



**PRIVATE TRANSPARENCY REPORT**

**2023**

**Nissay Asset Management Corporation**

Generated 15-12-2023

# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The private Transparency Reports, which are produced using signatories' reported information, support signatories to have internal discussions about their practices. Signatories can also choose to make these available to clients, beneficiaries, and other stakeholders.

This private Transparency Report is an export of your responses to the PRI Reporting Framework during the 2023 reporting period. It includes all responses (public and private) to core and plus indicators.

In response to signatory feedback, the PRI has not summarised your responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options that you selected are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

# Table of Contents

Module	Page
SENIOR LEADERSHIP STATEMENT (SLS)	4
ORGANISATIONAL OVERVIEW (OO)	7
POLICY, GOVERNANCE AND STRATEGY (PGS)	27
MANAGER SELECTION, APPOINTMENT AND MONITORING (SAM)	61
LISTED EQUITY (LE)	79
FIXED INCOME (FI)	88
SUSTAINABILITY OUTCOMES (SO)	98
CONFIDENCE-BUILDING MEASURES (CBM)	114

# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

At Nissay Asset Management (NAM), we uphold a corporate slogan “A Good Investment for the Future”. Our slogan “Good” symbolises investments that are valuable not only for the investment performance of our clients, but also for the environment, society and our employees, while “Future” incorporates the future of clients, the future of our planet and next generation and the future of us, so that this is the cornerstone of our sustainability management.

Responsible investment, an important component of sustainability management for asset managers, has been our focus for about 15 years in order to fulfil our social responsibility to contribute to a realisation of a sustainable society and a sound development of capital markets. We believe that ESG factors are highly compatible with long-term investment, and we signed the PRI in 2006. Our proprietary ESG evaluation launched in 2008 for domestic equities evaluates companies from the perspective of enhancing medium and long-term corporate value through their ESG initiatives.

We believe that it is our responsibilities of asset management companies to link returns while utilising ESG factors, and we believe that by doing so, we can enhance the sustainability of ESG management itself. So far, we have seen a positive correlation between ESG ratings and stock price performances over the long term. Our ESG integration efforts which started with domestic equities have now been expanded to include foreign equities, corporate bonds and sovereign bonds.

In addressing systemic risks and opportunities, we joined the Net Zero Asset Managers Initiative in 2021 and have set an interim goal of halving the GHG emissions of all of our equities and corporate bonds by 2030, compared to 2019 levels. To achieve this goal, we hold dialogues with companies with particularly large GHG emissions, lobby for climate-related policies in collaboration with climate change-related initiatives and raise awareness of climate change among asset owners.

In addition, as part of our efforts to advance responsible investment, we are stepping up our efforts to become more aware of our contribution to the realisation of the sustainable society. Specifically, we have launched impact investing as well as investment to support climate change transitions in 2021 response to climate change, we have determined that it is important for appropriate transitions to invest in companies with large GHG emissions, and we intend to achieve both returns and the sustainable society by investing in such companies and strengthening our engagement with them.

#### Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

One of our particular efforts during the past year was to strengthen our governance structure for the provision of ESG funds. Specifically, in order to provide ESG funds that our clients can trust, we defined "ESG funds" and enhanced information disclosure from the perspective of preventing misperceptions by our clients. Also, we have put in place a system to systematically check on a regular basis that the funds are being "invested with active utilisation of ESG factors" for ESG funds as promised to our clients. In terms of information disclosure, we have also systematically made disclosures that fulfil accountability by specifically describing ESG funds not only in the prospectus of investment products under management but also in monthly reports and other management reports. We have set an interim goal of halving the GHG emissions of all of our equities and corporate bonds by 2030, compared to 2019 levels. To achieve this goal, we hold dialogues with companies with particularly large GHG emissions, lobby for climate-related policies in collaboration with climate change-related initiatives and raise awareness of climate change among asset owners. A carbon footprint of our portfolios is reduced by 24.9% by 2021 compared to 2019 level. In our engagement with companies, in addition to our dialogues with individual companies directly, we actively engaged in collaborative efforts with other institutional investors through participation in Climate Action 100+ and PRI Advance, as well as lobbying for climate-related policies in Japan through participation in the Japan Climate Initiative.

In addition to presenting detailed information on our responsible investment activities in our annual sustainability report, we also actively communicate our activities through regular publications of our proprietary information magazine named ESG Letter and by speaking at various conferences and seminars, and we are continuously working to build public understanding of responsible investment. In addition, from the perspective of medium and long-term development of the industry as a whole, we are also focusing on financial education for next generations based on our extensive knowledge of responsible investment and are actively developing learning materials and visiting primary schools in Japan to improve financial literacy, including understanding of the SDGs and responsible investment.

In recognition of these efforts, we have received high praise from third parties, including an award for excellence at ESG Finance Awards by the Ministry of the Environment and very lately Sustainable Japan Award in ESG by The Japan Times.

### Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

We believe that the next two years will be a crucial period for responsible investment. In Japan, disclosure of human capital in statutory annual securities reports has just started, and disclosure rules are also being developed globally. Corporate awareness of sustainability is also increasing significantly. Rules have also been developed to address so called "ESG washing" in the asset management industry. Thus, as the materiality of ESG itself increases, engagement with companies can finally be done at the same page. We believe that never before have efforts to enhance corporate value been as important as they are now.

We will continue to provide our clients with superior investment returns and contribute further to the realisation of the sustainable society through ESG integration initiatives centred on ESG ratings as well as the enhancement of our stewardship activities.

In this context, we have expanded our ESG investing which started with domestic equities to include sovereign bonds and domestic REITs. Going forward, we intend to further deepen our ESG investing in these newly launched ESG-integrated assets, as well as enhance our skills in impact investing, including in existing assets. From this perspective, we intend to take a proactive and unique approach that leads the industry. In addition, we would like to deepen the linkage and further broaden the scope of responsible investment at our outsourced asset management companies.

Finally, needless to say but the next two years will be crucial for GHG emissions reductions by 2030 for Net Zero.

The entire world must work together, country by country and industry by industry. Addressing climate change is a systemic issue of inevitable importance for companies' competitiveness and sustainability of nations and the planet. In line with our slogan "A Good Investment For the Future," we intend to further strengthen our engagement and other effective efforts in many areas to fulfil our fiduciary duty and contribute to the realisation of the sustainable society.

#### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Tom Fujii

Position

CO-CIO

Organisation's Name

Nissay Asset Management Corporation

A

**'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.**

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# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	03	2023

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2.1	CORE	OO 2	OO 2.2	PUBLIC	Subsidiary information	GENERAL

Are any of your organisation's subsidiaries PRI signatories in their own right?

- (A) Yes
- (B) No

## ASSETS UNDER MANAGEMENT

### ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 255,178,283,758.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

### ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PRIVATE	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	11%	9%
(B) Fixed income	45%	16%
(C) Private equity	0%	7%
(D) Real estate	0%	3%
(E) Infrastructure	0%	1%
(F) Hedge funds	0%	1%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	6%	1%
(J) Off-balance sheet	0%	0%

**(I) Other - (1) Percentage of Internally managed AUM - Specify:**

Multi-asset and others

**(I) Other - (2) Percentage of Externally managed AUM - Specify:**

Multi-asset and others

## ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.1	CORE	OO 5	Multiple	PRIVATE	Asset breakdown: Externally managed assets	GENERAL

Provide a further breakdown of your organisation's externally managed listed equity and/or fixed income AUM.

	(1) Listed equity	(2) Fixed income - SSA	(3) Fixed income - corporate	(4) Fixed income - securitised	(5) Fixed income - private debt
(A) Active	83%	2%	91%	6%	0%
(B) Passive	17%	1%	0%		

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2	CORE	OO 5, OO 5.1	SAM 3, SAM 8	PRIVATE	Asset breakdown: Externally managed assets	GENERAL

Provide a breakdown of your organisation's externally managed AUM between segregated mandates and pooled funds or investments.

	(1) Segregated mandate(s)	(2) Pooled fund(s) or pooled investment(s)
(A) Listed equity - active	28%	72%
(B) Listed equity - passive	0%	100%
(C) Fixed income - active	2%	98%
(D) Fixed income - passive	0%	100%
(E) Private equity	0%	100%
(F) Real estate	0%	100%

(G) Infrastructure	0%	100%
(H) Hedge funds	32%	68%

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PRIVATE	Asset breakdown: Internally managed listed equity	GENERAL

**Provide a further breakdown of your internally managed listed equity AUM.**

(A) Passive equity 39%

(B) Active – quantitative 13%

(C) Active – fundamental 48%

(D) Other strategies 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PRIVATE	Asset breakdown: Internally managed fixed income	GENERAL

**Provide a further breakdown of your internally managed fixed income AUM.**

(A) Passive – SSA 3%

(B) Passive – corporate 0%

(C) Active – SSA 29%

(D) Active – corporate 68%

(E) Securitised 0%

(F) Private debt 0%

## MANAGEMENT BY PRI SIGNATORIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6	CORE	OO 5	N/A	PRIVATE	Management by PRI signatories	GENERAL

**What percentage of your organisation's externally managed assets are managed by PRI signatories?**

80%

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

**How much of your AUM in each asset class is invested in emerging markets and developing economies?**

### AUM in Emerging Markets and Developing Economies

(A) Listed equity (2) >0 to 10%

(B) Fixed income – SSA (2) >0 to 10%

(C) Fixed income – corporate (2) >0 to 10%

(D) Fixed income – securitised (1) 0%

(F) Private equity (4) >20 to 30%

(G) Real estate (2) >0 to 10%

(H) Infrastructure (1) 0%

(I) Hedge funds (1) 0%

## STEWARDSHIP

### STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

	(1) Listed equity - active	(2) Listed equity - passive	(3) Fixed income - active	(4) Fixed income - passive	(5) Private equity
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>				
(C) Yes, through external managers	<input checked="" type="checkbox"/>				
(D) We do not conduct stewardship	<input type="radio"/>				

	(6) Real estate	(7) Infrastructure	(8) Hedge funds	(11) Other
(A) Yes, through internal staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not conduct stewardship	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 HF	CORE	OO 5	OO 9	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation have direct investments in listed equity across your hedge fund strategies?

