

Our Response to Environmental Concerns and Climate Change

Addressing Climate Change-Related Issues in Line with Recommendations from the Task Force on Climate-related Financial Disclosures (TCFD)*




Having declared our support of the TCFD recommendations in January 2019, we are working hand in hand with our customers to address issues arising from climate change in an effort to help create a low-carbon society.

In line with the TCFD recommendations, we hereby disclose climate change-related information in four categories, namely, “governance,” “strategy,” “risk management,” and “metrics and targets.”


<p>Governance</p>	<ul style="list-style-type: none"> ■ “Protect the environment and combat climate change” is one of Meiji Yasuda Life’s priority issues that is relevant to the United Nations SDGs. In keeping with this, we consider natural disasters induced by climate change to be a source of “important risk.” Accordingly, we monitor the resulting risk within our framework for managing important risks, with top management receiving periodic reporting on this matter. ■ In April 2020, we established the Responsible Investment Office, a specialist team tasked with further upgrading our responsible investment initiatives, which encompass our stewardship initiatives and ESG investment and financing. This office is expected to spearhead Meiji Yasuda Life’s efforts to gear up its response to climate change risks in the course of asset management.
<p>Strategy/ Risk Management</p>	<ul style="list-style-type: none"> ■ As a business operator, we contribute to a transition to a low-carbon society while, as an institutional investor, promoting initiatives to counter climate change risks via, for example, our involvement in ESG investment and financing as well as our engagement with investees. ■ Aware of climate change risks affecting our insurance businesses and asset management, we implement proper risk management via surveys into the medium- to long-term impact of natural disasters on the payment of insurance claims and benefits.
<p>Metrics and Targets</p>	<ul style="list-style-type: none"> ■ In line with our goals of helping realize a low-carbon society as well as in accordance with energy-related laws and regulations (e.g. the Act on the Rational Use of Energy), we endeavor to steadily cut 1% of CO₂ emissions from our business activities on a year-on-year basis while disclosing the volume of such emissions. ■ In the fiscal year ended March 31, 2019, we reduced CO₂ emissions by 4.99% compared with the previous fiscal year.

Climate Change-Related Measures


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Helping to Curb the Depletion of the Ozone Layer

- In addition to contributing to the realization of a low-carbon society, we push ahead with initiatives to curb the depletion of the ozone layer in connection with our efforts to help preserve the global environment as a whole.
 - We maintain proper management of Class I Specified Products defined under the Act on Rational Use and Appropriate Management of Fluorocarbons.
 - From the perspective of protecting the ozone layer, we select and use refrigerants that are friendly to the global environment.



* The TCFD issued a proposal to encourage businesses to voluntarily disclose the financial impact of climate change.

About Our ESG Investment and Financing

In line with our management philosophy “peace of mind, forever,” we aim to pursue long-term, stable management as a life insurer. As part of these efforts, we proactively promote an investment and financing approach aimed at addressing environmental (E), social (S) and governance (G) issues.

Going forward, we will step up our initiatives as an institutional investor to help create a sustainable society, promote the sound development of economies and businesses, and otherwise contribute to social causes and public interest via ESG investment and financing in a way consistent with our commitment to facilitating the realization of the United Nations Sustainable Development Goals (SDGs).

Our Policy for ESG Investment and Financing

Fundamental Concepts

Guided by our management philosophy “peace of mind, forever,” we aim to maximize the return of profit to our policyholders by securing robust asset management profitability while giving due consideration to the perspective of contributing to the realization of the SDGs. At the same time, we intend to vitalize regional economies and otherwise help create flourishing communities via ESG investment and financing. With this in mind, we will continuously engage in asset management aimed at contributing to the realization of a sustainable society to fulfill our social responsibilities and public mission as a life insurer.

Examples of Our Initiatives

1. Incorporating ESG perspectives into the investment and financing process

- In the course of investment and financing, we invest in projects that are expected to help resolve ESG issues. We incorporate ESG perspectives into our decision making by, for example, adopting evaluation criteria that employ the status of investees’ ESG initiatives and other non-financial information, in light of asset characteristics.

