

Our Initiatives as a Responsible Investor for Human Rights



By your side, for life

DAI-ICHI LIFE

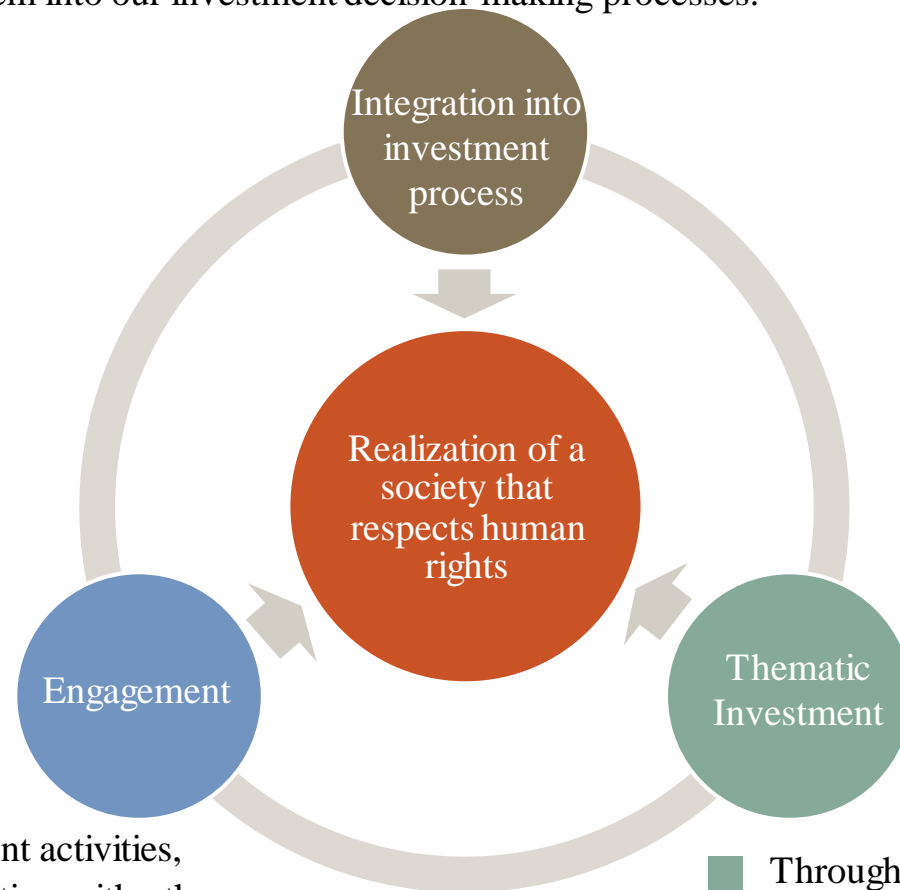
 Dai-ichi Life Group

As a responsible investor

As a responsible investor, Dai-ichi Life is committed to working toward the realization of a society in which human rights are respected. We consider respect for human rights to be one of the key themes of responsible investment, and we will contribute to solving human rights issues in society as a whole by integrating it into our investment process, promoting the initiatives of investee companies through engagement activities, and supporting activities to respect human rights through theme-based investments.

Initiatives as a responsible investor

- Fulfill our responsibilities as an institutional investor by conducting appropriate assessments and due diligence to avoid or minimize negative environmental and social impacts, including human rights issues, and incorporating them into our investment decision-making processes.



- Through engagement activities, including collaboration with other financial institutions, we will strive to promote the initiatives of portfolio companies by holding constructive discussions and making proposals.
- Through thematic investments, we support the efforts of diverse stakeholders, including corporations and local governments, to respect human rights.

Incorporation into the investment process (1)

Basic Policy on Responsible Investment

In our “Basic Policy on Responsible Investment”, we stipulate the following environmental and social considerations in our investments.

- We fully consider the impact on the environment, society, and human rights of the business activities and projects of companies, governments, and other entities that are subject to investments.
- We do not invest in or finance projects that violate laws, public order, or morals, that manufacture inhumane weapons, or that have a significant negative impact or risk on climate change, the local environment, society, and human rights.

Environmental and social (including human rights) assessments

In project finance, we make investment decisions with the following environmental and social assessments, referring to the Equator Principles. We conduct regular monitoring of invested projects and conduct engagement as necessary. In addition, for sectors and businesses that require special attention from the perspective of environmental and social impact, we also take measures in consideration of inherent risks (please refer to the following section for details).

