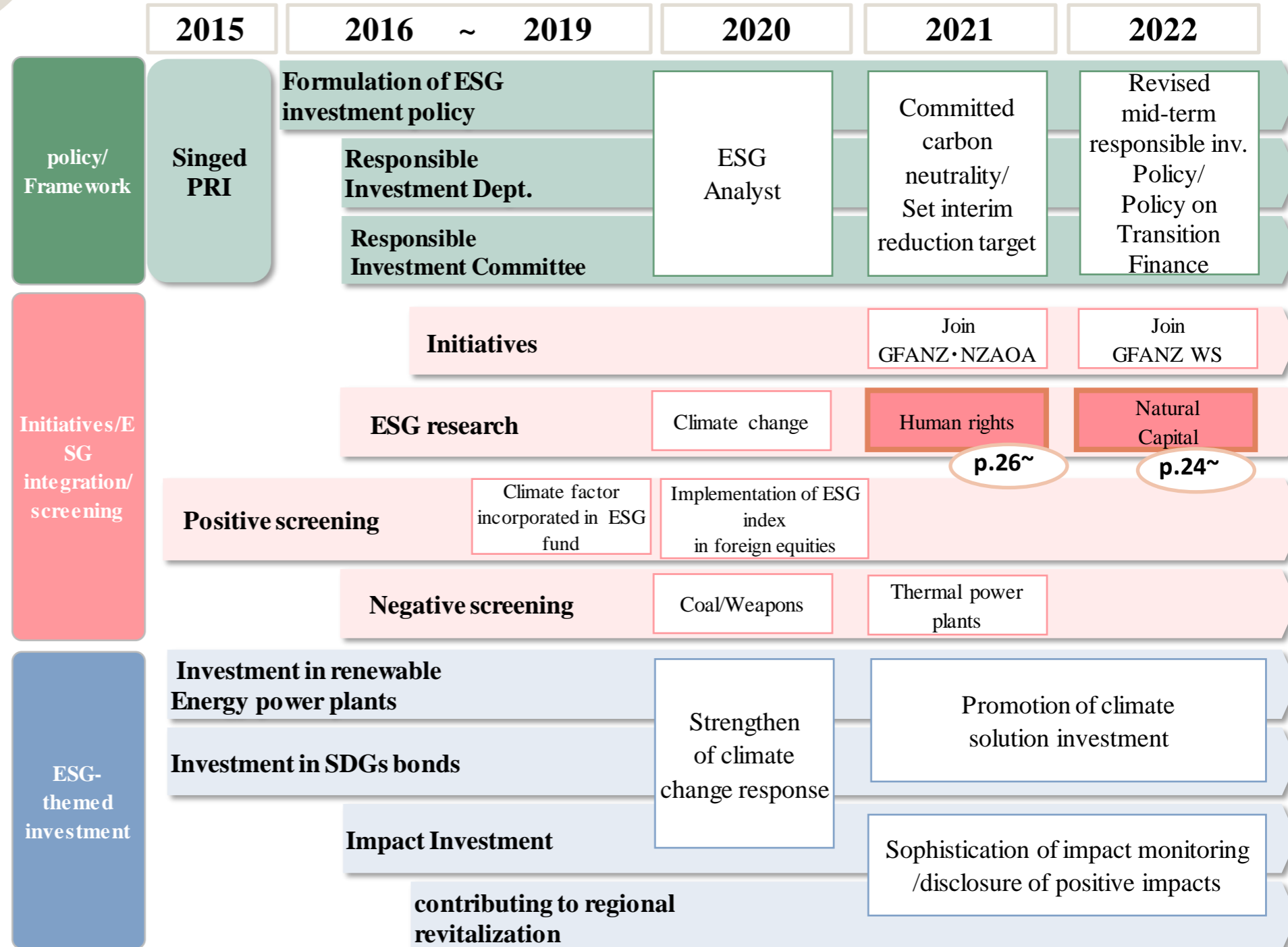
ESG Investment Report

3 | Our history for responsible investment

Our history on responsible investment

Since the signing of the PRI in 2015, we have been working to continuously upgrade our ESG investment and financing efforts while expanding them.

In FY2022, we formulated the Basic Policy for Responsible Investment, Medium-Term Initiatives Policy for Responsible Investment, and Initiatives Policy for Transition Finance, with the aim of further upgrading our responsible investment initiatives. In addition to climate change, which we have positioned as the most important theme for responsible investment, we are also strengthening our research on important ESG issues such as natural capital and respect for human rights.



ESG Investment Report

ESG integration

3

Enhancing Sophistication of ESG Integration

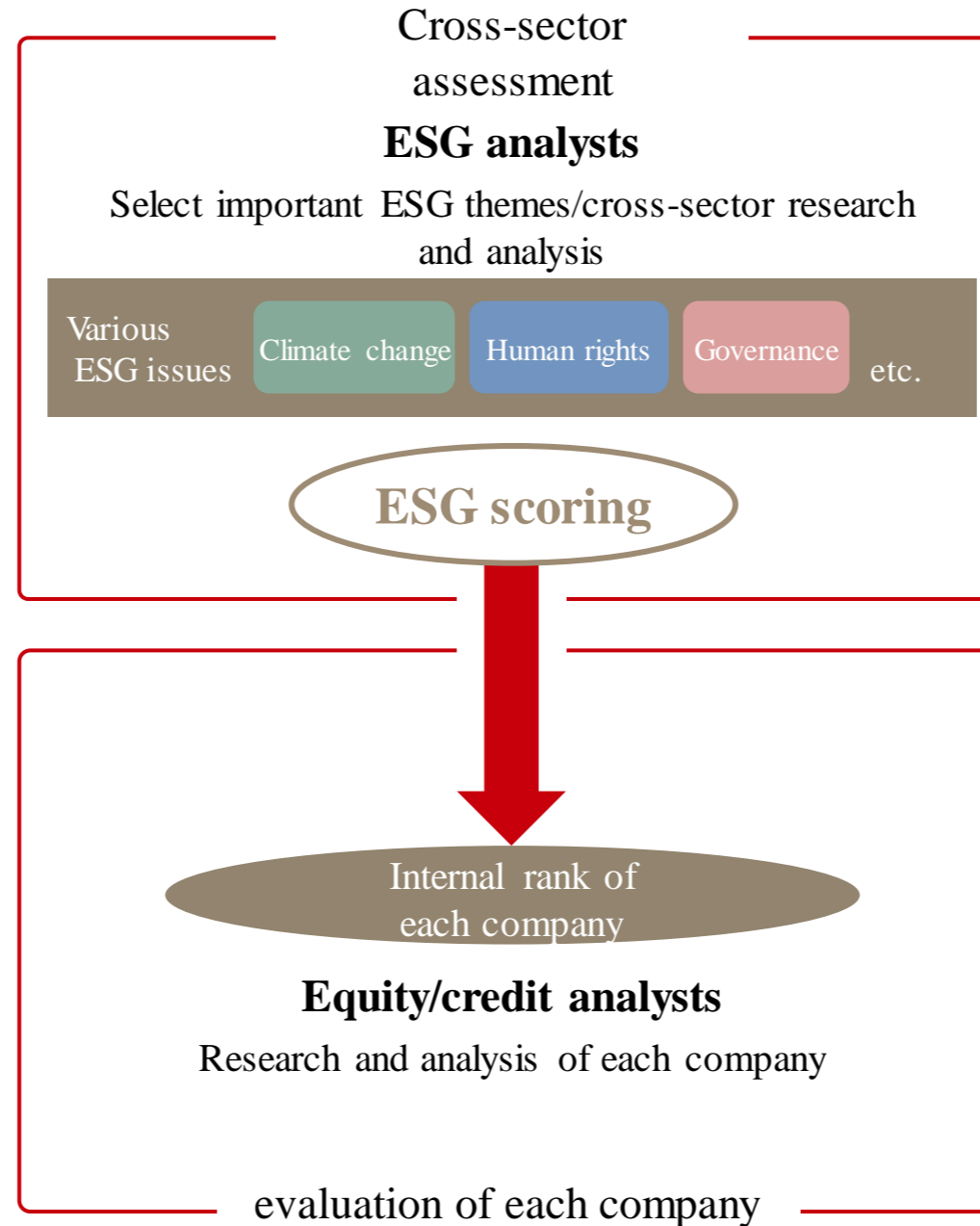
We integrate ESG into each asset according to asset liquidity and characteristics to continually push forward action that increases the sophistication of ESG integration.

Asset		Perspectives on ESG Evaluation	Approach to ESG Integration
Corporate	Equities bonds Loans	<ul style="list-style-type: none"> ✓ Evaluate the impact of ESG factors on enterprise value (equities) and creditworthiness (bonds sovereign, and loans) based on disclosed information, evaluations by ESG analysts, and information obtained during dialogue with investees 	<ul style="list-style-type: none"> ✓ ESG analysts conduct cross-asset analysis of key ESG themes and assign ESG scores ✓ ESG scores are reflected in internal rankings used to make investment decisions
	Sovereign		<ul style="list-style-type: none"> ✓ Credit analysts assess each country's environmental, human rights, and governance efforts and reflect them in the internal ranks used to make investment decisions
Others	Project Finance	<ul style="list-style-type: none"> ✓ Evaluate the impact on profitability of the building's environmental performance 	<ul style="list-style-type: none"> ✓ Verify whether a project clears the E and S criteria based on the Equator Principles and others during due diligence and regularly monitor these
	Real Estates		<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
	Funds		<ul style="list-style-type: none"> ✓ Interviews on ESG initiatives when selecting funds and conducting periodic monitoring ✓ Score ESG initiatives of funds and incorporate them into investment decisions

ESG integration methodology

Dai-ichi Life optimally integrate ESG factors into each asset according to liquidity and characteristics and then appropriately reflects in investment decision.

ESG analysts select priority themes from various ESG issues and then conduct cross-sector research and analysis. Each company is then assigned a comprehensive assessment score (ESG scoring), and the results are shared with equity analysts and credit analysts. Each asset analyst reflects those information into the evaluation of each company.



Major ESG issues and evaluation perspectives



Climate change | Climate change risks and opportunities as well as the availability and progress of a GHG reduction plan

Natural capital | Effects of deforestation, ocean pollution, waste plastic, etc.



Human rights | The situation in terms of responding to human rights risks, including in the supply chain, as well as human rights risks identified through human rights due diligence

Diversity | The ratio of women among the management and executives, etc.



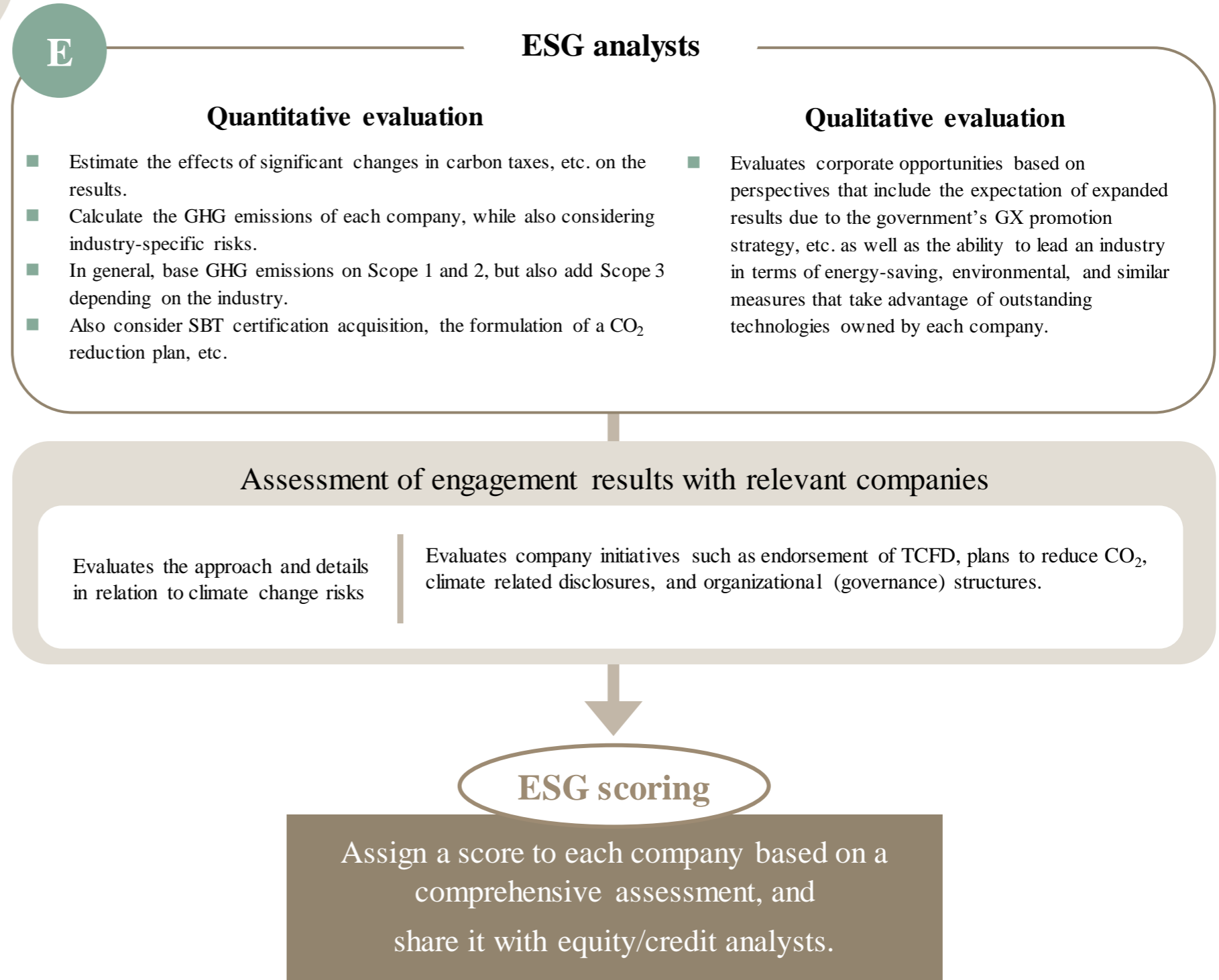
Governance structure | Fulfillment of functions by outside directors as well as appropriate participation and advice in the Nomination and Remuneration Committees

Integrated information disclosure | Situation of the Integrated disclosure of financial and non-financial information

Climate change integration

In terms of climate change-related risks and opportunities, Dai-ichi Life quantitatively and qualitatively assesses investee companies and considers the results of engagement with each company to assign it a score.

