



# Responsible Investment Report 2024

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**We will engage in responsible investment that employs a long-term perspective uniquely available to us as a mutual company to help our investees improve their economic value while creating social value.**

### **Hideki Nagashima**

Director, President,  
Representative Executive Officer and Group CEO

Over the past several years, people's value systems have grown increasingly diverse and individualized due to radical changes in the environment, such as the COVID-19 pandemic and looming geopolitical risks. At the same time, public interest in sustainability is likely to only grow stronger. Against this backdrop, corporations around the globe are being called upon to clarify "who they are," "what they aim for" and "what they value."

In line with the "Meiji Yasuda Philosophy," our corporate philosophy, we have defined our Corporate Vision of being "A long-respected life insurance company that cares about people first" in order to fulfill our mission of delivering "Peace of mind, forever," which summarizes our management philosophy. To achieve the above vision, we aspire to weave relationships with customers, local communities, future generations and fellow workers.

Under our 10-year plan, "MY Mutual Way 2030," which was launched in FY2020, we have striven to realize a virtuous cycle of improvement in social and economic value. These endeavors are driven by our clarified commitment as a mutual company to contributing to the creation of a sustainable society.

In April 2024, we launched "MY Mutual Way Phase II," a new three-year program designed to allow us to push ahead further with contributing to the resolution of social issues based

on a long-term perspective even as we continue delivering life insurance as our mainstay business to embody the spirit of mutual aid. By doing so, we will secure sustainable growth for the entire Group while bringing greater benefits to customers and society as a whole.

In FY2024, we also redefined priority issues (materiality) for Meiji Yasuda by taking into account their impact on stakeholders and their relevance to our business activities. This resulted in the inclusion of our goal to "help create a sustainable society through responsible investment as an institutional investor" in the list of priority issues. More specifically, we are now pursuing responsible investment focused on five priority themes, namely, "Decarbonization," "Biodiversity," "Social issues," "Prolong healthy life expectancy" and "Vitalize regional communities."

Looking ahead, we will continue to act as a responsible institutional investor, promoting an investment approach that gives due consideration to asset characteristics and employs a long-term perspective uniquely available to us as a mutual company while securing profitability. In this way, we will help our investees improve their economic value while creating social value, with the aim of contributing to the creation of a sustainable society.



## Meiji Yasuda Philosophy and priority issues (materiality)

We have established the Meiji Yasuda Philosophy, which clearly defines “who we are,” “what we aim for” and “what we value.”

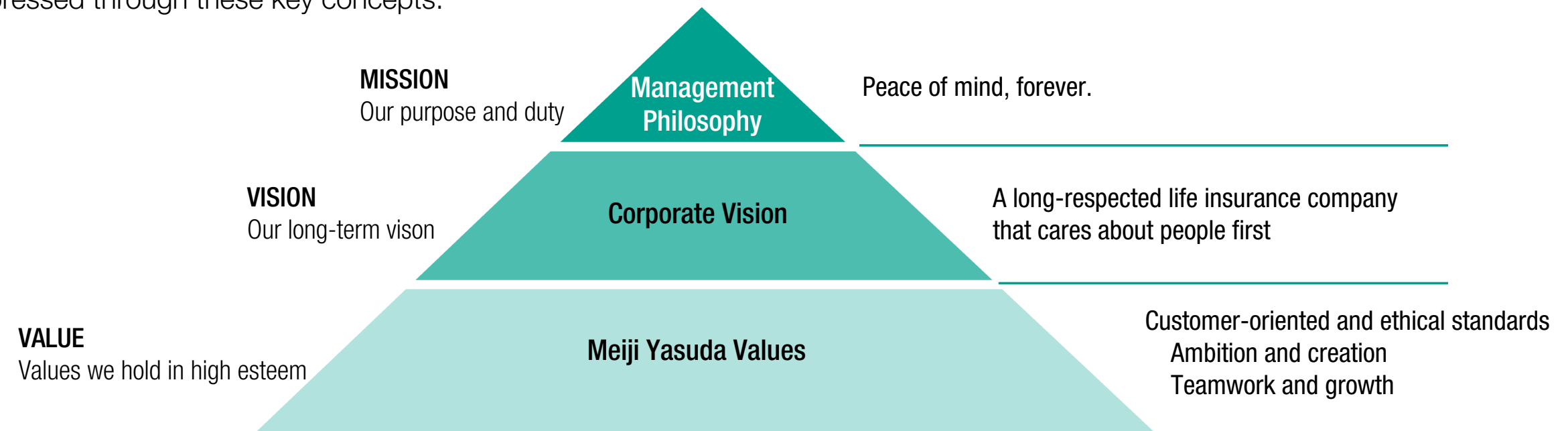
To remain a life insurance company that cares about people first, we will continue cherishing relationships with customers, local communities, future generations and fellow workers, all while pursuing our mission of delivering “Peace of mind, forever” to our customers.

Moreover, as a mutual company, we will address various social issues head on, leveraging a long-term perspective.

Specifically, we endeavor to “Prolong healthy life expectancy” and “Vitalize regional communities,” as these two issues are particularly relevant to our business operations. Our priority issues also include our contribution to environmental protection, the sound development of children, and the promotion of financial inclusion and diversity, equity and inclusion (DE&I).

## Meiji Yasuda Philosophy

Comprised of the Management Philosophy, Corporate Vision and Meiji Yasuda Values, our fundamental corporate philosophy is expressed through these key concepts.



## Priority issues (materiality)

In FY2024, we reviewed priority issues selected from among social issues addressed by the 17 goals and 169 targets of the SDGs, taking into account their impact on stakeholders and their relevance to our business activities. As a result, we reorganized these priority issues into the eight items listed below.

Addressed through  
Two Major Projects,  
etc.

Prolong healthy life expectancy



Vitalize regional communities



Create social value  
from standpoints as a  
business operator and  
an institutional  
investor

Protect the environment  
and combat climate  
change



Help create a sustainable  
society through  
responsible investment as  
an institutional investor



Support sound  
development of  
children



Promote DE&I



Ensure equal access to financial services



Respect human rights





## Overview of our responsible investment initiatives

Meiji Yasuda strives to fulfill its social responsibilities and public mission as an institutional investor while proactively engaging in responsible investment aimed at creating social value.



### ESG investment and financing amount (FY2021 to FY2023)

**1 trillion yen**

### Funds extended in financing for decarbonization (FY2021 to FY2023)

**570 billion yen**

### Funds extended in impact finance (FY2021 to FY2023)

**60 billion yen**

### CO<sub>2</sub> emissions from portfolio as an institutional investor (FY2022)

Total emissions: **-46%** (from the FY2013 level)  
Intensity: **-44%** (from the FY2019 level)

### Number of sustainability-focused dialogues (FY2021 to FY2023)

**121**

### ESG Finance Awards Japan sponsored by the Ministry of the Environment (FY2022 and FY2023)

**Awarded for  
the second  
consecutive year**



### United Nations Principles for Responsible Investment (PRI) Annual Evaluation (January to December 2022)

Policy, Governance and Strategy ★★★★★  
Confidence-building measures ★★★★★

## History of our responsible investment

As a responsible institutional investor, Meiji Yasuda promotes responsible investment to fulfill social responsibilities owed to stakeholders and its public mission. At the same time, we strive to increase the sophistication of our endeavors through participation in domestic and international initiatives.

In FY2024, we reorganized the Responsible Investment Office, a department specialized in this area, into the Responsible Investment Development Department. This reorganization is part of efforts to strengthen our structure for promoting responsible investment and upgrading our mode of such investments.

### Enhancement of our structure for promoting responsible investment

- Declared the adoption of Japan's Stewardship Code
- Announced Meiji Yasuda's "Policies for Fulfilling Our Stewardship Responsibilities"
- Announced policy updates in accordance with the revision of Japan's Stewardship Code
- Began publicly disclosing the results of votes for each individual proposal
- Began holding "stewardship meetings," a framework in which we receive external consulting
- Initiated the quarterly disclosure of voting results
- Began publicly disclosing rationales for casting opposition votes, etc., as part of voting result disclosures related to each individual proposal
- Established the "Responsible Investment Office," a business unit specializing in responsible investment
- Announced the "ESG Investment and Financing Policy," which provides a fundamental concept for ESG investment and financing
- Updated the "Policies for Fulfilling Our Stewardship Responsibilities" in accordance with the March 2020 revision of Japan's Stewardship Code
- Received a Special Award in the Asset Owner Category at the Fourth ESG Finance Award Japan sponsored by the Ministry of the Environment
- Received a Bronze Award in the Asset Owner Category at the Fifth ESG Finance Award Japan sponsored by the Ministry of the Environment
- Reorganized the Responsible Investment Office into the Responsible Investment Development Department

2014

2017

2018

2019

2020

2021

2022

2023

2024

### Collaboration with external organizations

- Signed the United Nations Principles for Responsible Investment (PRI)
- Endorsed TCFD recommendations

- Signed the Japan Stewardship Initiative (JSI)

- Signed the CDP and Climate Action 100+
- Joined the Net-Zero Asset Owner Alliance

- Entered a capital and business alliance with SDG Impact Japan Inc.
- Joined the PCAF
- Signed the Japan Impact-driven Financing Initiative
- Joined the PRI Advance

- Joined the TNFD forum
- Joined the PRI Spring
- Joined the Impact Consortium

## How we step up our involvement in responsible investment

Over the course of the current Medium-Term Business Plan period spanning FY2024 to FY2026, we will focus on accelerating the creation of social impacts. To this end, we will expand the volume of impact finance premised on securing profitability while upgrading our mode of engagement (dialogue) via the incorporation of external insights and the use of internal ESG ratings.

Furthermore, we will proactively publicize our opinions through participation in external initiatives and forums. In addition, we will strive to enhance the content of information disclosure by, for example, delivering updates regarding social impacts created thus far. In these and other ways, we will earn higher ratings from external rating agencies.

### Strengthen responsible investment

#### Expanding of impact finance

Under the current Medium-Term Business Plan, our target for the overall volume of ESG investment and financing is set at 800 billion yen. Of this, we aim to extend a total of 120 billion yen in impact finance.

Results for FY2021 to FY2023

Targets for FY2024 to FY2026

60 billion yen ► 120 billion yen

#### Proactively publicizing our opinions

##### ✓ Active involvement in rulemaking

We will contribute our opinions to external initiatives and forums through our involvement in the drafting of guidelines and other documents even as we give due consideration to the Japan-specific environment.

#### Enhancing information disclosure content

##### ✓ Setting targets for the creation of impacts

To create positive impacts, we will upgrade the lineup of target indicators consistent with Meiji Yasuda's priority issues (materiality). We will also enrich our information disclosed in English, including the translated version of the Responsible Investment Report.

#### Securing higher ratings from external rating agencies

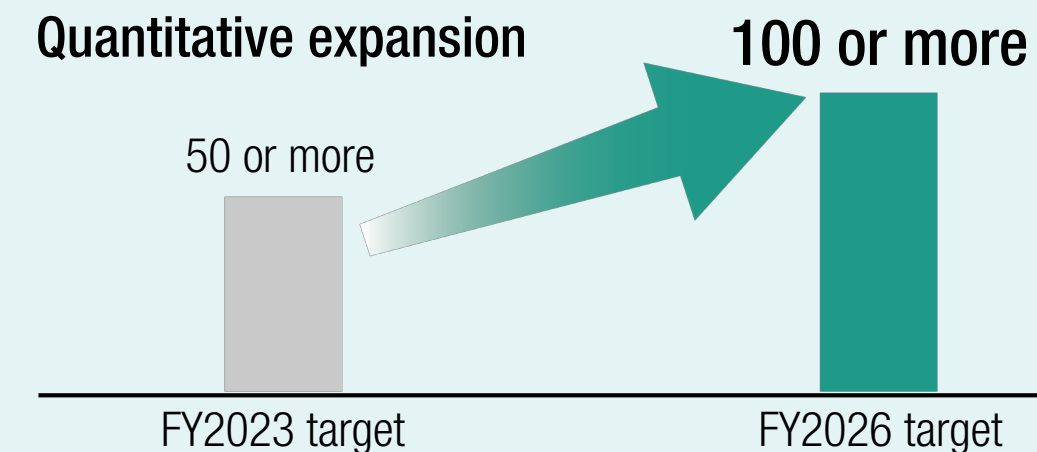
##### ✓ Striving for higher external ratings

We will continuously strive to maintain and improve ratings from external rating agencies by living up to their requirements.

#### Upgrading our mode of engagement

We will expand the quantity of engagement activities focused on addressing ESG issues while improving their quality by leveraging insights acquired from external sources (e.g., initiatives) as well as internal ESG ratings.

##### Quantitative expansion



##### Qualitative improvement

Focus on sharing recognition of ESG issues and delivering improvement proposals

Proposals aimed at encouraging the creation of positive impacts

#### What are internal ESG ratings?

Meiji Yasuda regularly evaluates the status of investee initiatives related to its priority themes in responsible investment (see P.11). The evaluation results are utilized in the selection of dialogue counterparts from among investees and the identification of ESG issues specific to such counterparts.

##### Priority themes in responsible investment

Decarbonization

Biodiversity

Social issues

Prolong healthy life expectancy

Vitalize regional communities

The status of investee initiatives is reflected in internal ESG ratings

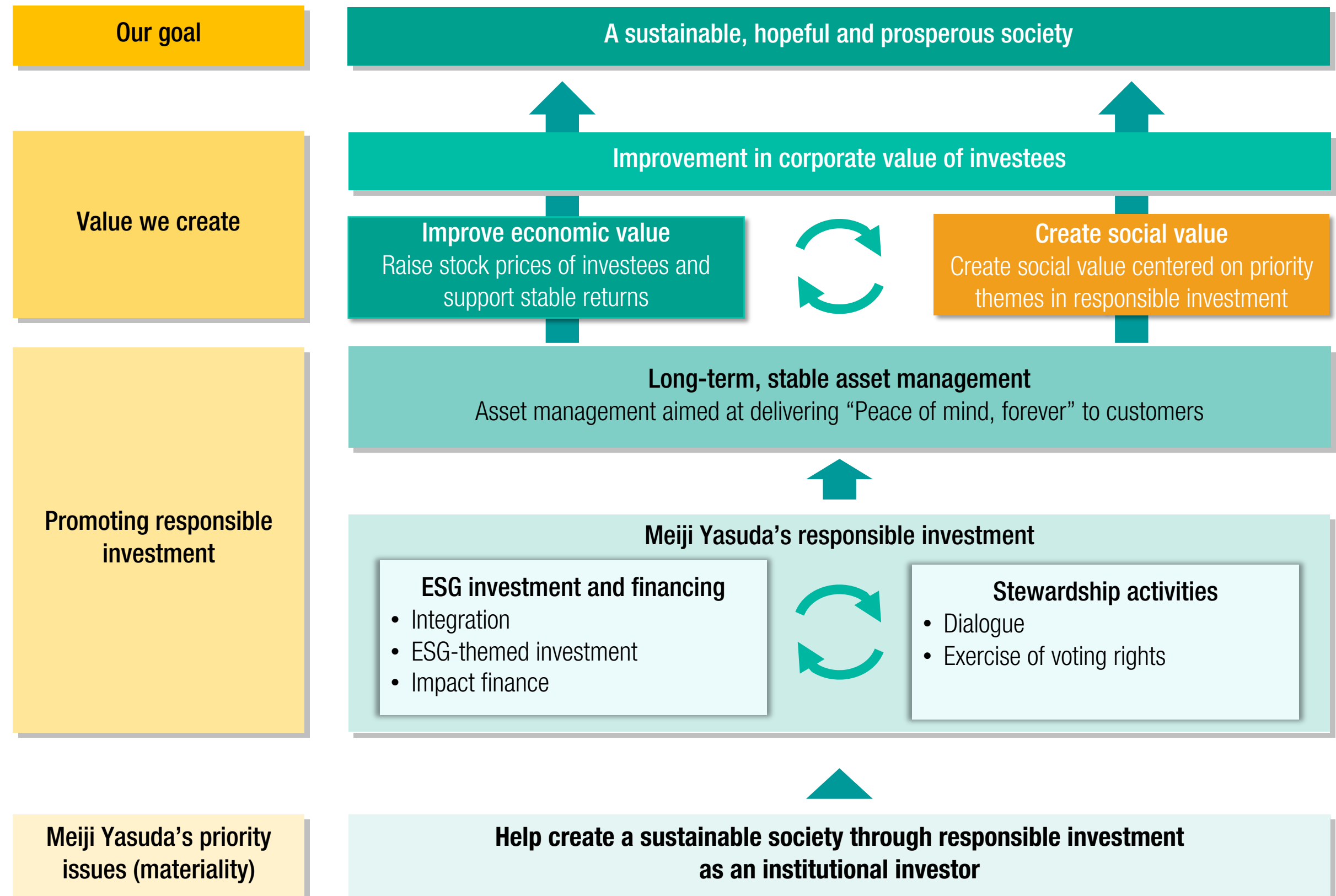


## Our goal for responsible investment and an overview of our initiatives

Meiji Yasuda has set “Help create a sustainable society through responsible investment as an institutional investor” as a priority issue (materiality).

To achieve this, we will help investees improve their economic value while creating social value, with the aim of contributing to the creation of a sustainable, hopeful and prosperous society. Accordingly, our engagement in responsible investment naturally involves both ESG investment and financing as well as stewardship activities.

### Our goal for responsible investment and an overview of our initiatives



## Our structure for promoting responsible investment

The Responsible Investment Development Department plays a central role in formulating policies for and upgrading initiatives related to ESG investment and financing as well as dialogue with investees.

In addition, this department provides business units in charge of each asset management field with updates on the latest trends of responsible investment while delivering reports on accomplishments and progress Meiji Yasuda has made in this area to key committees and meeting bodies.

The content of these reports is verified by committees, the Management Council and the Board of Directors in order to appropriately operate a PDCA cycle to promote Companywide initiatives.

Furthermore, executive members and managerial employees attend periodic meetings aimed at acquiring updates on latest developments, exchanging opinions and otherwise discussing responsible investment-related topics.

### Structure



### Meetings aimed at acquiring updates and exchanging opinions on responsible investment

Executive members and managerial employees, including those from Group companies, attend meetings aimed at acquiring updates on, exchanging opinions regarding, and otherwise educating themselves via input from SDG Impact Japan and other external specialists in the sustainability field. Moreover, the Responsible Investment Development Department periodically provides these individuals with latest information regarding such topics as the international trends of responsible investment.

## ESG training program and ESG expert development

In order to upgrade our structure for promoting responsible investment, we implement in-house education focused on relevant subjects and aligned with knowledge and experience possessed by each recipient.

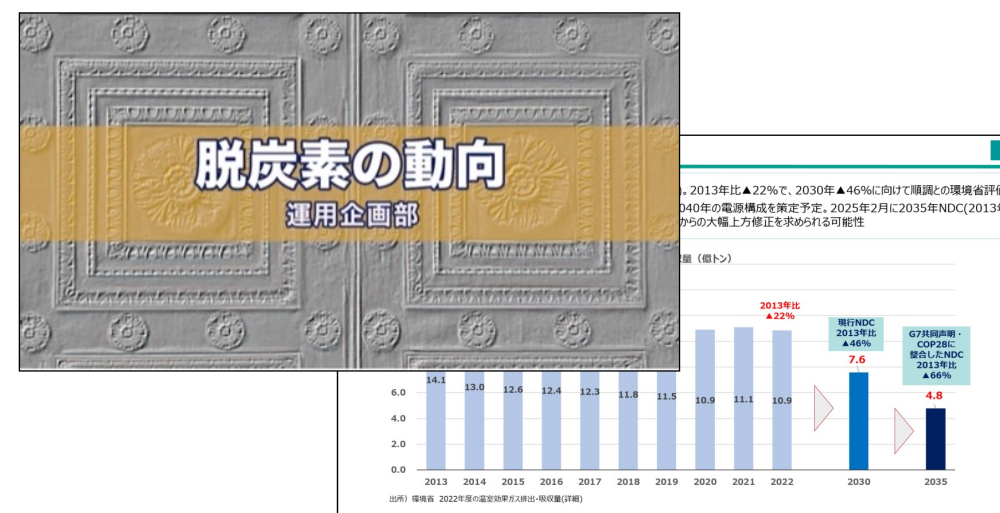
Specifically, our in-house university “MY University” provides the streaming of lectures aimed at discussing introductory topics regarding responsible investment in the asset management field. These programs are part of smartphone-based educational programs made accessible to all employees.