2. Investee dialogue on ESG issues and the promotion of information disclosure

- We engage in dialogue with investees to realize a common understanding of social issues including ESG issues and, as necessary, we encourage them to take steps to address such issues. Through engagement in constructive dialogue, we aim to help investees improve their corporate value while requesting the appropriate disclosure of information on ESG issues.

3. Collaboration on ESG investment and financing to upgrade our asset management methodologies

- We strive to upgrade our asset management methodologies by promoting collaboration between Group companies in ESG investment and financing, and by exchanging opinions with industry associations and otherwise staying current with external best practices for ESG investment and financing.

4. Enhancement of ESG activity reporting

- Enhancing the content of our information disclosure, we proactively publicize the status and progress of initiatives associated with ESG investment and financing.

Examples of ESG Investment and Financing by Meiji Yasuda Life (fiscal year ended March 31, 2020)

Investment in Green Bonds

In the fiscal year ended March 31, 2020, we invested approximately ¥43.0 billion in “Green Bonds,” which specialize in financing global warming countermeasures, renewable energy and other projects aimed at addressing environmental concerns.



Investment in Social Bonds

In December 2019, we invested approximately ¥5.5 billion in “Social Bonds” issued by domestic megabanks with the aim of raising funds for loans to help restore communities hit by earthquakes, typhoons and other natural disasters; supporting public hospitals at home and abroad to provide low-income households with access to healthcare services; financing domestic medical institutions run by domestic public healthcare and social welfare corporations; and offering loans to public schools.



Investment in Renewable Energy

In February 2020, we invested in project finance related to the Akita and Noshiro Port offshore wind farm in Akita Prefecture. This project is being carried out by Akita Offshore Wind Corporation, with the aim of developing and operating offshore wind power generation facilities that have a combined total output of approximately 140MW. This project, with a cost of approximately ¥100.0 billion, marks the first time Meiji Yasuda Life has invested in project finance to support offshore wind power generation.



Becoming a Signatory to the PRI

In January 2019, we became a signatory to the United Nations Principles for Responsible Investment (PRI). With the aim of realizing a sustainable society, PRI advocates for the incorporation of ESG perspectives into the investment and financing judgments of institutional investors.

To date, we have been striving to fulfill our social responsibilities as an institutional investor by, for example, promoting ESG investment and financing while engaging in investee dialogue in a way that conforms to Japan's Stewardship Code.

Looking ahead, we aim to further upgrade our approach to responsible investment, which encompasses our stewardship initiatives and ESG investment and financing. To this end, in the fiscal year ending March 31, 2021 we have publicized our policy for ESG investment and

financing in conjunction with the establishment of the Responsible Investment Office specializing in this field.

Putting PRI into practice, we will continue incorporating ESG perspectives into investment and financing process, with the aim of making an ongoing contribution to the creation of a sustainable society.



Pursuing Responsible Investment as an Institutional Investor (2) Promoting Stewardship Initiatives

We abide by the Principles for Responsible Institutional Investors (Japan’s Stewardship Code) in the course of asset management.

Policies for Fulfilling Our Stewardship Responsibilities (fundamental concept)