More specifically, Dai-ichi Life calculates the impact of carbon taxes (quantitative assessment) and considers future opportunities such as environmental technologies, etc. (qualitative assessment). In addition, Dai-ichi Life confirms and evaluates the details of the initiative in terms of climate change risks, governance, and other issues through engagement.



3 | ESG integration

Key ESG-themed initiatives to improve the sustainability of natural capital

Amid growing global awareness of the risk of damage to natural capital, including biodiversity, we have set "improve the sustainability of natural capital" as our key ESG theme.

Based on the analysis of nature-related risks and opportunities in line with the TNFD, we aim to contribute to nature positivity by engaging with portfolio companies to promote their efforts while promoting ESG-themed investments and loans that contribute to the improvement of natural capital.

Major Initiatives to Improve the Sustainability of Natural Capital

Analysis of risks and opportunities

- Analyze nature-related risks and opportunities for equity portfolios in accordance with the LEAP approach (*) proposed by the TNFD (see next section for details).
- Analytical results are used for engagement with companies and integration into investment decisions.

Engagement

- Selected companies with which to hold dialogues, focusing on those with significant impact of nature-related risks and opportunities. In FY2022, dialogues were conducted with 38 companies on the theme of natural capital.

Key Themes in Engagement

Analysis of Risks and Opportunities

Analyze the potential medium- and long-term impacts of risks and opportunities related to biodiversity and natural capital and reflect the identified risks and opportunities in business strategies.

Formulation of Policies and Strategies

Establish an organizational structure for natural capital and biodiversity, develop and disclose policies and strategies, and set appropriate KPIs according to the company's business and supply chain.

Appropriate Disclosure of Information

Appropriate disclosure of identified risks and opportunities and policies (see "Governance," "Strategy," "Risk & Impact Management," and "Metrics and Targets" recommended by the TNFD).

ESG-themed investment

- Provide ESG-themed investments and loans that contribute to "improve the sustainability of natural capital" totaling approximately 40 billion yen (as of March 31, 2023).
- Continue to promote these investments and loans while considering upgrading positive impact measurement methods.

Participation in initiatives

- In October 2022, Dai-ichi Life HD joined the TNFD Forum in support of the philosophy of the TNFD, which aims to establish a framework to systematically identify and disclose nature-related risks.



* LEAP approach: an approach that enables companies and financial institutions to internally assess nature-related risks and opportunities (Locate (find contact with nature), Evaluate (diagnose dependencies and impacts), Assess (assess risks and opportunities), and Prepare (prepare to respond to risks and opportunities, report to investors)).

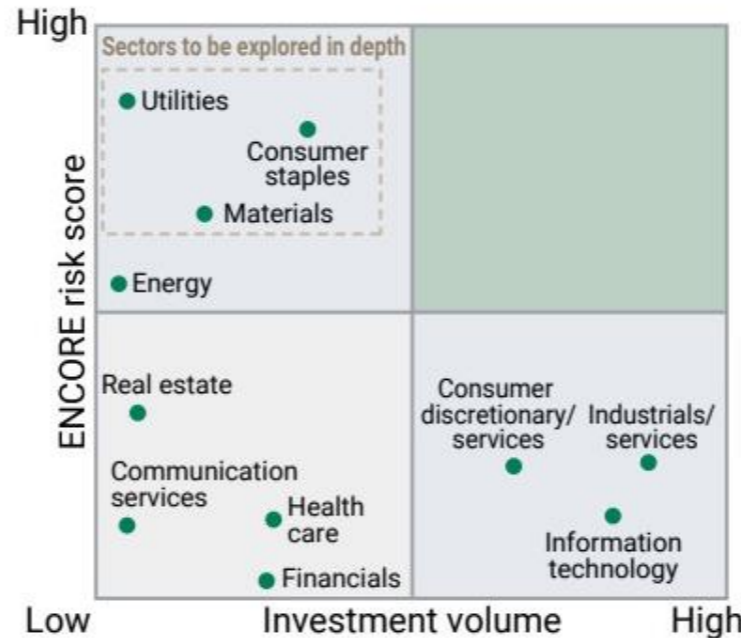
3 | ESG integration

Analysis of Nature-Related Risks

As an approach to understanding the impact on and dependence on nature, we analyzed nature-related risks and opportunities for our equity portfolio in accordance with the LEAP approach proposed by TNFD.

We will continue our efforts to improve the sophistication of our analysis and utilize the results of our analysis of nature-related risks and opportunities in our engagement with investee companies.

Dai-ichi Life's investment volumes and nature-related risk level



Heat map of high-risk sub-industries in the three selected sectors (impact)

Sector	Sub-industry	Forests	Water	Land use	Ecosystems	Invasive alien species	Soil	Air	GHGs	Waste	Resources
Consumer staples	Agricultural products	High	High	High	High	Low	High	Low	High	Low	High
	Forest products	High	Low	Low	High	Low	Low	Low	Low	Low	Low
Materials	Diversified metals & mining	Low	High	Low	High	Low	High	Low	High	Low	High
	Aluminum	Low	High	Low	High	Low	High	Low	High	Low	High
	Industrial gases	Low	High	Low	High	Low	High	Low	High	Low	High
Utilities	Precious metals & minerals	Low	Low	Low	Low	Low	Low	Low	Low	Low	High
	Electricity utilities	Low	High	Low	High	Low	Low	Low	Low	Low	Low
	Renewable electricity	Low	High	Low	High	Low	Low	Low	Low	Low	Low
	Independent power producers, etc.	Low	High	Low	High	Low	Low	Low	Low	Low	Low

Examples of major risks and opportunities in the three selected sectors (consumer staples, materials, and utilities)

TNFD's risk classification	Potential events	Examples of business risks in the three sectors	Examples of business opportunities in the three sectors
Transition risk	Rising raw material prices	[Common] Increased costs of responding to various regulations and criticisms [Commodities and materials] Soaring procurement costs due to increased demand for certified raw materials	[Consumer staples and materials] Use of certified raw materials can increase the added value and profitability of our products
Physical risk	Decrease in biological resources	[Consumer staples and materials] Instability of supply and price hikes due to stricter regulations on land development and over-extraction of natural raw materials	[Consumer staples and materials] Switching to alternative resources can ensure long-term, stable, and sustainable supplies
Systemic risk	Raw material crop failure due to ecosystem collapse	[Consumer staples and materials] A combination of factors, such as extinction of certain species (keystone species) that play an important role in the ecosystem of origin or contamination by pesticides, can cause the loss of ecosystem functions necessary for the production of raw materials, making it difficult to procure them	[Common] Development of Nature-based Solutions can lead to the creation of new values and markets

3 | Key ESG-themed initiatives for respecting human rights

We consider respect for human rights to be one of the key themes of responsible investment and believe that the promotion of respect for human rights by investees will lead to the maintenance and improvement of corporate value.

In addition to assessing corporate human rights risks and initiatives and incorporating them into the decision-making process for investments and loans, we promote corporate human rights initiatives through engagement and promote ESG-themed investments and loans that contribute to respect for human rights.

Major Initiatives for Respecting Human Rights

Incorporating human rights risk into investment decisions

- Regarding human rights risks, we investigate the status of corporate initiatives, and incorporate them into investment and financing decisions while promoting initiatives through engagement (see next section for details).

Engagement

Our Stand-alone Engagement

- Selected dialogue partners with a focus on companies where human rights risks have a significant impact. In FY2022, 25 companies were selected for dialogue on the theme of human rights.
- In engagement, confirm the status of initiatives and disclosures on human rights risks, such as formulation of human rights policies, implementation of human rights due diligence, and development of remedy mechanisms, and promote the sophistication of initiatives.

Collaborative Engagement

- In December 2022, joined “Advance” a collaborative engagement initiative newly established by PRI based on the theme of "social" issues, with a focus on human rights problems.
- As an effort to reinforce and enhance the effectiveness of our stand-alone engagement activities, we will also promote corporate human rights initiatives through collaborative engagement through this initiative.



ESG-themed investments

- Promote theme-based investments and loans that contribute to respect for human rights and gender equality.

Asian Development Bank

“Gender Bonds”

In November 2017, we invested approximately 10 billion yen in "Gender Bonds" issued by the Asian Development Bank. Proceeds raised through the Gender Bonds will be used to finance projects that promote women's empowerment in the Asia-Pacific region.



Analysis of human rights risks

In analyzing human rights risks, we investigate and assess the status of corporate efforts to address human rights issues, including the formulation of human rights policies, implementation of due diligence /remediation mechanisms.

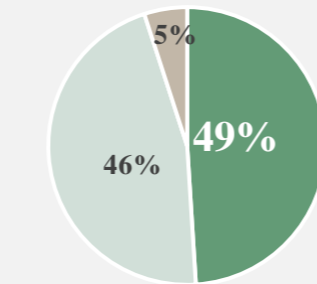
We continuously confirm and promote corporate efforts through engagement and incorporate the results of engagement into our investment decisions.

Analysis of Efforts to Address Human Rights Issues

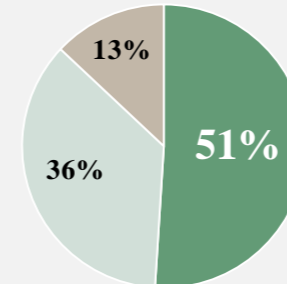
- Analyzed the status of human rights initiatives at 60 investees in sectors with high relevance to human rights issues (apparel, food, mining, etc.)
- While many companies have made progress in addressing human rights issues, including the formulation of human rights policies, it is recognized that the establishment of more concrete and effective processes and systems to ensure respect for human rights, particularly the development of redress mechanisms, is an issue for the future.

Percentage of enterprises assessed implementing human rights initiatives

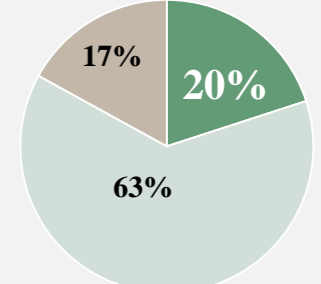
<Policy commitment>



<Due diligence >



<Remediation>



■ Sufficient efforts have been implemented

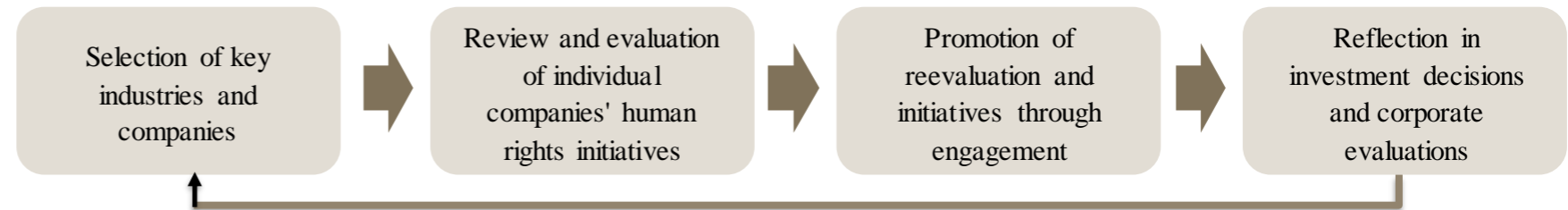
■ Efforts are being made, but there are challenges