Meanwhile, staff at business units in charge of operations related to responsible investment receive theme-specific lectures provided by the Responsible Investment Development Department.

In FY2024, we also launched training programs designed to develop ESG experts.

### Lectures provided by “MY University”

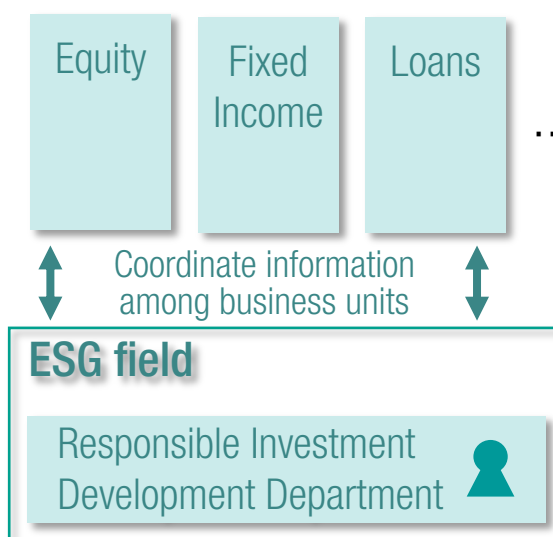
Our in-house university “MY University” offers video-based educational content regarding responsible investment-related topics, including lectures that outline responsible investment and review trends of decarbonization initiatives. These lectures are made available to all employees via their own smartphones and other devices.



### ESG expert development

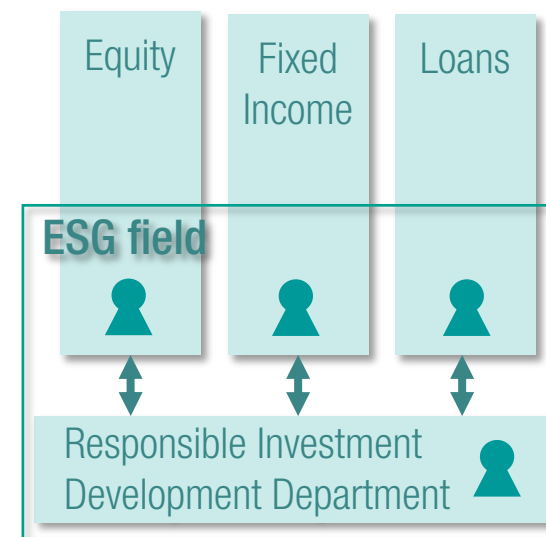
In FY2024, we launched training programs aimed at developing ESG experts as part of efforts to upgrade our structure for promoting responsible investment. Through the Responsible Investment Development Department, tasked with leading the provision of these programs, we plan to equip recipients with robust expertise in ESG investment and financing as well as dialogue with investees in order to develop ESG experts and assign them to each department in the future. In addition, we are implementing training curriculum for individuals newly assigned to business units in charge of engagement with investees and others.

#### Current status



= ESG experts

#### Future



Assign ESG experts to each frontline function

### Theme-specific lectures

For staff at business units in charge of operations related to responsible investment, the Responsible Investment Development Department provides lectures aimed at addressing themes deeply relevant to responsible investment.

Examples:

- Case studies of responsible investment achieved via Meiji Yasuda's unique ESG Loan framework
- Trends of decarbonization initiatives



#### Examples of skill requirements





### Incorporation of ESG factors in our priority themes

Based on eight priority issues (materiality) identified by Meiji Yasuda, we have defined five priority themes in responsible investment: (1) “Decarbonization”; (2) “Biodiversity”; (3) “Social issues”; (4) “Prolong healthy life expectancy”; and (5) “Vitalize regional communities.”

We also incorporate ESG factors in our investment and financing process by taking into account our priority themes and characteristics of equity, bonds, loans and other assets. For details, please visit Meiji Yasuda’s corporate website.

<https://www.meijiyasuda.co.jp/english/governance/institutional-investor/ESG.html>

### Priority themes in responsible investment

In FY2024, we incorporated our goal to “Help create a sustainable society through responsible investment as an institutional investor” in the list of priority issues (materiality) after reviewing such issues by taking into account their impact on stakeholders and their relevance to our business activities. Our responsible investment is thus aimed at addressing the following five priority themes defined based on this goal.

#### Meiji Yasuda’s priority issues (materiality)

Prolong healthy life expectancy



Vitalize regional communities



Help create a sustainable society through responsible investment as an institutional investor



Protect the environment and combat climate change



Support sound development of children



Ensure equal access to financial services



Promote DE&I



Respect human rights



#### Priority themes in responsible investment

Prolong healthy life expectancy



Vitalize regional communities



Decarbonization



Biodiversity



Social issues



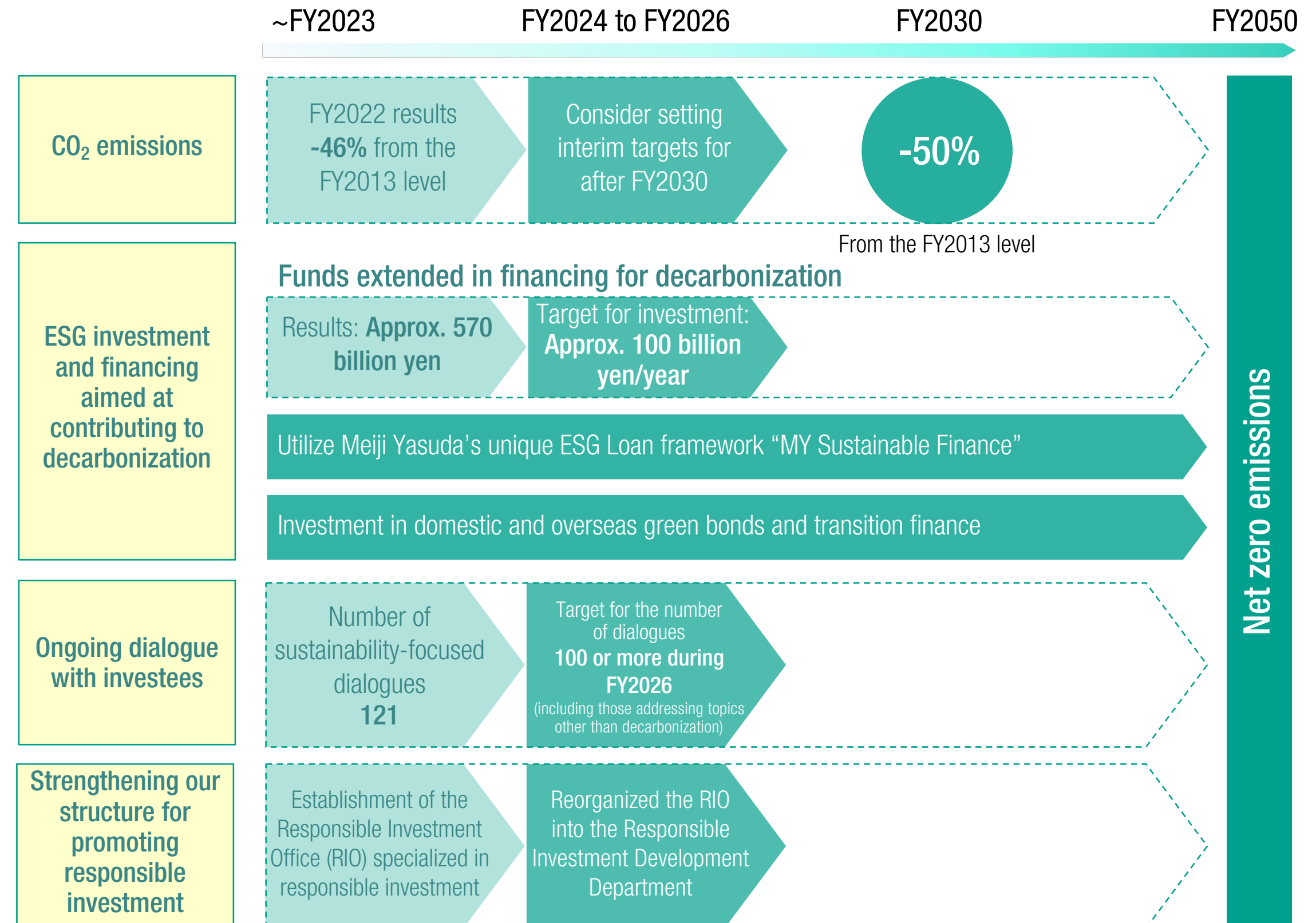
### ① Decarbonization Our roadmap and initiatives toward achieving net zero emissions

We have identified a target of reducing CO<sub>2</sub> emissions from our investment and financing portfolio to net zero by the end of FY2050 in order to fulfill our role as an institutional investor in realizing a carbon-free society. We have also set an interim target of halving such emissions by the end of FY2030.

As part of initiatives to achieve net zero emissions, we will promote ESG investment and financing aimed at contributing to decarbonization. At the same time, we will encourage our investees, especially those operating in emission-intensive sectors, to strive for the realization of a carbon-free society through ongoing dialogue that takes into account their business characteristics.

### Roadmap toward achieving net zero emissions

The following diagram is excerpted from a net zero emission roadmap disclosed by Meiji Yasuda to highlight matters particularly relevant to responsible investment. To see the entire roadmap, please also refer to P.86 of the Annual Report 2024 ([https://www.meijiyasuda.co.jp/english/disclosure/annual-reports/backnumber/pdf/annual\\_2024\\_04.pdf#page=9](https://www.meijiyasuda.co.jp/english/disclosure/annual-reports/backnumber/pdf/annual_2024_04.pdf#page=9)).



### ① Decarbonization—CO<sub>2</sub> emission volume trend

In FY2022, the total volume of CO<sub>2</sub> emissions from our investment and financing portfolio decreased by 46%, while the emission intensity\*<sup>1</sup> declined by 44%, suggesting steady progress toward achieving our interim target for FY2030.\*<sup>2, 3</sup>

\*<sup>1</sup> The volume of CO<sub>2</sub> emissions per million U.S. dollars extended in investment or financing

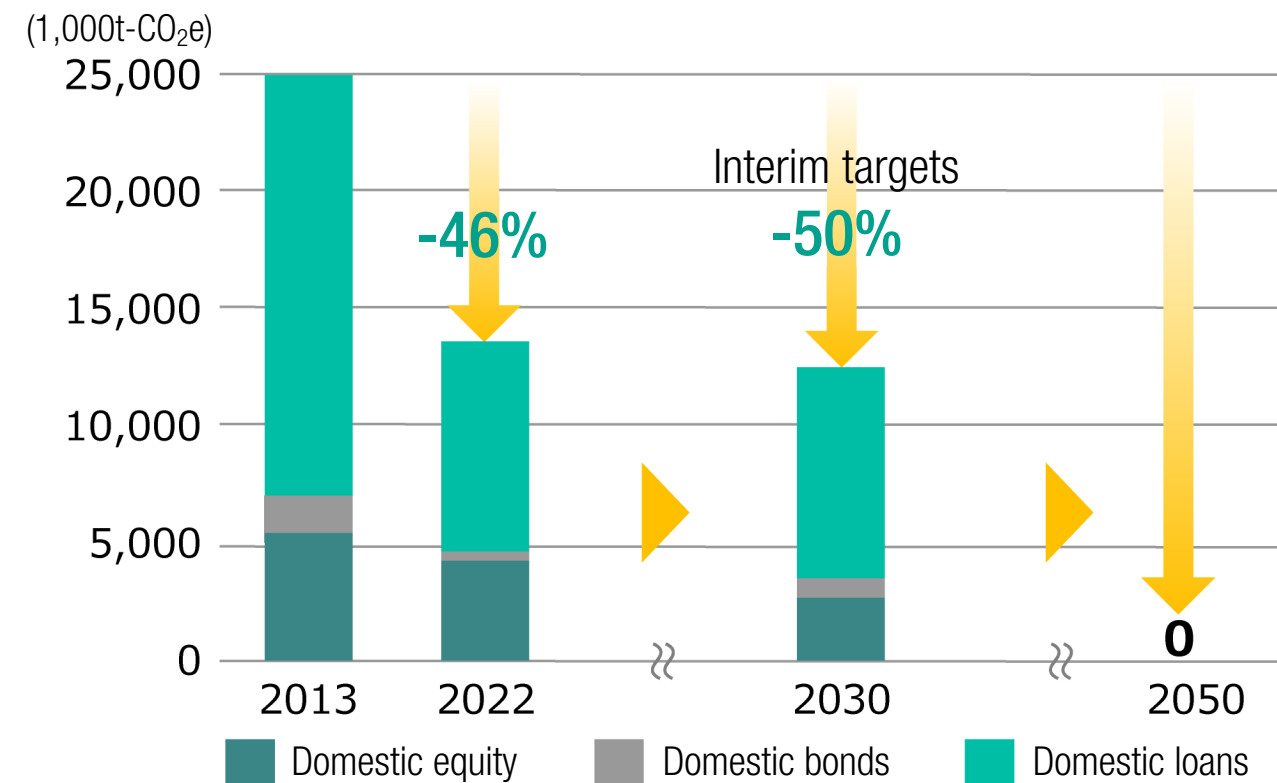
\*<sup>2</sup> Covers Scope 1 and 2

\*<sup>3</sup> The volume of emissions in FY2022 as an institutional investor is calculated based on data available as of April 22, 2024.

### Reduction targets for CO<sub>2</sub> emission volumes and results

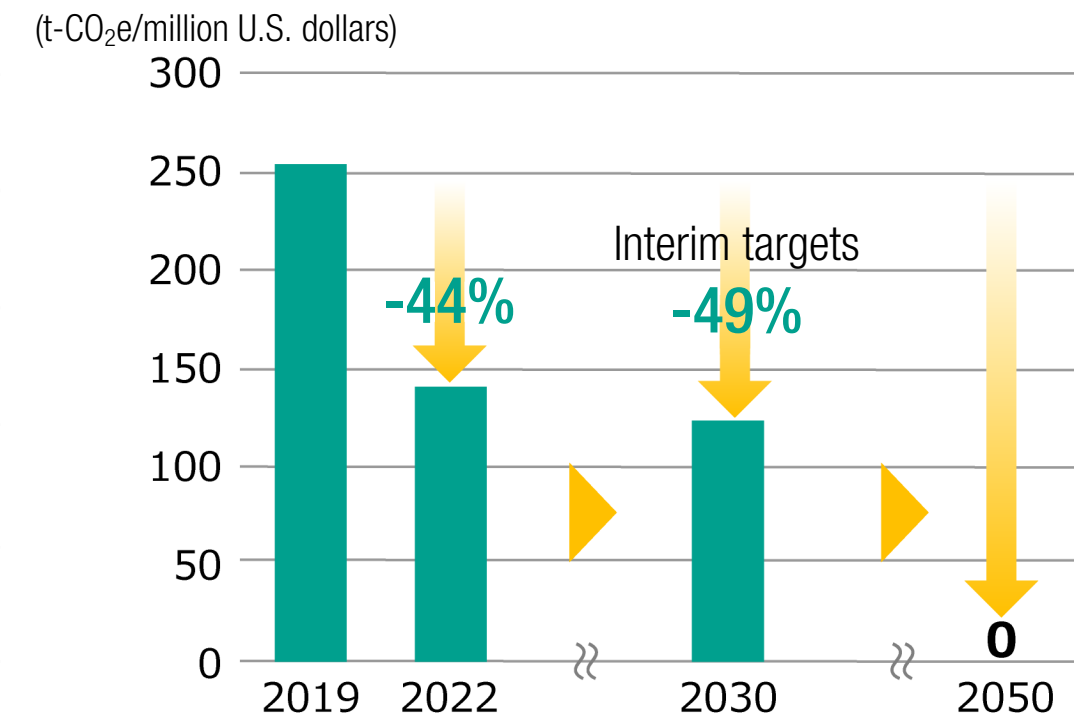
To realize net zero emissions by the end of FY2050, we have identified two targets to be achieved by the end of FY2030: halving portfolio-related CO<sub>2</sub> emissions from the FY2013 level and reducing emission intensity by 49% from the FY2019 level. Results are subject to annual monitoring. In FY2022, these emissions and emission intensity were down 46% and 44%, respectively, from levels recorded in the abovementioned benchmark years.

#### CO<sub>2</sub> emissions from our investment and financing portfolio\*



\* Emissions from domestic listed companies we invest in via equity, corporate bonds and loans

#### Emission intensity of our investment and financing portfolio\*



\* Emissions from domestic and overseas listed companies we invest in via equity, corporate bonds and loans as well as real estate properties

### Investment and financing focused on supporting decarbonization

**Decarbonization financing**  
(FY2021 to FY2023)

**570 billion yen**

### Engagement focused on addressing decarbonization-related topics

**Number of sustainability-focused dialogues**  
(FY2021 to FY2023)

**121**

Please also refer to P.39 for milestone management aimed at monitoring decarbonization efforts undertaken by investees and specific cases of dialogue.





## ② Biodiversity

## ③ Social issues

With regard to these two themes, the standardization of methods for the measurement and disclosure of non-financial information have been promoted by the United Nations, national governments and international initiatives.

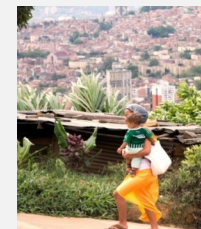

Aware of this trend, Meiji Yasuda is striving to develop its structure while focusing on confirming the status of relevant efforts undertaken by investees through dialogue with them.

Priority themes	Biodiversity	Social issues
Background	<ul style="list-style-type: none"> <li>The Living Planet Report 2022 issued by the World Wildlife Fund (WWF) suggests a 69% decline in a WWF-defined indicator that measures deterioration in the soundness of biodiversity compared with its status five decades ago</li> <li>Public awareness of the severity of environmental and economic consequences arising from a chain of risks triggered by the loss of biodiversity is now widespread</li> <li>The Taskforce on Nature-related Financial Disclosures (TNFD) was launched by the United Nations and environmental NGOs</li> </ul>	<ul style="list-style-type: none"> <li>The global emergence of such social issues as widening economic disparity, growing educational inequalities, and human rights issues in business supply chains</li> <li>The United Nations recommended “formulating human rights policies,” “undertaking human rights due diligence,” and “developing remedy mechanisms” in the Guiding Principles on Business and Human Rights</li> <li>The Ministry of Economy, Trade and Industry announced “Guidelines on Respecting Human Rights in Responsible Supply Chains”</li> </ul>
Development of our structure	<ul style="list-style-type: none"> <li>Became a participant of the TNFD forum in June 2023 and was registered as an “Early Adopter” in January 2024</li> <li>Information disclosure in accordance with the TNFD framework</li> </ul>	<ul style="list-style-type: none"> <li>Became a signatory to the PRI Advance, an initiative under which institutional investors pull together to resolve human rights and social issues, in December 2022</li> <li>Confirmed and analyzed domestic and international trends as well as the current status of initiatives undertaken by the national government, municipalities and business corporations</li> </ul>
Dialogue with investees	<ul style="list-style-type: none"> <li>Hold dialogue with international financial institutions when financing projects are formulated</li> <li>Hold dialogue with investees deemed capable of making a major impact on biodiversity based on their business characteristics</li> <li>Confirm the status of investees’ structure for information disclosure and encourage them to honor the TNFD’s information disclosure framework</li> </ul> <p>⇒ See also “Dialogue on biodiversity preservation” (P.36)</p>	<ul style="list-style-type: none"> <li>Confirm the status of investees’ efforts aimed at protecting human rights throughout supply chains</li> <li>Hold dialogue with investees to address social issues and consider ways to incorporate their feedback in our process for investment and financing evaluation and the exercise of voting rights, etc.</li> </ul> <p>⇒ See also “Dialogue on respecting human rights” (P.37)</p>
Cases of investment and financing	<p>Sustainable Development Bonds issued by the World Bank (invested approx. 20 billion yen in September 2022)</p> <p>The world’s first bonds issued with the aim of raising the public awareness of the importance of preserving biodiversity (Photo provided by the World Bank)</p> 	<p>Social bonds issued by the Central American Bank for Economic Integration (invested approx. 6.5 billion yen in May 2022)</p> <p>The first bonds in Japan to appropriate funds invested by institutional investors to support the enhancement of the general public’s accessibility to social services, the creation of job opportunities, the development of social infrastructure, and the establishment of food procurement and supply systems in Central America</p> 

## ④ Prolong healthy life expectancy

## ⑤ Vitalize regional communities

Our efforts to “Prolong healthy life expectancy” and “Vitalize regional communities” are two themes that are particularly relevant to our mainstay life insurance business. Accordingly, we have defined them as priority themes in responsible investment and incorporated them in our investment and financing process as well as in topics to be addressed in the course of investee engagement.