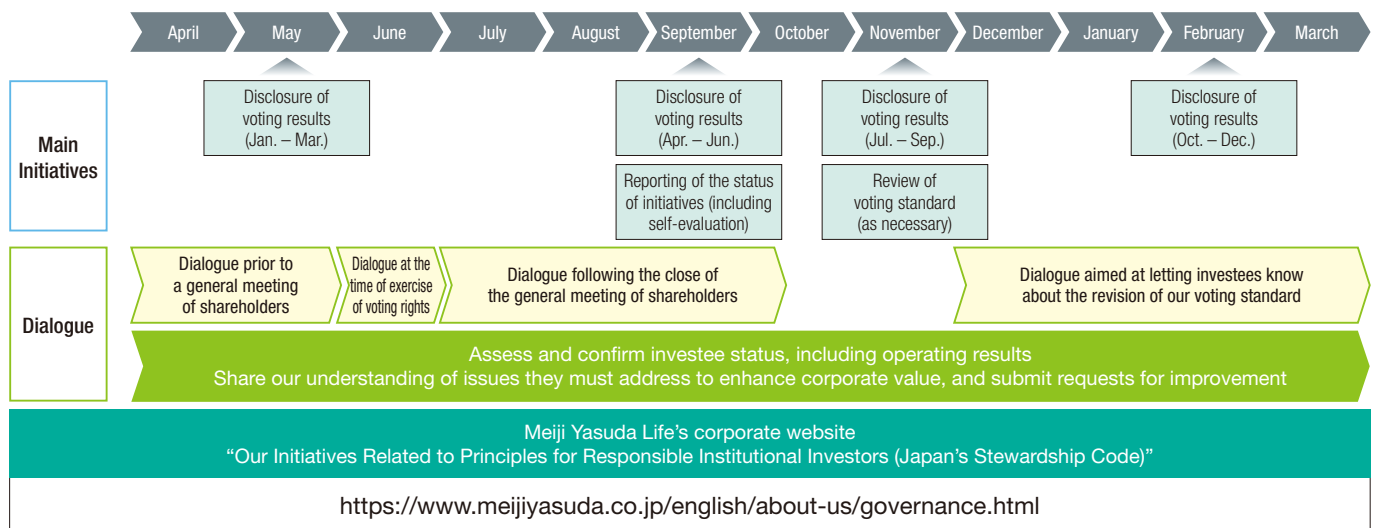
From the stance of a long-term perspective, the Company recognizes that securing investment profits while controlling risk is essential to fulfill its obligation to its customers. Therefore, the Company’s fundamental concept for stock investment is to yield stable returns over the long term in step with growth in each investee’s corporate value. In doing so, Meiji Yasuda Life engages in dialogue with investees to encourage them to maximize their corporate value, thereby fulfilling its responsibilities as an institutional investor.

Promotion of Stewardship Initiatives

We engage in ongoing and constructive dialogue with the Company’s investees from the stance of a long-term perspective to ensure they share our perspective. In this process, we ask investees to make improvements when problems have been identified. In addition, we undertake the appropriate exercise of voting rights in accordance with the Company’s in-house rules while disclosing voting results on a quarterly basis. We also monitor and carry out periodic verification of these initiatives.

Looking ahead, we will encourage our investees to maximize their corporate value via dialogue and other initiatives, thereby fulfilling our responsibilities as an institutional investor. In addition, the status of our stewardship initiatives is periodically updated on Meiji Yasuda Life’s corporate website.

► Meiji Yasuda Life’s Standard Schedule for Stewardship Initiatives



Recent Examples of Stewardship Initiatives

May 2014	Declared the adoption of Japan’s Stewardship Code
August 2014	Announced Meiji Yasuda Life’s “Policies for Fulfilling Our Stewardship Responsibilities”
September 2017	Announced the updating of the policies in accordance with the revision of Japan’s Stewardship Code
September 2018	Began publicly disclosing the results of votes we cast on individual ballot proposals
January 2019	Declared our support of the TCFD recommendations
	Became a signatory to the United Nations Principles for Responsible Investment
February 2019	Initiated quarterly disclosure of voting results
April 2020	Established the Responsible Investment Office, a specialist team tasked with further upgrading our approach to responsible investment, which encompasses stewardship initiatives and ESG investment and financing



Kazunori Yamauchi

Senior Managing Executive Officer
 Executive Officer in Charge of
 the International Business
 Planning Department

Pushing ahead with the Development of Stable Operating Platforms Overseas and Strengthening the Group's Business Management

Rallying Meiji Yasuda Life's overall strengths, we will enhance our ability to realize the management philosophy, "Peace of mind, forever," while striving to deliver an even more robust stream of policyholder dividends. To this end, we will develop stable operating platforms and promote the strengthening of the Group's business management.

Our Recognition of the Business Environment

The overseas life insurance market is expected to grow significantly thanks to growth in the global economy and population. To bring greater benefit to customers, Meiji Yasuda Life is striving to seize opportunities arising from overseas market growth and thereby diversify its business portfolio while achieving a sustainable increase in profit. To this end, we aim to raise the proportion of profit contributed by the overseas insurance business* in consolidated operating results to 15% by March 31, 2028.