■ No effort

※as of FY2021

Our human rights activities

Equities, Corporate bonds



Project Finance

Continuous review and improvement

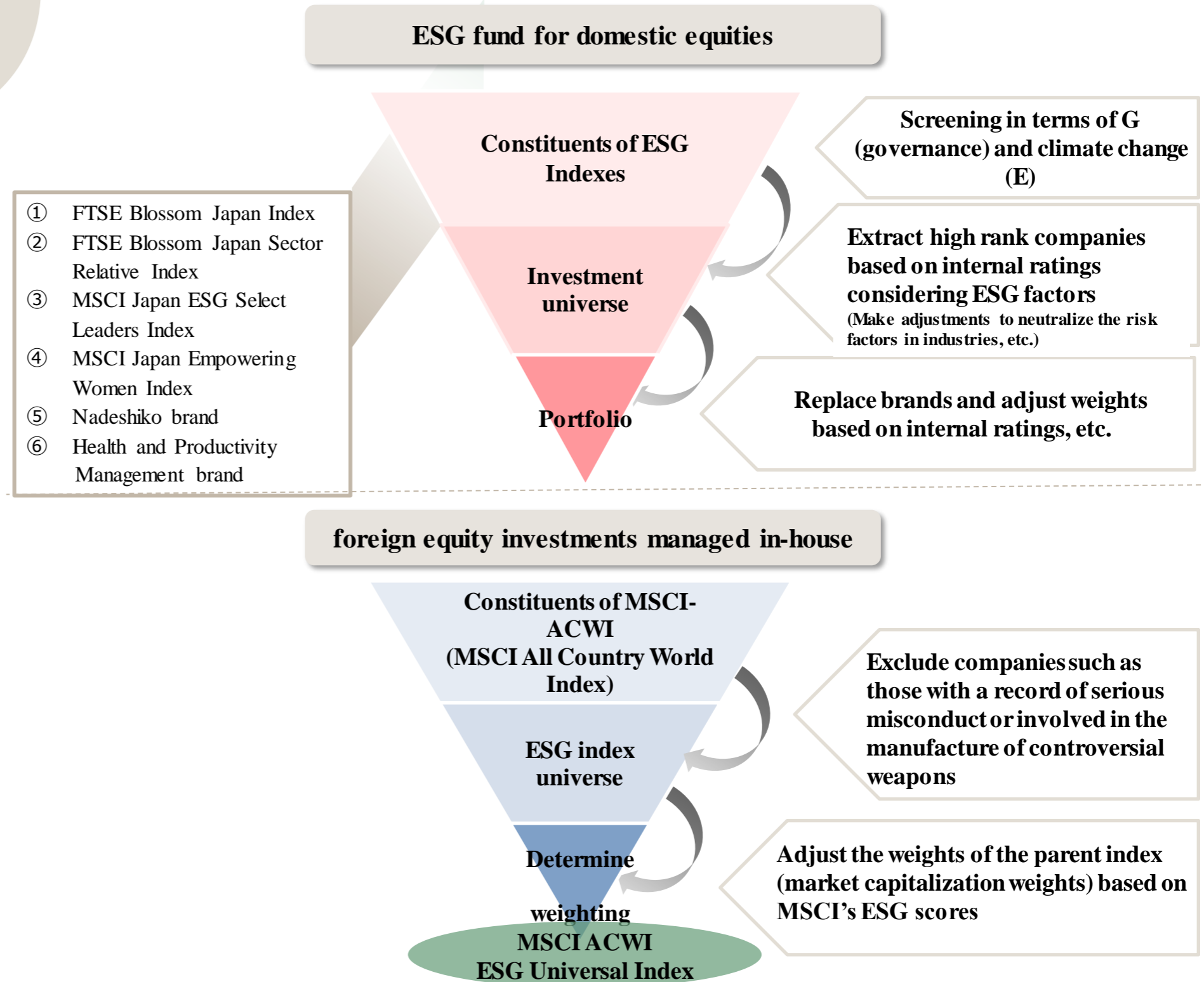
At due diligence at the time of investment and monitoring after investment, we confirm that the project is appropriately addressing ESG issues, including human rights issues.

3 Positive/Negative Screening

Positive Screening (Equities)

ESG funds for domestic equities are screened in terms of governance and climate change, and then the portfolio is constructed by taking into account the in-house ranks.

From September 2020, ESG index is adopted as investment targets (benchmarks) for foreign equity, taking ESG factors into account in overall foreign equity managed in-house.



Negative screening

As part of its response to climate change, Dai-ichi Life has prohibited the financing of new thermal power plant projects that use fossil fuels as well as coal mining projects.

Dai-ichi Life will continue to review the scope of negative screening based on social conditions both in Japan and overseas as well as other factors.

Process of negative screening












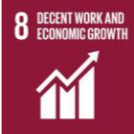








Negative screening targets

Area	Fields subject to screening	Assets under screening
Climate change	<ul style="list-style-type: none"> Projects related to new thermal power plants that use fossil fuels (including coal, oil, and gas) Coal mining projects 	<ul style="list-style-type: none"> Project finance
Others	<ul style="list-style-type: none"> Specific types of weapon manufacturing (Cluster munitions, biological weapons, chemical weapons, antipersonnel landmines, nuclear weapon, etc.) 	<ul style="list-style-type: none"> Equity Bond Corporate financing Project finance Real estate

Promotion of Investments to Solve Social Issues

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 1.23 million tons CO₂e, equivalent to 27% of emissions from our portfolios in FY2022 (listed equities, corporate bonds, and real estate).

Investment Theme	Relevant SDGs targets	Total investment
Climate Change	 	710 billion
QOL improvement	     	620 billion
Regional development and revitalization	   	210 billion
Sustainability of nature capital	   	40 billion
Respect human rights and promotion of diversity	 	10 billion
Total		1.6 trillion

Positive impact of investments

Avoided GHG emissions

Approx. **1.23** million tons CO₂e/year

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. **1.6** million people /year

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.

Transition finance: major example



▲ Joetsu Thermal Power Station in Joetsu, Niigata (photo courtesy of Tohoku Electric Power)

Transition loan to Tohoku Electric Power

| Supporting the transition to a decarbonized society by supplying funds for initiatives aimed at reducing emissions

Dai-ichi Life has concluded a **transition loan agreement*** with **Tohoku Electric Power (the borrower)** to provide funding support for Tohoku Electric Power's initiatives to reduce greenhouse gas emissions (*Tohoku Electric Power Group Carbon Neutral Challenge 2050*). The funds raised as a result of this loan will be used only for the following Tohoku Electric Power initiatives to reduce greenhouse gas emissions: the costs of developing a combined cycle power plant that combines gas and steam turbines that utilize liquefied natural gas (LNG) as fuel, which has a low environmental impact, and the costs of developing both Tohoku-Tokyo interconnection lines and infrastructure in the northern Tohoku area. The utilization of the above highly efficient power sources is expected to encourage the suspension and abolishment of the use of conventional coal and oil-fired power plants while also reducing GHG emissions and thus the environmental impact.

Project overview

Borrower Tohoku Electric Power **Loan amount** ¥5 billion **Period** Seven years

Purpose of funds

- Funds for developing Joetsu Thermal Power Station
- Costs of developing Tohoku-Tokyo interconnection lines
- Costs of developing systems related to a bidding process for connecting to the grid in the northern Tohoku area

* The *Tohoku Electric Power Green Finance Framework* formulated by Tohoku Electric Power has undergone a third-party assessment by DNV Business Assurance Japan K.K. regarding its alignment with various criteria related to green transition finance, etc.

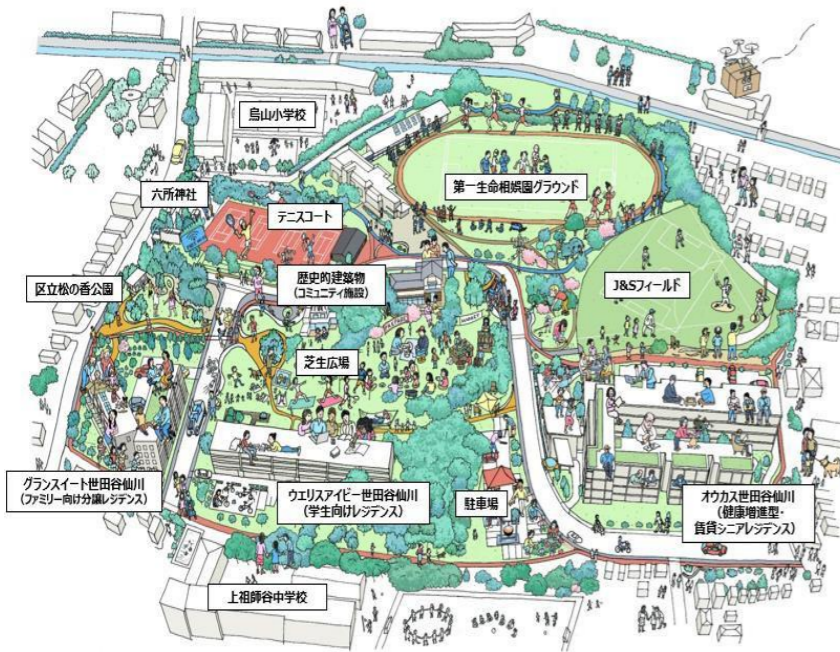
Development of a Well-being Community that Enhances the Quality of Life of Local Residents

A town of well-being where multi-generational residents can continue to live healthy lives with peace of mind and rich interaction, “SETAGAYA Qs-GARDEN”

SETAGAYA Qs-GARDEN (Setagaya-ku, Tokyo), which has been developed based on the concept of improving the quality of life of local residents through health promotion, support for the elderly, community revitalization, childcare and education, sports promotion, security and disaster prevention, and environmental consideration, celebrated its town opening in March 2023.

On a site of approximately 9 hectares with a rich green environment, which has become a rarity in Tokyo, we aim to continue to provide multi-generational living and rich interaction by arranging condominiums for families, a clinic mall, student housing, housing for the elderly with services, and local community facilities. We will continue to implement town management activities to enhance the well-being of local residents.

Example of ESG-themed investment



▲ <Entire map of SETAGAYA Qs-GARDEN>

Examples of Initiatives to Build a Well-being Community

Maintenance of running courses

Developed a forest running course supervised by the Dai-ichi Life Group Women's Track & Field Team that can be used by local residents.



Installation of small wind turbine generators

Installed small wind turbine generator that can be used as an emergency power source in the event of a disaster and is easy to install in urban areas.



Local clinic mall

Connect generations through medical care and health, establishing medical malls as community hubs, and holding events and other activities targeting lifestyle-related diseases and prevention.



Example of ESG-themed investment

Investing in ESG-conscious Real Estate Funds

| Pay nursing homes as assets, contributing to well-being

In December 2022, Sumitomo Forestry invested in an ESG-conscious real estate fund. The assets targeted by the fund are four pay nursing homes with assisted-living operated by sumirin fillcare co., ltd., a wholly owned subsidiary of Sumitomo Forestry Co., Ltd. It incorporates wooden facilities and spaces filled with wooden textures and is expected to contribute to the well-being of residents and employees and reduce environmental impact through operations utilizing digital transformation (DX) services.

Summary of Transaction

Investment Target

4 pay nursing homes

Assets under management

Approximately 4 billion yen

Asset Manager

SFC Asset Management Co., Ltd, Samurai Capital Inc.

Human- and eco-friendly homes that leverages the characteristics of wood

Sumitomo Forestry's Tsukuba Research Institute researches "the effects of wood's characteristics on the mind and body," and the results of this research are being utilized at facilities operated by sumirin fillcare. Wood is used in the interior to provide a space that reduces fatigue and improves the quality of sleep. Flooring materials that are less likely to cause injury in the event of a fall have been introduced at each facility. It contributes to the realization of a decarbonized society using wood, which fixes carbon in the long term.

Resident- and employee-friendly management system

Sumirin fillcare provides "Forest Life", a unique health management service, to support residents' well-being. We propose the introduction of rehabilitation and recreational activities in daily life according to each resident's requirements and physical condition. Various ICT devices are used to collect sleep and other data to support the understanding of health conditions. DX of services streamlines operations, reduces the workload of employees, and leads to the well-being of employees as well as residents.



▲ Interior of a facility operated by sumirin fillcare

ESG Investment Report

3

ESG-themed investment

Investments to Create a Positive Impact on Society

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.

Investment Category	Definition	Assets	Investment amount	initiatives
impact investments	Investments intended to foster innovation that helps change the social landscape and solve social issues *See evaluation criteria below	Listed equities, unlisted equities, funds, etc.	Approx. JPY 58 billion	New investment promotion and engagement (KPI follow-up)
Broadly defined impact investments	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 (Investments always identify and measure the impact unique to the investment product)	Sustainability-linked bonds/loans, positive impact financing, positive impact real estate	Approx. JPY 59 billion Total impact investments: Approx. JPY 117 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 1.6 trillion	New investment promotion and engagement (Encourage impact disclosure)

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

- The project has set indicators to monitor the social impact
- 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
- Management at the company under evaluation for an investment has a strong will to generate the social impact that Dai-ichi Life expects
- The impact business is the primary business (or will become the primary business in the future)

Example of impact investment



▲ Cloud-based electronic drug history and drug administration guidance system, Musubi

Investment in KAKEHASHI Inc.

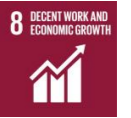
| Contributing to Medical DX and to Establishing a Sustainable Medical System

We invested 500 million yen in KAKEHASHI Inc., a Japanese startup that develops and provides medical services. This impact investment is a part of the Company's ESG investments. The Company expects high returns from its investment in KAKEHASHI. Through this investment, the Company will also provide financial support for and continually monitor KAKEHASHI's initiatives, which are hoped to have a positive impact on society by improving patient quality of life.













- KAKEHASHI is a Japanese startup that develops and provides services that include “Musubi”, a cloud-based electronic drug history and drug administration guidance system for dispensing pharmacies.
- Musubi provides support that facilitates the creation of drug histories that record drug administration guidance, dispensing details, and other information according to the health conditions and lifestyle habits of patients by using tablet screens, and the system also makes it possible to centrally manage drug-taking information in coordination with other stores via the cloud.
- By utilizing this system to set up an environment that enables pharmacists to continuously provide high-added-value drug administration guidance, KAKEHASHI is expected to contribute to improved patient quality of life—including their adherence*—thereby helping to build a sustainable medical system for the future.

* Adherence refers to whether patients understand their treatment and actively follow the medical directions they are given.