Priority themes	Prolong healthy life expectancy	Vitalize regional communities
Background	<ul style="list-style-type: none"> <li>The acceleration of trends toward providing incentives for the disclosure of human capital-related information via, for example, the Ministry of Economy, Trade and Industry’s survey on Health and Productivity Management and Health &amp; Productivity Stock Selection</li> <li>A growing number of investors now consider their investees’ inclusion status in the Health &amp; Productivity Stock Selection in the course of investment and financing-related screening due to increased public awareness of employee health as an essential component of corporate value</li> <li>An increase in impact finance projects measured by KPIs regarding healthcare- and wellness-related achievements</li> </ul>	<ul style="list-style-type: none"> <li>Regional banks launched full-scale efforts to enhance their sustainability management structures while setting specific targets for the amount of sustainable financing aimed at contributing to the vitalization of regional communities</li> <li>An increase in positive impact financing initiatives aimed at achieving both the resolution of region-specific social issues and the development of regional economies in order to help realize a sustainable society</li> <li>An increase in ESG bonds issued by local governments to promote the welfare of regional community residents</li> </ul>
Development of our structure	<ul style="list-style-type: none"> <li>Incorporate investee efforts to “Prolong healthy life expectancy” and “Vitalize regional communities” in evaluation criteria for Meiji Yasuda’s internal ESG ratings</li> </ul>	
Dialogue with investees	<ul style="list-style-type: none"> <li>Launch dialogue aimed at creating positive impacts in FY2023 via the incorporation of the above two themes in topics to be discussed with investees</li> </ul> <div> <p>Dialogue aimed at creating positive impacts</p> <p>Deliver proposals on setting KPIs for outcomes and monitoring them, with the aim of helping investees create a virtuous cycle of improvement in economic and social value through business activities</p> </div> <div>⇒ See also P.35 for the detail</div>	
Cases of investment and financing	<p>Sustainable Development Bonds issued by the Inter-American Development Bank (invested approx. 15.2 billion yen in July 2023)</p> <p>The first bonds in Japan to support health improvement through the updating of medical systems and the promotion of health lifestyle habits (Photo provided by the Inter-American Development Bank)</p> 	<p>Sakura Bonds (foreign currency-denominated Japanese municipal bonds) issued by Shizuoka Prefecture (invested approx. 10.5 billion yen in September 2024)</p> <p>Bonds serving as vehicles for investment in such projects as those aimed at supporting future generations through regional vitalization (Photo provided by Shizuoka Prefecture)</p> 

## ESG Investment and Financing Policy

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. At the same time, we intend to vitalize regional economies and otherwise help create flourishing communities via ESG investment and financing in addition to addressing global environmental and social issues, including those specified by the SDGs.

As a responsible institutional investor, we will therefore strive for the creation of a sustainable, hopeful and prosperous society, with the aim of fulfilling our social responsibilities to stakeholders and public mission.

### ☐ 1. Incorporating ESG perspectives into the investment and financing process

In the course of the investment and financing process associated with all invested assets, we incorporate ESG perspectives into our decision-making process. This includes consideration for how proceeds contribute to the achievement of the SDGs and evaluating companies using non-financial information related to ESG. We also promote investments and financing aimed at creating positive social impacts.

### ☐ 2. Promoting ESG investment and financing aimed at addressing important social issues

With the aim of fulfilling our social responsibilities as an institutional investor, we execute investment and financing aimed at creating positive impacts while engaging in ongoing dialogue with investees in order to encourage them to address important social issues, such as the realization of a carbon-free society. Simultaneously, we participate in domestic and international initiatives that, in turn, enable us to develop global networks and acquire external insights.

### ☐ 3. 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 disclosure of information on ESG issues as part of our duty as an institutional investor to facilitate appropriate information disclosure.

### ☐ 4. Collaboration and enhancement of ESG investment and financing

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

### ☐ 5. Enhancement of ESG activity reporting

We proactively publicize the status and progress of initiatives associated with ESG investment and financing.

To read the full text of Meiji Yasuda’s ESG Investment and Financing Policy, please visit the following URL.  
<https://www.meijiyasuda.co.jp/english/governance/institutional-investor/ESG.pdf>



## Overview of our initiatives

Meiji Yasuda promotes the incorporation of ESG factors (publicly disclosed ESG-related information, including ESG ratings) in its investment and financing decisions for listed equity, bonds, loans, and other financing, depending on the characteristics of the assets.

In negative screening, starting from FY2024, we have added coal mining projects and investments for new or updated coal mining equipment to the list of “businesses and uses of funds excluded from investment targets.”

In this way, Meiji Yasuda is updating its methodologies for ESG investment and financing as society has requested.

As of September 30, 2024, the amount extended in ESG investment and financing totaled 1,690 billion yen.

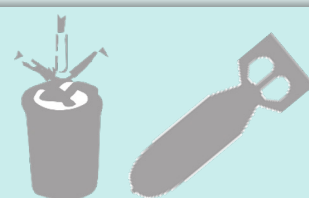
## Methodologies for ESG investment and financing

Meiji Yasuda has defined its methodologies for ESG investment and financing as described below to secure their appropriateness and transparency.

Methodologies	Definitions	Details
ESG Integration	Systematic incorporation of ESG factors into the investment and financing process	P.18
Negative Screening	See below	—
ESG-themed Investment	Investment and financing focused on addressing specific themes related to the resolution of ESG issues	—
ESG Bonds	Green bonds, transition bonds, social bonds, sustainability bonds, blue bonds, etc.	P.19
Project Financing and Capital Expenditure	Project financing and capital expenditure related to renewable energy power generation (including MY Sustainable Finance) and non-recourse loans	P.20
Real Estate	Acquisition of real estate with due consideration given to ESG, repair of facilities, investment in real estate equities and REITs, etc.	P.21
Impact Finance	Investment and financing aimed at creating positive impacts on society and the environment	P.22-27

## Negative screening

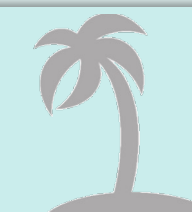
Meiji Yasuda prohibits investment or financing that involves funding the businesses or undertakings listed below.



Businesses that manufacture weapons designed to inflict significant damage to general citizens (cluster bombs, antipersonnel land mines, biological, chemical and other inhumane weapons)



Construction or renovation projects of coal-fired power generation and coal mining, or such facilities for business corporations



Construction or renovation of biomass power plants that use palm oil (palm kernel shells) or imported wood chips as fuel

## Trend in the balance of ESG investment and financing

Over the course of the previous Medium-Term Business Plan (FY2021 to FY2023), we extended a cumulative total of more than 1 trillion yen in ESG investment and financing. The balance of ESG investment and financing has steadily expanded, reaching 1,690 billion yen as of September 30, 2024.

## ESG integration

ESG integration is an investment and financing approach used to systematically incorporate ESG factors (non-financial information) in the investment and financing process. Leveraging this approach, Meiji Yasuda incorporates ESG factors in its investment and financing decision process regarding all invested assets by taking their characteristics into account.

We also monitor trends in ESG ratings of the companies in our investment portfolio and screen them based on such ratings while promoting dialogue with them to help resolve ESG issues they are facing. These efforts have resulted in an ongoing reduction in ESG-related risks associated with Meiji Yasuda's investment and financing portfolio.

## Incorporation of non-financial information

Each department tasked with asset management, credit analysis and responsible investment development works together to enhance the integration of non-financial information. This collaborative effort aims to advance the integration process in accordance with the characteristics of each asset and industry.

Credit Analysis Department	Responsible Investment Development Department
<ul style="list-style-type: none"> <li>Create a materiality map that illustrates sector-based distribution of ESG issues</li> <li>Analyze external ESG ratings on investees and reflect analysis results in our internal credit ratings</li> <li>Formulate an investment universe for corporate bonds in which ESG factors are reflected</li> <li>Reflect ESG factors in sector-based screening policies for loans</li> </ul>	<ul style="list-style-type: none"> <li>Select and update businesses and undertakings subject to negative screening</li> <li>Distribute monthly ESG rating</li> <li>Distribute an ESG-focused analysis and evaluation of each asset</li> <li>Confirm the investment performance of each asset</li> </ul>

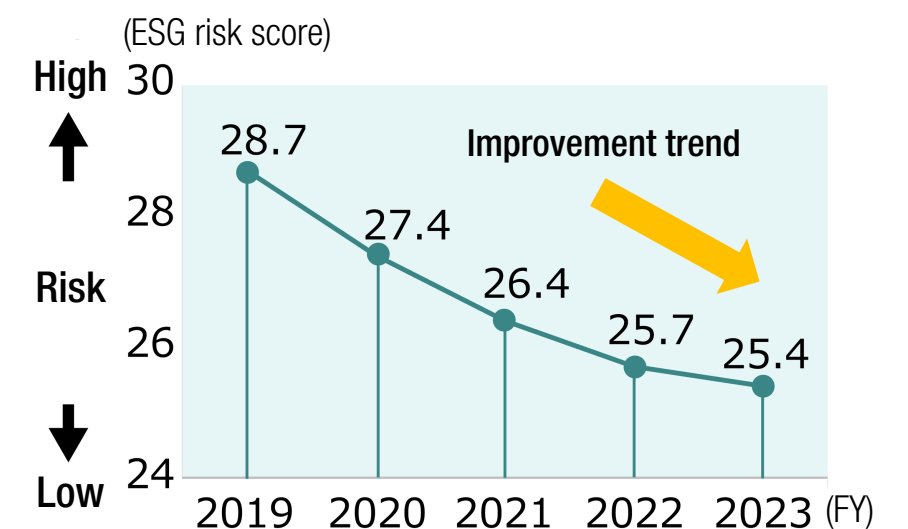
Assets	ESG factors to be considered	Initiatives
Listed equities	<ul style="list-style-type: none"> <li>The sector-based ESG materiality map</li> <li>ESG ratings acquired from external rating agencies, ESG-related information publicly disclosed by each investee, and information confirmed via dialogue</li> </ul>	<ul style="list-style-type: none"> <li>Screen investees based on their ESG ratings</li> <li>Engage in dialogue and evaluate investees by taking characteristics of each investee into account</li> </ul>
Corporate bonds		<ul style="list-style-type: none"> <li>Incorporate ESG factors (ESG ratings, etc.) in the analysis of individual investee candidates and our investment decision</li> </ul>
Loans		<ul style="list-style-type: none"> <li>Evaluate ESG factors based on our sector-based screening policies and results of interviews with each investee</li> </ul>
Sovereigns	<ul style="list-style-type: none"> <li>Environmental concerns, human rights and governance issues in each country</li> </ul>	<ul style="list-style-type: none"> <li>Screen investees based on their ESG ratings and implement asset distribution plans that reflect screening results</li> </ul>
Real estate	<ul style="list-style-type: none"> <li>Investment in new real estate properties, as well as the repair and renovation of existing properties with due consideration given to the environment and safety</li> </ul>	<ul style="list-style-type: none"> <li>Invest in certified properties</li> <li>Hold dialogue and otherwise acting in collaboration with construction firms and tenants</li> </ul>
Outsourced investment	<ul style="list-style-type: none"> <li>Asset management policies and structures associated with ESG investment and financing</li> <li>Implementation of ESG integration process and engagement</li> <li>Information disclosed externally</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate each external asset manager and reflect evaluation results in the selection of such asset managers and the determination of rationale for asset holdings</li> </ul>

## Monitoring: ESG risk score\* trends of our investment and financing portfolio

Meiji Yasuda employs Morningstar Sustainalytics' ESG risk score to monitor trends in ESG risks associated with investees constituting its investment and financing portfolio.

\* The ESG risk score of the investment and financing portfolio is calculated using the asset-weighted average of ESG risk scores for investees based on the amount of investment and financing to each.

Source: Sustainalytics' ESG risk score, created by Meiji Yasuda



## ESG-themed investment ① ESG bonds

With the aim of helping resolve environmental concerns and social issues, Meiji Yasuda has identified and is robustly addressing priority themes in responsible investment.

To date, we have extended a cumulative total of 1,240 billion yen in investment and financing aimed at addressing five priority themes. The theme-based breakdown of these funds is as presented in the uppermost table on the right.

Our efforts to address these priority themes in responsible investment are also intended to help realize the Sustainable Development Goals (SDGs) on a global scale. To this end, we collaborate with international financial institutions to promote investment in projects aimed at resolving issues present in each region around the world.

### Investment amount by priority theme

From April 2021 to September 2024, we extended a cumulative total of 1,240 billion yen to address our five priority themes.

	Themes	Subtotal
Environmental	Decarbonization	740 billion yen
	Biodiversity	50 billion yen
Social	Social issues	370 billion yen
	Prolong healthy life expectancy	50 billion yen
	Vitalize regional communities	20 billion yen

Note: The figures presented in the table are rounded and, accordingly, their total does not coincide with the cumulative total stated above.

### Examples of investment via ESG bonds

#### Japan Climate Transition Bonds

These bonds were issued in accordance with the Act on the Promotion of Smooth Transition to a Decarbonized, Growth-Oriented Economic Structure (GX Promotion Act), with the aim of realizing GX advocated by the Japanese government. Proceeds from their issuance will be appropriated for capital expenditure and R&D investment aimed at strengthening Japan's industrial competitiveness and invigorating its economic growth as well as reducing greenhouse gas emissions.

#### Education bonds issued by the Asian Development Bank (ADB)

Proceeds will be allocated to projects aimed at promoting inclusive education in member nations of the ADB. This includes the development of early childhood education in local schools in the Asia-Pacific region, such as equipping classrooms appropriately and training teachers involved in special education classes.



(Photo provided by the ADB)

#### Sustainable bonds issued by the International Fund for Agricultural Development (IFAD)

Proceeds from the issuance of these bonds will be allocated to support such projects as those aimed at helping developing countries secure a stable supply of highly nutritional food. In addition to promoting public health, these projects will help people reach their physical and intellectual peaks, contributing to better quality of life throughout their lifetimes.



(Photo provided by the IFAD)



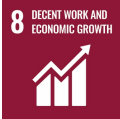







## ESG-themed investment ② ESG financing framework “MY Sustainable Finance”

In order to accommodate the diverse ESG financing needs of our corporate customers, we launched our comprehensive ESG loan framework “MY Sustainable Finance.” This framework is designed to support initiatives to address ESG issues and, to this end, encompasses three products: “Green Loans,” “Social Loans” and “Sustainability Linked Loans,” all of which have been available since FY2023.

From June 2023 to September 2024, we extended 121 billion yen, funding a total of 92 projects through this framework.

### Financing leveraging our ESG financing framework

Products	Use-of-proceeds (UOP) financing	MY Green Loans, MY Social Loans
	Non UOP financing	MY Sustainability Linked Loan
Evaluation of conformity with guidelines, etc.	Acquired second-party opinion affirming that this framework is in accordance with relevant international principles*1 and domestic guidelines*2	
Acquisition of second-party opinion	Acquired opinion*3 from Rating and Investment Information, Inc. on December 28, 2022	
Relevant SDGs	       	

\*1 Green Loans, Social Loans and Sustainability Linked Loans are issued in accordance with “Green Loan Principles” (formulated by the Loan Market Association), “Social Loan Principles” (formulated by the Loan Syndications and Trading Association) and “Sustainability Linked Loan Principles” (formulated by the Asia Pacific Loan Market Association), respectively.

\*2 “Green Loan and Sustainability-Linked Loan Guidelines” issued by Ministry of the Environment

\*3 “Second Opinion” issued by Rating and Investment Information regarding Meiji Yasuda’s MY Sustainable Finance framework ([https://www.r-i.co.jp/news\\_release\\_suf/2022/12/news\\_release\\_suf\\_20221228\\_jpn\\_6.pdf](https://www.r-i.co.jp/news_release_suf/2022/12/news_release_suf_20221228_jpn_6.pdf)) (Japanese only)

### Results

#### MY Sustainable Finance (results from June 2023 to September 2024)

##### Overall

Number of cases	Total loan amount
92	121 billion yen

##### Breakdown of the number of cases

Products	Number of cases
MY Green Loans	39
MY Social Loans	4
MY Sustainability Linked Loans	49

##### Examples of loans

MY Green Loans: Tokyo Metro Co., Ltd.	
Loan amount	2 billion yen
Lending period	22 years
Use of proceeds	Funds for capital expenditure aimed at supporting clean transportation and countermeasures against climate disasters
Expected positive impacts on the environment	<ul style="list-style-type: none"> <li>Reduction in CO<sub>2</sub> emissions via the introduction of new railcar models equipped with cutting-edge control equipment</li> <li>Installation of emergency batteries that supplies power to run railcars to the nearest station in a case of blackouts induced by climate disaster</li> </ul>

ESG-themed investment ③  
Real estate

Meiji Yasuda strives to secure higher profit from its real estate holdings while giving due consideration to environmental concerns by, for example, reducing CO<sub>2</sub> emissions. As part of efforts to create a sustainable society and vitalize regional communities, we are also rebuilding and redeveloping our real estate properties, such as through a major development project in Shinjuku, to help create flourishing communities in regions across Japan.

In addition, we have promoted the introduction of renewable energy at Meiji Yasuda Life Building, which houses our Head Office and includes Meiji Seimei Kan, a government-designated important cultural property, as well as Meiji Yasuda Life Shin Toyochō Building, and Meiji Yasuda Life Administration Center Building. As a result, we have completed the full switchover of energy used at these three buildings supporting our key Head Office functions, with the total 45 million kWh consumed annually now procured solely from renewable energy sources.

Under reconstruction

Hiroshima  
Building

(14 floors above ground; floor space:  
approx. 16,600m<sup>2</sup>)

Plans for the  
acquisition of  
CASBEE certification

Under reconstruction

Kanazawa  
Building

(nine floors above ground; floor space:  
approx. 7,100m<sup>2</sup>)

Plans for the  
acquisition of  
CASBEE certification

Under reconstruction

## Shinjuku Building

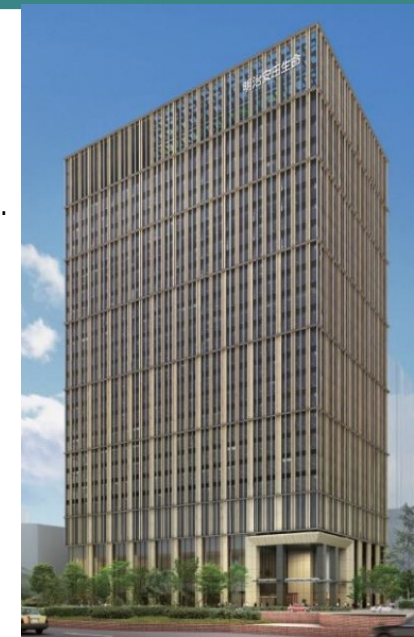
(23 floors above ground; floor space: approx. 96,600m<sup>2</sup>)

① Contributing to Shinjuku's refreshing  
street landscapes

Our plan calls for establishing a high-quality office and commercial complex suitable for a pioneering street redevelopment project centered around Shinjuku Station. This project also involves constructing a hall capable of hosting regional events or functioning as emergency accommodation for people unable to return home at a time of disaster and, accordingly, is expected to help regional communities thrive.