The operating environment surrounding the industry is rapidly changing in countries around the globe. Accordingly, we must exercise vigilance against political, economic and regulatory developments in the regions

in which we operate. In addition, as the outlook for the global economy remains unclear, it has become ever more important to ensure robust governance that fully encompasses the entire corporate group, including overseas subsidiaries. With this in mind, we are engaged in research on regulations being enforced in the home countries of our investees while strengthening our business management, including risk management and compliance, for the entire Meiji Yasuda Life Group.

* Figures include the overseas insurance business and other, which represent all insurance business excluding the Company's domestic life insurance business.

Achievement under the Previous Medium-Term Business Plan and Our Strategies for the Future

Meiji Yasuda Life's overseas insurance business comprises seven companies in five countries. Since U.S.-based StanCorp Financial Group, Inc. became a wholly-owned subsidiary in March 2016, the overseas insurance business has grown significantly.

Under the previous Medium-Term Business Plan (April 2017 to March 2020), we endeavored to strengthen business management for the Group by (1) fostering a sense of unity among Group companies and facilitating integrated management with the message "Creating peace of mind, together" (2) developing an enterprise risk management (ERM) structure via capital allocation to overseas Group companies and (3) establishing the Group Conference, which aims to formulate Group policies on risk management, compliance and other important matters requiring consistent internal control. The Group Conference is attended by representatives from Meiji Yasuda Life Group companies, including StanCorp Financial Group, to create a common understanding of the issues being faced and a shared direction in response.

In addition, we share expertise and know-how with existing subsidiaries and affiliates by, for example, collaborating with them in asset management, while leveraging the size of the Group to help achieve cost reductions.

We also invite their employees to join training provided at Meiji Yasuda Life and otherwise promote the exchange of human resources.

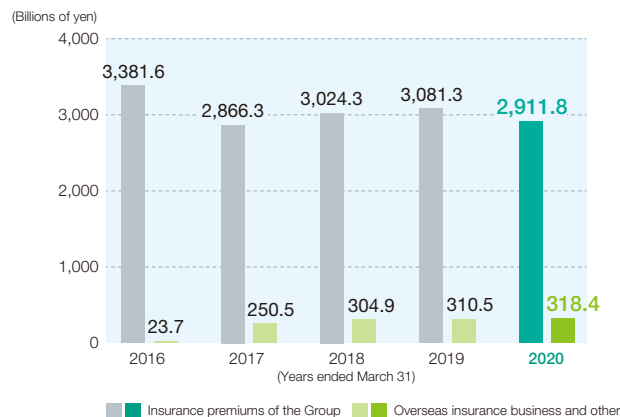
As a result, throughout the term of the previous Medium-Term Business Plan we were able to robustly raise base profit from the overseas insurance business and other by 21.0% on an annual average basis. In particular, the base profit from these operations in the fiscal year ended March 31, 2020 totaled ¥65.1 billion as they achieved year-on-year increases in both revenues and earnings for a fourth consecutive year. The proportion of insurance premiums and base profit contributed by these operations has now reached 10.9% and 10.3%, respectively, of consolidated operating results, suggesting stable growth in their profit contribution.

Going forward, we will continue to upgrade our business management on a groupwide basis while securing an even more robust pool of global human resources in terms of both quality and quantity. Simultaneously, we will help the seven existing subsidiaries and affiliates achieve steady corporate growth in addition to seeking out other prime investee candidates via the use of the local subsidiaries' research functions. By doing so, we will expand our overseas insurance business and thereby bring greater benefits to our customers.