Continuously providing high-added-value drug administration guidance and improving patient quality of life by developing and providing systems for pharmacies

Impact Investments

Project Summary	Social Impact	Investment	Period		
<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. 	Provision of electric power services via solar power to off-grid communities in Africa to help improve living standards and financial independence	JPY 300 million	2022/6		 
<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 	Installation of distributed small and medium-size solar power generation facilities for an early transition to a decarbonized society	JPY 300 million	2022/8		
<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. 	Resource recycling using chemical recycling technology to realize a sustainable society	JPY500 million	2022/8		
<p>EEI Fund</p> <ul style="list-style-type: none"> A Japanese venture fund specializing in the environmental and energy fields. Invests in startups with business models and technologies that contribute to the realization of a sustainable society with a focus on decarbonization. 	Reduce GHG emissions by promoting renewable energy and energy conservation	JPY 1.5 billion	2022/9		 

4

Report on Stewardship Activities



4

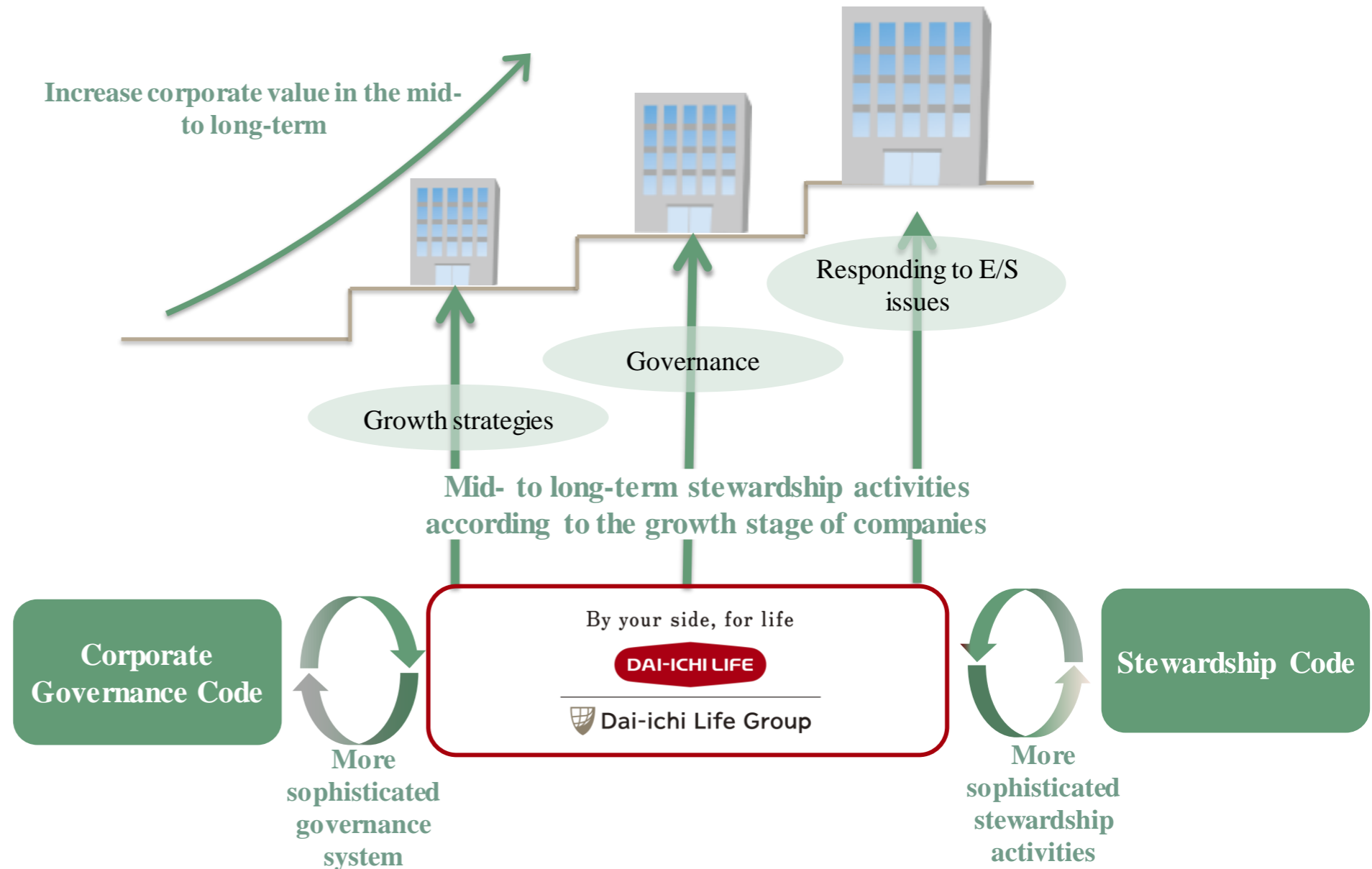
Report on stewardship activities
Basic approach and processes

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.

Our Basic Approach for Stewardship Activities



Report on stewardship activities

Basic approach and processes

4

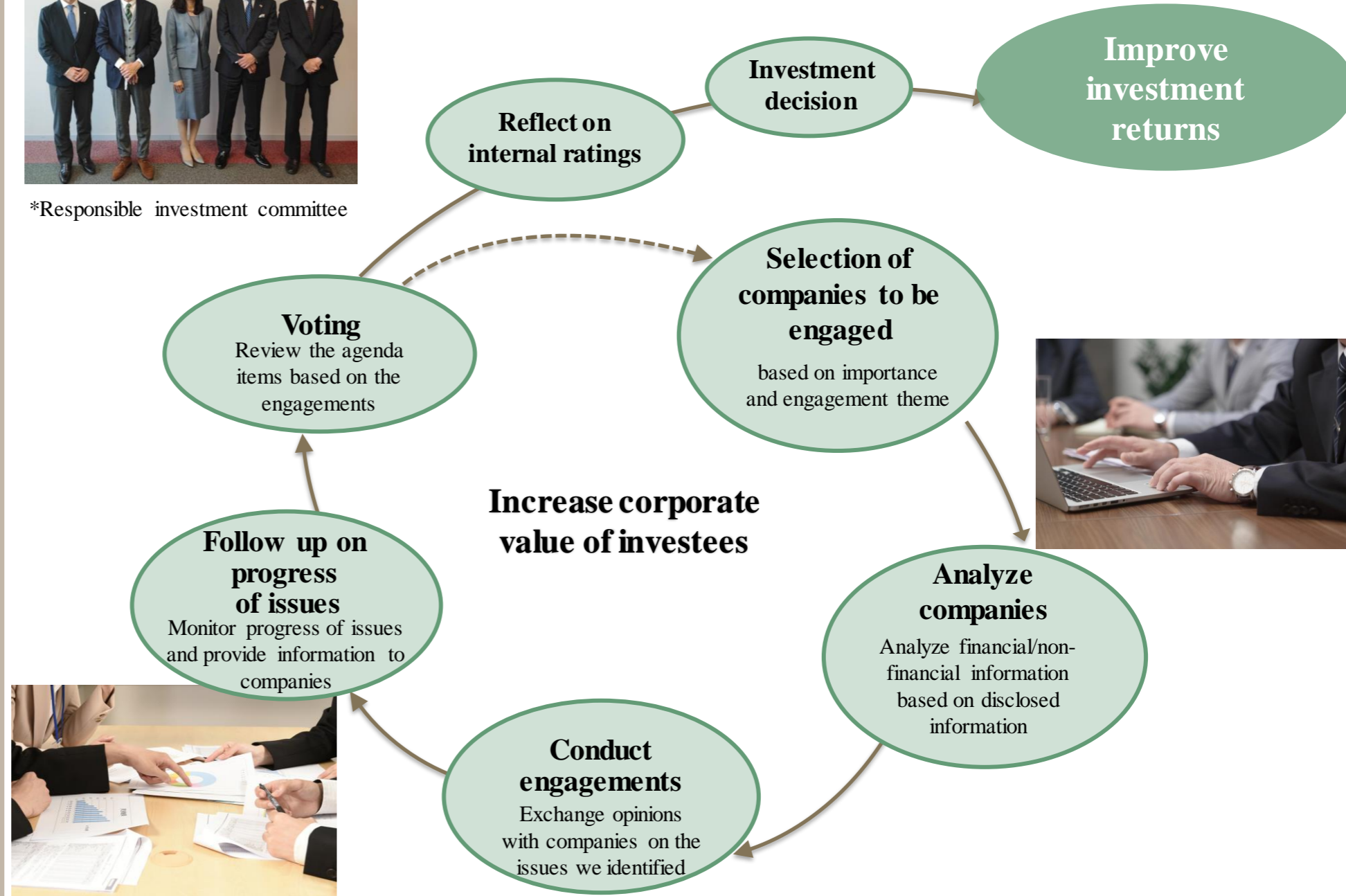
Our Stewardship Activity Process

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.



*Responsible investment committee

Our Stewardship Activity Process



4

Report on stewardship activities

Our history for stewardship activities and review

Our history on Stewardship Activities

We continue to implement stewardship activities with an emphasis on engagement through diversification of engagement methods and themes, and enhancement of transparency by improving information disclosure regarding the exercise of voting rights. Themes for engagement are ESG and management/financial strategies, with "climate change" as a priority theme from FY 2019 onward, as well as "human rights and human capital" from FY 2021 and "biodiversity" from FY 2022, to promote corporate responses.

		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	
Engagement	Structure	Analysts conducts engagements	Assignment of Dedicated person		Responsible Investment Dept.			ESG Analysts			
	Approach	110	233	277	271	251	239	248	202	188	
	Theme	Announced commitment to Stewardship Code									
Voting	Theme	Corporate governance			Environmenta l/	ESG	Full-scale launch	Climate change	Top 50 emitting companies	Human Rights/Capital	
		Management/ Financial strategies									
		Disclose voting tally table (for each agenda item type)									
		Disclose summary voting policy				Disclose details of voting policy					
		Disclose votes in favor/against each agenda item (quarterly)					Disclosure of reasons for approval or disapproval				

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

4

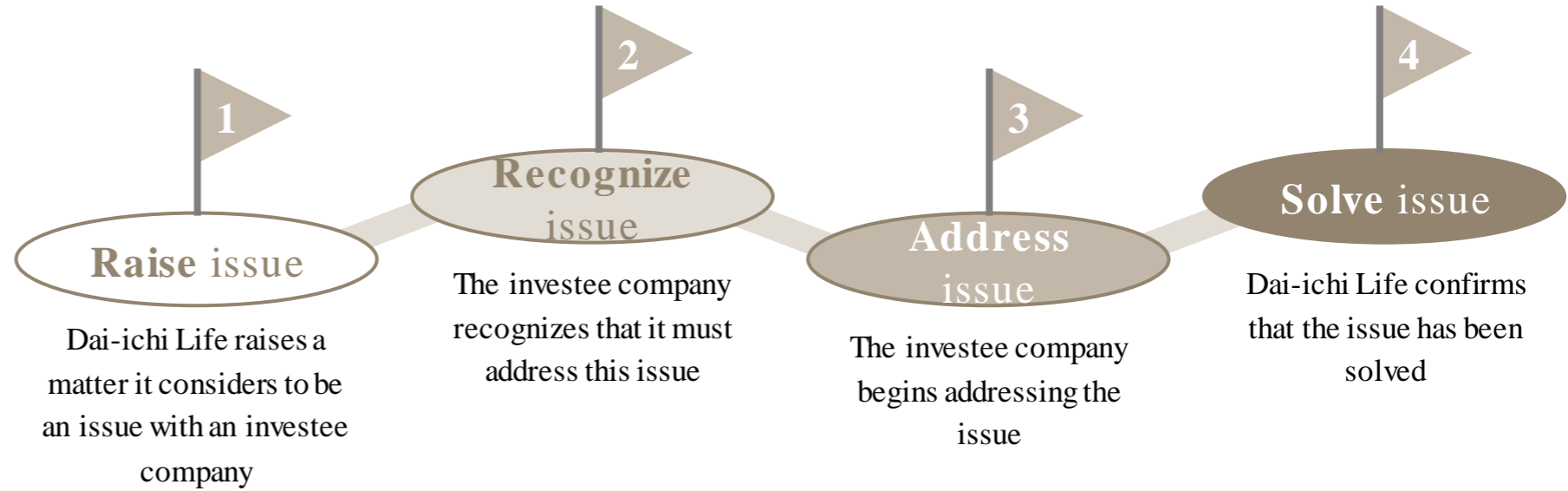
Report on stewardship activities

Our history for stewardship activities and review

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



Examples of issues of each theme

Environmental/ social issues

- Addressing climate change issues
- Human capital utilization/Human rights due diligence
- Natural capital and biodiversity initiatives