② Contributing to the creation of a  
sustainable society

This building utilizes natural energy while adopting highly energy efficient equipment, such as district cooling and heating systems, to curb energy loss. Moreover, we supply green energy to tenants in addition to proactively greening the premises of our properties. In these and other ways, we help protect the environment and combat climate change.

Plans for the  
acquisition of  
CASBEE certificationWellness for People,  
Vitality for CommunitiesFukuoka Building (14 floors above ground; floor space: approx. 12,500m<sup>2</sup>)

See [P.25](#) for more details

Under reconstruction

## Nagoya Eki-mae Building

(20 floors above ground; floor space: approx. 39,600m<sup>2</sup>)

① New office building capable of providing  
superior comfort

Included in this building's common area is an outdoor sky lounge designed with users' relaxation in mind, a break lounge aimed at facilitating communication, and other enriched facilities. Its floor plan also gives due consideration to the flow of people to realize a barrier-free environment. As such, the building provides users with superior comfort.

② Contributing to the creation of a  
sustainable society

This building adopts highly energy efficient equipment while insulating users from the sun's rays via the use of exterior horizontal fins in addition to collecting and effectively making use of rainwater. In this way, we reduce our energy and water consumption. Moreover, our introduction of renewable energy and installation of solar power generation systems reduces our CO<sub>2</sub> emissions attributable to energy use.

Plans for the  
acquisition of  
CASBEE certification



## Impact finance initiatives

Impact finance refers to investment and financing aimed at creating positive impacts on society and the environment. This mode of investment and financing also involves the evaluation, monitoring and disclosure of outcomes. Having positioned it as an advanced form of ESG investment and financing, we began its promotion in FY2021.

At the end of FY2023, the cumulative total amount in impact finance stood at 60 billion yen. We have also set a target of extending a total of 120 billion yen over the course of the current Medium-Term Business Plan, aiming to expand our asset portfolio of impact finance.

Moreover, we participate in impact finance-related initiatives and, as an asset owner, proactively publicize our opinions through involvement in rulemaking regarding engagement methods, data development and indicator setting.

## Definitions of impact finance, related targets and results

We manage impact finance by classifying it into either a narrow or broad sense, based on definitions laid out in the Japan Impact-driven Financing Initiative, which we have signed.

	Definitions	Cumulative total amount from FY2021 to FY2023	Target for the FY2024 to FY2026 period
Impact finance (broad sense)	Intention of investor to create positive impacts, along with the presence of KPIs subject to ongoing monitoring	60 billion yen	120 billion yen
Impact finance (narrow sense)	In addition to the above, impact management is conducted via, for example, engagement		

## Trend surrounding impact finance

Currently, concerted efforts involving both public and private sectors are underway to expand impact finance in Japan. To this end, ongoing discussions are held by the Impact Consortium and the Japan Impact-driven Financing Initiative to address such subjects as the creation of social value, the visualization of such value, and effective engagement. Meiji Yasuda is a participant in subcommittees under both initiatives. Thus, we are proactively publicizing our opinions as an asset owner through our involvement in rulemaking regarding engagement methods, data development and indicator setting.

### Impact Consortium (participated in March 2024)

An initiative aimed at encouraging such stakeholders as investors, financial institutions, business corporations and local governments to engage in dialogue on an equal footing and share opinions across domestic and international networks.

### Japan Impact-driven Financing Initiative (signed in November 2022)

An initiative to promote impact finance through cooperation and collaboration between diverse and multiple financial institutions

Working Groups in which Meiji Yasuda participates

Loans and Bonds Working Group	Deliberates on products, engagement structures and other matters related to expanding impact finance in areas of loans and bonds since its launch in 2024
Asset Owner and Asset Management Working Group	Deliberates on the visualization of social value and calculation methods for incorporating such value in the evaluation of corporate value
Impact Driven Corporate-Value Enhancement Alliance	Shares and deliberates on actual cases of initiatives aimed at creating social value and the disclosure of their outcomes via involvement of both investors and issuers

→ See P.23-27 for specific examples of Meiji Yasuda's impact financing initiatives

→ See P.35 for the content of dialogue aimed at creating positive impacts



## Sustainability Linked Loans

These loans are extended upon setting KPIs for borrower companies with regard to the resolution of their sustainability-related priority issues as well as ambitious sustainability performance targets (SPTs).

Sustainability Linked Loans are not use-of-proceeds (UOP) instruments. In extending these loans, we provide borrowers with incentive in terms of lending terms and conditions as reward for the achievement of their targets, with the aim of realizing a sustainable society.

Sustainability Linked Loans are extended as part of loans offered under “MY Sustainable Finance” (see P.20), which is Meiji Yasuda’s unique loan framework. We have extended a cumulative total of 96 billion yen to 49 projects.

## MY Sustainability Linked Loans

When extending these loans, we set various KPIs, including those linked to the achievement of borrower corporations’ voluntary targets for 2030 regarding CO<sub>2</sub> emission reductions.

	Number of cases	Loan amount	Relevant priority theme	KPIs/ expected outcomes
MY Sustainability Linked Loans	49	96 billion yen	Decarbonization	Reduction in CO <sub>2</sub> emissions, etc.

## Impact management

As part of its stewardship activities, Meiji Yasuda periodically engages in “sustainability-focused dialogue” with investees whose CO<sub>2</sub> emissions account for large amounts of our portfolio-based emissions, thereby confirming the status of their decarbonization efforts. We also host “Sustainability Meetings” with investees to confirm any risks they may encounter as they transition toward decarbonization as well as any demand for capital expenditure-related funding. Through these efforts, we enhance the effectiveness of our initiatives.

### Responsible Investment Development Department

#### Sustainability-focused dialogue

Example: Dialogue aimed at addressing decarbonization  
Exchange opinions with investees regarding such topics as their CO<sub>2</sub> emission reduction targets, the condition of initiatives to achieve such targets, and any issues they may be facing. We also request information disclosure and management plan updates in accordance with TCFD recommendations.

### Corporate Finance Department

#### Sustainability Meetings

Exchange opinions between senior management members of Meiji Yasuda and investees. Confirm the effectiveness of CO<sub>2</sub> emission reduction measures and decarbonization-related capital expenditure plans based on the results of an evaluation of climate change-related risks.

Sharing of data regarding  
CO<sub>2</sub> emissions and minutes  
of dialogues



Sharing of conclusions  
reached during meetings



Of funds extended in the form of Sustainability Linked Loans, those extended to companies under impact management as described above are categorized into the narrow sense of impact finance.

## Sustainability Linked Loans: Examples of investment


Prior to extending loans, we engage in exchanges of opinion with potential borrower corporations to aid in the establishment of ambitious sustainability performance targets (SPTs).

After the loans are executed, we then ask investees to periodically report the progress of their SPTs in order to secure the transparency of our Sustainability Linked Loan scheme.

### Investment example ①

Borrower/Sector	Hokkaido Electric Power Co., Inc. (HEPCO) / Electric power and gas	
Products	MY Sustainability Linked Loans (MYSLL)	
Contract date	December 22, 2023	
Loan amount	7 billion yen	
Lending period	10 years	
SPTs	Reduce the HEPCO group's power generation unit's CO <sub>2</sub> emissions by 50% or more by the end of FY2030 (from the FY2013 level) in line with its management vision 2030	
Relevant SDGs	 	

### Investment example ②

Borrower/Sector	NTN Corporation / Machinery	
Products	MY Sustainability Linked Loans (MYSLL)	
Contract date	September 13, 2024	
Loan amount	1 billion yen	1 billion yen
Lending period	3 years	4 years
SPTs	Reduce domestic NTN group companies' Scope 1 and 2 CO <sub>2</sub> emissions to 271,000 tons or less in FY2025* * An interim target to be achieved in order to halve these CO <sub>2</sub> emissions by the end of FY2030 (from the FY2018 level)	Reduce domestic NTN group companies' Scope 1 and 2 CO <sub>2</sub> emissions to 255,000 tons or less in FY2026* * An interim target to be achieved in order to halve these CO <sub>2</sub> emissions by the end of FY2030 (from the FY2018 level)
Relevant SDGs		

## Positive impact real estate investment

Positive impact finance (PIF) is an impact financing method aimed at supporting efforts to both increase the positive impact of business activities on the environment, society and economy and mitigate their negative impact.



### Investment example (real estate)

In August 2023, MEIJI YASUDA HALL Fukuoka was opened as part of our “Meiji Yasuda Village project.” We have deemed our investment in this new facility as a positive impact real estate investment under the auspices of the United Nations Environment Programme Finance Initiative (UNEP-FI).




Project	Investment date	Investment amount	Relevant priority theme
MEIJI YASUDA HALL Fukuoka	August 2023	1 billion yen	Decarbonization, Prolong healthy life expectancy (wellness)

### Overview

- Newly established a hall with a 240m<sup>2</sup> floor space that can accommodate 240 people as a theater and 120 as a lecture hall
- Aims to prolong healthy life expectancy through the holding of periodic events focused on improving mental and physical health, raising health awareness of regional community residents, and increasing the residents' health checkup ratio
- 100% of energy used is locally procured from renewable energy sources

#### Project KPIs

(Second-party opinion acquired)

Positive impact	Prolong healthy life expectancy		Outcome indicator <ul style="list-style-type: none"> <li>• Individual engagement rate in health improvement efforts</li> <li>• Individual participation rate of specific health checkups</li> </ul>
Negative impact	CO <sub>2</sub> emissions	 	Monitoring indicator <ul style="list-style-type: none"> <li>• Volume of energy consumption and CO<sub>2</sub> emissions</li> <li>• Renewable energy utilization rate</li> </ul>

For this project, we acquired a second-party opinion\*<sup>1</sup> from CSR Design Green Investment Advisory, Co., Ltd. with regard to its conformity with positive impact real estate investment framework\*<sup>2</sup> and the appropriateness of intended impacts and evaluation indicators Meiji Yasuda has identified.

\*<sup>1</sup> For details, please visit CSR Design Green Investment Advisory, Co., Ltd.'s website (<https://csr-design.com/english/>).

\*<sup>2</sup> An action guideline formulated by UNEP-FI's Real Estate Working Group to help investors make decisions and practice impact-driven investment



## Renewable energy funds

Renewable energy funds, in which Meiji Yasuda is proactively investing, are expected to create a positive social impact by helping reduce CO<sub>2</sub> emissions. These funds are thus playing an important role toward achieving the decarbonization of the real economy.

To achieve both economic returns and positive social impacts, our investments in this area are focused on supporting renewable energy-related projects in Japan and overseas even as we strive to expand the scope of such investments.

### Investment example ①

We invest in funds aimed at financing onshore and offshore wind power generation, solar power generation and energy storage projects in Europe.

Project	Investment date	Investment amount	Relevant priority theme
L&G NTR Clean Power (Europe) Fund	November 2022	Approx. 10 billion yen	Decarbonization

Project KPIs (excerpt)

KPIs	Results	Note
Renewable energy power generation output	88,246MWh	Results for the April to June 2024 period
Reductions in CO <sub>2</sub> emissions	12,701t	

### Investment example ②

We invest in funds aimed at financing wind power generation, solar power generation and energy storage projects in North America.

Project	Investment date	Investment amount	Relevant priority theme
Excelsior Renewable Energy Investment Fund	June 2024	Approx. 5 billion yen	Decarbonization

Project KPIs (excerpt)



KPIs	Note
Reduction in overall portfolio-related CO <sub>2</sub> emissions	Progress confirmation plans underway as the investment was recently executed
Solar power generation system total output capacity	

## ESG-themed impact funds

In addition to the renewable energy project investments previously outlined, we also invest in impact funds that are uniquely focused on addressing particular themes. Specifically, these include domestic listed equity impact funds themed on decarbonization, social issues (e.g., gender equality) and governance, as well as impact funds aimed at supporting startups specializing in healthcare & wellness.

### Investment example ①

We invest in an impact-driven fund jointly formulated by SDG Impact Japan, Meiji Yasuda and Meiji Yasuda Asset Management to create positive social impacts in terms of achieving decarbonization and addressing social issues through domestic stock investment. This fund is in accordance with Article 9 of the Sustainable Finance Disclosure Regulation (SFDR).

Project	Investment date	Investment amount	Relevant priority themes
SIJ NextGen ESG Japan Fund  	March 2022	5 billion yen	Decarbonization, social issues (e.g., gender equality, governance)

#### Project KPIs (excerpt)

Themes	KPIs	As of March 31, 2024	Compared with the April to June 2023 period
Decarbonization	Investee engagement rate in CO <sub>2</sub> emission reduction initiatives	92.6%	+3.7%
	CO <sub>2</sub> emission intensity of the portfolio	0.77tCO <sub>2</sub> e/million yen	-0.21tCO <sub>2</sub> e/million yen
Social issues	Investee disclosure rate of policies addressing important social issues	65.0%	+10.0%
	Average rate of women serving as members of boards of directors / senior management personnel	16.5%/10.0%	+2.3%/-0.3%

### Investment example ②

We invest in impact-driven startups that aim to address issues in the wellness field (medical care, nursing care, health, social and economic well-being) in order to help prolong healthy life expectancy as part of efforts to create positive impacts.

Project	Investment date	Investment amount	Relevant priority theme
Tokyo Wellness Impact Fund	March 2023	1 billion yen	Prolong healthy life expectancy (healthcare & wellness)

#### Project KPIs (excerpt)

Investee	Aillis, Inc.: A startup engaged in the development of medical devices supported by AI technology for hospitals and doctors
Impact KPI	Introduction of “nodoca,” an AI-assisted camera designed to diagnose influenza: Successfully introduced at medical institutions in all 47 prefectures (December 2023)
	Use of “nodoca”: The cumulative total number of patients who underwent testing using this camera reached 50,000 (March 2024)









Source: Tokyo Wellness Impact Fund 2023 Impact Report (<https://s3.ap-northeast-1.amazonaws.com/wraptas-prod/cmv/84591d9d-96cb-4d2a-bd26-b9545ab60079/2a0c6e10aa16eb2501076b3f23fd9b5e.pdf>) (Japanese only)

## Social impacts (outcomes) arising from ESG investment and financing

Referring to data disclosed by investees, we measure positive social impacts arising from ESG investment and financing, including ESG bonds and project finance. Our disclosure of the resulting measurements is based on their relevance to Meiji Yasuda' priority themes.

Looking ahead, we intend to enhance our methods for measuring and assessing impact arising from ESG investment and financing.

### Disclosure of social impacts

Priority themes	Outcomes*1	Impacts
Decarbonization	<div>  Reduced CO<sub>2</sub> emissions*2 <b>Approx. 5,930,000 tons</b> </div> <div>  Renewable energy power generation output <b>Approx. 370,000 MWh</b> </div> <div>  Avoided emissions*3 <b>Approx. 160,000 tons</b> </div>	Mitigation of climate change
Biodiversity	<div>  Wastewater treated <b>Approx. 400 million m<sup>3</sup>/year</b> </div>	Preservation of ecosystems
Social issues	<div>Beneficiaries of our social bond investment: <b>Approx. 3,090,000</b></div> <div>  Number of women supported through education and employment opportunities: <b>Approx. 1,150,000</b> </div> <div>  Number of people with access to improved hygiene: <b>Approx. 480,000</b> </div> <div>  Number of people provided with improved educational opportunities: <b>Approx. 370,000</b> </div> <div>  Number of people provided with social safety nets: <b>Approx. 300,000</b> </div>	Realization of social equity Improvement of social infrastructure

\*1 Reduced CO<sub>2</sub> emissions denotes FY2022 results (compared with the FY2019 level), while other figures represent cumulative results recorded over the course of the FY2022 to 2023 period.

\*2 Calculated based on our share of investment and financing, reflecting the total volume of CO<sub>2</sub> emissions reduced by the companies that we engaged with in dialogue focused on climate change.

\*3 Volume of avoided emissions via renewable energy-related project financing; calculated based on the Partnership for Carbon Accounting Financials (PCAF) concept.



## Policies for Fulfilling Our Stewardship Responsibilities and Meiji Yasuda's fundamental concept for stewardship activities

In May 2014, we announced our adoption of the Principles for Responsible Institutional Investors (Japan's Stewardship Code), which led to the establishment of Meiji Yasuda's Policies for Fulfilling Our Stewardship Responsibilities.

Under these policies, we engage with investees having issues with structures and functions related to initiatives to enhance shareholder interest or address ESG issues, to this end proactively conducting dialogue with them and appropriately exercising our voting rights as a shareholder. By doing so, we request the implementation of initiatives to improve their corporate value and the interests of shareholders from a long-term perspective.

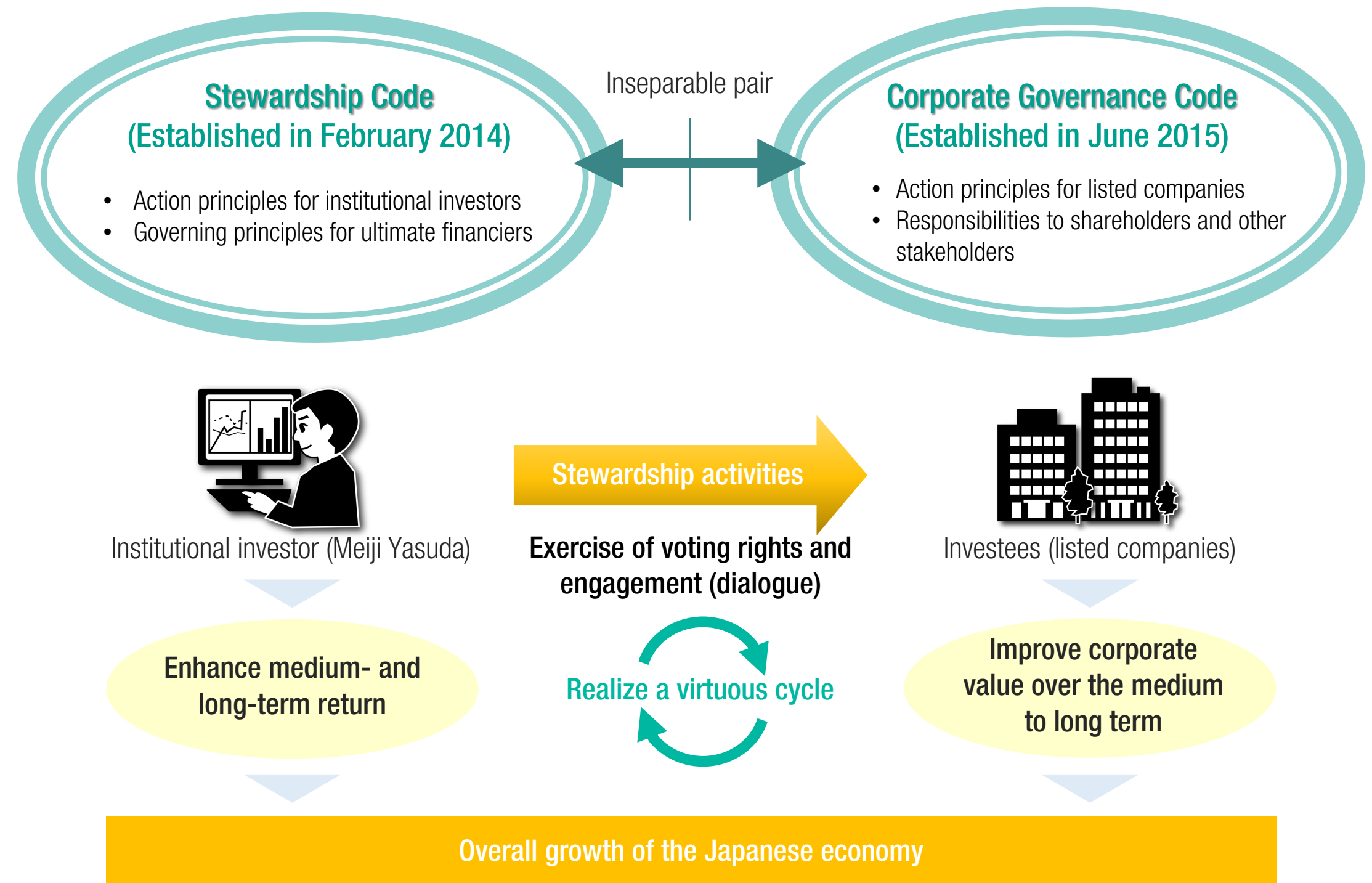
Since FY2020, we have also engaged in dialogue with issuers of domestic corporate bonds in our capacity as a corporate bond holder.