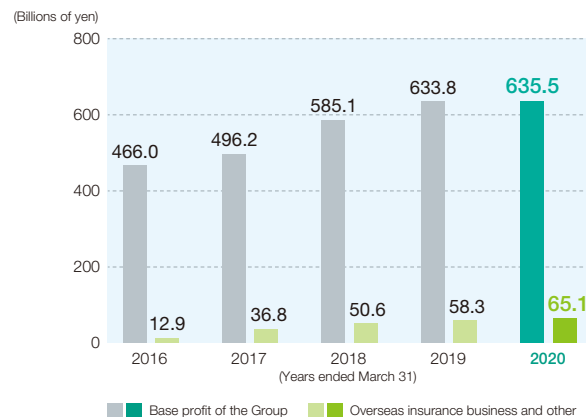


► Insurance Premiums of the Group/Base Profit of the Group

■ Insurance Premiums of the Group

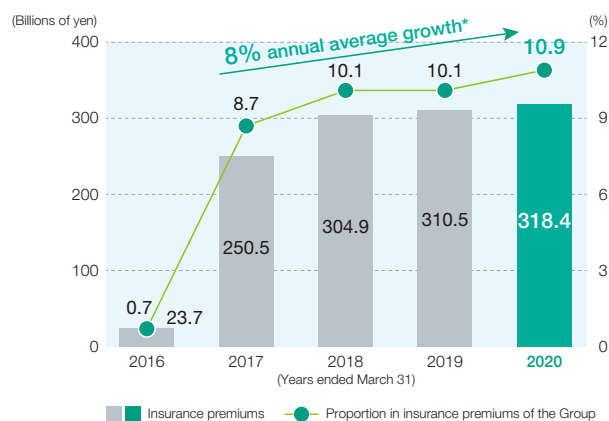


■ Base Profit of the Group

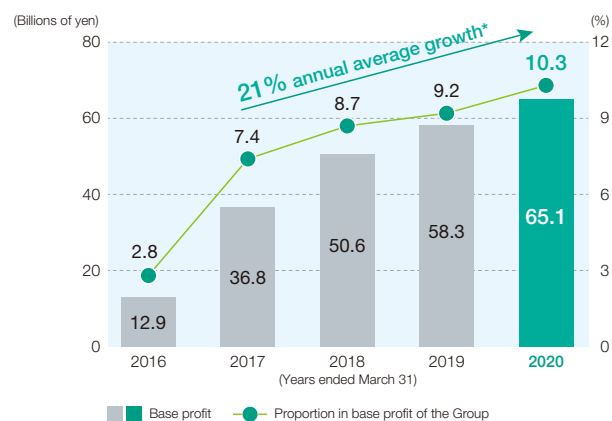


► Insurance Premiums and Base Profit from the Overseas Insurance Business and Other

■ Insurance Premiums

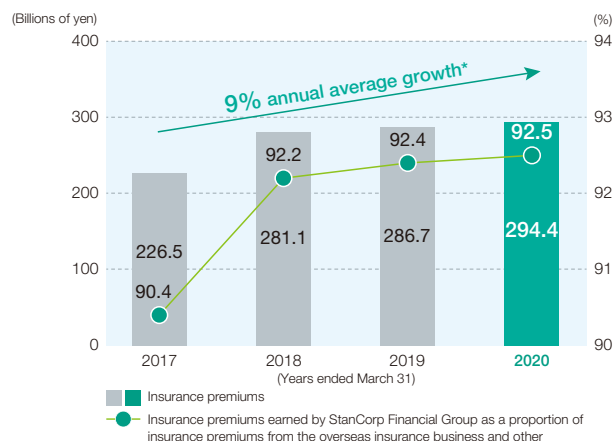


■ Base Profit

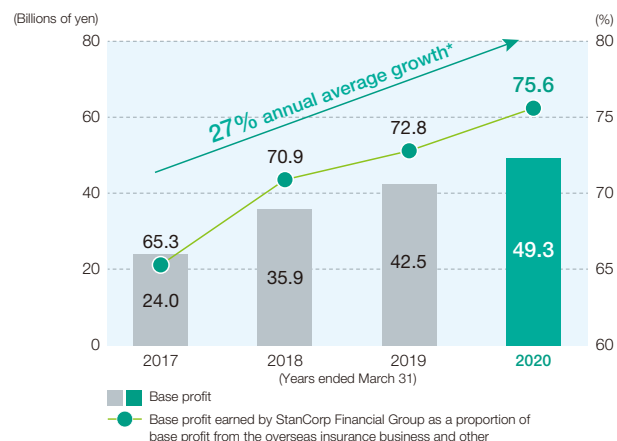


► Insurance Premiums and Base Profit Earned by StanCorp Financial Group, Inc.

■ Insurance Premiums



■ Base Profit



* Annual average growth rate for the previous Medium-Term Business Plan period (April 2017 to March 2020)