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

Engagement FY2022

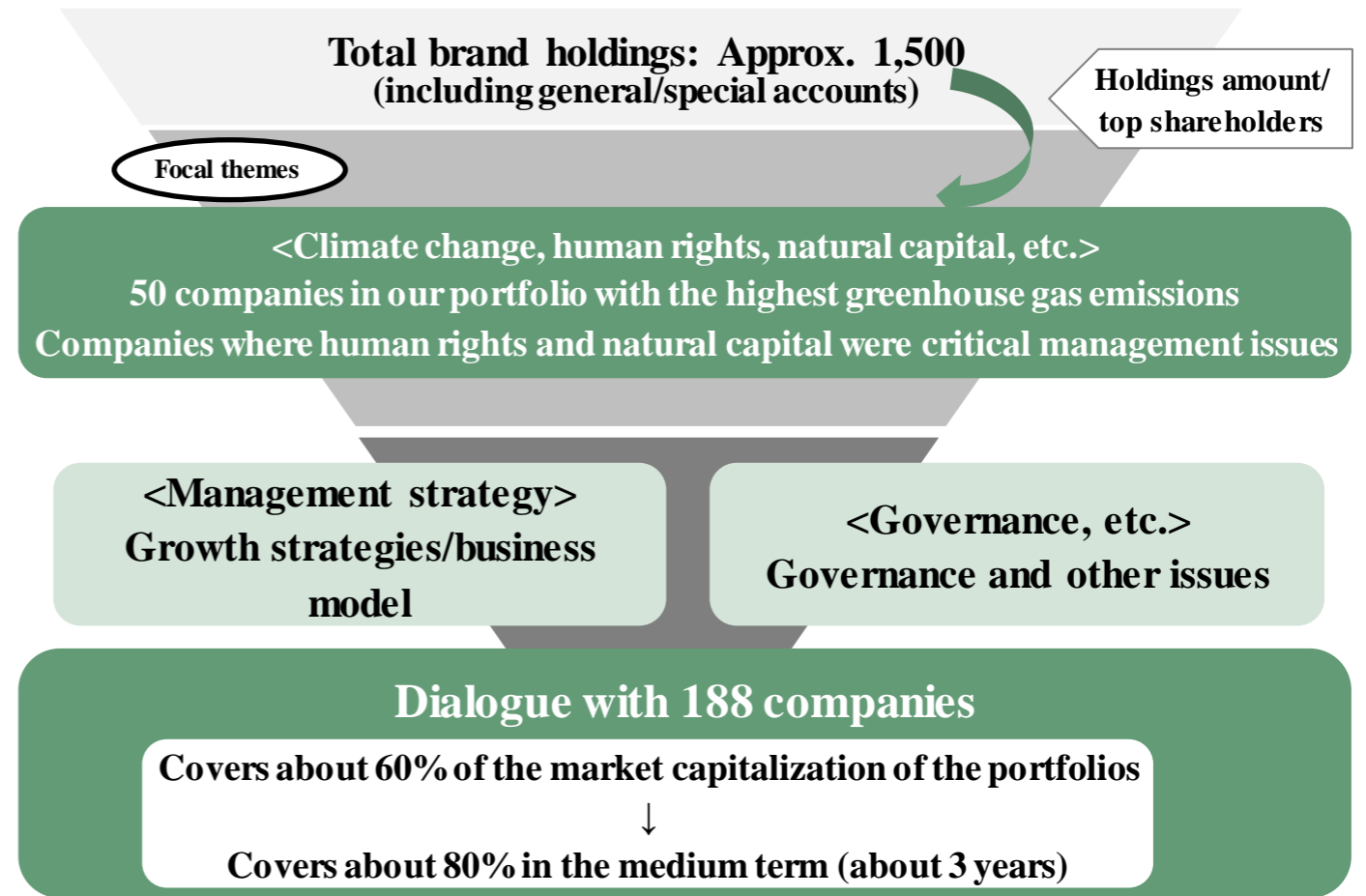
Report on stewardship activities

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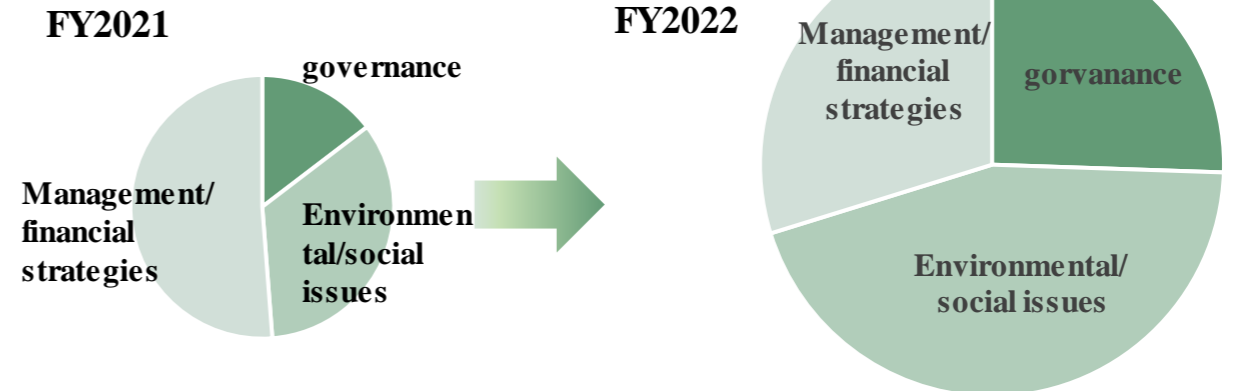
Our history for stewardship activities and review

Status of Engagement in FY2022

In addition to the top 50 GHG emitters in our portfolio, we selected companies for engagement from the perspective of key dialogue themes, management strategy, governance, etc., while taking into account the importance of the amount of money held, shareholder ranking, etc. We conducted engagement with a total of 188 companies. We set new issues for companies to be engaged, such as setting targets and roadmaps for GHG emission reductions, improving profitability and formulating management strategies in light of changes in the business environment, and improving governance systems after the occurrence of scandals.



New issues set



4

Report on stewardship activities

Our history for stewardship activities and review

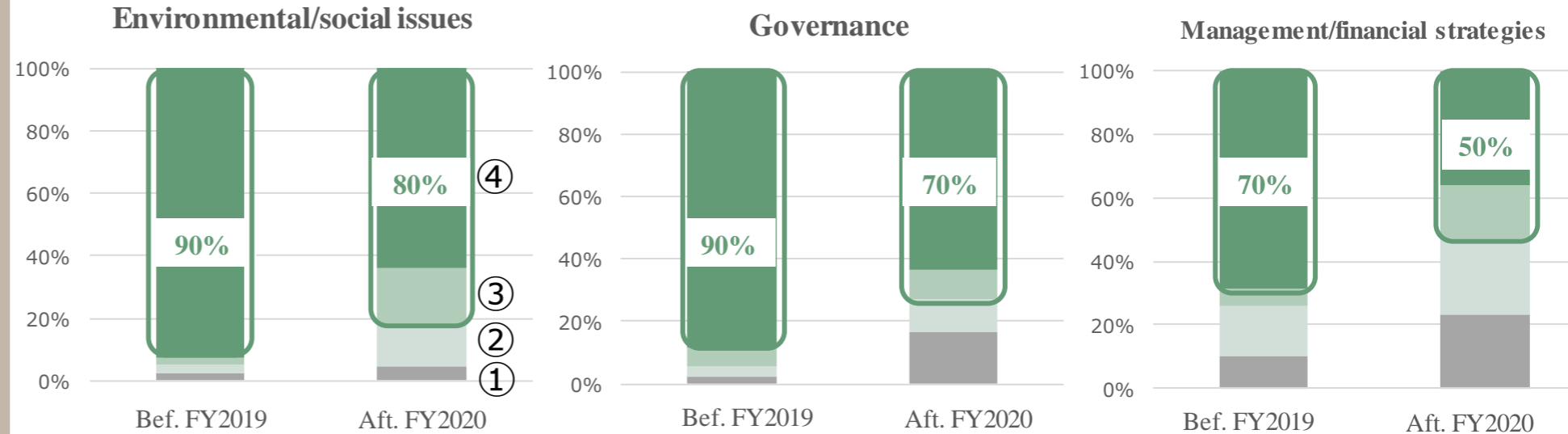
Medium-term Engagement Outcomes

Progress has been made to solve the issues raised with companies over time.

Medium-term engagement outcomes

- ✓ Investee companies have resolved 90% of the environmental, social and governance issues of those identified before FY2019 as well as 70% of the management and financial strategies.
- ✓ Investee companies have resolved 80% of the environmental, social issues, 70% of governance issues of those identified after FY2020 as well as 50% of the management and financial strategies.
- ✓ We will focus on issues prioritized by the companies and investors and continually support the initiatives.

< Progress as of June 2023 (by the time the issues were 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



Report on stewardship activities

4

Examples of engagements

Key points of engagement
for each agenda

Engagement is conducted upon setting an agenda and points to be confirmed or requested in advance, depending on the situation of the investee.

Climate Change

- ◆ Set targets and formulate a specific roadmap aimed at achieving carbon neutrality by 2050
- ◆ Set interim targets for GHG emission reductions (2030 targets, etc.) and formulate specific policies for the short- to medium-term
- ◆ Endorse the TCFD recommendations, establish a governance structure based on them, and status of conducting and disclosing scenario analysis information, including the associated financial effects
- ◆ Status of initiatives toward acquiring SBT (Science Based Targets) certification

ESG (Other than Climate Change)

- ◆ Initiatives to improve the effectiveness of the Board of Directors (evaluation of effectiveness, composition of the Board of Directors including securement of diversity, compensation, use of outside directors and voluntary committees, etc.)
- ◆ Build a more effective governance system at listed subsidiaries, such as enhancing the number of independent outside directors
- ◆ Status of human capital initiatives from the perspective of increasing corporate value
- ◆ Status of implementation of human rights due diligence, including supply chain
- ◆ Recognition of the impact of the business on natural capital and biodiversity, and policy on how to respond
- ◆ Integrated disclosure of financial and non-financial information (issuance of integrated reports, etc.)
- ◆ Business model reform based on changes in the external environment, supply chain restructuring, DX support, etc.

Management and Financial Strategy

- ◆ Consistency of the business model with the company's significance of existence (purpose) and management philosophy
- ◆ Issues surrounding sustainability, which is recognized as a significant management issue, and initiatives from the perspective of improving corporate value over the medium- to long-term
- ◆ Identifying materiality and reflecting it in management strategies (risks and growth opportunities) and setting KPIs for ESG issues
- ◆ Management strategies for sustainable growth (long-term vision, medium-term management plan, etc.) and their progress in detail
- ◆ KPIs on areas such as profitability and capital efficiency based on cost of capital and their progress
- ◆ Strategic investment for growth (M&A, capital investment, R&D investment, investment in human capital, system investment, etc.)
- ◆ Approach to business portfolio

Examples of engagement

<p>Company A</p>	<p>Land transportation</p> <table border="1"> <tr> <td>Issue</td> <td>Strengthening initiatives to address climate change issues</td> </tr> <tr> <td>Goal</td> <td>Set reduction targets for affiliated companies with high GHG emissions and strengthen reduction initiatives</td> </tr> </table> <p>State of Progress</p>	Issue	Strengthening initiatives to address climate change issues	Goal	Set reduction targets for affiliated companies with high GHG emissions and strengthen reduction initiatives	<p>Dialogue overview</p> <p>Number of dialogues: 4 Since 2018</p> <p>Shared the importance of responding to climate change issues and exchanged opinions on targets, specific initiatives, etc.</p>	<p>Response of the investee company</p> <p>Confirmed company initiative improvements</p> <p>Endorsed the TCFD, set GHG reduction targets, expanded businesses covered by the targets and recently disclosed a specific roadmap, while initiatives to obtain SBT certification have also been confirmed.</p>	<p>Exercising voting rights</p> <p>No voting on the investee company's climate change response as a decision criteria.</p>	<p>Future policy</p> <p>Implement ongoing engagement</p> <ul style="list-style-type: none"> Follow up on the progress of the disclosed roadmap. Follow up on the situation of initiatives aimed at SBT certification.
Issue	Strengthening initiatives to address climate change issues								
Goal	Set reduction targets for affiliated companies with high GHG emissions and strengthen reduction initiatives								
<p>Company B</p>	<p>Chemical</p> <table border="1"> <tr> <td>Issue</td> <td>Strengthening initiatives to address climate change issues</td> </tr> <tr> <td>Goal</td> <td>Set reduction targets for affiliated companies with high GHG emissions and strengthen reduction initiatives</td> </tr> </table> <p>State of Progress</p>	Issue	Strengthening initiatives to address climate change issues	Goal	Set reduction targets for affiliated companies with high GHG emissions and strengthen reduction initiatives	<p>Dialogue overview</p> <p>Three engagements including climate change agenda since FY2020. Exchange opinions on the appropriateness of GHG reduction targets, detailed reduction initiatives, and GHG reduction initiatives of affiliated companies with large GHG emissions.</p>	<p>Response of the investee company</p> <p>Progress has been made in initiatives to reduce GHG emissions, including declaration of carbon neutrality and raising GHG emission reduction targets, and most recently, affiliated companies with high GHG emissions have disclosed reduction targets and roadmaps for reduction.</p>	<p>Exercising voting rights</p> <p>No voting on the investee company's climate change response as a decision criteria.</p>	<p>Future policy</p> <ul style="list-style-type: none"> Follow-up on the company's GHG reduction initiatives. Follow-up on GHG emission reduction initiatives of affiliated companies, including management systems.
Issue	Strengthening initiatives to address climate change issues								
Goal	Set reduction targets for affiliated companies with high GHG emissions and strengthen reduction initiatives								

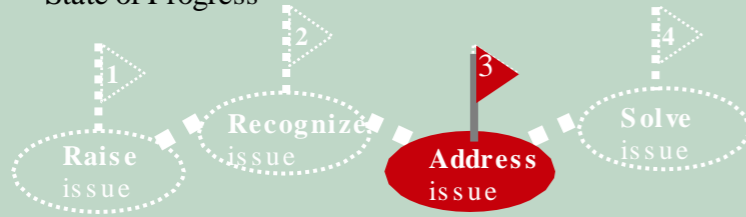
Examples of engagement

Company
C

Machinery company

Issue	Strengthening initiatives to respond to climate change issues
Goal	Formulate GHG reduction targets and a roadmap to carbon neutrality

State of Progress



Dialogue overview

Number of dialogues: 4 Since 2018

Shared the importance of responding to climate change issues and exchanged opinions on disclosure and initiatives in line with the TCFD framework.

Response of the investee company

Confirmed a certain level of company initiative improvements

Endorsed the TCFD but did not set specific reduction targets or disclose a roadmap for a while after that. Recently disclosed GHG reduction targets.

Exercising voting rights

No voting on the investee company's climate change response as a decision criteria.