### Policies for Fulfilling Our Stewardship Responsibilities

To read our policies, please visit the following URL

(<https://hp-hbag.meijiyasuda.co.jp/english/governance/institutional-investor/stewardship.pdf>).

### Meiji Yasuda's fundamental concept for stewardship activities

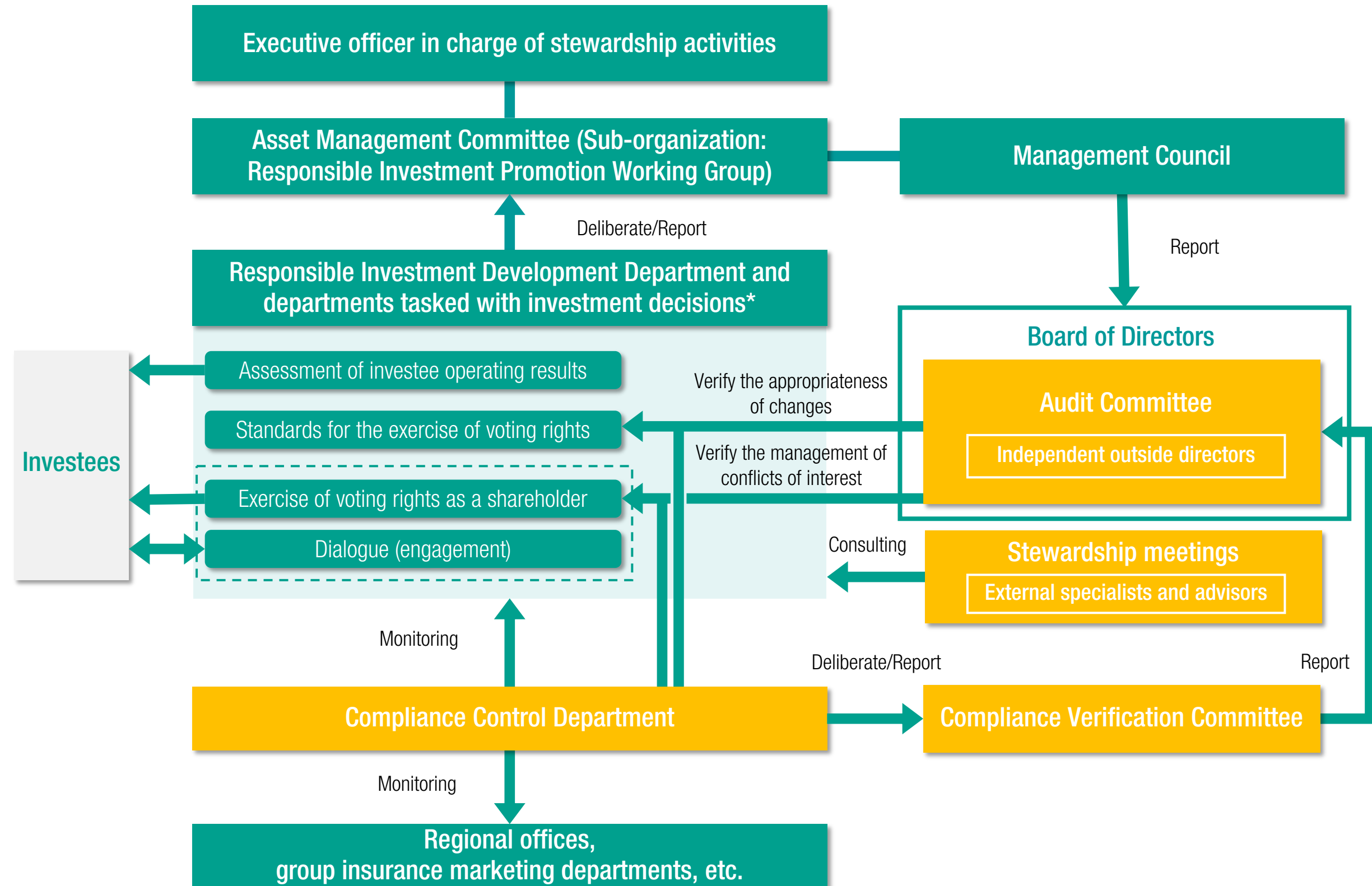


## Our structure for promoting stewardship activities (governance)

We have established an in-house committee tasked with monitoring the status of dialogue with investees and the exercise of voting rights, thereby periodically confirming the appropriateness of these actions. Based on the results of this confirmation, we review the “Policies for Fulfilling Our Stewardship Responsibilities” as well as “Our Initiatives Related to the Exercise of Voting Rights” as necessary.

In FY2023, to enhance conflict of interest management, we have added verification by the Compliance Control Department in the process of revising voting standards and expanded the scope of conflict of interest verification in the exercise of voting rights.

### Structure diagram



\* The Equity Investment Department and Fixed Income Investment Department (excluding matters related to the exercise of voting rights)

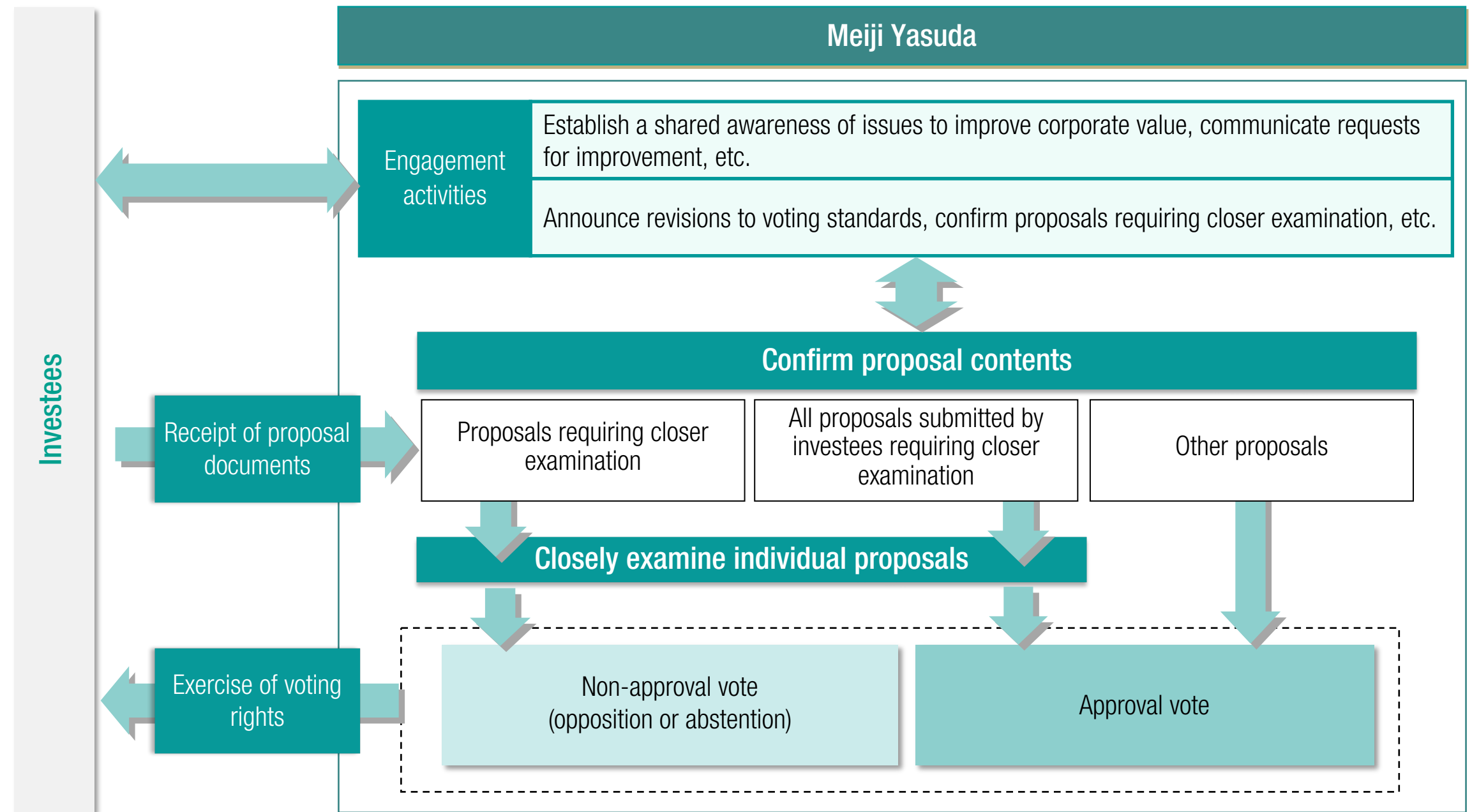
## Our process for exercise of voting rights

We review the details of all proposals from investees that require close monitoring due to issues in their business performance, financial status, attitude towards shareholder returns, or ESG stance. Other investee proposals are also reviewed whenever careful examination is required.

Throughout the more detailed proposal examination process, we engage in dialogue with the investees in question to discuss the background of the problems and future measures to be taken.

Our final decision regarding whether we vote for or against such proposals takes into account information confirmed via our dialogue and the progress of investee improvement initiatives.

### Process for exercise of voting rights



### Standards for exercise of voting rights

Meiji Yasuda discloses its standards for exercise of voting rights on its website ([https://www.meijiyasuda.co.jp/profile/ir/responsible\\_investment/index.html](https://www.meijiyasuda.co.jp/profile/ir/responsible_investment/index.html)) (Japanese only).



## Voting results

Of the 1,084 publicly traded companies in which Meiji Yasuda holds shares, we cast at least one opposition vote at shareholder meetings held by 64 companies between July 2023 and June 2024. This resulted in opposing a total of 82 investee proposals.

Please visit Meiji Yasuda's website to see voting results relative to individual proposals submitted by listed investee corporations ([https://www.meijiyasuda.co.jp/profile/ir/responsible\\_investment/index.html#stewardship](https://www.meijiyasuda.co.jp/profile/ir/responsible_investment/index.html#stewardship)) (Japanese only).

### Voting results relative to investee proposals (unit: number of companies)\*

Approval votes on all proposals		Non-approval of at least one proposal		Non-approval votes		Abstention		Total		Ratio of non-approval voting	
	Year-on-year change		Year-on-year change		Year-on-year change		Year-on-year change		Year-on-year change		Year-on-year change
1,020	-7	64	-9	64	-8	—	-1	1,084	-16	5.9%	-0.7pt

\* An investee whose stock is held by Meiji Yasuda both in general and separate accounts is counted as a singular company.

### Voting results relative to investee proposals (unit: number of proposals)\*1, 2

Proposals		Approval votes		Non-approval votes		Opposition		Abstention		Total		Ratio of non-approval voting	
			Year-on-year change		Year-on-year change		Year-on-year change		Year-on-year change		Year-on-year change		Year-on-year change
Proposals regarding organizational form	Appointment or dismissal of directors	8,958	-342	46	-26	46	-22	—	-4	9,004	-368	0.5%	-0.3pt
	Appointment or dismissal of corporate auditors	1,092	+36	18	+3	18	+3	—	± 0	1,110	+39	1.6%	+ 0.2pt
	Appointment or dismissal of accounting auditors	17	-18	—	± 0	—	± 0	—	± 0	17	-18	0.0%	± 0.0pt
Proposals regarding officer remuneration	Officer remuneration*3	382	+44	8	+6	8	+6	—	± 0	390	+50	2.1%	+ 1.5pt
	Payment of retirement benefits to retired officers	37	-2	5	-3	5	-3	—	± 0	42	-5	11.9%	-5.1pt
Proposals regarding capital policy (excluding proposals regarding articles of incorporation)	Appropriation of surplus	756	-5	2	± 0	2	± 0	—	± 0	758	-5	0.3%	± 0.0pt
	Reorganization related*4	10	-6	—	± 0	—	± 0	—	± 0	10	-6	0.0%	± 0.0pt
	Introduction, updating or abolition of anti-takeover measures	20	-20	3	-5	3	-5	—	± 0	23	-25	13.0%	-3.6pt
	Other proposals regarding capital policy*5	17	-3	—	± 0	—	± 0	—	± 0	17	-3	0.0%	± 0.0pt
Proposals regarding articles of incorporation		185	-82	—	± 0	—	± 0	—	± 0	185	-82	0.0%	± 0.0pt
Other proposals		2	-4	—	± 0	—	± 0	—	± 0	2	-4	0.0%	± 0.0pt
Total		11,476	-402	82	-25	82	-21	—	-4	11,558	-427	0.7%	-0.2pt

\*1 When proposals from the investee and its shareholder overlap, these proposals are counted as one investee proposal.

\*2 The number of proposals regarding the appointment or dismissal of directors or corporate auditors are considered to coincide with the number of candidates involved.

\*3 Revision of officer remuneration, issuance of stock options, introduction or revision of a performance-linked remuneration plan, payment of officer bonuses, etc.

\*4 Merger, divestment or acquisition of business, share exchange, share transfer, company split, etc.

\*5 Share buybacks, reductions in legal reserve, capital increase via third-party allotment, capital decrease, reverse share split, issuance of class stock, etc.

### Initiatives implemented in connection with proposals subject to non-approval voting (decrease of 25 cases year on year)

- When engaging with investees considered to have issues, Meiji Yasuda strove to establish **a shared recognition of such issues via dialogue** while repeatedly **encouraging improvement**.
- Outcomes of the above efforts include a **decrease in proposals in conflict with our standards** regarding the appointment of independent outside directors (mandating the appointment of at least two individuals), the independence of such individuals and other standards applicable to listed subsidiaries of investees. Therefore, we have **confirmed our investees' commitment to enhancing corporate governance to improve their corporate value**.
- A certain investee decided to resume the payment of dividends**, suggesting the success of our initiatives to nudge it to do so by casting “no” votes against its proposals on appropriation of surplus over the long period of non-payment.

## Utilization of external insights

In the second half of FY2018, we began receiving consultations from external specialists and advisors (via “Stewardship Meetings”) with the aim of enhancing our stewardship activities as a whole, including the effectiveness of investee dialogue.

“Stewardship Meetings” are also attended by staff in charge of exercising voting rights and engaging in investee dialogue to further upgrade our mode of stewardship activities.

Moreover, in January 2022, we entered a capital and business alliance with SDG Impact Japan Inc. (SIJ), which boasts sophisticated expertise in the sustainability field in general. We now engage in joint dialogue involving SIJ to enhance our own investee engagement skills.

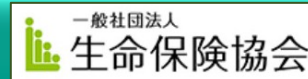
### Stewardship Meetings (held during the July 2023 to June 2024 period)

From July 2023 to June 2024, we held the two meetings detailed below, focusing on addressing “the status of exercise of voting rights as of June 2023 and future issues that require discussion,” as well as “trends in sustainable financing and important current topics.”

	Themes	Main content of Q&A and discussions
<b>First round</b>	The status of exercise of voting rights as of June 2023 and future issues that require discussion	<ul style="list-style-type: none"> <li>• Voting status as of June 2023</li> <li>• Discussion of future related issues</li> </ul>
<b>Second round</b>	Trends in sustainable financing and important current topics	<ul style="list-style-type: none"> <li>• Sustainable financing trends</li> <li>• Discussion of current topics (biodiversity, etc.)</li> </ul>

### Collaborative engagement with The Life Insurance Association of Japan (FY2023)

As part of new initiatives launched in FY2023, we engaged with around 20 companies responsible for the largest Scope 3 greenhouse gas emissions in Japan to address topics related to the enhancement of climate change-related information disclosure. We requested these companies disclose the content of their initiatives toward reducing such emissions.



#### Stewardship Activity Working Group (consisting of 11 life insurers)

Explanation of our policies through the sending of letters, dialogue, etc.

Enhancement of shareholder returns	Enhancement of ESG-related information disclosure	
53 listed companies	38 listed companies	Enhancement of climate change-related information disclosure
		64 listed companies

Invigoration of the stock market / Realization of a sustainable society

### Joint dialogue involving SDG Impact Japan (SIJ)

SDG  
Impact Japan X



On nine separate occasions in FY2023, we held joint dialogues involving SIJ, with the aim of enhancing our investee engagement skills.

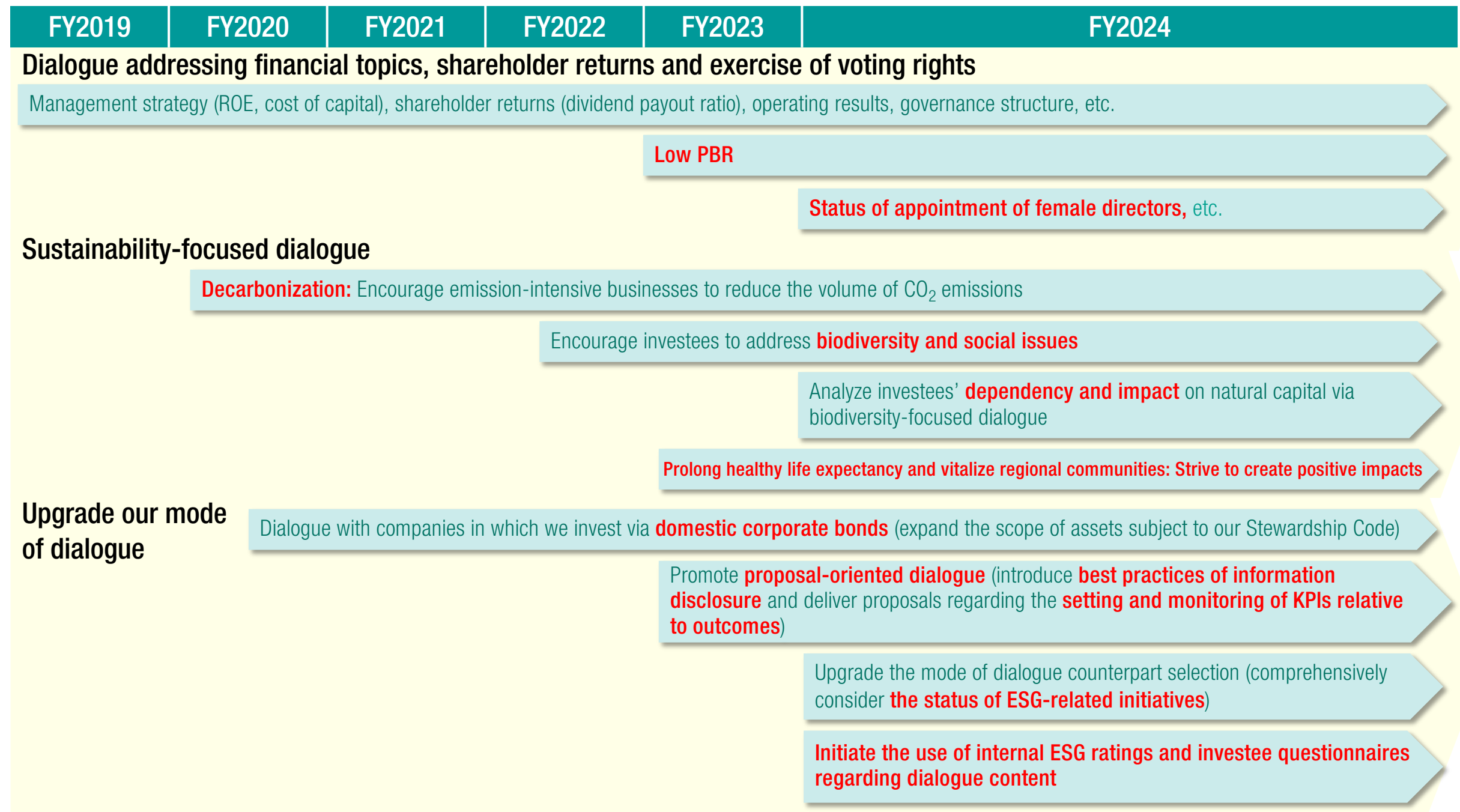
## Overview of engagement

In the course of engaging in sustainability-focused dialogue from FY2023 to FY2024, we incorporated the analysis and assessment of dependency and impact on natural capital in the selection of biodiversity dialogue counterparts. We also promoted dialogue focused on how we together strive to “Prolong healthy life expectancy” and “Vitalize regional communities” in order to create positive impacts.