■ **Environmental impact assessments**

Assess whether detailed studies and assessments have been conducted to avoid or minimize the impact of the project on biodiversity, climate change, and other environmental impacts, and to take appropriate measures.

■ **Social impact assessments**

Assess whether studies and evaluations have been conducted to avoid or minimize the social impacts of the project on the local community and related stakeholders, and to take appropriate measures.

■ **Implement appropriate environmental and social measures**

Evaluate whether appropriate measures are planned and implemented to minimize the impact of the project on the environment and society.

■ **Explanation and understanding of the community and stakeholders**

Assess whether the project is well explained to the local community and relevant stakeholders and whether their understanding of the project has been obtained.

■ **Establishment of a grievance mechanism**

Assess whether effective grievance mechanisms are in place for affected communities and stakeholders.

■ **Transparency and disclosure**

Assess whether information on the environmental and social impacts of operations is appropriately disclosed and reported to stakeholders.

Policies in specific sectors

- Coal
- Palm Oil
- Biomass
- Weapons
- Oil & Gas
- Forest
- Water

* Negative screening also conducted for coal, oil and gas, and weapons

Incorporation into the investment process (2)

ESG integration framework (equity, corporate bonds, and loans)

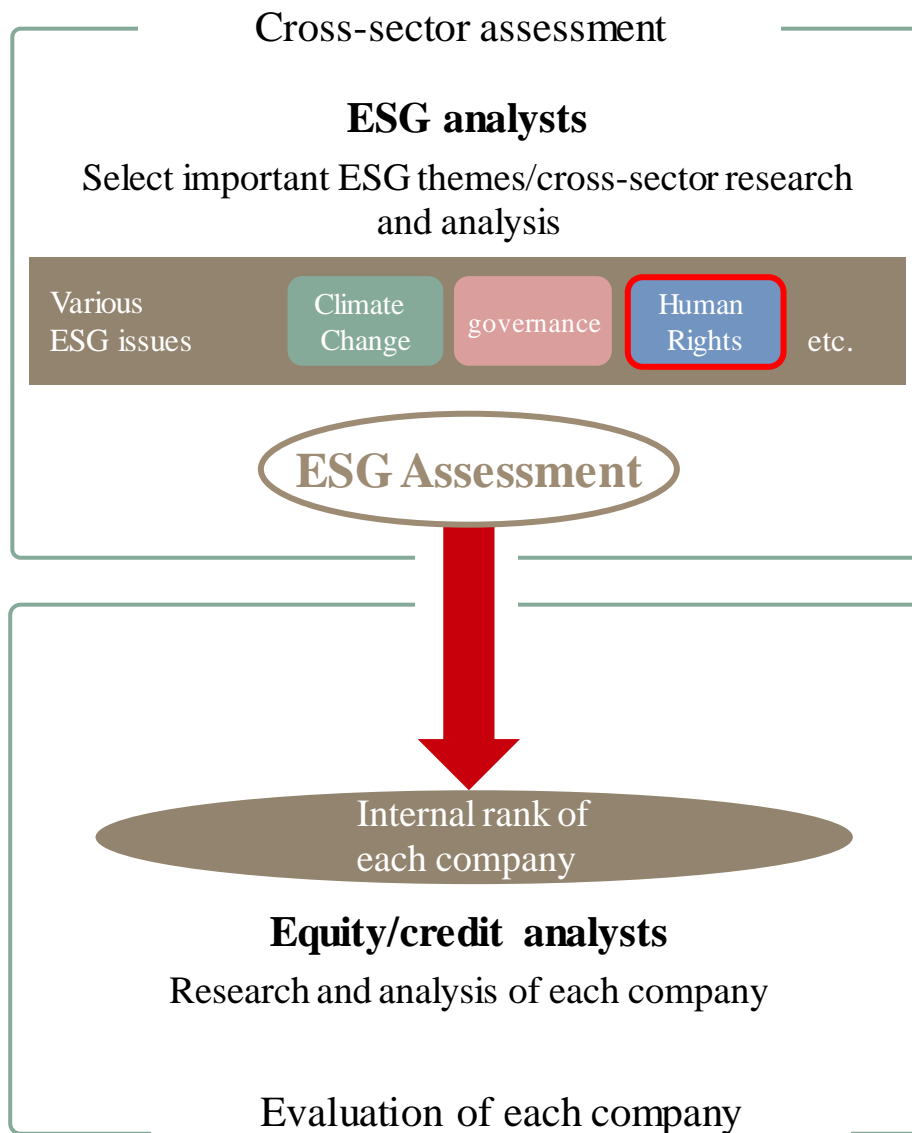
ESG integration methodology

We consider human rights to be one of the key themes of responsible investment, and we believe that the promotion of human rights initiatives by the companies in which we invest will lead to increased corporate value and the realization of a society in which human rights are respected.