Future policy

Promote further initiative improvements

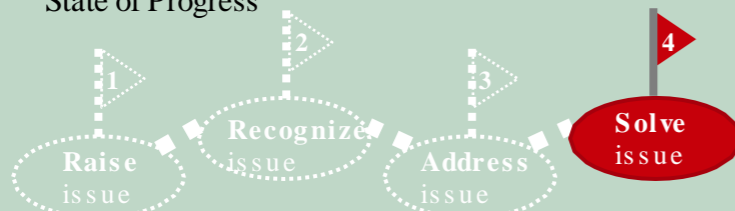
- Continue to request roadmap formulation and disclosure.
- Follow up on GHG reduction initiatives, including transforming the medium to long-term business portfolio.

Company
D

Chemical company

Issue	Strengthen governance
Goal	Secure board diversity

State of Progress



Dialogue overview

While performance is strong, exchanged views on the composition of the Board of Directors and governance structure from the perspective of sustainable growth, as the composition of the Board of Directors is biased. Four dialogues conducted since FY2018.

Response of the investee company

Significantly reduced the number of directors, set the number of independent outside directors to at least 1/3, and appointed a female auditor. Most recently, increased the number of independent outside directors to majority and appointed the first female director.

Exercising voting rights

Opposed the appointment of independent outside directors with low independence, although the criteria for the number of independent outside directors are not violated.

Future policy

- Follow up on changes in effectiveness due to changes in board composition.
- Several outside directors with long tenure. Follow up on the concept of a succession plan for outside directors.

Examples of engagement

Company
E

Transportation equipment

Issue	Disclosure of initiatives to improve profitability and stock price
Goal	Enhance disclosure of medium-term management plan and other information



Dialogue overview

Exchanged opinions on initiatives to improve profitability and stock price, disclosure details, as well as enhancement of the governance system. Four dialogues conducted since FY2018.

Response of the investee company

In addition to the appointment of a person with management experience as an outside director, the new medium-term management plan sets capital efficiency targets, reduces policy shareholdings, and discloses enhanced shareholder returns.

Exercising voting rights

No conflict with voting criteria under performance criteria or shareholder return criteria.

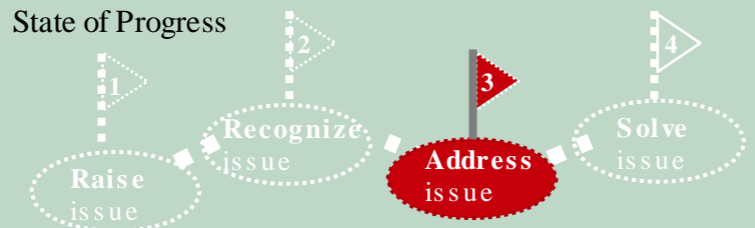
Future policy

- Follow-up on medium-term management plan.
- Follow-up on capital policy, including initiatives to further reduce policy shareholdings and use of proceeds from sales of shares.

Company
F

Wholesale

Issue	Improvement in profitability
Goal	Improve capital efficiency through implementation of measures to increase gross margin and review of business portfolio, etc.



Dialogue overview

As the profit margin has been declining since before COVID-19, opinions were exchanged on measures to improve the gross margin and the necessity of loss-generating businesses. Short-term measures and medium- to long-term measures were also confirmed during COVID-19. Four dialogues conducted since FY2018.

Response of the investee company

The breakeven point was lowered when business performance deteriorated significantly due to COVID-19. In addition to the subsequent increase in revenue, the company successfully passed on higher raw material prices, resulting in a record level of operating income. Divestiture of loss-generating businesses was also announced.

Exercising voting rights

Although the company violated the performance standard (ROE), it was judged that there was a high probability of achieving the medium-term management plan, which is equivalent to ROE of 5% or more within two fiscal years. Voted in favor of the election of the director, applying the exception clause.

Future policy

- Follow up on performance recovery and current measures, from the viewpoint of sustainability, etc.

Summary of Collaborative Engagement Initiatives through Life Insurance Associations in FY2022

- ✓ A total of 151 companies (156 companies in total) were engaged under the three themes of "enhancing shareholder returns," "improving disclosure of ESG information," and "improving disclosure of climate change information".
- ✓ Under the theme of "improving disclosure of climate change information", we encouraged the top 50 GHG emitters to (1) quantitative and qualitative analysis of climate risks & opportunities, (2) disclose a roadmap for reducing GHG emissions to net zero by 2050, and (3) for companies that have already disclosed such information, periodically review and upgrade their analysis.
- ✓ We are also encouraging companies that have already disclosed their GHG emission reductions to review and upgrade their analyses on a regular basis, thereby strengthening their efforts.

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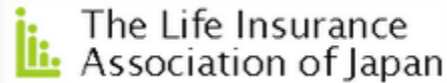
Report on stewardship activities

Examples of engagements

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).

FY2022 Engagement Themes



LIAJ Working Group for Stewardship Activities
(11 life insurance companies including Dai-ichi Life)

Letter sent under joint signatures of
11 life insurance companies to explain the
purpose through engagement and other activities

Intensify
effort

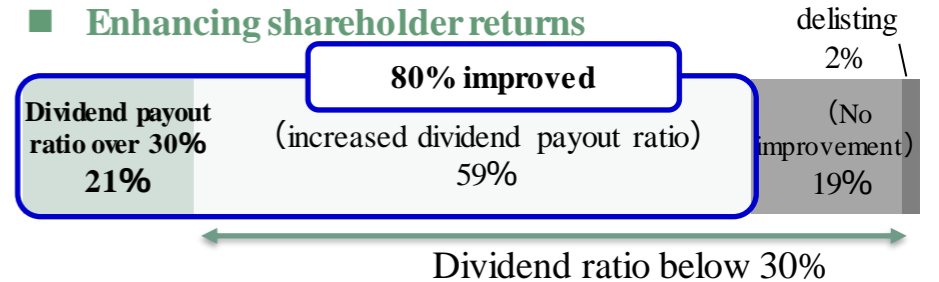
Enhancing
shareholder returns
57 companies

Enhancing
disclosure of ESG
information
47 companies

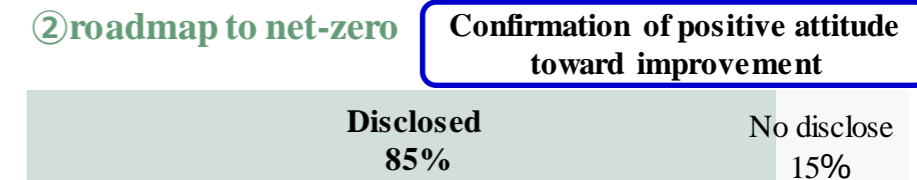
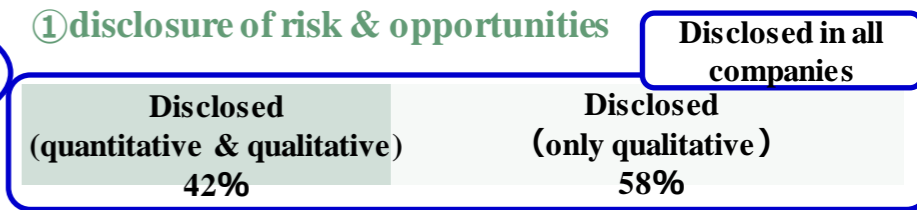
Enhancing
disclosure of climate
change information
52 companies

FY2021 Results

<Progress of efforts at companies after engagement>



■ Enhancing disclosure of climate change



Outline of Initiatives

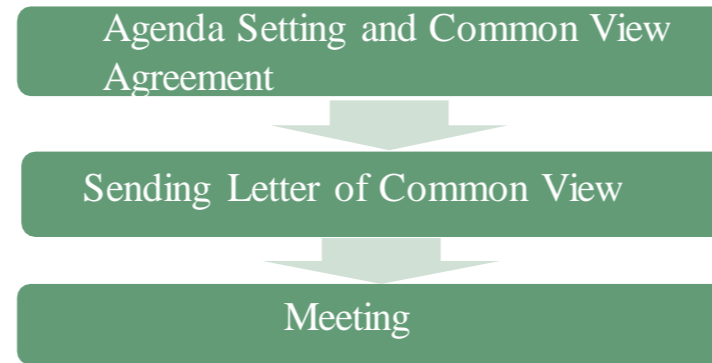
- ✓ Established to support institutional investors conduct “collective engagements.” The Forum organizes Institutional Investors Collective Engagement Program, which we have been participating in since March 2020.
- ✓ The program’s general flow includes setting common agendas for institutional investors, sending letters of common views, and holding individual meetings.
- ✓ From February to March 2022, a letter was sent to 53 companies whose takeover defense measures expire in 2022, stating concerns about the continuation of takeover defense measures and requesting disclosure of reasons based on the concerns if the measures are continued. Eight of the companies did not continue their takeover defense measures.
- ✓ From November to December 2022, a letter was sent to 1,836 companies listed on TSE Prime Market requesting disclosure of non-financial and sustainability information such as human capital and intellectual property that could affect a company's future finances, organized as a medium- to long-term corporate value enhancement story.

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Report on stewardship activities
Examples of engagements

Collaborative engagement through Institutional Investors Collective Engagement Forum

We have been participating in the Institutional Investors Collective Engagement Forum since March 2020, and have been conducting dialogue with companies in collaboration with other institutional investors.



Agendas

- ◆ Identification of materiality and disclosure of non-financial information
- ◆ Responding to proposals with many “against” votes at general shareholders meetings
- ◆ Explanation of the necessity of takeover defense measures
- ◆ Reduction of cross-shareholdings
- ◆ Enhancing governance for parent-subsidary listings
- ◆ Scandal handling

Collective engagement case example (conducted April 2023)

Target company: Resonac Holdings Corporation

Theme: Concepts on human capital management and human resource materiality, non-financial goals

The target company requested an exchange of opinions on the above topics.

The participants exchanged opinions on the relationship between business strategy and human resource strategy, as well as the impact of corporate integration on organizational culture and its reflection on human resource strategy.



Report on stewardship activities

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Examples of engagements

Engagement approach for each asset

The basic policy for responsible investment states that we aim to conduct stewardship activities based on engagement in all assets, taking into consideration the characteristics of each asset and region, and the degree of our influence as an investor.

Based on this policy, in addition to the repeated and continuous engagement activities for domestic listed equities by the department dedicated to engagement, we have been conducting engagement activities at the investment execution departments in charge of each asset.

Assets	Typical Approach Methods
Equities	<ul style="list-style-type: none"> (For listed companies in Japan) Conduct recurring and ongoing engagement activities to help maintain and enhance corporate value by resolving key issues(Including unlisted companies) Exchange opinions on the establishment of impact KPIs and specific strategies for creating positive impact when considering impact investments and continue to follow up on the status of KPI achievement after investment and promote additional initiatives, as necessary Promote corporate initiatives through collaborative engagement such as Institutional Investors Collective Engagement Forum
Corporate bonds/loans	<ul style="list-style-type: none"> Confirm the disclosure status of the impact of SDG bonds held by the company and promote the disclosure of SDG bonds to those companies that have not sufficiently disclosed their impact At the time of investment in transition finance, confirm the appropriateness of the company's transition strategy toward Net Zero and the use of funds, and exchange views on the use of funds Promote corporate initiatives through collaborative engagement such as CA100+
Funds	<ul style="list-style-type: none"> Interviews on the existence or non-existence of a responsible investment policy and the details of efforts of funds at the time of investment decision and during periodic monitoring after investment and promote additional efforts, as necessary
Sovereign bonds	<ul style="list-style-type: none"> Expressing opinions on policy proposals as a member of committees and working groups set up by relevant ministries and agencies Providing input as an investor through the advocacy activities of the Life Insurance Association of Japan (LIAJ)Involved in the policy advocacy process through global initiatives such as GFANZ

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Report on stewardship activities

Voting policy and voting records

Voting Policy
(Main Points①)

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	Market	Current	Planned Revision
			Since April 2023	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	Less than 1/3 independent outside directors or Less than 2	No change
		TSE Standard	Less than 2 independent outside directors	No change
		TSE Growth	Absence of independent outside director	No change
	Representative director of listed subsidiary that has a controlling interest	All markets	Less than 1/3 independent outside directors or Less than 2	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 10% or more holding ratio or Long tenure (total of 12 years or more)	No change
		Other than TSE Prime	Originally from major shareholders with 10% or more holding ratio	No change
Outside officer (director, auditor, etc.)	All markets	Under 75% attendance rate at board of directors and board of auditors' meetings	No change	

Report on stewardship activities

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Voting policy and voting records

Voting Policy
(Main Points②)

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
		Since 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	No change
		Increase in officer compensation and payment of officer bonuses in poorly performing companies	No change
	TSE Prime	Provision of retirement allowances to auditors, etc.	No change
Appropriation of surplus (representative director is reappointed as director if there is no applicable agenda item)	All markets	(One of the following applies) Under 20% total return ratio for three cumulative fiscal years and most recent fiscal year 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	No change
Introduction and update of takeover defense measures	All markets	(One of the following applies) Under 5% ROE for three consecutive fiscal years Less than 1/3 or 2 independent outside directors	(One of the following applies) Under 8% ROE for three consecutive fiscal years; Less than a majority of independent outside directors

※ The items in green are revisions from the current fiscal year. See materials on our website for more information on our voting policy. [voting policy](#)

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Report on stewardship activities