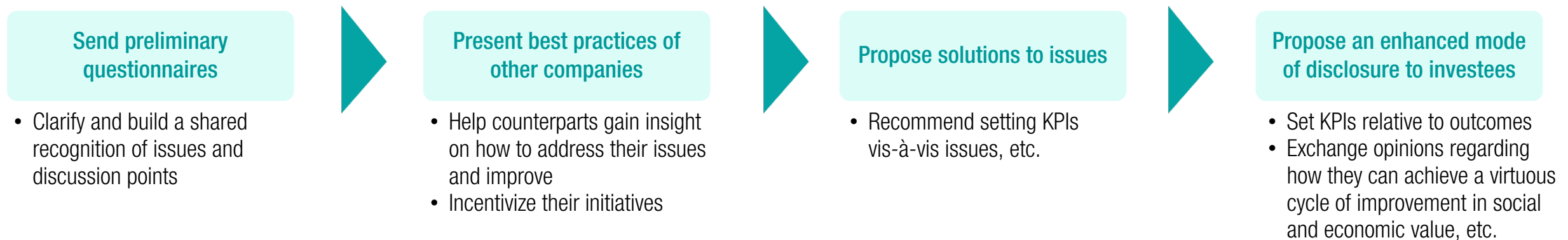
We also initiated proposal-oriented dialogue in FY2023 to constantly upgrade our methods, such as those for identifying KPIs relative to outcomes via the use of logic models.

In FY2024, we began the use of our unique internal ESG ratings and questionnaires targeting dialogue counterparts to acquire feedback on dialogue content.

### Status of dialogue-related initiatives



### Promotion of proposal-oriented dialogue



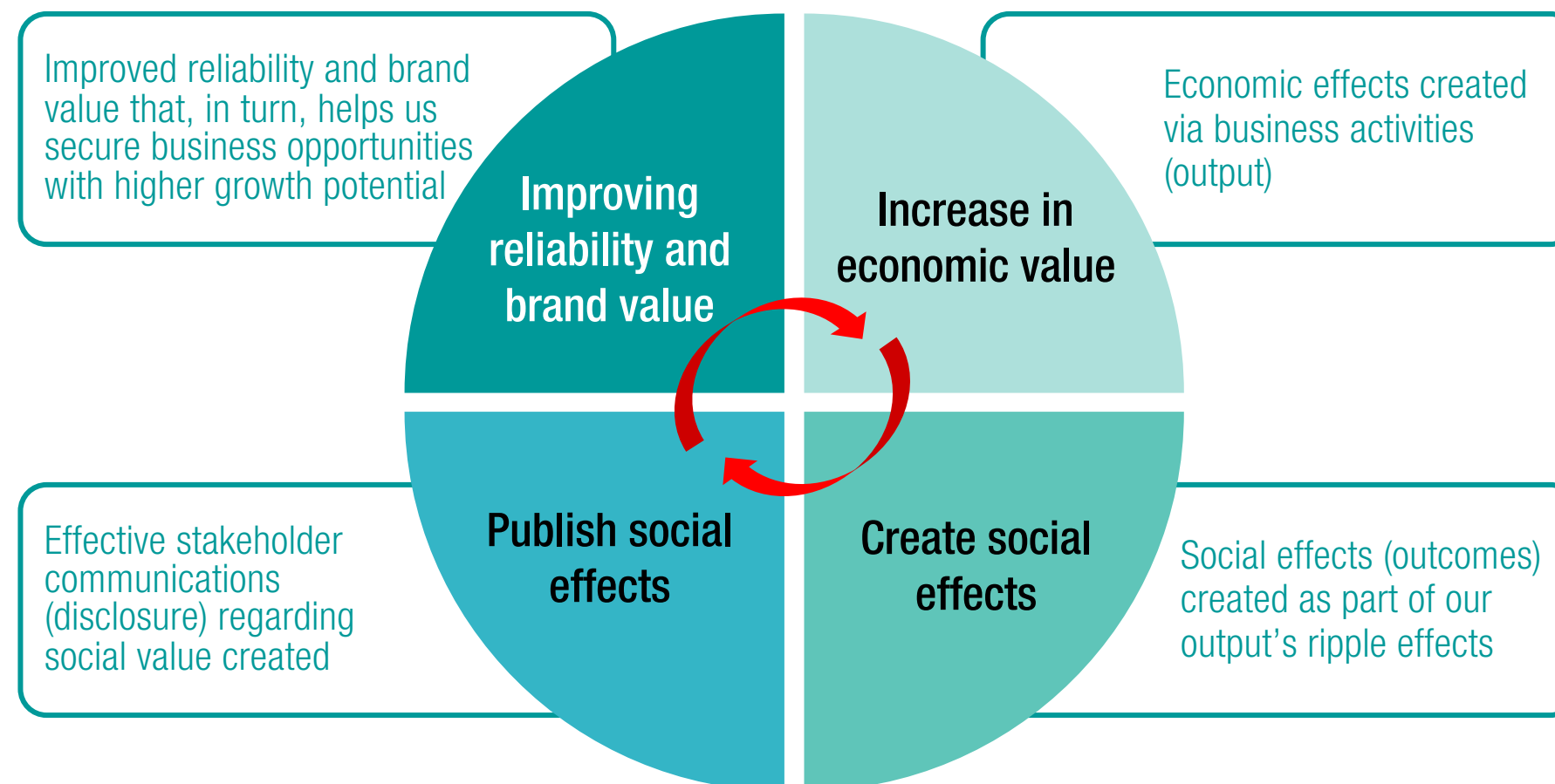


## Dialogue aimed at creating positive impacts

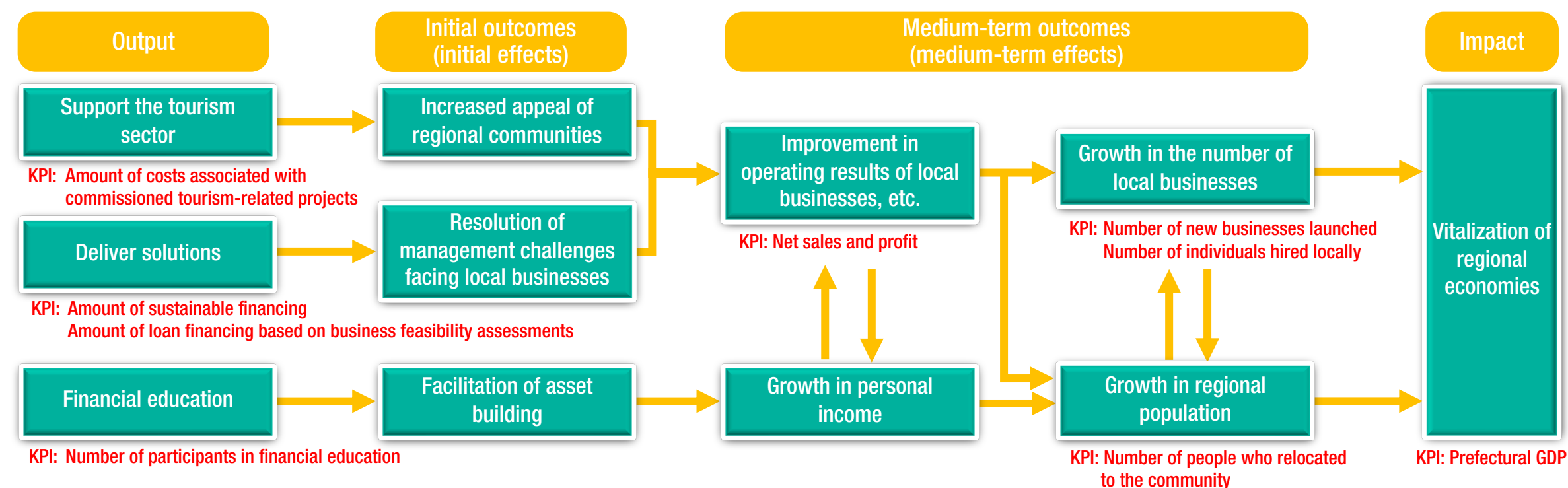
As part of new initiatives launched in FY2023, we engaged in dialogue focused on addressing priority issues regarding how to “Prolong healthy life expectancy” and “Vitalize regional communities” with the aim of creating positive impacts.

We recognize that setting quantitative KPIs relative to output and outcomes is essential to realizing a virtuous cycle through which social value created by a business translates into improvement in economic value. Based on this recognition, we engaged with investees in dialogue aimed at creating positive impacts and delivered proposals regarding the use of logic models and KPIs relative output and outcomes.

## Virtuous cycle through which created social value leads to greater economic value



## Logic model example (Vitalize regional communities)



## Dialogue on biodiversity preservation

In FY2022, Meiji Yasuda initiated dialogue focused on addressing topics related to biodiversity preservation.

In addition to following up on investees' status regarding their biodiversity preservation policies and participation in the 30by30 Alliance, in FY2024 we began confirming their information disclosure practices in relation to the TNFD framework as well as their efforts toward analyzing and assessing their dependency and impact on natural capital and other similar initiatives using the LEAP approach.\*

With regard to the confirmation of TNFD-related initiatives, we select and reach out to investees belonging to sectors with relatively high dependency and impact on natural capital and these operating in sectors with relatively larger representation in our investment and financing portfolio.

\* The LEAP approach is a methodology developed by the TNFD as an integrated approach for assessing nature-related issues, including interface with and dependency on nature, impacts, risks, and opportunities.

### Matters to be confirmed via biodiversity-focused dialogue

#### ① Establishment of biodiversity preservation policies

- Presence of standalone policies on biodiversity preservation or environmental policies that include articles addressing the subject

#### ② Participation in the 30by30 Alliance

- Status of participation in the alliance advocated by the Ministry of the Environment and plans to apply for the Other Effective area-based Conservation Measures (OECM) scheme, etc.

#### ③ Information disclosure in accordance with the TNFD framework

- Analysis and assessment of dependency and impact on natural capital
- Status of initiatives using the LEAP approach

⇒ See also P.48 for the results of analysis and assessment of dependency and impact of our investment and financing portfolio on natural capital.

### Information disclosure in accordance with the TNFD framework

The TNFD framework proposes a set of four disclosure recommendations, namely, “Governance,” “Strategy,” “Risk & impact management” and “Metrics & targets” and is, therefore, identical with the TCFD framework. The framework also includes six general requirements while adopting the LEAP approach as a method for identifying and assessing nature-related issues.

#### Information disclosure in accordance with the TNFD framework (TNFD core disclosure indicators, the status of initiatives using the LEAP approach, etc.)

Four disclosure recommendations	<b>Governance</b>	Six general requirements	The application of materiality
			The scope of disclosures
	<b>Strategy</b>		The location of nature-related issues
			Integration with other sustainability-related disclosures
	<b>Risk &amp; impact management</b>		The time horizons considered
	<b>Metrics &amp; targets</b>		The engagement of indigenous peoples, local communities and affected stakeholders in the identification and assessment of the organization's nature-related issues



#### Methods for identifying and assessing nature-related issues

LEAP approach	<b>Locate</b>	<b>Locate</b> the interface with nature
	<b>Evaluate</b>	<b>Evaluate</b> dependencies and impacts on nature
	<b>Assess</b>	<b>Assess</b> nature-related risks and opportunities
	<b>Prepare</b>	<b>Prepare</b> to respond to, and report on, nature-related risks and opportunities

Source: Compiled by Meiji Yasuda based on recommendations from the Taskforce on Nature-related Financial Disclosures (TNFD)

## Dialogue on respecting human rights

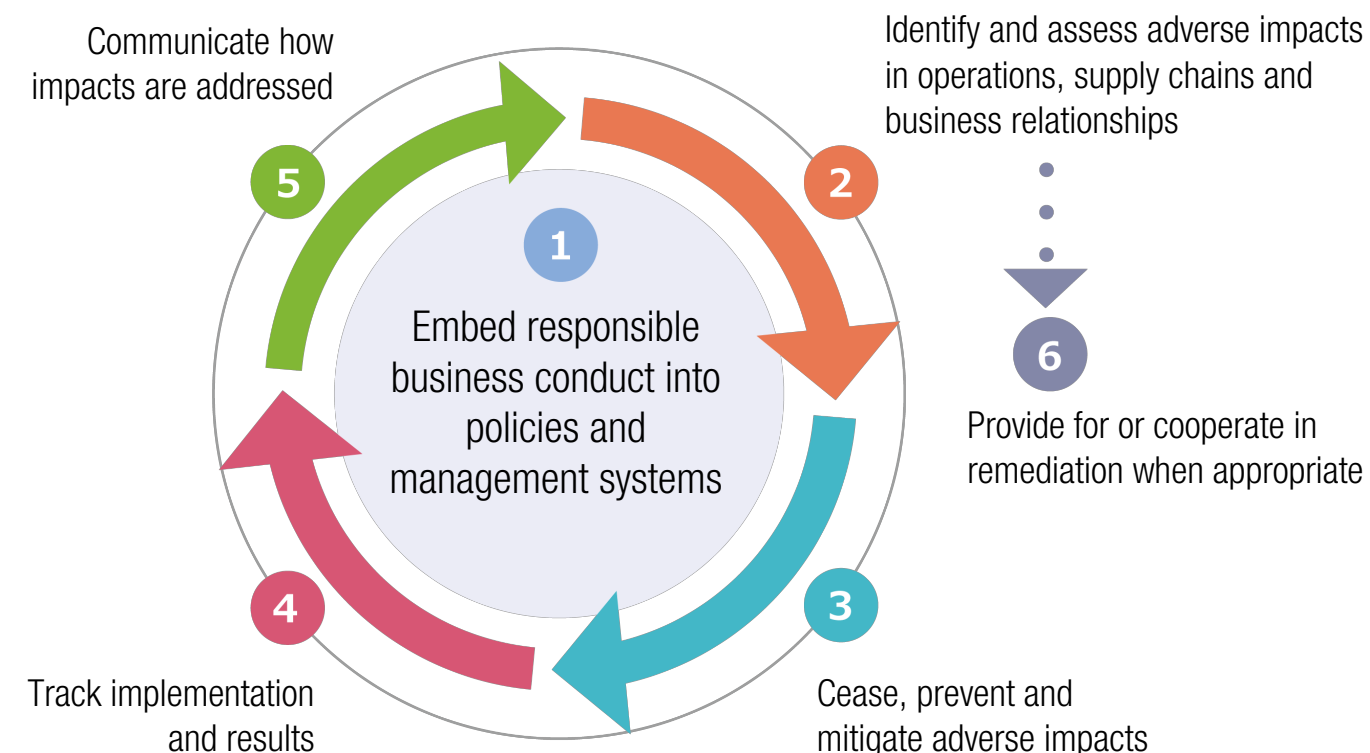
In FY2022, we initiated dialogue focused on ensuring respect for human rights. Based on the United Nations (UN) Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct, we request that all dialogue counterparts (1) formulate human rights policies; (2) conduct human rights due diligence covering their value chains; and (3) take charge in asking their business partners to engage in efforts to ensure respect for human rights. We also follow up on the status of their relevant initiatives.

### The UN Guiding Principles on Business and Human Rights

In 2011, the UN Human Rights Council unanimously endorsed this document in response to various trends in the international community. Today, it is widely used to provide business activity guidelines on ways to ensure respect for human rights. The three pillars of this document are as follows.

<b>First pillar</b>	<b>The State Duty to Protect Human Rights</b>
<b>Second pillar</b>	<b>The Corporate Responsibility to Respect Human Rights</b>
<b>Third pillar</b>	<b>Access to Remedy</b>

### Human rights due diligence and supporting methods



Source: OECD Due Diligence Guidance for Responsible Business Conduct

### Matters to be confirmed via human rights-focused dialogue

#### ① Human rights policies

- Scope of human rights policies (should encompass the entire corporate group)
- Items included (implementation of human rights due diligence and access to remedies)

#### ② Human rights due diligence covering the value chain

- Identification of human rights risks specific to business activities undertaken by investees or regions in which they operate
- Determination of human rights risks deserving high priority
- Implementation of countermeasures to mitigate or prevent negative impacts identified
- Assessment and disclosure of countermeasures

#### ③ Measures related to business partners

- Ensuring human rights policies are understood by business partners
- Questionnaires and on-site inspections aimed at confirming the status of human rights-related initiatives undertaken by such business partners



## Dialogue on human capital management

In FY2023, we added human capital management to topics to be addressed in our dialogue with investees.

Specifically, our dialogue with investees is now focused mainly on confirming the presence of three elements: (1) human resource development policies; (2) human resource strategies linked with management strategies; and (3) initiatives to raise the ratio of female managers. We request necessary measures be taken in the event any of these elements are found to be insufficient. These topics were identified based on information disclosure practices defined under the Guidelines for Human Capital Visualization issued by the Cabinet Office as well as human resource strategy models recommended in the ITO Report for Human Capital Management compiled by the Ministry of Economy, Trade and Industry.

## Guidelines for Human Capital Visualization and the ITO Report for Human Capital Management

The combined use of methods recommended in these guidelines and this report is expected to enable businesses to enjoy synergetic effects arising from the implementation of human resource strategies and the visualization of their outcomes.