- (A) Yes
- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

**(1) Listed equity - active****(2) Listed equity - passive**

(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

**For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?**

**Percentage of your listed equity holdings over which you have the discretion to vote**

(A) Listed equity – active	(12) 100%
(B) Listed equity - passive	(12) 100%

## STEWARDSHIP NOT CONDUCTED

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship not conducted	2

**Describe why your organisation does not currently conduct stewardship and/or (proxy) voting.**

Stewardship, excluding (proxy) voting

(F) Real estate

We do not explicitly delegate stewardship responsibilities to external investment managers.

(H) Hedge funds

We do not explicitly delegate stewardship responsibilities to external investment managers.

## ESG INCORPORATION

### INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

**For each internally managed asset class, does your organisation incorporate ESG factors into your investment decisions?**

	(1) Yes, we incorporate ESG factors into our investment decisions	(2) No, we do not incorporate ESG factors into our investment decisions
(A) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - active - quantitative	<input checked="" type="radio"/>	<input type="radio"/>
(C) Listed equity - active - fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(E) Fixed income - SSA	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income - corporate	<input checked="" type="radio"/>	<input type="radio"/>
(V) Other: Multi-asset and others	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER SELECTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager selection	1

For each externally managed asset class, does your organisation incorporate ESG factors when selecting external investment managers?

	(1) Yes, we incorporate ESG factors when selecting external investment managers	(2) No, we do not incorporate ESG factors when selecting external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(H) Hedge funds	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: Multi-asset and others	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER APPOINTMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager appointment	1

For each externally managed asset class, does your organisation incorporate ESG factors when appointing external investment managers?

	(1) Yes, we incorporate ESG factors when appointing external investment managers	(2) No, we do not incorporate ESG factors when appointing external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(H) Hedge funds	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: Multi-asset and others	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager monitoring	1

For each externally managed asset class, does your organisation incorporate ESG factors when monitoring external investment managers?

	(1) Yes, we incorporate ESG factors when monitoring external investment managers	(2) No, we do not incorporate ESG factors when monitoring external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(H) Hedge funds	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: Multi-asset and others	<input checked="" type="radio"/>	<input type="radio"/>

## ESG IN OTHER ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 15	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG in other asset classes	1

**Describe how your organisation incorporates ESG factors into the following asset classes.**

Internally managed  
(C) Other

Other also includes multi-asset funds and those funds consist of asset classes integrated ESG factors.

Externally managed  
(F) Other

Other also includes multi-asset funds and those funds consist of asset classes integrated ESG factors.

## ESG STRATEGIES

### LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PRIVATE	Listed equity	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?**

**Percentage out of total internally managed active listed equity**

(A) Screening alone	22%
(B) Thematic alone	0%
(C) Integration alone	0%
(D) Screening and integration	56%
(E) Thematic and integration	0%

(F) Screening and thematic	0%
(G) All three approaches combined	22%
(H) None	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PRIVATE	Listed equity	1

**What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?**

**Percentage coverage out of your total listed equity assets where a screening approach is applied**

(A) Positive/best-in-class screening only	0%
(B) Negative screening only	57%
(C) A combination of screening approaches	43%

## FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PRIVATE	Fixed income	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?**

	(1) Fixed income - SSA	(2) Fixed income - corporate
(A) Screening alone	14%	1%
(B) Thematic alone	0%	0%
(C) Integration alone	0%	6%
(D) Screening and integration	1%	91%
(E) Thematic and integration	0%	0%
(F) Screening and thematic	0%	0%
(G) All three approaches combined	0%	2%
(H) None	85%	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 FI	CORE	OO 17 FI	N/A	PRIVATE	Fixed income	1

**What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?**

	(1) Fixed income - SSA	(2) Fixed income - corporate
(A) Positive/best-in-class screening only	0%	0%
(B) Negative screening only	100%	97%
(C) A combination of screening approaches	0%	3%

# ESG/SUSTAINABILITY FUNDS AND PRODUCTS

## LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PRIVATE	Labelling and marketing	1

**Do you explicitly market any of your products and/or funds as ESG and/or sustainable?**

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

3%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

**Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?**

- (A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications
- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

## PASSIVE INVESTMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 19	CORE	OO 5.3 FI, OO 11	LE 8, FI 10	PRIVATE	Passive investments	1

**What percentage of your total internally managed passive listed equity and/or fixed income passive AUM utilise an ESG index or benchmark?**

Percentage of AUM that utilise an ESG index or benchmark

(A) Listed equity - passive	0%
(B) Fixed income - passive	0%

## THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 17 FI	FI 15, FI 17	PRIVATE	Thematic bonds	1

What percentage of your total environmental and/or social thematic bonds are labelled by the issuers in accordance with industry-recognised standards?

Percentage of your total environmental and/or social thematic bonds labelled by the issuers

(A) Green or climate bonds	69%
(B) Social bonds	12%
(C) Sustainability bonds	14%
(D) Sustainability-linked bonds	5%
(E) SDG or SDG-linked bonds	0%
(F) Other	0%
(G) Bonds not labelled by the issuer	0%

# SUMMARY OF REPORTING REQUIREMENTS

## SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(A) Listed equity – passive	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) Listed equity – active – quantitative	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(T) External manager selection, appointment and monitoring (SAM) – listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(U) External manager selection, appointment and monitoring (SAM) – listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

(V) External manager selection, appointment and monitoring (SAM) – fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(W) External manager selection, appointment and monitoring (SAM) – fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(X) External manager selection, appointment and monitoring (SAM) – private equity	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(Y) External manager selection, appointment and monitoring (SAM) – real estate	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(Z) External manager selection, appointment and monitoring (SAM) – infrastructure	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(AA) External manager selection, appointment and monitoring (SAM) – hedge funds	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

## SUBMISSION INFORMATION

## REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

# POLICY, GOVERNANCE AND STRATEGY (PGS)

## POLICY

### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here
- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues

Specify:

We implement ESG evaluation using our proprietary evaluation items and evaluation standards. For example, for environmental (the E in ESG), we evaluate companies from the perspective of “whether their products and services contribute to the environment, and whether this is linked to corporate value.” For social (S), we use measures such as “the unity of employees and management” and for governance (G), we use measures such as “whether governance is effective.” This rating system also covers decent work which can be seen in the above mentioned “the unity of employees and management”, just transition and other sustainable items.

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

### Which elements of your formal responsible investment policy(ies) are publicly available?

**(A) Overall approach to responsible investment**

Add link:

<https://www.nam.co.jp/english/responsibleinvestor/esg/index.html>

**(B) Guidelines on environmental factors**

Add link:

<https://www.nam.co.jp/english/responsibleinvestor/esg/index.html>

**(C) Guidelines on social factors**

Add link:

<https://www.nam.co.jp/english/responsibleinvestor/esg/index.html>

**(D) Guidelines on governance factors**

Add link:

<https://www.nam.co.jp/english/responsibleinvestor/esg/index.html>

**(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

<https://www.nam.co.jp/english/responsibleinvestor/esg/index.html>

**(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

<https://www.nam.co.jp/english/responsibleinvestor/esg/index.html>

**(H) Specific guidelines on other systematic sustainability issues**

Add link:

<https://www.nam.co.jp/company/responsibleinvestor/esg.html>

**(I) Guidelines tailored to the specific asset class(es) we hold**

Add link:

<https://www.nam.co.jp/company/responsibleinvestor/esg.html>

**(J) Guidelines on exclusions**

Add link:

<https://www.nam.co.jp/company/responsibleinvestor/esg.html>

**(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

<https://www.nam.co.jp/english/responsibleinvestor/proxyvoting.html>

**(L) Stewardship: Guidelines on engagement with investees**

Add link:

<https://www.nam.co.jp/company/responsibleinvestor/stewardship.html>

**(O) Stewardship: Guidelines on (proxy) voting**

Add link:

<https://www.nam.co.jp/english/responsibleinvestor/proxyvoting.html>

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

**(A) Yes**

Elaborate:

As an asset management specialist, we have fiduciary duty towards pension and investment fund beneficiaries. As part of this, we have a clear sense of social responsibility in developing a sustainable society, increasing corporate value and developing a healthy capital market. We feel that addressing issues concerning the E (Environment), S (Society) and G (Corporate Governance) in our investment research and decision-making will not only lead to the improvement of our long term investment plan but ultimately fulfill our social responsibility. Below are our policies to approach ESG.

1. Recognition of ESG issues - From the perspective of long term investment and risk management, we will strive to understand ESG related issues and the affect it will have on the value of our investment asset.
2. Considering ESG in the Investment Process - From our fiduciary duty perspective, we will attempt to consider ESG related issues in our investment process.
3. Taking ESG into account in the development of financial products - Developing products which take ESG related issues into account in order to respond to the needs of our clients in contributing to a sustainable society through investment.
4. Dialogue with companies - To address ESG related issues including the enhancement of corporate governance and increasing corporate value in the long term, we will actively dialogue with companies and use our voting rights accordingly.

- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Which elements are covered in your organisation’s policy(ies) or guidelines on stewardship?**

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?**

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

**Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?**

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme
- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment

(B) Guidelines on environmental factors

(C) Guidelines on social factors

(D) Guidelines on governance factors

(7) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

### AUM coverage

(A) Specific guidelines on climate change

(1) for all of our AUM

(B) Specific guidelines on human rights

(1) for all of our AUM

(C) Specific guidelines on other systematic sustainability issues

(2) for a majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

(A) Listed equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(B) Fixed income

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(C) Private equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(E) Infrastructure

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(I) Other

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?**

(A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(B) Passively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%

- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

## GOVERNANCE

### ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- (A) Board members, trustees, or equivalent
- (B) Senior executive-level staff, or equivalent

Specify:

CIO, CO-CIO

- (C) Investment committee, or equivalent

Specify:

Responsible Investment Council

- (D) Head of department, or equivalent

Specify department:

ESG Investment Promotion Department

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

**(1) Board members, trustees, or equivalent**

**(2) Senior executive-level staff, investment committee, head of department, or equivalent**

(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

**(A) Yes**

Describe how you do this:

Political engagement on ESG investing is conducted primarily through various government relations committee members. For example, we are a member of the FSA's Expert Committee on Sustainable Finance, Impact investment Committee and a member of the METI's Human Capital Committee and so on. In these meetings, we have provided our views on ESG integration, which we have been conducting since 2008.