Voting policy and voting records

Voting Records

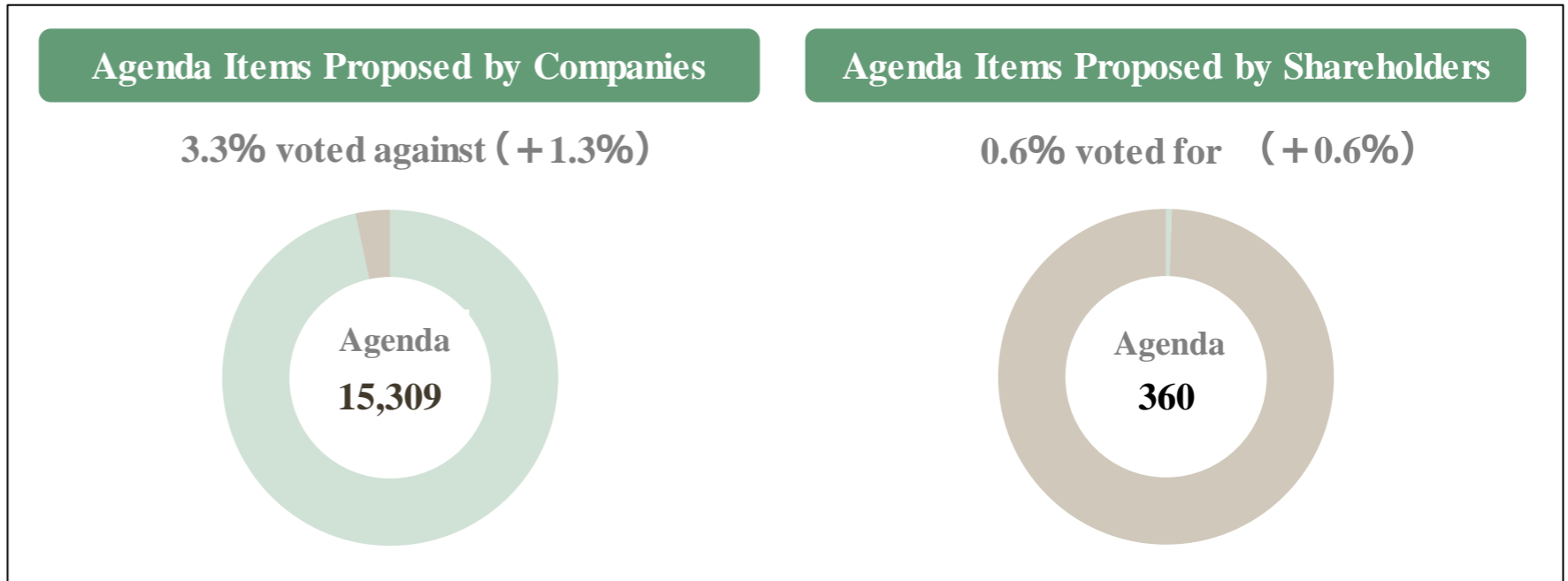
The ratio of objections to company-proposed proposals remained relatively low due to the emphasis on medium- to long-term engagement with investee companies.

The ratio of opposition to company-proposed proposals as a whole also increased compared to the previous year due to a rise in the ratio of opposition to proposals for the election or dismissal of directors due to violation of the performance criteria.

With regard to shareholder-proposed proposals, approval or disapproval is determined from the perspective of whether the proposal will contribute to the enhancement of corporate value over the medium to long term, and as a result, there were two affirmative vote.

Voting Record (July 2022 – June 2023)

(Year on year)



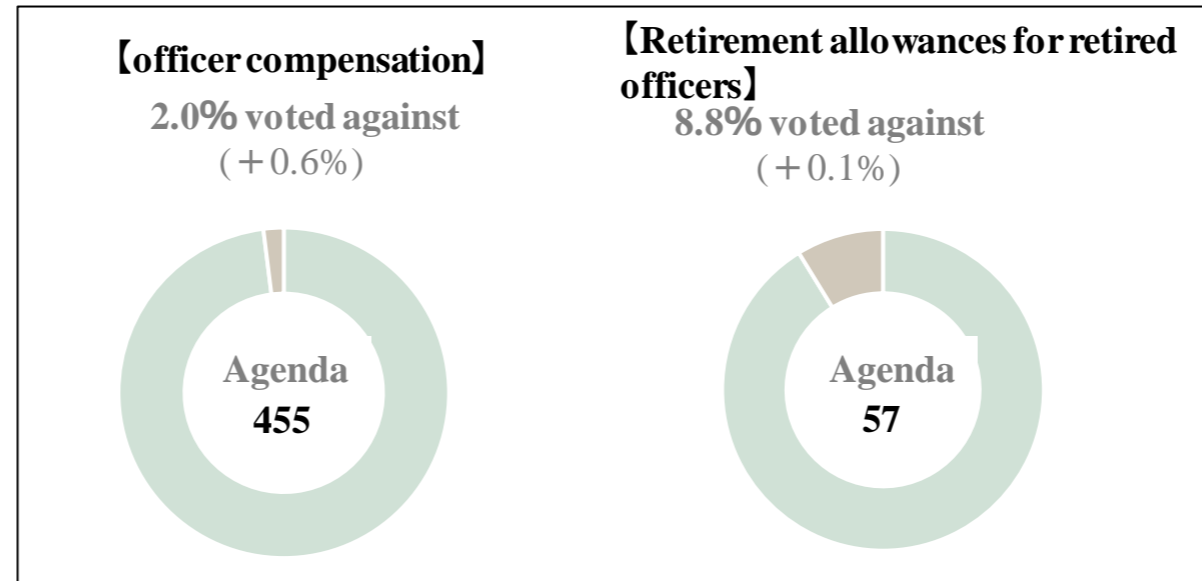
■ Proposal on Corporate Organization



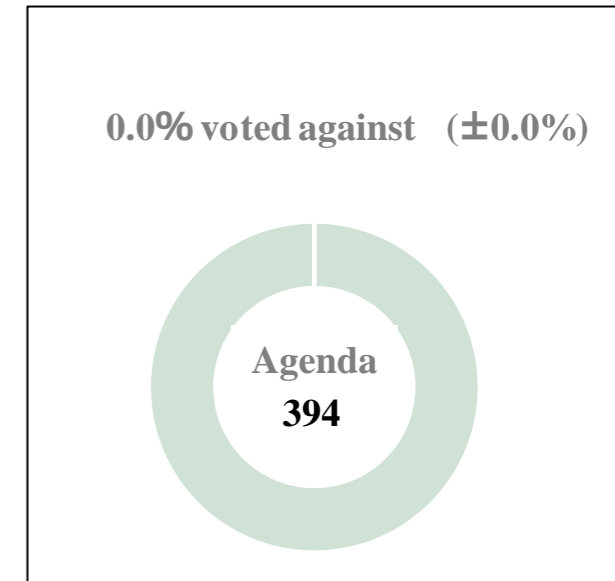
Voting Record (July 2022 – June 2023)

(Year on year)

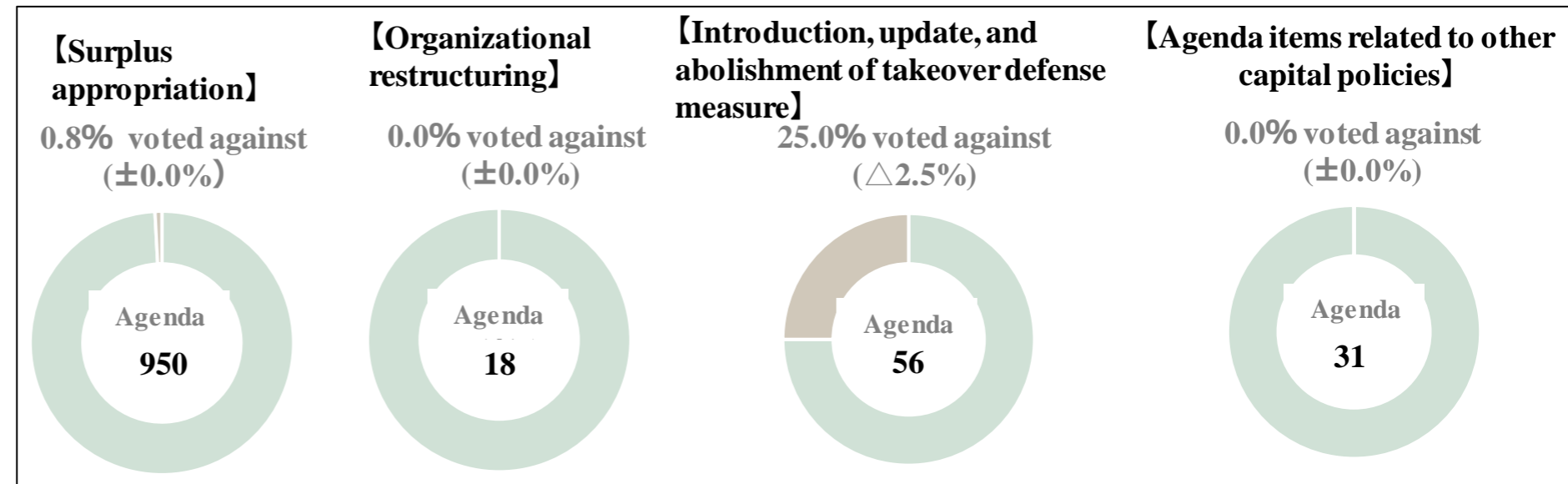
■ Agenda items related to officer compensation



■ Agenda items related to Articles of Incorporation



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



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Report on stewardship activities

Voting policy and voting records

Voting Records

With regard to proposals on executive compensation, we are opposed to the granting of stock options and retirement benefits to corporate auditors, etc., because these proposals may weaken the check-and-balance function to the Board of Directors required of corporate auditors

With regard to takeover defenses, the current criteria call for approval if the company has achieved a certain level of governance structure and capital efficiency, but after April 2024, a higher level of governance structure and higher capital efficiency will be required.

With regard to specially targeted anti-takeover measures, we judge them from the perspective of whether they lead to an increase in corporate value, etc.

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

《Principal 1》

Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities, and publicly disclose it

Policy

- Dai-ichi Life fully supports the purport of Japan's Stewardship Code. We fulfill our stewardship responsibilities as an institutional investor
- We build issues related to sustainability into investment policies and processes for all assets in accordance with this Policy, in order to strengthen the medium- to long-term resilience of portfolios

Achievements

In September 2022, we formulated and published our Policy on Transition Finance, which states our approach to engagement in transition finance. In addition to the traditional repetitive and continuous engagement for domestic listed equities, we are also conducting engagement for each asset by taking an approach appropriate to the characteristics.

Self-evaluation

We evaluate that the company is appropriately implementing measures to fulfill its stewardship responsibilities, such as formulating and announcing policies based on the external environment and other factors. the company has made progress in promoting the enhancement of the corporate value of investees by expanding assets of the engagements. we believe that it is necessary to continue to improve the system and develop human resources to conduct engagement based on the characteristics of each asset.

《Principal 2》

Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities, and publicly disclose it

Policy

- The Responsible Investment Department, which is dedicated to stewardship activities, makes decisions regarding engagement activities and exercise of voting rights from the viewpoint of maintaining or enhancing an investee company's corporate value and improving its governance.
- The Responsible Investment Committee monitors the stewardship activities from the viewpoint of conflicts of interest.

Achievements

The Responsible Investment Committee was established in April 2017, and since April 2018, the committee has consisted of three external members and two internal members (one of whom is the executive officer in charge of the Compliance Management Department, which is in charge of conflict of interest management), making it a majority external committee. The Responsible Investment Committee deliberates and decides on particularly important voting rights exercises, such as for companies with large holdings or companies that have attracted significant social attention, and all important voting rights exercises are reported to the Responsible Investment Committee.

Self-evaluation

We evaluate that the company appropriately manages conflicts of interest through the establishment and operation of the Responsible Investment Committee.

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

《Principal 3》

Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies.

《Principal 4》

Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies

Policy

To help enhance the corporate value of investees from a medium- to long-term perspective, we continue our engagement with these companies concerning their business strategies, financial strategies, and shareholder return policies, among others, as well as governance and initiatives to address environmental and social problems and addressing any problems after sharing our understanding with them.

Achievements

As a result of our ongoing engagement with investees to share with them the issues we consider, 90% of the ESG issues we established prior to 2019 have been resolved. When engaging, we continued to improve our methodology for identifying and resolving key issues for investees based on the results of research on ESG themes and continued to engage with the top 50 GHG emitters as we did in the previous year. In addition, we continue to participate in initiatives related to collaborative engagement, such as the Stewardship Activities WG of the Life Insurance Association of Japan and the Institutional Investors Collaborative Dialogue Forum.

Self-evaluation

We believe that our understanding of the situation of investee companies and our ongoing engagement with them have led to the resolution of issues. Going forward, we will continue to select and research important ESG themes, systematically incorporate non-financial information of companies into our corporate evaluations, diversify our approaches to dialogue to improve effectiveness, and further enhance our engagement through participation in collaborative engagements.

《Principal 5》

Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.

Policy

- The Responsible Investment Department determines whether to vote for or against corporate matters in accordance with the criteria for exercising voting rights, which were established based on deliberations made at meetings of the Responsible Investment Committee.
- We regularly review the criteria for exercising voting rights from the viewpoint of maintaining or enhancing the medium- to long-term corporate value of the investees, and publicly disclose the details of these reviews

Achievements

Based on deliberations at the Responsible Investment Committee, the voting criteria were amended and published as of April 2023. In the said revision, it was incorporated that voting rights shall be exercised based on ongoing engagement with respect to the diversity of the Board of Directors and other matters. With regard to the exercise of voting rights, proposals that attract significant public attention are deliberated by the Responsible Investment Committee, while shareholder-proposed proposals for which quantitative exercise criteria have not been established and proposals involving scandalous companies are discussed at meetings within the Responsible Investment Promotion Department for each individual proposal before a decision is made on whether to vote for or against the proposal.