### Visualization of human capital

### Guidelines for Human Capital Visualization (August 2022)

- |   |   |   |
|---|---|---|
| <ul style="list-style-type: none"> <li>✓ Methods for visualizing the status of human capital               <ul style="list-style-type: none"> <li>➢ Clarification of connection between human capital-related investment and competitiveness</li> <li>➢ Information disclosure in accordance with four elements (governance, strategy, risk management and metrics &amp; targets)</li> <li>➢ Consideration of specific disclosure items and indicators, etc.</li> </ul> </li> </ul> |  | <ul style="list-style-type: none"> <li>✓ Steps toward visualization               <ul style="list-style-type: none"> <li>➢ Specific procedures toward visualization (provision of examples)</li> <li>➢ Disclosure in accordance with various required documents</li> </ul> </li> <li>✓ Appendix<br/>References regarding indicators to be disclosed, case studies and other relevant information</li> </ul> |
|---|---|---|

### Development of human resource strategies

### The ITO Report for Human Capital Management (September 2020) and the ITO Report 2.0 for Human Capital Management (May 2022)

- |   |  |              |   |   |                |  |
|---|--|--------------|---|---|----------------|--|
| <ul style="list-style-type: none"> <li>✓ The direction businesses should take toward achieving sustainable improvement in corporate value via innovation</li> <li>✓ Roles to be fulfilled by senior management, boards of directors and investors</li> <li>✓ Three perspectives and five common elements that need to be included in human resource strategies</li> </ul> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="writing-mode: vertical-rl; transform: rotate(180deg); background-color: #2e8b57; color: white; text-align: center; padding: 5px;">Perspectives</td> <td style="padding: 5px;"> <ol style="list-style-type: none"> <li>① Strengthen the link between a human capital strategy and a business strategy</li> <li>② Find the gap between the current situation ("As-is") and the goal ("To-be")</li> <li>③ Nurture transformational corporate culture</li> </ol> </td> </tr> </table> | Perspectives | <ol style="list-style-type: none"> <li>① Strengthen the link between a human capital strategy and a business strategy</li> <li>② Find the gap between the current situation ("As-is") and the goal ("To-be")</li> <li>③ Nurture transformational corporate culture</li> </ol> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="writing-mode: vertical-rl; transform: rotate(180deg); background-color: #2e8b57; color: white; text-align: center; padding: 5px;">Common factors</td> <td style="padding: 5px;"> <ol style="list-style-type: none"> <li>① Build a dynamic talent portfolio</li> <li>② Embrace diversity and inclusion of employees' knowledge and experience</li> <li>③ Motivate employees to re-skill themselves</li> <li>④ Enhance employees' engagement level</li> <li>⑤ Enable employees to work anytime, anywhere as much as possible</li> </ol> </td> </tr> </table> | Common factors | <ol style="list-style-type: none"> <li>① Build a dynamic talent portfolio</li> <li>② Embrace diversity and inclusion of employees' knowledge and experience</li> <li>③ Motivate employees to re-skill themselves</li> <li>④ Enhance employees' engagement level</li> <li>⑤ Enable employees to work anytime, anywhere as much as possible</li> </ol> |
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Source: Compiled by Meiji Yasuda based on the Guidelines for Human Capital Visualization

## Matters to be confirmed via dialogue on human capital management

### ① Human resource development policies

- Types of human resources investees seek to develop in order to execute their management strategies

### ② Human resource strategies linked with management strategies

- Presence of specific plans equipped with descriptions of (1) deadlines; (2) target traits of human resources; (3) target number of human resources to be secured; and (4) methods for securing such human resources (e.g., hiring or training)
- Presence of quantitative KPIs designed to monitor the status of the above plans

### ③ Initiatives to raise the ratio of female managers

- Medium- to long-term targets regarding the representation of women in managerial positions, specific initiatives under way to achieve such targets, the status of the pooling of managerial candidates, etc.

## Milestone management as part of investee dialogue focused on facilitating decarbonization

Through dialogue with investees, Meiji Yasuda strives to establish a shared recognition regarding the status of their decarbonization initiatives and, if necessary, requests improvement by addressing the issues they face. These endeavors, including the subsequent confirmation of the status of their initiatives, are referred to as milestone management.

The table at the top shows the percentages\* of investees that have improved on their issues since the previous engagement as part of the sustainability-focused dialogue held from July 2023 to June 2024.

Thus, we confirmed a certain degree of progress in their responses to our requests. On the other hand, some issues remain regarding established target levels and specifics of information they profess to have disclosed. Accordingly, through continued dialogue, we will encourage our investees to strive for improvement.

\* Percentages of investee corporations found to have improved on issues identified in the preceding dialogues among the corporate attendees of our sustainability-focused dialogues

### Items requested by Meiji Yasuda for improvement and percentages of investees that improved

Items	Percentage
Setting of overall CO <sub>2</sub> emission reduction targets	100%
Formulation of roadmaps toward achieving carbon neutrality	67%
Enhancement of information disclosure detailing the financial impact of climate change in accordance with TCFD recommendations	60%
Upward revision of CO <sub>2</sub> emission reduction targets for FY2030	43%

### Dialogue examples (counterparts: emission-intensive investees included in Meiji Yasuda's investment and financing portfolio)

#### Company A (Chemicals)

##### Outline of dialogue

Dialogue period: 2021

- We deemed the level of the investee's emission reduction targets for 2030 (-17% from the 2013 level) relatively low and identified a lack of disclosure of the financial impact of climate change in accordance with TCFD recommendations. We strove to establish a shared recognition of these issues and requested measures for improvement.

##### Responses from the investee, etc.

- The investee provided us with forward-looking responses, including those suggesting its need to upwardly revise the target figure in order to align it with the national government's target of reducing the nationwide CO<sub>2</sub> emissions by 46% (and reducing overall business industry emissions by 38%) by the end of 2030, despite the figure's conformity with the previous requirement for the industry (6.7% reduction by the same date).

##### Status of improvement and future policies

- Conducted follow-up dialogue in 2023
- Confirmed upward revision of the investee's reduction target to 50% as requested, as well as the initiation of the disclosure of qualitative information regarding climate change-related financial impact as recommended by TCFD recommendations. On the other hand, the investee has yet to disclose quantitative information based on TCFD recommendations. We will therefore continue to monitor the situation.

#### Company B (Glass and Ceramic Products)

##### Outline of dialogue

Dialogue period: 2022

- We found that the investee had only established a CO<sub>2</sub> emission intensity target for FY2030 and lacked a target for its total emission volume. Moreover, the investee has not provided updates on information previously disclosed regarding the financial impact of climate change based on TCFD recommendations. We strove to establish a shared recognition of these issues and requested measures for improvement.

##### Responses from the investee, etc.

- The investee began considering establishing total CO<sub>2</sub> emission reduction targets to be achieved by the end of FY2030, while its emission intensity target remained in place. These matters were discussed by the investee's CO<sub>2</sub> Reduction Strategy Committee from both technical and policy perspectives.
- The investee decided not to update the content of information disclosure in accordance with TCFD recommendations as there was no progress from the status disclosed in the previous edition of its integrated report. However, the investee is now considering enhancing the content of relevant information to be disclosed in the next edition.

##### Status of improvement and future policies

- Conducted follow-up dialogue in 2023
- The investee's Scope 1 emission intensity reduction target was met ahead of schedule via a fuel switchover from coal to LNG. The investee has also set a total CO<sub>2</sub> emission reduction target of 40% (from the 2000 level) to be achieved by FY2030 and decided to accelerate efforts to reduce emissions arising from raw material use. Regarding TCFD-related information disclosure, the investee began disclosing the financial impact of climate change by categorizing its businesses based on the magnitude of such impact (large, medium and small) as well as its monetary range.

## Self-assessment relative to each principle of the Stewardship Code

In the course of promoting stewardship activities, Meiji Yasuda has updated its standards for exercising voting rights and enhanced the content of information disclosure in response to social demand. This is in addition to our proactive participation in domestic and international initiatives and collaboration with SDG Impact Japan, both with the aim of incorporating external insight.

As described in the table on the right, it was confirmed that these initiatives are in conformity with each principle of Japan's Stewardship Code.

For details on Meiji Yasuda's policies, initiatives and self-assessment results relative to each principle of the Stewardship Code, please refer to the Stewardship Report 2024 disclosed in September 2024 ([https://www.meijiyasuda.co.jp/profile/ir/responsible\\_investment/pdf/stewardship\\_activity7.pdf](https://www.meijiyasuda.co.jp/profile/ir/responsible_investment/pdf/stewardship_activity7.pdf)) (Japanese only).

### Self-assessment results (July 2023 to June 2024)

Principles		Results
<b>Principle 1</b>	Establishment and disclosure of policy	Conformance: Meiji Yasuda has disclosed its policies while, as necessary, updating such policies to align them with the latest version of the Stewardship Code. We will update these policies when necessary.
<b>Principle 2</b>	Management of conflicts of interest	Conformance: We recognize that conflicts of interest are properly managed in line with relevant publicly announced policies. We have also stepped up initiatives to prevent conflicts of interest in the course of exercising voting rights. We will continuously review our initiatives to upgrade the structure for managing conflicts of interest.
<b>Principle 3</b>	Monitoring investee status	Conformance: While the financial status of our investees is appropriately monitored, ongoing efforts are underway to enhance our abilities to collect and analyze non-financial information related to sustainability and systematically incorporate this information into our investment process. In these ways, we will strive to further upgrade our responsible investment structure.
<b>Principle 4</b>	Engagement with investees	Conformance: Engagement is properly conducted in line with Meiji Yasuda's policies. Looking ahead, we will push ahead with proposal-oriented dialogue and otherwise strive to accelerate efforts to help investees resolve issues while ensuring that the insight needed to achieve this end is shared among all departments in charge of asset management. By doing so, we will enable an even broader range of corporations to improve their corporate value.

Principles		Results
<b>Principle 5</b>	Policy on voting	Conformance: We appropriately disclose our policies on exercise of voting rights and voting results, rather than superficially skimming through operating results. We also give due consideration to understanding of each investee's status gained through dialogue and other means prior to making a voting decision. We also intend to conduct the proper review of our policies for exercising voting rights to remain capable of helping investees secure sustainable growth.
<b>Principle 6</b>	Periodic reporting to clients and beneficiaries	Conformance: We disclose and report the status of our stewardship activities in a timely and appropriate manner. We will continuously enhance the content of such reporting going forward.
<b>Principle 7</b>	Skills needed to make proper judgments based on in-depth knowledge of investees	Conformance: We operate a PDCA cycle designed to ensure the appropriateness of our dialogue and stewardship activities through the establishment of dedicated departments and the operation of in-house committees. We also strive to incorporate insights offered by external specialists and advisors to enhance our skills while putting these insights into practice. We will continue our efforts toward enhancing our skills and enriching the content of our stewardship activities.
<b>Principle 8</b>	Functions required of providers of services for institutional investors	(N/A)



## Participating in initiatives

Meiji Yasuda has become a signatory to domestic and international initiatives, with the purpose of developing global networks and utilizing external insight to constantly upgrade its mode of responsible investment.

We became a signatory to and participated in three such initiatives in FY2023.

Meiji Yasuda will contribute to the realization of a sustainable society through its proactive involvement in external initiatives that will, in turn, enable it to incorporate even more sophisticated expertise in responsible investment.

## Initiatives Meiji Yasuda joined in FY2023



Taskforce on Nature-related  
Financial Disclosures

(Became a participant in the TNFD forum in June 2023 and was registered as an Early Adopter in January 2024)

An initiative aimed at developing a framework for the systematic assessment and disclosure of nature-related risks. Meiji Yasuda was registered as an Early Adopter due to the announcement of its intention to initiate information disclosure in accordance with TNFD recommendations by FY2025.



(Became a signatory in February 2024)

An initiative established by the PRI to facilitate collaborative engagement focused on addressing issues associated with biodiversity



Impact Consortium

(Became a participant in March 2024)

An initiative established by the Financial Services Agency (FSA) with the aim of realizing a virtuous cycle of sustainable growth based on the resolution of environmental and social issues

## Other initiatives in which Meiji Yasuda participates

Signatory of:



(Became a signatory in January 2019)



(Declared our support in January 2019)



(Became a signatory in April 2020)

A proud supporter of:



(Became a signatory in August 2021)



(Became a signatory in August 2021)

**Net-Zero Asset Owner Alliance**

(Became a member in October 2021)



PCAF Partnership for Carbon Accounting Financials

(Became a member in October 2022)

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

(Became a signatory in November 2022)

**advance**  
A stewardship initiative for human rights and social issues

(Became a signatory in December 2022)

## United Nations Principles for Responsible Investment (PRI) Annual Evaluation

Meiji Yasuda's commitment to responsible investment is highly regarded by the PRI.

The PRI Annual Evaluation program, in which the PRI secretariat evaluates the implementation of responsible investment initiatives undertaken by each signatory, was conducted in January 2024 for the January to December 2022 period. Meiji Yasuda received the highest rating of five-stars in its two applicable categories.

In addition, Meiji Yasuda's responsible investment initiatives were introduced as a good example in a PRI report titled "GLOBAL RESPONSIBLE INVESTMENT TRENDS."

### PRI Annual Evaluation\*

Category	Details	Ratings
Policy, Governance and Strategy	Policy, governance and strategy related to responsible investment and stewardship activities	★ ★ ★ ★ ★
Confidence-building measures	Reporting items and data verification	★ ★ ★ ★ ★

\* Ratings for the coverage period spanning January to December 2022

Signatory of:



### Meiji Yasuda's best practices as published in the PRI report

#### Excerpt from the report

- As we were able to achieve our ESG financing target one year ahead of schedule, we have raised our ESG investment and financing amount for the period from FY2021 to FY2023 from 500 billion yen to over 800 billion yen, and are actively promoting it towards achieving the SDGs.
- Moreover, we are promoting the advancement of impact finance by conducting research on global trends and case studies, and by enhancing our capabilities to identify impact and create outcomes in-house.

Source: GLOBAL RESPONSIBLE INVESTMENT TRENDS issued by the PRI  
(<https://www.unpri.org/download?ac=20589>) (confirmed on October 1, 2024)

## ESG Finance Awards Japan sponsored by the Ministry of the Environment

In the investor category (Asset Owner division) of the ESG Finance Awards Japan sponsored by the Ministry of the Environment, Meiji Yasuda was awarded with a Special Award and a Bronze Award for the second consecutive year since 2023.

This award recognizes investors engaged in initiatives to create positive impacts on the environment, society and economy or otherwise promote the expansion of sustainable financing.

Going forward, we will strive to further increase the sophistication of our responsible investment initiatives to earn a high reputation in our industry.

### ESG Finance Awards Japan sponsored by the Ministry of the Environment; investor category (Asset Owner division)

#### 2024: Bronze Award



#### Reasons for selection



- Meiji Yasuda incorporates ESG-oriented methodologies in its investment and financing process for all invested assets while striving to upgrade its mode of investment and financing. In addition to pursuing decarbonization, it received high praise for its multi-perspective initiatives ranging from biodiversity protection to regional vitalization, etc.
- Based on descriptions of targets under its Medium-Term Business Plan, it was confirmed that Meiji Yasuda takes an aspirational stance toward further scope expansion of sustainable financing.
- It is expected that going forward, the Company will present underlying strategies and policies consistent with the endeavors described above.

#### 2023: Special Award



#### Reasons for selection

- Through collaboration with SDG Impact Japan, Meiji Yasuda strives to incorporate sophisticated insights regarding such matters as ESG-oriented investee evaluations and engagement methods, thereby living up to global standards for institutional investors. The Company is also expected to further raise its capabilities through similar initiatives and is therefore considered worthy of its high rating.



## Publicizing our opinions regarding responsible investment

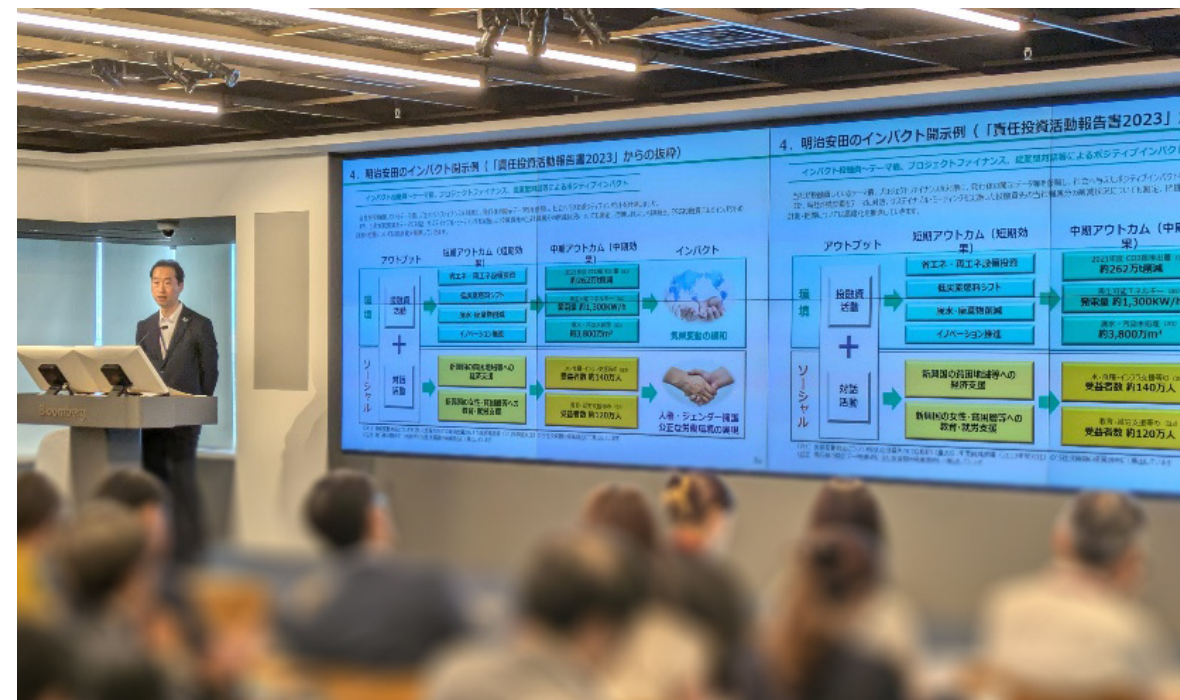
Meiji Yasuda actively communicates its views on responsible investment by participating in meetings and seminars in Japan and overseas.

Through these efforts, we will contribute to the advancement of responsible investment on a global scale.

## Relevant activities undertaken in FY2024

### Providing lectures in a sustainable financing-related program hosted by Bloomberg

We gave lectures on impact finance and the visualization of profits at a program hosted by Bloomberg.



### Serving as a panelist at a roundtable hosted by the PRI

We communicated our views on transition policies and climate change countermeasures alongside representatives from the Financial Services Agency (FSA) and the Ministry of the Environment.

### Serving as a panelist at a roundtable hosted by the Accounting for Sustainability (A4S)

We communicated our views on issues confronting international efforts toward achieving net zero emissions.

### Taking a platform at a seminar hosted by the Japan Impact-driven Financing Initiative

From the perspective of impact finance, we discussed the information disclosure of listed companies as well as performance evaluations by investors.

### Serving as a panelist at a roundtable hosted by Bloomberg

We exchanged opinions with other participant companies on efficient disclosure of ESG-related information.

## Recent relevant activities

### FY2023

Attended "Study Sessions on Impact Financing" co-hosted by the FSA and the GSG Domestic Advisory Committee as a committee member (total of four times)

Spoke at the Impact Investment Forum hosted by Private Equity International

Attended "Roundtable Meetings regarding the Strengthening of Japan's Social and Industrial Infrastructure and the Cultivation of Sustainable Investment and Financing Market" hosted by Mizuho Bank, Ltd. (total of eight times)

Spoke at a talk show hosted by Panasonic Holdings Corporation

Spoke at a roundtable hosted by the PRI Japan Secretariat

Spoke at a corporate customer seminar hosted by MUFG Bank, Ltd. to address topics related to the disclosure of human capital-related information as part of health and productivity management

Spoke at a symposium hosted by Nikko Asset Management Co., Ltd.

## Disclosure of common items related to TCFD and TNFD Recommendations ①

In line with its management philosophy, “Peace of mind, forever,” Meiji Yasuda considers the preservation of the Earth on which people can live with peace of mind to be a universal and crucial issue for humanity. Accordingly, we have positioned “Protect the environment and combat climate change” as a priority issue that must be addressed in order to create social value from standpoints of both a business operator and an institutional investor, as we contribute to the creation of a sustainable society.

