

Human Rights Policy in ESG Investing

1. Our Principle

As stipulated in the UN Guiding Principles on Business and Human Rights, states have obligations to respect, protect, and fulfill human rights, and business enterprises are required to comply with all applicable laws and regulations and to respect human rights. The value of investments might potentially be damaged when adverse human rights issues emerge. We therefore believe that due consideration of human rights in investment decisions leads to the sound development of our beneficiaries' assets by improving its returns and reducing risks over the medium to long term. Also, in the belief that such efforts will eventually contribute to the realization of a sustainable society, we strive to address issues related to human rights.

2. Governance

In order to ensure proper implementation of this policy, we establish an appropriate governance framework for its enforcement and supervision.

3. Integration of Human Rights Considerations into Our Investment Process

We undertake ESG assessments, as the core of our ESG investing, in order to understand an investee's corporate sustainability that improves return and mitigate risks for our beneficiaries over the medium to long term. With respect to human rights, if there is a risk that an investee does not fulfill its responsibilities to respect them, we assess its implications on the investee's corporate value and incorporate it into the investment process.

4. Dialogue with Investees

We engage in dialogue with an investee that has challenges in addressing its human rights issues and the information disclosure, from the perspective of preserving its medium- to long-

term corporate values. As necessary, we seek to engage in more constructive dialogue in collaboration with other institutional investors and initiatives which share the same views with us.

5. Exercise of Voting Rights

If there is a human-rights-related agenda item and when we exercise our voting rights, we examine the investee's measures and actions with respect to human rights and the contents of disclosed information, and make our decisions to vote for or against, mainly from the perspective of preserving the medium- to long-term value of the assets under management.

6. Escalation

When an investee has challenges in addressing its human rights issues and information disclosure, we engage in dialogue in order to address them. If there is a divergence between our approaches, we strive to preserve the investee's corporate value by communicating our views as an investor and continuously engaging in constructive dialogues. In such cases, we do not exclude the possibility of divestment as an option.

7. Promoting the Understanding of Beneficiaries and External Investment

Management Companies

Through disclosure and dialogue, we make our efforts to promote understanding of this policy among our beneficiaries and external asset management companies to which we outsource our investment management.