We evaluate companies' human rights risks and initiatives, and incorporate them into our investment process, including the results of our engagement.

Specifically, ESG analysts conduct sector-specific research and analysis and evaluate each company. The results are shared with equity and credit analysts and reflected in investment process for each asset (equities, bonds, and loans).

In addition, in the case of sovereigns, human rights issues are positioned as an important evaluation factor in measuring a nation's political and economic stability and are appropriately incorporated into credit risk assessments.



Main evaluation perspectives on human rights



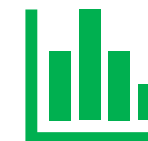
Business model

- ❑ Human rights risks assumed based on the nature of business, regions of operation, supply chain, etc.
- ❑ Status of human rights incidents



Status of efforts to respect human rights

- ❑ Governance structure to mitigate human rights risks
- ❑ Status of implementation of human rights due diligence
- ❑ Remedial mechanisms in place



Disclosure of information

- ❑ Status of information disclosure on human rights initiatives
- ❑ Effective, transparent, and objective information disclosure

Engagement activities

Engagement with investee companies

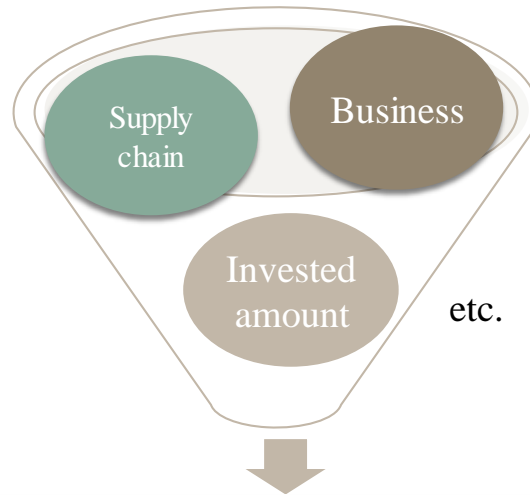
We recognize that one of the important roles of a responsible institutional investor is to promote understanding of and initiatives toward human rights through engagement with investee companies, and we focus on engagement with respect for human rights.

We are committed to contributing to the realization of a society where human rights are respected by engaging in constructive discussions and making proposals to promote understanding and initiatives by our investee companies, with the formulation of human rights policies, implementation of human rights due diligence, and establishment of remedy mechanisms as the main points to be checked during engagement.

Selection of companies to engage (FY2023)

We select companies for engagement based on the nature of their business, the presence or absence of human rights risks based on their supply chain, as well as the value of our holdings, etc. In FY2023, we conducted human rights-themed engagements with approximately 40 companies out of approximately 200 companies we engaged during the year. The following is a summary of our human rights activities.

Total holdings: approx. 1,400 companies (including general and separate accounts)



Engagement with approximately 200 companies (including approximately 40 companies on human rights themes)

Key confirmation points in human rights themed engagement

Human rights policy

- The policy is publicly disclosed and known to all stakeholders.
- The policy is approved by management, including top management.

Human rights due diligence

- Effectiveness and appropriateness of methods, processes, and scope of coverage.
- Appropriate PDCA cycle, including the formulation of response policies based on the results of implementation.

Relief and grievance mechanisms

- Design that meets requirements for transparency, fairness, and accessibility.
- Appropriate response measures based on the content of consultation must be considered.

Promote understanding and initiatives of investee companies through constructive discussions and proposals

Examples of engagement

Tracking 4-step milestones

- (1) Raise issue: We raise a matter it considers to be an issue with an investee company
- (2) Recognize issue : The investee company recognizes that it must address this issue
- (3) Address issue : The investee company begins addressing the issue
- (4) Solve issue : We confirms that the issue has been solved

Company A	Mining industry			
	Issue	Strengthening efforts to address human rights issues		
	Goal	Formulation of Human rights policy		
	Stage of Progress 			
	Dialogue overview		Response of the investee company	Exercising voting rights
	<ul style="list-style-type: none"> Conducted 4 engagements since FY2019, including an agenda on respect for human rights. Shared recognition of the importance of addressing human rights issues, exchanged views on the development of human rights policies, etc. 		<ul style="list-style-type: none"> Reaffirming the importance of respect for human rights, formulated and disclosed the company's first human rights policy and initiated human rights due diligence initiatives. 	<ul style="list-style-type: none"> No voting with the investee company's human right response as a decision criteria.
	Future policy			
	<ul style="list-style-type: none"> Follow-up on the implementation of human rights due diligence. Follow-up on efforts to establish remedy mechanisms. 			