## Supporting TCFD and TNFD Recommendations

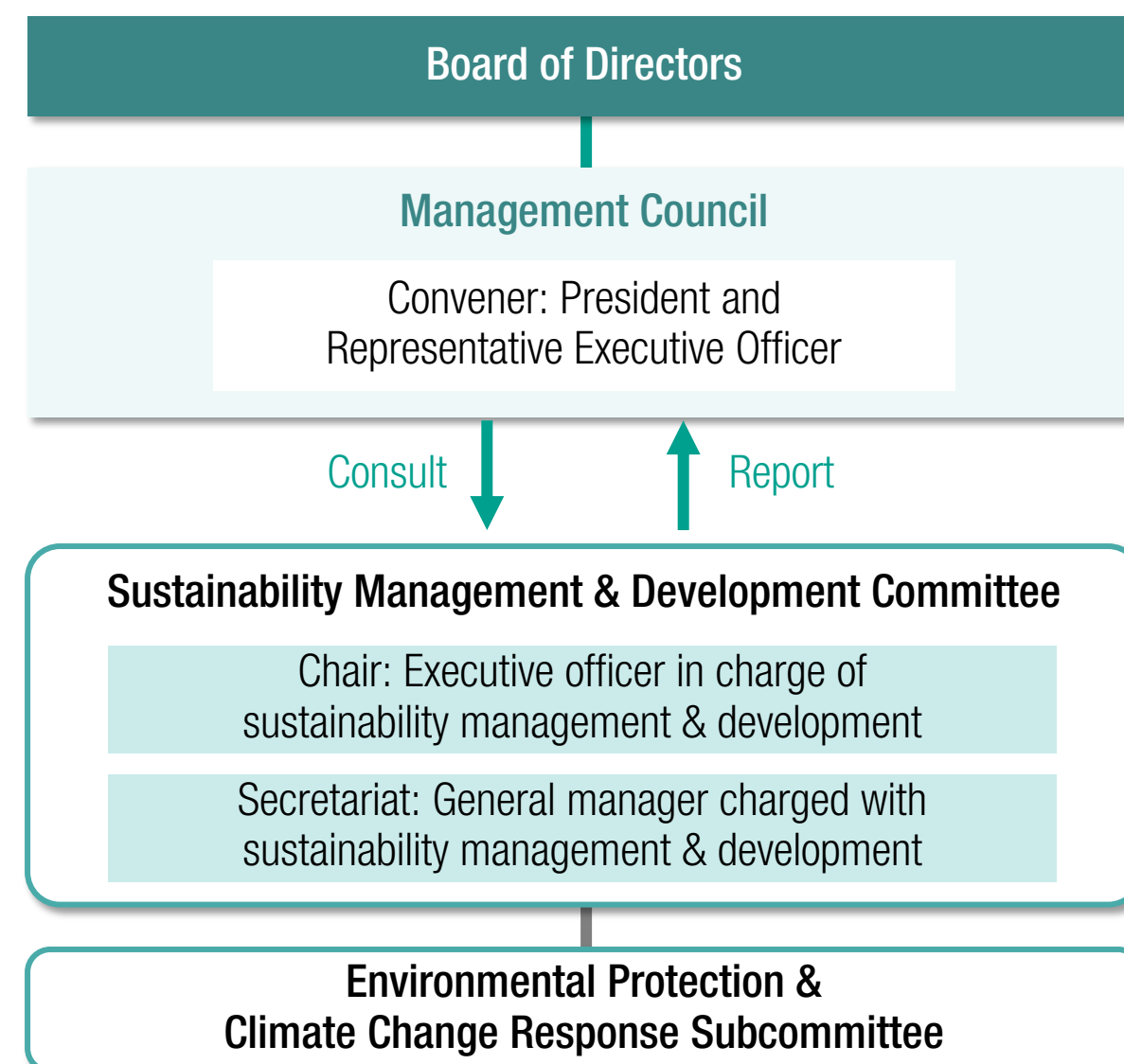
In January 2019, we declared our support for recommendations from the TCFD (dissolved in November 2023 and taken over by the IFRS). In June 2023, we also participated in the TNFD forum and, in November of the same year, we were registered as a “TNFD Adopter” having declared our commitment to undertaking information disclosure in accordance with TNFD recommendations. Moreover, in January 2024 we were certified as an “Early Adopter.” Our efforts to enhance information disclosure are in line with these two frameworks.

Priority themes	Decarbonization	Biodiversity
Initiatives	 <b>TCFD</b>   TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	 <b>TNFD</b>   Taskforce on Nature-related Financial Disclosures

## Governance

We have also appointed an executive officer in charge of sustainability management & development, with the aim of strengthening environmental protection, climate change response and other initiatives to contribute to the creation of a sustainable society. At the same time, a general manager position was created and charged with sustainability management & development. Also, the Sustainability Management & Development Committee was formulated as an advisory body to the Management Council, with the Environmental Protection & Climate Change Response Subcommittee operating under said committee.

Through the efforts of these bodies, we are committed to environmental conservation both as a business operator and as an institutional investor.





## Disclosure of common items related to TCFD and TNFD Recommendations ②

With regard to climate change and natural capital, Meiji Yasuda has identified the risks and opportunities presented in the table on the right.

As climate change is closely linked to natural capital and biodiversity, the TNFD recommends the promotion of integrated disclosure of climate and nature-related information. In recognition of this, Meiji Yasuda has organized climate change as well as nature-related risks and opportunities in an integrated form.

### Climate change- and nature-related risks and opportunities

Risks and opportunities		Primary impacts on business activities	Timespan*	Magnitude
<ul style="list-style-type: none"> <li>● Climate-related (including those overlapping with nature-related items)</li> <li>● Nature-related</li> </ul>		<ul style="list-style-type: none"> <li>■ As a business operator</li> <li>■ As an institutional investor</li> </ul>		
Physical risks	Acute	<ul style="list-style-type: none"> <li>■ The increasing frequency and magnitude of wind and flooding disasters (e.g., typhoons, high tides, concentrated heavy rains) due to global rises in temperatures and sea levels</li> </ul>	Medium to long term	Medium to small
	Chronic	<ul style="list-style-type: none"> <li>● An increase in the number of people who suffer from heat stroke and the spread of tropical infectious diseases (e.g., malaria and dengue fever)</li> <li>● The occurrence of health damage due to the increasing severity of air pollution and the intake of food containing hazardous substances, as well as the outbreak of emerging infectious diseases due to the loss of biodiversity</li> <li>● Surges in food prices reflecting the deterioration of agricultural productivity due to drought or other phenomena, a decrease in fishery resources due to water pollution or the loss of diversity in marine creatures, and other factors</li> </ul>		
Transition risks	Policy	<ul style="list-style-type: none"> <li>● An increase in costs due to the tightening of regulations on CO<sub>2</sub> emissions, fossil fuel levy, specified business contributions, etc.</li> </ul>	Short to medium term	Large to medium
	Technological	<ul style="list-style-type: none"> <li>● Deterioration in the business performance of corporations engaged in CO<sub>2</sub> emission-intensive operations (due to a shift in demand toward alternative products and growing costs for the introduction of new facilities with lower CO<sub>2</sub> emissions)</li> </ul>		
	Market	<ul style="list-style-type: none"> <li>● Deterioration in the business performance of corporations whose operations are excessively dependent on natural capital (e.g., forest, soil, water, atmosphere, living creatures) due to growing costs for environmental protection measures</li> </ul>		
	Reputational	<ul style="list-style-type: none"> <li>● Declines in social standing of corporations that fail to take sufficient measures to address climate change-related risks or preserve natural capital</li> </ul>		
Opportunities	—	<ul style="list-style-type: none"> <li>● Growing customer awareness regarding the prevention of wind and flooding damage, heat stroke and infectious diseases, as well as growing economic needs as they seek medical treatment</li> <li>● Progress in the development and introduction of new technologies, including those supporting environmental countermeasures (e.g., decarbonization) as well as renewable energy generation and energy storage</li> <li>● Shift of consumer behavior and preferences toward selecting products and services designed to help protect the natural environment</li> <li>● Progress in investment aimed at protecting and improving the status of water and marine resources as well as forest and land resources in addition to the development and introduction of new technologies for the same purpose</li> </ul>	Short to medium term	Medium to small

\* Short term: risks that are highly likely to materialize in the next two or three years; medium term: risks that are highly likely to materialize or exert a profound impact by around 2030; long term: risks that may materialize or exert a profound impact from 2030 onward



## Information disclosure based on TCFD recommendations

We conduct scenario analysis to understand the detailed status of climate change-related risks. As a business operator, our scenario analysis focuses on determining the impact of these risks on the amount of death insurance claims and hospitalization benefits to be paid. As an institutional investor, our analysis is aimed at assessing to what extent our investment and financing portfolio will be impacted by these risks.

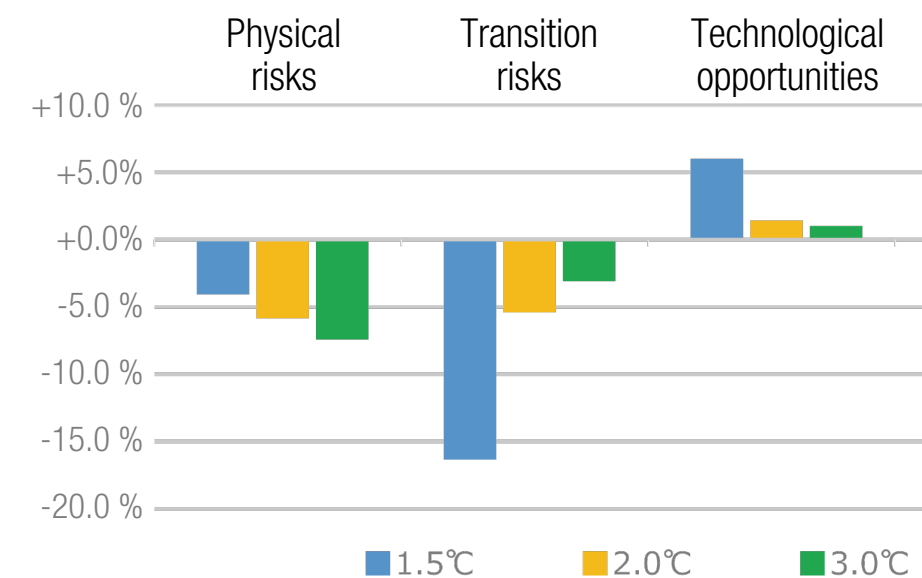
Scenario analysis refers to the analysis of the impact of climate change on future corporate activities via the use of multiple differing scenarios for climate change.

### Impact on our investment and financing portfolio

As an institutional investor, we have introduced Climate Value-at Risk ("CVaR"), a tool developed by MSCI, to conduct the quantitative assessment of the impact of climate change on our investment and financing portfolio of domestic stocks as well as both domestic and foreign bonds. Leveraging this tool, we are engaged in the provisional calculation and analysis of climate change's potential financial impact on our investees. Thus far, we have concluded that such impact will be absorbable, given the volume of real net assets possessed by Meiji Yasuda. The 1.5°C scenario, which pertains to the rise in air temperature from the pre-industrial revolution level, forecasts the materialization of significant transition risks. Under the 3.0°C scenario, the frequency of abnormal weather is expected to grow, with physical risks becoming more profound.

These scenarios thus suggest that transition risks and physical risks are in a trade-off relationship. In addition, the 1.5°C scenario anticipates an increase in technological opportunities due to the growing trend toward minimizing carbon emissions.

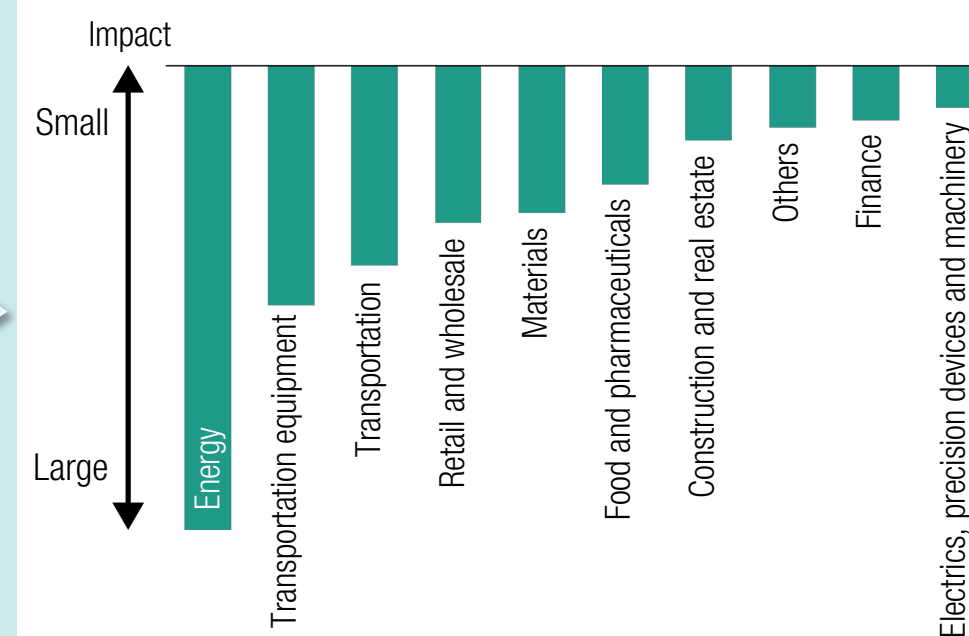
### Degree of impact on our investment and financing portfolio



### Impact on our investment and financing portfolio by sector (domestic stocks and bonds): 1.5°C scenario

We have also conducted a sector-based analysis of the impact\* of climate change on our investment and financing portfolio, targeting investee corporations in Japan. As a result, it was suggested that the impact on the energy, transportation equipment and other sectors that consume massive volumes of fossil fuels will be profound. We are utilizing results of this and similar analyses to inform our efforts to engage in constructive dialogue with investees.

\* Degree of impact is calculated based on the sum of positive/negative financial impacts arising from transition risks, physical risks and technological opportunities.



Source: Provisional calculation using MSCI's "CVaR"

## Information disclosure based on TNFD recommendations

Meiji Yasuda utilizes “ENCORE,”\* a tool recommended by the TNFD, to analyze nature-related risks associated with its investment and financing portfolio. This analysis is focused on determining the status of sectors with a relatively large degree of dependency and impact on natural capital as well as sectors in which the Company holds relatively large balance of assets.

Based on analysis results as illustrated in the diagram on the right, we are promoting initiatives to protect natural capital and biodiversity while engaging in dialogue aimed at encouraging investees to upgrade their mode of information disclosure.

\* ENCORE: An online analysis tool developed by the Natural Capital Finance Alliance (NCFA) and others to help private corporations assess their dependency and impact on natural capital

## Assessment of the dependency and impact of seven primary sectors on natural capital

### Dependency

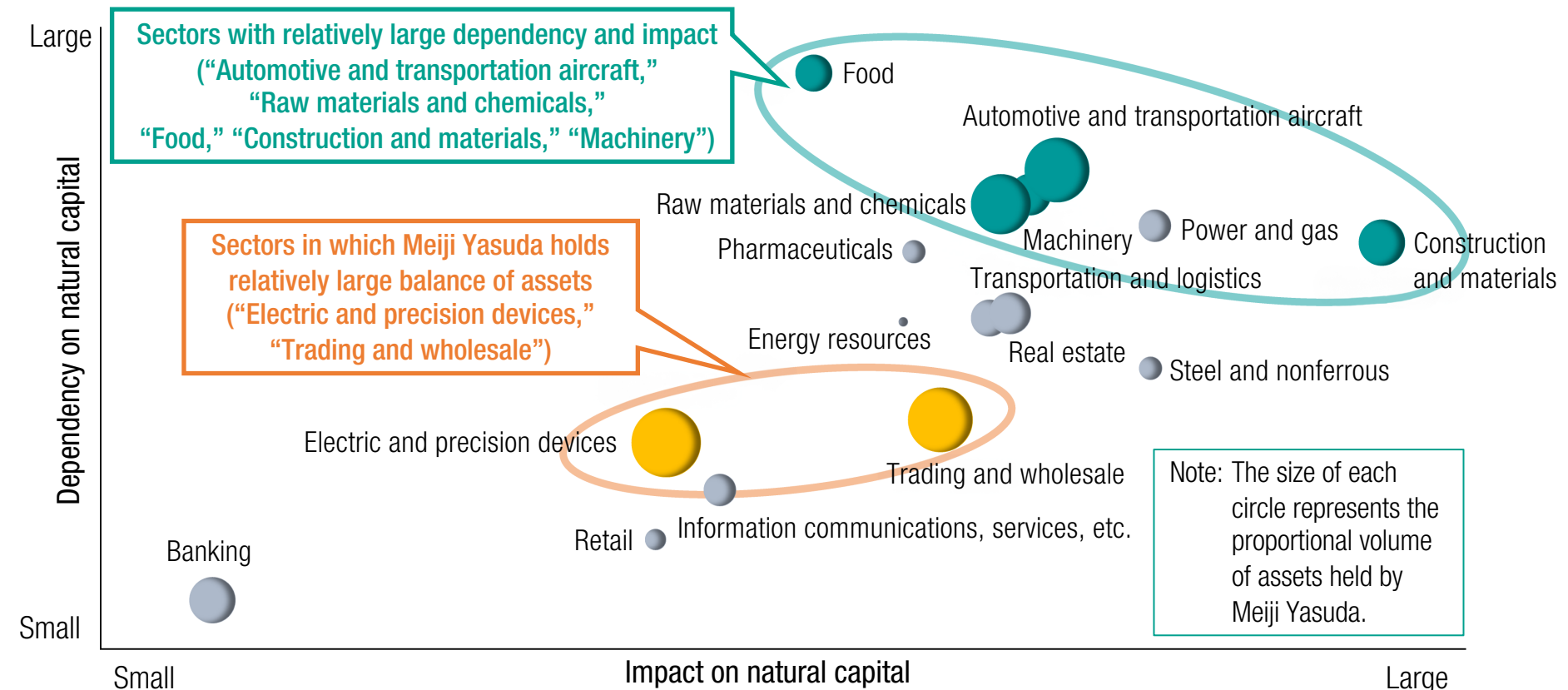
Sector	Groundwater	Surface water	Dilution function	Climate change suppression	Water quality	Water volume adjustment	Flooding and storm suppression	Erosion prevention	Noise and light pollution suppression
Machinery									
Construction and materials									
Automotive and transportation aircraft									
Trading and wholesale									
Food									
Raw materials and chemicals									
Electric and precision devices									

### Impact

Sector	Water use	Terrestrial ecosystem	Freshwater ecosystem	GHG emissions	Air pollution	Water pollution	Soil pollution	Solid waste	Disturbance on daily life
Machinery									
Construction and materials									
Automotive and transportation aircraft									
Trading and wholesale									
Food									
Raw materials and chemicals									
Electric and precision devices									

Small ← → Large

## Analysis of relationship between dependency and impact on natural capital





## Yoshimasa Osaki

Managing Executive Officer,  
Executive Officer in Charge of  
the Investment Planning & Research Department

There are growing expectations in the field of responsible investment to address not only climate change but also other social issues such as biodiversity preservation and nature conservation. In response to this trend, in FY2024 we reorganized the Responsible Investment Office, a department specializing in responsible investment, into the Responsible Investment Development Department to strengthen our structure for promoting responsible investment and upgrading our mode of such investments.

In line with “MY Mutual Way Phase II,” a three-year program launched in FY2024, we strive to step up our involvement in responsible investment aimed at creating positive social impacts. Specifically, we will strive to expand the scope of impact finance to deliver positive impacts to society and the environment. Moreover, we intend to play our part in the resolution of social issues through proposal-oriented engagement with our investees even as we leverage insight offered by external parties such as our capital and business alliance partner, SDG Impact Japan.

As a responsible institutional investor, we will continue fulfilling our social responsibilities and public mission to our stakeholders by creating a virtuous cycle of improvement in economic value and the creation of social value through responsible investment. In this way, we will contribute to the realization of a sustainable and hopeful society.



## Masanori Hosokawa

General Manager in Charge of Supervising  
the Responsible Investment Development,  
the Investment Planning & Research Department

In recent years, impact finance and transition financing have drawn immense public attention, with relevant topics vigorously deliberated by various initiatives and organizations around the globe.

A priority of “MY Mutual Way Phase II” is to actively communicate our views from our standpoint as an institutional investor and on behalf of our peers in Japan and Asia. We do this by participating in initiatives, giving lectures at external seminars, and taking an active part in rulemaking processes, such as the formulation of guidelines.

On the other hand, there is also an urgent need to train professionals capable of flexibly and appropriately collecting the latest information and handling disclosure requirements within the field of responsible investment, which is rapidly changing and expanding the scope of its operations.

As part of efforts to strengthen its structure for promoting responsible investment, in FY2024 Meiji Yasuda launched unique training programs designed to nurture specialists in the ESG field. At the same time, we continue to implement in-house education on responsible investment, targeting all employees while aligning the content of such education with knowledge and experience possessed by each recipient. This is but an example of our level of focus on human resource development.

Going forward, we will proactively push ahead with these and other initiatives to promote responsible investment and strengthen our structure for executing such investment.