We also provide opinions on disclosure as stipulated in PRI Principle 3 and opinions on the spread of ESG investing in the asset management industry, as described in PRI Principle 4.

- (B) No
- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

**(A) Internal role(s)**

Specify:

The head of the Investment Division is responsible for implementing our approach to responsible investment and this is clearly stated in the authorised document mentioned in PGS11.2.

**(B) External investment managers, service providers, or other external partners or suppliers**

Specify:

The Supervisory Committee on Responsible Investment comprised of a majority of independent outside directors monitors our responsible investment activities to ensure our approach is adequate.

- (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

(A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Describe: (Voluntary)

Board Members have KPI for responsible investment and sustainability related issues.

(B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

(A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicate whether these responsible investment KPIs are linked to compensation

(1) KPIs are linked to compensation

(2) KPIs are not linked to compensation as these roles do not have variable compensation

(3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

(B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
- (B) Yes, including all strategy-related recommended disclosures
- (C) Yes, including all risk management-related recommended disclosures
- (D) Yes, including all applicable metrics and targets-related recommended disclosures
- (E) None of the above

Add link(s):

<https://www.nam.co.jp/english/responsibleinvestor/report.html>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?**

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

<https://www.nam.co.jp/english/news/epdf/esgl230425.pdf>

- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

## STRATEGY

### CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**Which elements do your organisation-level exclusions cover?**

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**How does your responsible investment approach influence your strategic asset allocation process?**

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- (B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns
- (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

**STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?**

**(1) Listed equity      (2) Fixed income      (3) Private equity      (5) Infrastructure**

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Rank the channels that are most important for your organisation in achieving its stewardship objectives.

- (A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff  
Select from the list:  
 1
- (B) External investment managers, third-party operators and/or external property managers, if applicable  
Select from the list:  
 2
- (C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers  
Select from the list:  
 5
- (D) Informal or unstructured collaborations with investors or other entities  
Select from the list:  
 3
- (E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar  
Select from the list:  
 4
- (F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How are your organisation's stewardship activities linked to your investment decision making, and vice versa?**

We place importance on "dialogue with companies," conduct our own ESG assessments, and strive to evaluate companies and make investment decisions from a medium- to long-term perspective. ESG evaluations are conducted with the aim of improving medium- and long-term returns and reducing risks for the beneficiaries. In order to make "dialogue with companies" fruitful, we place emphasis on dialogue with management. We will strive to gain a deep insight into and understanding of corporate activities. We strive to improve corporate value and reduce risk through mutual exchange of opinions, so that both the beneficiaries and the investee company can benefit. We position the exercise of voting rights as a means of "dialogue with the company" and strive to fulfill our stewardship responsibilities.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**If relevant, provide any further details on your organisation's overall stewardship strategy.**

Analysts who analyse Japanese companies include equity analysts and credit analysts who evaluate the creditworthiness of companies. Both analysts' perspectives on corporate analysis have many things in common, such as considering the sustainable growth potential of the investee company and the risks associated with that growth. However, equity analysts focus more on medium- to long-term growth potential, while credit analysts focus more on financial strength. We believe that in a dialogue to promote sustainable growth of a company, it is important to take into account the perspectives of both analysts, as well as the dialogue agenda. In addition, the original ESG evaluation method used in the equity investment process (used to select the dialogue agenda) has been incorporated into the domestic corporate bond investment process as well. These efforts are designed to enable more constructive dialogue through the improvement of both analysts' dialogue skills. This approach will enhance the effectiveness of our stewardship activities by improving the ability of both analysts to engage in dialogue, thereby enabling a more constructive dialogue.

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?**

**(A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes**

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases

**(B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear**

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases
- (D) We do not review external service providers' voting recommendations
- (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How is voting addressed in your securities lending programme?**

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website  
Add link(s) to public disclosure:  
<https://www.nam.co.jp/company/responsibleinvestor/cvr.html>
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

- (A) Yes, for all (proxy) votes
  - (B) Yes, for the majority of (proxy) votes
- Add link(s):

<https://www.nam.co.jp/company/responsibleinvestor/cvr.html>

- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(2) for a majority of votes	(2) for a majority of votes
(B) Yes, we privately communicated the rationale to the company		

(C) We did not publicly or privately communicate the rationale, or we did not track this information

○

○

(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year

○

○

**(A) Yes, we publicly disclosed the rationale - Add link(s):**

<https://www.nam.co.jp/company/responsibleinvestor/cvr.html>

## STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

**For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

### (1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one

(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal

(C) Publicly engaging the entity, e.g. signing an open letter

(D) Voting against the re-election of one or more board directors

(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director

(F) Divesting

(G) Litigation

(H) Other

(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

**For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

- (A) Joining or broadening an existing collaborative engagement or creating a new one
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) **Not investing**
- (D) Reducing exposure to the investee entity
- (E) Divesting
- (F) Litigation
- (G) Other
- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
  - o (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations
- (C) We provided technical input via government- or regulator-backed working groups

Describe:

We have participated as a member of various expert committees set up by the Japanese government and have provided technical advice there.

As an example, we made a presentation from an investor's perspective on how ESG rating and data provision should be done at the Japan's Financial Services Agency (FSA)'s Technical Committee for ESG Evaluation and Data Providers.

The presentation materials are available on the FSA website ([https://www.fsa.go.jp/singi/esg\\_hyouka/siryoku/20220323.html](https://www.fsa.go.jp/singi/esg_hyouka/siryoku/20220323.html)).

- (D) We engaged policy makers on our own initiative
- (E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- (A) We publicly disclosed all our policy positions  
 (B) We publicly disclosed details of our engagements with policy makers

Add link(s):

<https://www.nam.co.jp/english/news/epdf/esgl230425.pdf>

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.

(A) Example 1:

Title of stewardship activity:

Dialogue on an importance of sustainability issues

- (1) Led by
- (1) Internally led
  - (2) External service provider led
  - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
- (1) Environmental factors
  - (2) Social factors
  - (3) Governance factors
- (3) Asset class(es)
- (1) Listed equity
  - (2) Fixed income
  - (3) Private equity
  - (4) Real estate
  - (5) Infrastructure
  - (6) Hedge funds
  - (7) Forestry
  - (8) Farmland
  - (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Having discussed general sustainability issues with a company, we pointed out that from the perspective of the company's corporate value and business model, not only climate change disclosure but also nature-related disclosure could be important and asked the company's future disclosure policy. The company responded that it is currently considering nature-related disclosure. As a responsible investor, we intend to continue to hold dialogues related to sustainability from the perspective of enhancing corporate value.

(B) Example 2:

Title of stewardship activity:

Dialogue over Climate Change Disclosure at AGM

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

We held a dialogue with a company who were filed for a shareholder proposal on disclosure of their climate change response. During the dialogue, we informed the company that we would vote for the shareholder proposal under their current disclosure status; however, we would be against the proposal if they could show a clear roadmap and commitment to enhance disclosure by the time of the AGM. Afterwards, the company presented a clear roadmap. Through dialogues and other means, we judged that the company's commitment to the roadmap had also been confirmed, and we voted against the proposal to support the company.

(C) Example 3:

Title of stewardship activity:

Dialogue on addressing climate change

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

With a company with large greenhouse gas emissions, we shared our recognition in a dialogue on the need to formulate a long-term strategy for climate change and to implement reduction measures based on scientific evidence. We also communicated our thought as a responsible investor through discussions on the scale of investment in climate change response, introduction of carbon pricing and other issues.

(D) Example 4:

Title of stewardship activity:

Dialogue on Human Capital Utilisation

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

While a company has been making high customer satisfaction as a source of earnings, there have been cases where employees of the company who make this situation aforesaid possible are not necessarily highly satisfied, and the market see this as a risk. We have continuously discussed an importance of employee engagement with the company, and have requested that the company conduct and disclose a survey on employee satisfaction in order to allay market concerns. Although the company has not yet gone as far as disclosing the results of the survey, some results have been seen, such as a policy to increase employee satisfaction as one of the policies in the mid-term management plan.

(E) Example 5:

Title of stewardship activity:

Dialogue on Sustainability Strategy

- (1) Led by
  - (1) Internally led
  - (2) External service provider led
  - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
  - (1) Environmental factors
  - (2) Social factors
  - (3) Governance factors
- (3) Asset class(es)
  - (1) Listed equity
  - (2) Fixed income
  - (3) Private equity
  - (4) Real estate
  - (5) Infrastructure
  - (6) Hedge funds
  - (7) Forestry
  - (8) Farmland
  - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Last year, in a dialogue with a company with whom we have had regular discussions on sustainability, we told them that numbers of sustainability items is too large and needs to be narrowed down from the perspective of corporate value though we appreciated the fact that sustainability items and KPIs were disclosed.

Also, we said that it would be desirable to incorporate these narrowed-down items into the ESG evaluation of executive compensation. We confirmed that the sustainability items in the company's integrated report for this fiscal year have been narrowed down in relation to the management strategy. The company has also announced their policy to incorporate such items into its executive compensation system.

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

**Has your organisation identified climate-related risks and opportunities affecting your investments?**

- (A) Yes, within our standard planning horizon  
Specify the risks and opportunities identified and your relevant standard planning horizon:

Specific sectors that are at risk of being stranded -Deterioration in outlook for gas-fired power generation business due to expansion of renewable energy.

Assets with exposure to direct physical climate risk. - Expected adverse impact of climate change-related flooding on plant operations.

Assets with exposure to indirect physical climate risk - Regional diversification of insurance portfolio in response to increasing trend of flood damage due to climate change.

Specific sectors that are likely to benefit under a range of climate scenarios - Expanding needs for disaster countermeasures for infrastructure due to increasing typhoons.

Specific sectors that contribute significantly to achieving our climate goals - Growing need for large-capacity storage batteries due to expansion of renewable energy.

The above Investment time horizons are around five years.