Company B	Food industry			
	Issue	Strengthening efforts to address human rights issues		
	Goal	Conduct effective human rights due diligence		
	Stage of Progress 			
	Dialogue overview		Response of the investee company	Exercising voting rights
	<ul style="list-style-type: none"> Conducted three engagements including an agenda on respect for human rights from FY2020. Exchange of views on the realization of effective human rights due diligence, while presenting guidelines to be referred to. 		<ul style="list-style-type: none"> A "Human Rights Enlightenment Promotion Committee" has been established, and a reporting and consultation desk has been set up under the committee. Plans to expand human rights due diligence initiatives in the future, based on a renewed awareness of the importance of human rights due diligence. 	<ul style="list-style-type: none"> No voting with the investee company's human right response as a decision criteria.
	Future policy			
	<ul style="list-style-type: none"> Confirmation and follow-up of the effectiveness and appropriateness of human rights due diligence methods, processes, scope, etc. 			

Engagement activities (collaboration with other financial institutions)

Dai-ichi Life recognizes that in order to realize a society in which human rights are respected, it is necessary to make efforts not only by the company itself, but also by society as a whole in cooperation with various stakeholders. Dai-ichi Life engages with companies regarding respect for human rights and disseminates opinions through collaborative efforts with PRI, The Life Insurance Association of Japan, and other organizations.

Initiatives at Life Insurance Association of Japan

We participate in the Stewardship Activities WG and the ESG Investments WG established by The Life Insurance Association of Japan (LIAJ) and promote activities together with other participating life insurance companies. The WG conducts collaborative engagements on themes such as “Enhancing Disclosure of ESG Information,” holds study sessions on the latest trends in ESG, including human rights, and formulates recommendations based on surveys of companies and investors. In the latest report released in April 2024, we made a new recommendation calling for companies to promote respect for human rights, and we are focusing on initiatives through collaboration with other companies.



Proposal Report
(The Life Insurance Association of Japan)

Participation in “Advance” established by UN Principles for Responsible Investment (PRI)

We have joined Advance, a collaborative engagement initiative established by the United Nations Principles for Responsible Investment. Together with other participating companies, we are promoting respect for human rights through dialogue.



- ❑ Launched on December 1, 2022
- ❑ An initiative for institutional investors established to promote corporate initiatives on social issues, particularly human rights, among ESG issues through collaborative engagement.
- ❑ The initiative promotes efforts to respect human rights through dialogue with companies that face high human rights risks. About 220 major institutional investors from around the world participate in this initiative.

Thematic investments

We also focus on creating positive impacts through sustainability thematic investments. We will contribute to solving human rights issues in society as a whole by standing by and proactively funding initiatives that contribute to respect for human rights by a diverse range of stakeholders.

Sustainability thematic investments



▲ Photo courtesy of ADB

“Gender Bond” issued by Asian Development Bank

- Invested approximately 10 billion yen in “Gender Bonds” issued by the Asian Development Bank (ADB). The funds raised by the bonds are used for ADB's projects to promote women's activities in the Asia-Pacific region.
- For example, the project in Bangladesh supports women entrepreneurs by providing them with access to financial institutions and business start-up support facilities, in addition to supplying funds.



Impact Investment in TYPICA Holdings, Inc.

- TYPICA is a Japanese start-up company operating a distinctive online platform that bridges coffee bean producers in developing countries with roasters in advanced countries, enabling direct trade of coffee beans between them
- the platform also enables coffee producers to choose their own selling prices, and purchasers to scrutinize detailed breakdowns of their purchases, including the amount paid to the producers, ensuring heightened price transparency.
- The service is expected to have a broad ripple effect throughout the region by improving and stabilizing the income of coffee growers, thereby reducing poverty among them, raising the educational level of children, and raising awareness of human rights.



▲ Photo courtesy of TYPICA