Self-evaluation

In reviewing the criteria for the exercise of voting rights, the Company conducted discussions from a multifaceted perspective, taking into account the external environment and the trends of other institutional investors. In making individual decisions for or against voting rights, the Company evaluates that it is responding from the perspective of maintaining and enhancing corporate value, without being bound by formal criteria.

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

《Principal 6》

Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.

Policy

We regularly announce any updates on the activities we carry out to fulfill our stewardship responsibilities, including engagement and exercising our voting rights, on our company website.

Achievements

The results of the exercise of voting rights are disclosed on the Company's website on a quarterly basis. In this disclosure, the relevant provisions of the voting standards that were in conflict with the voting rights exercise criteria are clearly indicated for proposals that were opposed, and for proposals that were discussed by the Responsible Investment Committee, the reasons for the decision to approve or reject are stated in writing. In addition, in the Responsible Investment Activity Report (this report), in addition to explaining the results of our exercise of voting rights throughout the fiscal year, we disclose the progress in resolving issues at investee companies that we have set, the points of dialogue for each agenda item in our engagement, specific examples of dialogue, and other information.

Self-evaluation

We believe that the voting results are disclosed with a certain degree of transparency, including the reasons for the Company's decisions. Regarding engagement, we also appreciate that engagement efforts are described in a manner that is easy for external stakeholders to understand, by including both key points and specific examples during dialogue. We believe that continued efforts are needed to further improve the disclosure of stewardship initiatives and progress on issues.

《Principal 7》

To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies.

Policy

To ensure that stewardship activities are carried out based on an in-depth understanding of an investee company and its business environment, our management promotes initiatives to establish organizations needed to meet this objective, and to train employees with a high level of expertise.

Achievements

In April 2017, the Responsible Investment Promotion Department was established as the department exclusively responsible for responsible investment, and in April 2020, an ESG analyst was newly assigned to the department. In addition, members of the Responsible Investment Promotion Department participated in meetings held by the Stewardship Activities WG and the ESG Investment and Loan Promotion WG of the Life Insurance Association of Japan to exchange opinions with external experts, etc. In addition, they actively exchanged opinions with THE NET-ZERO ASSET OWNER ALLIANCE, which is participating in initiatives related to climate change. In addition, the Company actively exchanges opinions with initiatives such as THE NET-ZERO ASSET OWNER ALLIANCE, in which it participates.

Self-evaluation

The company is evaluated as appropriately promoting the development of systems and human resources to enhance the sophistication of its initiatives through the establishment of an organization dedicated to responsible investment including stewardship activities and ESG analysts, internal training by ESG analysts, and participation in external study groups and opinion-exchange meetings.

Report on stewardship activities

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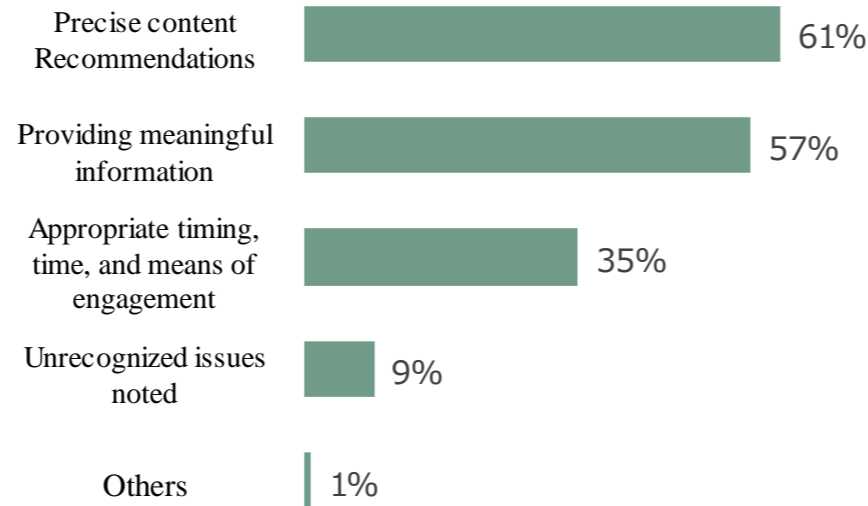
Voting policy and voting records

Engagement Partner Survey Results (Third-party Evaluation)

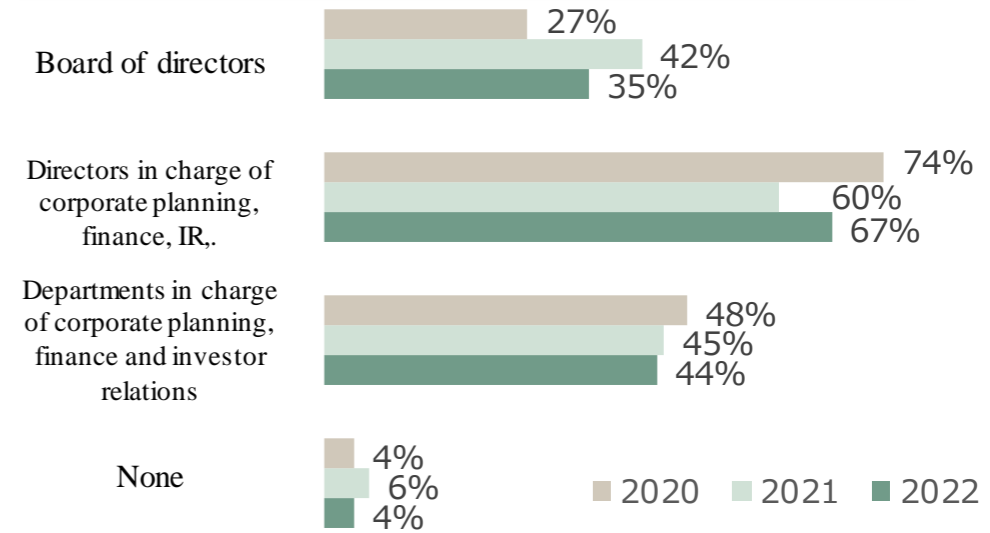
As in the previous year, we continued to receive high marks for our engagement and the content of our Responsible Investment Report (this report), according to the results of a survey of our engagement partners. Nearly 80% of the respondents said that engagement with us was meaningful, with "accurate recommendations" and "provision of meaningful information" being the most common reasons given. The percentage of respondents who provided feedback on the content of the engagement with us to the board of directors or management remained high, confirming that they are actively sharing the content of investor dialogue internally with management.

Engagement Partner Survey Results

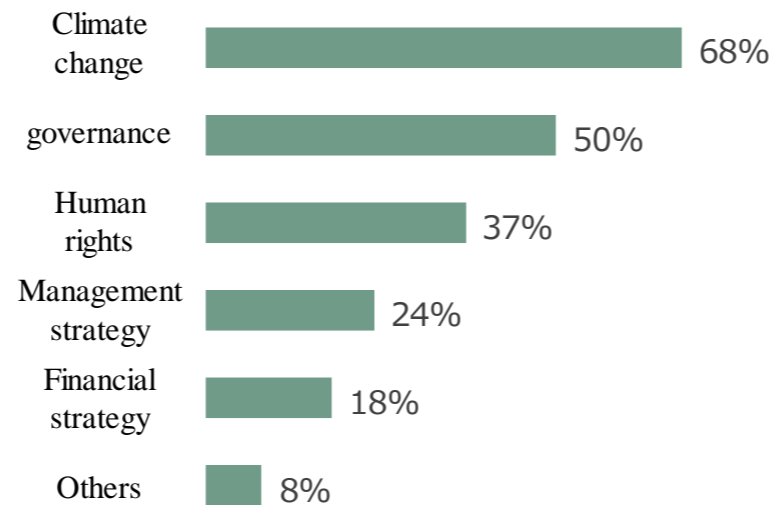
The reasons for engagement with us was meaningful



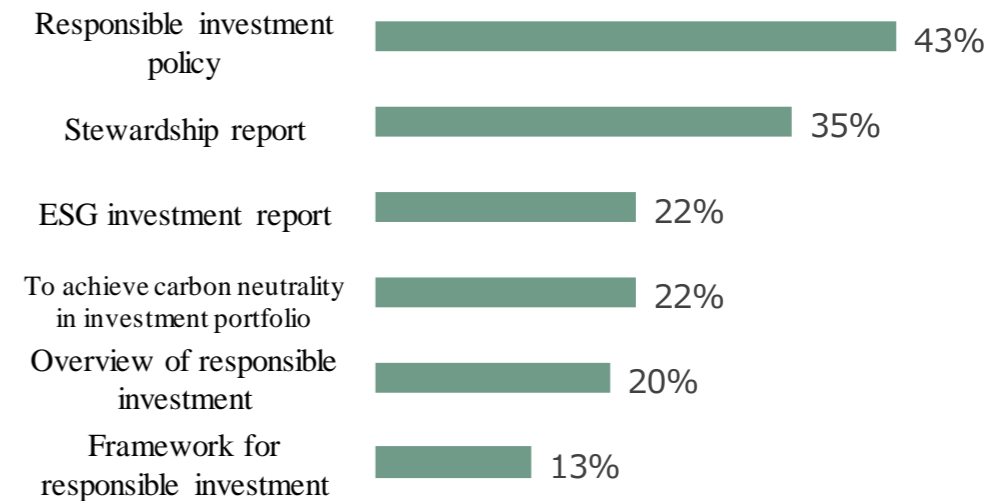
Where to report the details of the engagement with us



Specific issues on which have taken or will take action based on the engagement with us



The part particularly informative in "Responsible Investment Report"



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

Message from the Chairperson of the Responsible Investment Committee



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

Thank you for your continued understanding and cooperation with our responsible investment activities. As an institutional investor that manages funds entrusted by policyholders in a wide range of assets over the long term, we are actively engaged in responsible investment with the aim of contributing to the resolution of important social issues to realize a sustainable society, which is the premise for the wellbeing of all people, while securing stable investment returns over the medium to long term. We have positioned climate change as the most important issue in responsible investment and joined the Net-Zero Asset Owner Alliance (NZAOA) in 2021, committing to a net-zero investment portfolio by 2050, and working with investee companies to achieve this goal. In addition, we have been making efforts to contribute to the transition to a net-zero society by supporting efforts toward decarbonization through engagement, transition finance. In order to accelerate the response to climate change throughout the Dai-ichi Life Group, in August 2023, Dai-ichi Life Holdings formulated the "Net Zero Transition Plan", a comprehensive set of targets, strategies, and governance structure to achieve net zero.

As an institutional investor, we believe that we have a significant role and responsibility to play not only in achieving net zero emissions for the Group as a whole, but also in realizing the decarbonization of society as a whole, and we will continue to implement more effective measures to achieve this goal. Sustainability issues include a wide variety of topics, such as environmental issues including climate change and natural capital, respect for human rights or human diversity, and corporate governance. In this year's Responsible Investment Report, we also described our efforts to improve the sustainability of natural capital, incorporate human rights risks into our research and investment decisions, and engagements. We believe that the issues that need to be resolved in order to realize a sustainable society would be more diverse and more important, and we will continue to expand the scope of our responsible investment themes and incorporate them into our investment decisions. We recognize that there are many issues that we need to address, all of which are challenging and difficult to achieve if we only extend our efforts to the past. We intend to promote responsible investment through collaboration and co-creation, working with a variety of stakeholders, including other financial institutions, corporations, and government agencies.

Appendix

Definition of our ESG investment approach
Glossary
Links

Definition of our ESG investment approach

ESG investment method	Definition
ESG integration	Systematically incorporate ESG factors into the process of investment decisions
Positive screening	Build a portfolio of companies with high ESG ratings
Negative screening	Exclude certain industries, companies, etc. from the portfolio
ESG themed investment	Investments to assets with themes that lead to solutions to social issues, based on the premise of profitability (Climate Change Solution Investment: of which Investment that contribute to solving climate change issues)
SDGs bond	investment to international organizations that promote projects that contribute to the achievement of the SDGs(Green Bonds, Social Bonds, Sustainability Bonds, etc.)
SDGs project	Funding for projects that contribute to the achievement of the SDGs (social infrastructure development, environmental conservation, etc.)
Impact investment	investment that aims to both generate investment income and social impact

Term	Explanation
Green bond	Bond issued to raise funds needed for environmental initiatives (tackling global warming, renewable energy measures, etc.)
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.
Sustainability bonds	Bond issued by limiting the use of funds to businesses contributing to environmental and social sustainability
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.
Social bond	Bond issued to raise funds needed for solving social issues
Transition finance	Provision of funds for initiatives to transition out of an economy that uses large quantities of coal to a low-carbon economy
Project finance	Provision of funds obtained from a specific project (cash flow) as a source of repayment
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)
Portfolio	A collection of financial products (stocks, bonds, etc.) held by investors
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
Universe	A collection of financial products (stocks, bonds, etc.) chosen for investment in accordance with a certain objective

Term	Explanation
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
KPI	Acronym for Key Performance Indicator. An important indicator measuring progress toward achieving a business goal.
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.
QOL	Acronym for Quality Of Life
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
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

Links to Responsible Investment Resources



Integrated report

https://www.dai-ichi-life-hd.com/en/investor/library/annual_report/2023/pdf/index_001.pdf

Sustainability report

<https://www.dai-ichi-life-hd.com/en/sustainability/report/index.html>

Net zero Transition plan

<https://www.dai-ichi-life-hd.com/en/sustainability/environment/nztransitionplan.html>

Responsible investment policies

<https://www.dai-ichi-life.co.jp/english/dsr/investment/ri-report.html>

ESG Investment cases

<https://www.dai-ichi-life.co.jp/english/dsr/investment/esg.html>

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