- (B) Yes, beyond our standard planning horizon
- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

- (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

Strategy to address climate change

The TCFD calls on asset management companies to state how the risks and opportunities associated with climate change are incorporated into their investment products and strategies, and how those products and strategies would be affected by the transition to a decarbonized society.

We strive to understand the impact of “physical risks” and “transition risks” on corporate value using NAM’s proprietary ESG evaluation process, which integrates the evaluation of corporate initiatives to address climate change. We also perform climate change scenario analysis to confirm the robustness of this ESG evaluation.

Investment risk management to address climate change

The TCFD calls on companies to state how they manage risk relating to climate change, and it calls on asset management companies in particular to state how they manage climate change-related risk associated with their investment products.

NAM uses its own ESG evaluation to understand climate-related risks and other aspects of investee companies, reviewing the suitability of evaluation criteria annually.

We also use this evaluation as the basis for setting medium- to long-term results forecasts, as well as for engaging in dialogue with companies.

To manage the climate change-related risk of investment products, we monitor metrics for portfolio greenhouse gas emissions, etc. for each individual product.

Risk we analysed are stated in “enhancing the resilience of NAM’s ESG ratings through climate change scenario analysis” and please refer P27 of our sustainability report; <https://www.nam.co.jp/english/responsibleinvestor/pdf/sustainabilityreport2022.pdf>.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

**Which sectors are covered by your organisation’s strategy addressing high-emitting sectors?**

- (A) Coal
- (B) Gas
- (C) Oil
- (D) Utilities

Describe your strategy:

Many companies in this sector are among the highest financed emission companies in our portfolio, and some of them are also among the highest-ranking companies in our priority engagement targets. Since electric power companies produce a large amount of emissions, especially from thermal power generation, we expect the dialogue to be a long-term process, as it will require fundamental changes in their business, including changes in their power supply mix.

In the dialogue with engagement target companies, we often discuss the outlook for the future power supply mix, ambition to reduce GHG emission and associated strategies, as well as disclosure of the actual emissions.

Since the electric power industry in Japan is a regulated industry and is greatly influenced by the government’s energy policy, policy engagement on the government’s energy policy is also used to promote efforts toward net-zero emissions.

- (E) Cement

Describe your strategy:

Many companies in this sector are among the highest financed emission companies in our portfolio, some of which are also included in our priority engagement targets.

While it is very difficult for a cement company to achieve net-zero emissions due to its characteristic, we believe that it is possible to reduce emissions over time through new manufacturing processes as well as new carbon capture technologies. In dialogue with engagement target companies, we focus to discuss ambition to reduce GHG emission and associated strategies, as well as disclosure of the actual emissions.

- (F) Steel

Describe your strategy:

Many companies in this sector are among the highest financed emission companies in our portfolio, some of which are also included in our priority engagement targets.

Reducing emissions in this sector will require large amount of investments in changes to the manufacturing process, such utilizing new technology like hydrogen co-firing which takes long time to work toward net-zero emissions. In dialogue with engagement target companies, we focus to discuss ambition to reduce GHG emission and associated strategies, as well as disclosure of the actual emissions.

- (G) Aviation
- (H) Heavy duty road
- (I) Light duty road

**(J) Shipping**

Describe your strategy:

For high-emitting sectors, we primarily focus on company engagement to achieve emission reduction rather than setting sector specific GHG reduction targets for certain period, as technologies available for achieving carbon neutral varies by sectors. We discuss sector specific issues and appropriate solutions sector by sector in attendance on various internal investment professionals, including Sector/ESG analysts as well as PMs for Impact Funds for consistent dialogues.

- (K) Aluminium
- (L) Agriculture, forestry, fishery
- (M) Chemicals
- (N) Construction and buildings
- (O) Textile and leather
- (P) Water

**(Q) Other**

Specify:

We have exposure to many of the stocks in the sectors listed above, and among them, companies with significant equity emissions in our portfolio are our priority engagement targets, whom we engage in regular dialogue.

Describe your strategy:

We focus primarily on engagement with companies to achieve emissions reductions. In dialogue, we analyze each company's ambitions, target setting, specific strategies, and emissions disclosure status toward net zero, based on an understanding of each sector's specific challenges and roadmap to 2050, including the development of new technologies, and if not sufficient, we engage in dialogue to improve them. When policies are critical to reducing emissions, we also use policy engagement methods in our engagement.

We do not set emissions targets for each sector by a certain date yet, and we do not conduct negative screening based solely on conditions such as sector attributes or emissions performance.

- (R) We do not have a strategy addressing high-emitting sectors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios**

Specify:

AIM-CGE (Asia-pacific Integrated Model)

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

**(A) Yes, we have a process to identify and assess climate-related risks**

(1) Describe your process

Analysts grasp climate change-related risks of investee companies, utilising environmental assessment of ESG evaluation, environmental risks such as climate change in TCFD, through dialogues with companies

(2) Describe how this process is integrated into your overall risk management

Once analysts have identified climate change-related risks of investee companies whom we invest, they assign an overall rating to each individual company, and CVaR values for each individual fund are calculated and listed to comprehensively identify climate change-related risks.

**(B) Yes, we have a process to manage climate-related risks**

(1) Describe your process

We review appropriateness of criteria for evaluating any impact of climate change-related risks on environmental factors every year, taking into consideration setting of rules and other factors surrounding climate change-related issues. If the risk is high, the rating is lowered to manage the risk.

(2) Describe how this process is integrated into your overall risk management

Once analysts have identified climate change-related risks of investee companies whom we invest, they assign an overall rating to each individual company, and CVaR values for each individual fund are calculated and listed to comprehensively identify climate change-related risks. Also, An authorised committee monitors the incorporation of risk management into the overall process.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?**

**(A) Exposure to physical risk**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.nam.co.jp/english/responsibleinvestor/pdf/sustainabilityreport2022.pdf>

(B) Exposure to transition risk

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.nam.co.jp/english/responsibleinvestor/pdf/sustainabilityreport2022.pdf>

(C) Internal carbon price

(D) Total carbon emissions

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.nam.co.jp/english/responsibleinvestor/pdf/sustainabilityreport2022.pdf>

(E) Weighted average carbon intensity

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.nam.co.jp/english/responsibleinvestor/pdf/sustainabilityreport2022.pdf>

(F) Avoided emissions

(G) Implied Temperature Rise (ITR)

(H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals

(I) Proportion of assets or other business activities aligned with climate-related opportunities

(J) Other metrics or variables

- (K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

(A) Scope 1 emissions

- (1) Indicate whether this metric was disclosed, including the methodology
  - (1) Metric disclosed
  - (2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.nam.co.jp/english/responsibleinvestor/pdf/sustainabilityreport2022.pdf>

**(B) Scope 2 emissions**

- (1) Indicate whether this metric was disclosed, including the methodology
  - (1) Metric disclosed
  - (2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.nam.co.jp/english/responsibleinvestor/pdf/sustainabilityreport2022.pdf>

**(C) Scope 3 emissions (including financed emissions)**

- (1) Indicate whether this metric was disclosed, including the methodology
  - (1) Metric disclosed
  - (2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.nam.co.jp/english/responsibleinvestor/pdf/sustainabilityreport2022.pdf>

- (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities**
- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

**Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) The UN Sustainable Development Goals (SDGs) and targets**
- (B) The UNFCCC Paris Agreement**
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)

- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other relevant taxonomies

Specify:

Iris+

- (G) The International Bill of Human Rights
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)
- (K) Other regional framework(s)
- (L) Other sectoral/issue-specific framework(s)
- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

**What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irreparable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?**

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

**Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?**

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

## HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

**During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?**

- (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes
  - Explain how these activities were conducted:
  - (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm
  - (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts
  - (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities
    - Specify:
    - Explain how these activities were conducted:
    - (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

# MANAGER SELECTION, APPOINTMENT AND MONITORING (SAM)

## OVERALL APPROACH

### EXTERNAL INVESTMENT MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 1	CORE	OO 21	N/A	PUBLIC	External investment managers	4

For the majority of your externally managed AUM in each asset class, which responsible investment aspects does your organisation consider important in the assessment of external investment managers?

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)	(5) Private equity
<b>Organisation</b>					
(A) Commitment to and experience in responsible investment	<input checked="" type="checkbox"/>				
(B) Responsible investment policy(ies)	<input checked="" type="checkbox"/>				
(C) Governance structure and senior-level oversight and accountability	<input checked="" type="checkbox"/>				
<b>People and Culture</b>					
(D) Adequate resourcing and incentives	<input checked="" type="checkbox"/>				
(E) Staff competencies and experience in responsible investment	<input checked="" type="checkbox"/>				

## Investment Process

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(F) Incorporation of material ESG factors in the investment process	<input checked="" type="checkbox"/>				
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(G) Incorporation of risks connected to systematic sustainability issues in the investment process	<input checked="" type="checkbox"/>				
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(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment	<input checked="" type="checkbox"/>				
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## Stewardship

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(I) Policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>				
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(J) Policy(ies) or guidelines on (proxy) voting	<input checked="" type="checkbox"/>				
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(K) Use of stewardship tools and activities	<input checked="" type="checkbox"/>				
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(L) Incorporation of risks connected to systematic sustainability issues in stewardship practices	<input checked="" type="checkbox"/>				
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(M) Involvement in collaborative engagement and stewardship initiatives	<input checked="" type="checkbox"/>				
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(N) Engagement with policy makers and other non-investee stakeholders	<input type="checkbox"/>				
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(O) Results of stewardship activities	<input checked="" type="checkbox"/>				
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## Performance and Reporting

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(P) ESG disclosure in regular client reporting	<input checked="" type="checkbox"/>				
(Q) Inclusion of ESG factors in contractual agreements	<input type="checkbox"/>				
(R) We do not consider any of the above responsible investment aspects important in the assessment of external investment managers	<input type="radio"/>				

## SERVICE PROVIDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 2	CORE	OO 21	N/A	PUBLIC	Service providers	4

Which responsible investment aspects does your organisation consider important when assessing all service providers that advise you in the selection, appointment and/or monitoring of external investment managers?

- (A) Incorporation of their responsible investment policy into advisory services
- (B) Ability to accommodate our responsible investment policy
- (C) Level of staff's responsible investment expertise
- (D) Use of data and analytical tools to assess the external investment manager's responsible investment performance
- (E) Other
- (F) We do not consider any of the above responsible investment aspects important when assessing service providers that advise us in the selection, appointment and/or monitoring of external investment managers
- (G) Not applicable; we do not engage service providers in the selection, appointment or monitoring of external investment managers

## POOLED FUNDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 3	PLUS	OO 5.2, OO 21	N/A	PUBLIC	Pooled funds	4

If you invest in pooled funds, describe how you incorporate responsible investment aspects into the selection, appointment and/or monitoring of external investment managers.

Provide example(s) below

- |                 |   |
|-----------------|---|
| (A) Selection   | Same as segregated mandates.  |
| (B) Appointment | ESG requirements are added to documents such as Service Memorandum if possible. |
| (C) Monitoring  | Same as segregated mandates.  |

## SELECTION

### RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 4	CORE	OO 12, OO 21	SAM 5, SAM 6, SAM 7	PUBLIC	Responsible investment practices	General

During the reporting year, did your organisation select new external investment managers or allocate new mandates to existing investment managers?

- (A) Yes, we selected external investment managers or allocated new mandates to existing investment managers during the reporting year
- (B) No, we did not select new external investment managers or allocate new mandates to existing investment managers during the reporting year
- (C) Not applicable; our organisation is in a captive relationship with external investment managers, which applies to 90% or more of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 5	CORE	SAM 4	N/A	PUBLIC	Responsible investment practices	4

During the reporting year, what responsible investment aspects did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

#### Organisation

(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(B) Responsible investment policy(ies) (e.g. the alignment of their responsible investment policy with the investment mandate)**

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates**
- (3) for a minority of our mandates

**(C) Governance structure and senior-level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)**

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates**
- (3) for a minority of our mandates

**People and Culture**

**(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)**

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates**
- (3) for a minority of our mandates

**(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)**

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates**
- (3) for a minority of our mandates

**Investment Process**

**(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)**

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates**
- (3) for a minority of our mandates

**(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)**

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates**
- (3) for a minority of our mandates

**(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks)**

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates**
- (3) for a minority of our mandates

**Performance and Reporting**

**(I) ESG disclosure in regular client reporting**

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates**
- (3) for a minority of our mandates

**(J) Inclusion of ESG factors in contractual agreements**

- (K) We did not review and evaluate any of the above responsible investment aspects when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

## STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 6	CORE	OO 8, SAM 4	N/A	PUBLIC	Stewardship	4

**During the reporting year, which aspects of the stewardship approach did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?**

**(A) The alignment of their policy(ies) or guidelines on stewardship with the investment mandate**

Select from dropdown list

- (1) for all of our mandates

- (2) for a majority of our mandates**

- (3) for a minority of our mandates

**(B) Evidence of how they implemented their stewardship objectives, including the effectiveness of their activities**

Select from dropdown list

- (1) for all of our mandates

- (2) for a majority of our mandates**

- (3) for a minority of our mandates

**(C) Their participation in collaborative engagements and stewardship initiatives**

Select from dropdown list

- (1) for all of our mandates

- (2) for a majority of our mandates**

- (3) for a minority of our mandates

**(D) Details of their engagements with companies or issuers on risks connected to systematic sustainability issues**

Select from dropdown list

- (1) for all of our mandates

- (2) for a majority of our mandates**

- (3) for a minority of our mandates

**(E) Details of their engagement activities with policy makers**

Select from dropdown list

- (1) for all of our mandates

- (2) for a majority of our mandates**

- (3) for a minority of our mandates

**(F) Their escalation process and the escalation tools included in their policy on stewardship**

Select from dropdown list

- (1) for all of our mandates

- (2) for a majority of our mandates**

- (3) for a minority of our mandates

- (G) We did not review and evaluate any of the above aspects of the stewardship approach when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 7	CORE	OO 9, SAM 4	N/A	PUBLIC	Stewardship	4

During the reporting year, which aspects of (proxy) voting did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

- (A) The alignment of their policy(ies) or guidelines on (proxy) voting with the investment mandate**  
 Select from dropdown list
  - (1) for all of our mandates**
  - (2) for a majority of our mandates
  - (3) for a minority of our mandates
- (B) Historical information on the number or percentage of general meetings at which they voted**  
 Select from dropdown list
  - (1) for all of our mandates**
  - (2) for a majority of our mandates
  - (3) for a minority of our mandates
- (C) Analysis of votes cast for and against**  
 Select from dropdown list
  - (1) for all of our mandates**
  - (2) for a majority of our mandates
  - (3) for a minority of our mandates
- (D) Analysis of votes cast for and against resolutions related to risks connected to systematic sustainability issues**  
 Select from dropdown list
  - (1) for all of our mandates**
  - (2) for a majority of our mandates
  - (3) for a minority of our mandates
- (E) Details of their position on any controversial and high-profile votes**  
 Select from dropdown list
  - (1) for all of our mandates**
  - (2) for a majority of our mandates
  - (3) for a minority of our mandates
- (F) Historical information of any resolutions on which they voted contrary to their own voting policy and the reasons why**  
 Select from dropdown list
  - (1) for all of our mandates**
  - (2) for a majority of our mandates
  - (3) for a minority of our mandates
- (G) Details of all votes involving companies where the external investment manager or an affiliate has a contractual relationship or another potential conflict of interest**  
 Select from dropdown list
  - (1) for all of our mandates**
  - (2) for a majority of our mandates
  - (3) for a minority of our mandates

- (H) We did not review and evaluate any of the above aspects of (proxy) voting when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year
- (I) Not applicable; our organisation did not select new external investment managers or allocated new mandates to existing investment managers for listed equity and/or hedge funds that hold equity.

## APPOINTMENT

### SEGREGATED MANDATES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 8	CORE	OO 5.2, OO 13	N/A	PUBLIC	Segregated mandates	4

**Which responsible investment aspects do your organisation, or the service provider acting on your behalf, explicitly include in clauses within your contractual agreements with your external investment managers for segregated mandates?**

- (A) Their commitment to following our responsible investment strategy in the management of our assets**  
Select from dropdown list
  - (1) for all of our segregated mandates**
  - (2) for a majority of our segregated mandates
  - (3) for a minority of our segregated mandates
- (B) Their commitment to incorporating material ESG factors into their investment activities**  
Select from dropdown list
  - (1) for all of our segregated mandates**
  - (2) for a majority of our segregated mandates
  - (3) for a minority of our segregated mandates
- (C) Their commitment to incorporating material ESG factors into their stewardship activities**  
Select from dropdown list
  - (1) for all of our segregated mandates**
  - (2) for a majority of our segregated mandates
  - (3) for a minority of our segregated mandates
- (D) Their commitment to incorporating risks connected to systematic sustainability issues into their investment activities**  
Select from dropdown list
  - (1) for all of our segregated mandates
  - (2) for a majority of our segregated mandates**
  - (3) for a minority of our segregated mandates
- (E) Their commitment to incorporating risks connected to systematic sustainability issues into their stewardship activities**  
Select from dropdown list
  - (1) for all of our segregated mandates
  - (2) for a majority of our segregated mandates**
  - (3) for a minority of our segregated mandates
- (F) Exclusion list(s) or criteria**  
Select from dropdown list
  - (1) for all of our segregated mandates**
  - (2) for a majority of our segregated mandates
  - (3) for a minority of our segregated mandates
- (G) Responsible investment communications and reporting obligations, including stewardship activities and results**

Select from dropdown list

- (1) for all of our segregated mandates
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

(H) Incentives and controls to ensure alignment of interests

Select from dropdown list

- (1) for all of our segregated mandates
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

(I) Commitments on climate-related disclosure in line with internationally-recognised frameworks such as the TCFD

Select from dropdown list

- (1) for all of our segregated mandates
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

(J) Commitment to respect human rights as defined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights

(K) Their acknowledgement that their appointment is conditional on the fulfilment of their agreed responsible investment commitments

Select from dropdown list

- (1) for all of our segregated mandates
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates

(L) Other

- (M) We do not include responsible investment aspects in clauses within our contractual agreements with external investment managers for segregated mandates

## MONITORING

### RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 9	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	4

For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' responsible investment practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)	(5) Private equity
<b>Organisation</b>					
(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)	<input checked="" type="checkbox"/>				
(B) Responsible investment policy(ies) (e.g. the continued alignment of their responsible investment policy with the investment mandate)	<input checked="" type="checkbox"/>				
(C) Governance structure and senior level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)	<input checked="" type="checkbox"/>				
<b>People and Culture</b>					
(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)	<input checked="" type="checkbox"/>				
(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)	<input checked="" type="checkbox"/>				
<b>Investment Process</b>					

(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)

(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)

(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks, their response to ESG incidents)

### Performance and Reporting

(I) ESG disclosure in regular client reporting (e.g. any changes in their regular client reporting)

(J) Inclusion of ESG factors in contractual agreements

(K) We did not monitor any of the above aspects of our external investment managers' responsible investment practices during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 10	PLUS	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

**During the reporting year, which information did your organisation, or the service provider acting on your behalf, monitor for externally managed ESG passive products and strategies?**

	(1) Listed equity (passive)	(2) Fixed income (passive)
(A) How the external investment managers applied, reviewed and verified screening criteria	<input type="checkbox"/>	<input type="checkbox"/>
(B) How the external investment managers rebalanced the products as a result of changes in ESG rankings, ratings or indexes	<input type="checkbox"/>	<input type="checkbox"/>
(C) Evidence that ESG passive products and strategies meet the responsible investment criteria and process	<input type="checkbox"/>	<input type="checkbox"/>
(D) Other	<input type="checkbox"/>	<input type="checkbox"/>
(E) We did not monitor ESG passive products and strategies	<input type="radio"/>	<input type="radio"/>
(F) Not applicable; we do not invest in ESG passive products and strategies	<input checked="" type="radio"/>	<input checked="" type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 11	PLUS	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

Describe an innovative practice you adopted as part of monitoring your external investment managers' responsible investment practices in a specific asset class during the reporting year.

We have started monitoring as to how external investment managers are addressing reduction of greenhouse gas emissions.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 12	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

For the majority of your externally managed AUM in each asset class, how often does your organisation, or the service provider acting on your behalf, monitor your external investment managers' responsible investment practices?

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)	(5) Private equity
(A) At least annually	<input checked="" type="checkbox"/>				
(B) Less than once a year	<input type="checkbox"/>				
(C) On an ad hoc basis	<input checked="" type="checkbox"/>				

## STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 13	CORE	OO 8, OO 21	N/A	PUBLIC	Stewardship	1, 2

For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' stewardship practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)	(5) Private equity
(A) Any changes in their policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>				
(B) The degree of implementation of their policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>				
(C) How they prioritise material ESG factors	<input checked="" type="checkbox"/>				
(D) How they prioritise risks connected to systematic sustainability issues	<input checked="" type="checkbox"/>				
(E) Their investment team's level of involvement in stewardship activities	<input checked="" type="checkbox"/>				
(F) Whether the results of stewardship actions were fed back into the investment process and decisions	<input checked="" type="checkbox"/>				
(G) Whether they used a variety of stewardship tools and activities to advance their stewardship priorities	<input checked="" type="checkbox"/>				
(H) The deployment of their escalation process in cases where initial stewardship efforts were unsuccessful	<input checked="" type="checkbox"/>				
(I) Whether they participated in collaborative engagements and stewardship initiatives	<input checked="" type="checkbox"/>				
(J) Whether they had an active role in collaborative engagements and stewardship initiatives	<input checked="" type="checkbox"/>				

(K) Other

(L) We did not monitor our external investment managers' stewardship practices during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 14	CORE	OO 9, OO 21	N/A	PUBLIC	Stewardship	1, 2

**For the majority of your AUM in each asset class where (proxy) voting is delegated to external investment managers, which aspects of your external investment managers' (proxy) voting practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?**

**(1) Listed equity (active)**

**(2) Listed equity (passive)**

(A) Any changes in their policy(ies) or guidelines on (proxy) voting

(B) Whether their (proxy) voting decisions were consistent with their stewardship priorities as stated in their policy and with their voting policy, principles and/or guidelines

(C) Whether their (proxy) voting decisions were consistent with their stated approach on the prioritisation of risks connected to systematic sustainability issues

(D) Whether their (proxy) voting track record was aligned with our stewardship approach and expectations

(E) The application of their policy on securities lending and any implications for implementing their policy(ies) or guidelines on (proxy) voting (where applicable)

(F) Other

(G) We did not monitor our external investment managers' (proxy) voting practices during the reporting year

## ENGAGEMENT AND ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 15	PLUS	OO 14, OO 21	N/A	PUBLIC	Engagement and escalation	4

**Describe how your organisation engaged with external investment managers to improve their responsible investment practices during the reporting year.**

We have increased ESG-related questions in our questionnaires to our external investment managers.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 16	CORE	OO 14, OO 21	N/A	PUBLIC	Engagement and escalation	4

**What actions does your organisation, or the service provider acting on your behalf, include in its formal escalation process to address concerns raised during monitoring of your external investment managers' responsible investment practices?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)	(5) Private equity
(A) Engagement with their investment professionals, investment committee or other representatives	<input type="checkbox"/>				
(B) Notification about their placement on a watch list or relationship coming under review	<input checked="" type="checkbox"/>				
(C) Reduction of capital allocation to the external investment managers until any concerns have been rectified	<input checked="" type="checkbox"/>				
(D) Termination of the contract if failings persist over a (notified) period, including an explanation of the reasons for termination	<input checked="" type="checkbox"/>				
(E) Holding off selecting the external investment managers for new mandates or allocating additional capital until any concerns have been rectified	<input type="checkbox"/>				
(F) Other	<input type="checkbox"/>				
(G) Our organisation does not have a formal escalation process to address concerns raised during monitoring	<input type="radio"/>				

## VERIFICATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 17	CORE	OO 14, OO 21	N/A	PUBLIC	Verification	1

**For the majority of your externally managed AUM in each asset class, how did your organisation, or the service provider acting on your behalf, verify that the information reported by external investment managers on their responsible investment practices was correct during the reporting year?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)	(5) Private equity
(A) We checked that the information reported was verified through a third-party assurance process	<input checked="" type="checkbox"/>				
(B) We checked that the information reported was verified by an independent third party	<input checked="" type="checkbox"/>				
(C) We checked for evidence of internal monitoring or compliance	<input checked="" type="checkbox"/>				
(D) Other	<input type="checkbox"/>				
(E) We did not verify the information reported by external investment managers on their responsible investment practices during the reporting year	<input type="radio"/>				

# LISTED EQUITY (LE)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) Yes, our investment process incorporates material governance factors	(3) for a minority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(3) for a minority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period	(3) for a minority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion	○	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○	○

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) Yes, we have a formal process that includes scenario analyses	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, we have a formal process, but it does not include scenario analyses			
(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion	○	○	○
(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies	○	○	○

**(A) Yes, we have a formal process that includes scenario analysis - Specify: (Voluntary)**

The Climate Value-at-Risk (CVaR), provided by MSCI, of each benchmark and fund is reviewed at internal meetings, and resilience to climate change is monitored regularly.

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?**

	(1) Active - quantitative	(2) Active - fundamental
(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes	o	o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors	(1) in all cases	(1) in all cases	(1) in all cases
(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors	(1) in all cases	(1) in all cases	(1) in all cases
(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability	(1) in all cases	(1) in all cases	(1) in all cases
(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors			

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

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## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.**

In the ESG analysis of one of the service sector companies, we gave the company a high ESG rating based on the analysis that the high level of service provided by motivated employees increased customer satisfaction, resulting in high service prices and increased customer visits compared to a peer. The result of these ESG analysis is incorporated into our medium and long-term earnings forecasts (a minimum of five years). In this case, an increase in sales is expected, mainly due to an increase in the unit cost of services and an increase in the number of customer visits. The fair value of stock is then calculated based on the earnings forecasts, and it will be the basis for Portfolio Managers to make investment decisions.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	(3) for a minority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process	(3) for a minority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process		(1) for all of our AUM	(1) for all of our AUM
(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process			
(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors	○	○	○

## PASSIVE INVESTMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 7	PLUS	OO 21	N/A	PUBLIC	Passive investments	1

**Provide an example of how material ESG factors influenced weightings and tilts in the design of your passively managed funds.**

Among the equity passive funds we managed, the funds linked to the Tokyo Stock Price Index (TOPIX) have a process of excluding small-capitalization stocks that our in-house analysts have judged to be ineligible for investment from an ESG perspective.

## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

**What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?**

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

(1) Active - quantitative

(2) Active - fundamental

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings

(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion

(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.**

We have been conducting ESG assessments of domestic stocks for more than 10 years since 2008. Our ESG evaluation is conducted based on our own evaluation items and standards. For example, in our evaluation, there are evaluation items that whether a company's products and services contribute to the environment and are linked to corporate value; that whether management and employees are integrated; that whether governance is effective. These evaluations are conducted by our analysts through qualitative evaluations based on analysis of publicly available information as well as interviews and dialogues with the companies. For each evaluation item, there are three evaluation levels: "positive," "neutral," and "negative" in terms of medium- to long-term corporate value. Since its inception, the cumulative performance (simple average) of the group of high ESG evaluated companies has exceeded that of the Tokyo Stock Exchange Stock Price Index (TOPIX) by more than 200% over the same period. In addition, the group of high evaluated companies in each of the E, S, and G ratings also outperformed the TOPIX.

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

**For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?**

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our listed equity assets subject to ESG screens

# FIXED INCOME (FI)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your fixed income assets?**

	(1) SSA	(2) Corporate
(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors depending on different investment time horizons	(1) for all of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your fixed income assets?**

	(1) SSA	(2) Corporate
(A) Yes, we have a formal process that includes scenario analyses	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, we have a formal process, but does it not include scenario analyses		
(C) We do not have a formal process for our fixed income assets; our investment professionals monitor how ESG trends vary over time at their discretion	○	○
(D) We do not monitor and review the implications of changing ESG trends on our fixed income assets	○	○

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**For the majority of your fixed income investments, does your organisation incorporate material ESG factors when assessing their credit quality?**

	(1) SSA	(2) Corporate
(A) We incorporate material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We incorporate material governance-related factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We do not incorporate material ESG factors for the majority of our fixed income investments	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**Does your organisation have a framework that differentiates ESG risks by issuer country, region and/or sector?**

	(1) SSA	(2) Corporate
(A) Yes, we have a framework that differentiates ESG risks by country and/or region (e.g. local governance and labour practices)	(1) for all of our AUM	
(B) Yes, we have a framework that differentiates ESG risks by sector		(1) for all of our AUM
(C) No, we do not have a framework that differentiates ESG risks by issuer country, region and/or sector	○	○
(D) Not applicable; we are not able to differentiate ESG risks by issuer country, region and/or sector due to the limited universe of our issuers	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How do you incorporate significant changes in material ESG factors over time into your fixed income asset valuation process?**

	(1) SSA	(2) Corporate
(A) We incorporate it into the forecast of financial metrics or other quantitative assessments	(1) for all of our AUM	(1) for all of our AUM
(B) We make a qualitative assessment of how material ESG factors may evolve	(1) for all of our AUM	(1) for all of our AUM

(C) We do not incorporate significant changes in material ESG factors

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## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your security selection, portfolio construction and/or benchmark selection process?**

**(1) SSA**

**(2) Corporate**

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(1) for all of our AUM

(B) Material ESG factors contribute to determining the holding period of individual assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(1) for all of our AUM

(C) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(1) for all of our AUM

(D) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways

(F) Our security selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**How are material ESG factors incorporated into your portfolio risk management process?**

#### (1) SSA

#### (2) Corporate

(A) Investment committee members, or the equivalent function or group, can veto investment decisions based on ESG considerations

(1) for all of our AUM

(1) for all of our AUM

(B) Companies, sectors, countries and/or currencies are monitored for changes in exposure to material ESG factors and any breaches of risk limits

(1) for all of our AUM

(1) for all of our AUM

(C) Overall exposure to specific material ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on the individual issuer or issue sensitivity to these factors

(1) for all of our AUM

(1) for all of our AUM

(D) We use another method of incorporating material ESG factors into our portfolio's risk management process

(E) We do not have a process to incorporate material ESG factors into our portfolio's risk management process

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your fixed income assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

**(1) SSA**

**(2) Corporate**

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual fixed income holdings

(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for other fixed income holdings exposed to similar risks and/or incidents

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for our stewardship activities

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate ESG risks and ESG incidents; our investment professionals identify and incorporate ESG risks and ESG incidents at their discretion

(F) We do not have a formal process to identify and incorporate ESG risks and ESG incidents into our risk management process

## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	PLUS	OO 5.3 FI, OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of environmental and/or social factors in your fixed income valuation or portfolio construction affected the realised returns of those assets.**

Sovereign assets. our company's own sovereign ESG rating ESG rating was developed to try to assess ESG in a way that measures future sovereign value growth and the extent of credit risk, similar to the concept of ESG ratings for corporate.

First, we define our company's own sovereign ESG rating as aiming for "sustainability of national economic growth and development." We then use it as a measure of "currency value and creditworthiness."

In developing sovereign ESG ratings, our company focused on "Can developing and developed countries with immature national maturity be evaluated on the same scale?". we do not think it is appropriate to ask developing countries, whose economic development and political and financial capabilities are immature, to invest in the environment immediately.

Rather, we think that improving governance has the materiality of being a nation. On the other hand, in an advanced country such as Japan, we can say that we have matured in terms of governance, but rather we have a relatively large materiality in terms of the environment. For this reason, we have decided to change the valuation and inclusion ratio of environmental and social factors for sovereigns in the advanced and emerging economies groups.

In our company's sovereign ESG rating system, we classify sovereign ESG ratings into 4 levels based on the following assumptions and measure changes in effective exchange rates over the past 20 years by ESG rating classification.

< Assumptions >

1. Classify a country's growth stage based on its income level and other conditions
2. Evaluate E, S, and G using quantifiable data
3. (E, CO2 emissions, etc.; S, demographics, education spending, etc.; G, political stability, etc.)
4. Final evaluation based on (1) and (2) above (4-point scale)
5. Measurement of effective exchange rate changes by 4-point scale (20 years)

Estimation using a sample of 37 countries for which comparable data from 20 years ago are available

The measurement results showed high and significant performance by evaluation stage (1~4, 1 highest, 4 lowest), indicating that the above concept may contribute to performance in the long term.

As a result, our company has adopted a unique sovereign ESG rating that incorporates environmental and social factors according to each country's development stage.

## THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 15	PLUS	OO 20, OO 21	N/A	PUBLIC	Thematic bonds	3

**What percentage of environmental, social and/or other labelled thematic bonds held by your organisation has been verified?**

**As a percentage of your total labelled bonds:**

(A) Third-party assurance	(2) >0–25%
(B) Second-party opinion	(5) >75%
(C) Approved verifiers or external reviewers (e.g. via CBI or ICMA)	(5) >75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 16	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Thematic bonds	1

**What pre-determined criteria does your organisation use to identify which non-labelled thematic bonds to invest in?**

- (A) The bond's use of proceeds
- (B) The issuers' targets
- (C) The issuers' progress towards achieving their targets
- (D) The issuer profile and how it contributes to their targets
- (E) We do not use pre-determined criteria to identify which non-labelled thematic bonds to invest in
- (F) Not applicable; we do not invest in non-labelled thematic bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 17	CORE	Multiple, see guidance	N/A	PUBLIC	Thematic bonds	1, 2, 6

**During the reporting year, what action did you take in the majority of cases when you felt that the proceeds of a thematic bond were not allocated appropriately or in accordance with the terms of the bond deal or prospectus?**

- (A) We engaged with the issuer
- (B) We alerted thematic bond certification agencies
- (C) We sold the security
- (D) We blacklisted the issuer
- (E) Other action
- (F) We did not take any specific actions when the proceeds of a thematic bond were not allocated according to the terms of the bond deal during the reporting year
- (G) **Not applicable; in the majority of cases, the proceeds of thematic bonds were allocated according to the terms of the bond deal during the reporting year**

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

**For all your fixed income assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?**

- (A) **We share a list of ESG screens**
- (B) **We share any changes in ESG screens**
- (C) **We explain any implications of ESG screens, such as any deviation from a benchmark or impact on sector weightings**
- (D) We do not share the above information for all our fixed income assets subject to ESG screens

# SUSTAINABILITY OUTCOMES (SO)

## SETTING TARGETS AND TRACKING PROGRESS

### SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

**(A) Sustainability outcome #1**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

**(2) The UNFCCC Paris Agreement**

(3) The UN Guiding Principles on Business and Human Rights (UNGPs)

(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

(8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(9) The Convention on Biological Diversity

(10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

**(1) Environmental**

(2) Social

(3) Governance-related

(4) Other

(3) Sustainability outcome name

NZAM portfolio emissions

(4) Number of targets set for this outcome

(1) No target

(2) One target

**(3) Two or more targets**

(B) Sustainability outcome #2

(C) Sustainability outcome #3

(D) Sustainability outcome #4

(E) Sustainability outcome #5

(F) Sustainability outcome #6

(G) Sustainability outcome #7

(H) Sustainability outcome #8

(I) Sustainability outcome #9

(J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	NZAM portfolio emissions					
(1) Target name	NZAM portfolio emissions					
(2) Baseline year	2019					
(3) Target to be met by	2030					
(4) Methodology	Measuring GHG emission based on our holding in relevant asset classes					
(5) Metric used (if relevant)	GHG emission based on our portfolio					
(6) Absolute or intensity-based (if relevant)						(2) Intensity-based
(7) Baseline level or amount (if relevant):	91.6Co2etons/USD					
(8) Target level or amount (if relevant)	45.8Co2etons/USD					
(9) Percentage of total AUM covered in your baseline year for target setting	59.6%					
(10) Do you also have a longer-term target for this?						(1) Yes

### (A2) Sustainability Outcome #1: Target details

(A2) Sustainability Outcome #1:	NZAM portfolio emissions	
(1) Target name	Reducing GHG emission from operational activiti	
(2) Baseline year	2019	
(3) Target to be met by	2030	
(4) Methodology	Measuring GHG emission from operational activities	
(5) Metric used (if relevant)	Scope1 and 2 emissions	
(6) Absolute or intensity-based (if relevant)	(1) Absolute	
(7) Baseline level or amount (if relevant):	2,114 Co2etons	
(8) Target level or amount (if relevant)	1,057 Co2etons	
(9) Percentage of total AUM covered in your baseline year for target setting		
(10) Do you also have a longer-term target for this?	(2) No	

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your long-term targets.

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(A1) Sustainability Outcome #1: NZAM portfolio emissions	NZAM portfolio emissions	2050	Net zero

## FOCUS: SETTING NET-ZERO TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
- (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
- (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
NZAM 1	PLUS	NZAM, SO 3	SO 3.1, SO 3.2	PUBLIC	Focus: Setting net-zero targets	General

Select the relevant asset class breakdown for your organisation to report on your net-zero targets.

- (A) PRI's standard asset class breakdown
- (B) Asset class breakdown as per the NZAOA's Target Setting Protocol

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.1	PLUS	SO 3	N/A	PUBLIC	Focus: Setting net-zero targets	General

**Provide details of your nearest-term net-zero targets per asset class.**

(A) PRI asset class breakdown

**Listed equity**

**Target details**

**(A) PRI asset class breakdown: Listed equity**

(1) Baseline year 2019

(2) Target to be met by 2030

(3) Emissions included in target (1) Scope 1  
(2) Scope 2

(4) Methodology Paris Aligned Investment Framework

(5) Metric used (3) Intensity-based: tCO2e/Mn USD

(6) Baseline amount 54,794

(7) Current amount (if different from baseline amount) 66,003

(8) Targeted reduction with respect to baseline

(9) Percentage of total AUM covered in your baseline year for target setting 100%

(10) If coverage is below 100% for this asset class, explain why Long-shorts with AUM ratios under 0.1% are excluded.

**Fixed income**

**Target details**

**(A) PRI asset class breakdown: Fixed income**

(1) Baseline year 2019

(2) Target to be met by 2030

(3) Emissions included in target (1) Scope 1  
(2) Scope 2

(4) Methodology Paris Aligned Investment Framework

(5) Metric used (3) Intensity-based: tCO2e/Mn USD

(6) Baseline amount 93,524

(7) Current amount (if different from baseline amount) 118,038

(8) Targeted reduction with respect to baseline

(9) Percentage of total AUM covered in your baseline year for target setting 100%

(10) If coverage is below 100% for this asset class, explain why

- Private equity
- Real estate
- Infrastructure
- Hedge funds
- Forestry
- Farmland
- Other

## TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

Does your organisation track progress against your nearest-term sustainability outcomes targets?

**(A1) Sustainability outcome #1:**

(A1) Sustainability outcome #1: NZAM portfolio emissions

Target name: NZAM portfolio emissions

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

**(A2) Sustainability outcome #1:**

(A2) Sustainability outcome #1: NZAM portfolio emissions

Target name: Reducing CO2 emission from operational activities

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

**During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?**

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1: NZAM portfolio emissions

(1) Target name: NZAM portfolio emissions

(2) Target to be met by: 2030

(3) Metric used (if relevant)	GHG emission based on our portfolio
(4) Current level or amount (if relevant)	68.8 CO2 equivalent tons / million USD as of 2021
(5) Other qualitative or quantitative progress	N/A
(6) Methodology for tracking progress	Intensity-based: tCO2e/Mn USD
<b>(A2) Sustainability outcome #1: Target details</b>	
(A2) Sustainability outcome #1:	NZAM portfolio emissions
(1) Target name	Reducing GHG emission from operational activiti
(2) Target to be met by	2030
(3) Metric used (if relevant)	Scope1 and 2 emissions
(4) Current level or amount (if relevant)	1,864 CO2 equivalent tons as of 2022
(5) Other qualitative or quantitative progress	
(6) Methodology for tracking progress	CO2 emission (absolute)

# INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

## LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets**  
 Select from drop down list:
  - (1) Individually**
  - (2) With other investors or stakeholders**
- (B) Stewardship: engagement with external investment managers**  
 Select from drop down list:
  - (1) Individually**
  - (2) With other investors or stakeholders
- (C) Stewardship: engagement with policy makers**  
 Select from drop down list:
  - (1) Individually**
  - (2) With other investors or stakeholders**
- (D) Stewardship: engagement with other key stakeholders**  
 Select from drop down list:
  - (1) Individually**
  - (2) With other investors or stakeholders
- (E) Capital allocation
- (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

## CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 7	PLUS	OO 17 FI, SO 1	N/A	PUBLIC	Capital allocation	1

During the reporting year, did you use thematic bonds to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

### Thematic bond(s) label

(A) Sustainability Outcome #1:  
NZAM portfolio emissions

(A) Green/climate bonds  
(B) Social bonds  
(C) Sustainability bonds  
(D) Sustainability-linked bonds  
(F) Other  
Specify:  
Blud bonds and transition bonds

## STEWARDSHIP WITH INVESTEES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

### (A) Across all sustainability outcomes

(1) Describe your approach

We define stewardship activities as efforts to promote the enhancement of corporate value and increase investment returns for beneficiaries over the medium to long term through constructive dialogue and exercise of voting rights from a medium- to long-term perspective, based on a deep understanding of investee companies. We accepted the Japanese version of the Stewardship Code in 2014 and have also expressed our acceptance of its eight principles for the 2020 revision of the Code.

(2) Stewardship tools or activities used

(1) Engagement  
(2) (Proxy) voting at shareholder meetings

(3) Example Our stewardship activities are described in our Stewardship Report. Please refer to our website: <https://www.nam.co.jp/sustainability/reports/pdf/O4.pdf> (available in Japanese) We also publish our comprehensive voting policy on our website: <https://www.nam.co.jp/company/responsibleinvestor/policy.html>

**(B) Sustainability Outcome #1:**

(B) Sustainability Outcome #1: NZAM portfolio emissions

(1) Describe your approach We joined the Net Zero Asset Managers initiative in March 2020. NAM submitted our GHG emission reduction targets for our investment portfolio in 2030 and 2050 in January 2022, which are a reduction of 50% and achieving net-zero respectively. These targets should be achieved mainly through our engagement activities with invested companies, for that, we designated top priority company for climate-related engagement.

(2) Stewardship tools or activities used (1) Engagement  
(2) (Proxy) voting at shareholder meetings

(3) Example Our top priority companies for climate engagement represent 70% of the financed emissions produced by our in-house managed portfolio and predominately companies in high-emission sectors, such as utilities, steel, cement, and chemical sectors. These sectors are well-known as hard to abate the emissions, and we recognize that it is important to conduct long-term engagement with deep understanding of various aspects. From that perspective, we set joint discussion meetings with various internal investment professionals, such as equity and fixed income sector analysts, impact fund portfolio manager and ESG team member to discuss sector specific issues and solutions.  
Some of the current cross-sector engagement topics: commitment to net-zero by 2050, disclosures of the GHG emissions and climate strategy with clear pathway towards net-zero.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

(A) We prioritise the most strategically important companies in our portfolio.

Describe how you do this:

As a CA100+ participated investor, we have one company selected as our engagement target individually, but other companies selected as our top-priority engagement are combination of both the Answer (B) and (C)

Select from the list:

- 3
- 4

(B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.

Describe how you do this:

We work to build a sense of trust through dialogue with the management and other personnel of the companies in which we invest, as well as to gain an understanding of the true nature of the companies. This also leads to a higher level of confidence in mid- to long-term performance forecasts based on ESG assessments. Based on these dialogue activities, we set priority engagement companies that have the potential to increase their corporate value through dialogue and with which we can engage in dialogue with corporate management and other relevant parties.

Select from the list:

- 1
- 4

(C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.

Describe how you do this:

For climate engagement, we designated our top priority engagement companies, which represent 70% of the financed emissions produced by our in-house managed portfolio. We have intensive dialogues with such companies to ensure that they will commit and work towards net-zero by 2050.

Please also refer to other comments in the assessment related to our climate engagement activities.

Select from the list:

- 2
- 4

(D) Other

## STEWARDSHIP WITH EXTERNAL INVESTMENT MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 10	PLUS	OO 5, SO 5	N/A	PUBLIC	Stewardship with external investment managers	2

During the reporting year, how did your organisation, or the external service providers acting on your behalf, engage with external investment managers to ensure that they take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Across all sustainability outcomes

(1) Describe your approach

**(B) Sustainability Outcome #1:**

(B) Sustainability Outcome #1: NZAM portfolio emissions

(1) Describe your approach

We require consideration of incorporating material ESG factors, including climate change factors, into their investment decisions when selecting external asset managers. Also, in addition to sharing our company's greenhouse gas emission reduction policy with external asset managers, we confirm their emission reduction policies when selecting and monitoring such managers (whether they participate in NAZM or similar initiatives, or whether they have any unique policies even if they do not participate in such initiatives).

**STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

**(A) Across all sustainability outcomes**

(1) Describe your approach

We signed the 2022 Global Investor Statement to the global government on the climate crisis, initiated by the Investor Agenda.  
 (2) We responded to a policy consultation related to ESG fund disclosures via the membership of the Investment Trusts Association, Japan in November 2022.  
 (3) We have expressed our views on multiple occasions both individually and collaboratively as noted in (2) to support GHG emission reduction to align with 1.5°C pathway.

(2) Engagement tools or activities used

- (1) We participated in 'sign-on' letters
- (2) We responded to policy consultations
- (3) We provided technical input via government- or regulator-backed working groups
- (4) We engaged policy makers on our own initiative

(3) Example(s) of policies engaged on

We signed the 2022 Global Investor Statement to the global government on the climate crisis, initiated by the Investor Agenda.

(2) We responded to a policy consultation related to ESG fund disclosures via the membership of the Investment Trusts Association, Japan in November 2022.

(3) We have expressed our views on multiple occasions both individually and collaboratively as noted in (2) to support GHG emission reduction to align with 1.5°C pathway.

**(B) Sustainability Outcome #1:**

(B) Sustainability Outcome #1: NZAM portfolio emissions

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

**STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with other key stakeholders	2, 5

**Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?**

**(A) Across all sustainability outcomes**

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(1) Key stakeholders engaged	(1) Standard setters (2) Reporting bodies (6) External service providers (e.g. proxy advisers, investment consultants, data providers) (8) NGOs
(2) Provide further detail on your engagement	Actively involved in public- /private standard setters / reporting bodies for developing standards of various ESG themes to support investors creating sustainability outcomes. We also provided a number of feedback to our third-party data vendors to improve the quality of the data available for investors.

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**(B) Sustainability Outcome #1:**

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(B) Sustainability Outcome #1:	NZAM portfolio emissions
(1) Key stakeholders engaged	(1) Standard setters (2) Reporting bodies (6) External service providers (e.g. proxy advisers, investment consultants, data providers) (8) NGOs
(2) Provide further detail on your engagement	We joined the Net Zero Asset Managers initiative in March 2020. We submitted our GHG emission reduction targets for our investment portfolio in 2030 and 2050 in January 2022, which are a reduction of 50% and achieving net-zero respectively. In addition to the above mentioned engagement activities, we also work closely with AIGCC and other climate related initiatives in which we participate and provide our views on climate change issues. Furthermore, various individuals at our company, including the President, Mr. Ozeki, spoke at various climate change related seminars as a speaker/panelist on how we should tackle the issue as investors.

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## STEWARDSHIP: COLLABORATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

**During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Initiative #1

(1) Name of the initiative	CA100+
(2) Indicate how your organisation contributed to this collaborative initiative	(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)
(3) Provide further detail on your participation in this collaborative initiative	We joined the initiative in May 2022. Currently we act as a collaborative investor in a Japan-based company. In the reporting year, NAM conducted an engagement meeting with the targeted company to discuss its net-zero strategy, including the ambition to achieve net-zero by 2050 and disclosure of the detailed pathway to the plan. A few weeks after the meeting, the company has published its new mid-term growth plan which includes a new climate strategy for 2030 and after. Whilst we believe that its long-term targets are still not sufficient to achieve net-zero by 2050, we plan to have continuous dialogues with the company for better outcomes.

### (B) Initiative #2

(1) Name of the initiative	
(2) Indicate how your organisation contributed to this collaborative initiative	
(3) Provide further detail on your participation in this collaborative initiative	

### (C) Initiative #3

(1) Name of the initiative

(2) Indicate how your organisation contributed to this collaborative initiative

(3) Provide further detail on your participation in this collaborative initiative

### (D) Initiative #4

(1) Name of the initiative

(2) Indicate how your organisation contributed to this collaborative initiative

(3) Provide further detail on your participation in this collaborative initiative

## CONFIDENCE-BUILDING MEASURES (CBM)

### CONFIDENCE-BUILDING MEASURES

#### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

#### How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report

- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- (H) We did not verify the information submitted in our PRI report this reporting year

## INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

### What responsible investment processes and/or data were audited through your internal audit function?

- (A) Policy, governance and strategy
  - Select from dropdown list:
    - (1) Data internally audited
    - (2) Processes internally audited
    - (3) Processes and data internally audited
- (B) Manager selection, appointment and monitoring
  - Select from dropdown list:
    - (1) Data internally audited
    - (2) Processes internally audited
    - (3) Processes and data internally audited
- (C) Listed equity
  - Select from dropdown list:
    - (1) Data internally audited
    - (2) Processes internally audited
    - (3) Processes and data internally audited
- (D) Fixed income
  - Select from dropdown list:
    - (1) Data internally audited
    - (2) Processes internally audited
    - (3) Processes and data internally audited

## INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

### Who in your organisation reviewed the responses submitted in your PRI report this year?

**(A) Board, trustees, or equivalent**

Sections of PRI report reviewed

- (1) the entire report

- (2) selected sections of the report**

**(B) Senior executive-level staff, investment committee, head of department, or equivalent**

Sections of PRI report reviewed

- (1) the entire report**

- (2) selected sections of the report

- (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year