


# 2025 Responsible Investment Report

- As a responsible asset owner -



Empowering your future





## The spirit of sustainability, passed down throughout our history

At Sumitomo Life, we are committed to “contributing to the advancement of social and public welfare,” the reason for existence (purpose) stated in Article 1 of our corporate policy, “Management Policy.” The “Management Policy” was formulated in 1952 to stipulate the unwritten fundamental policy on our operations, which had been adhered to until then, and upholds the Business Principles of the Sumitomo family, dating back around 400 years.

Throughout our history, we have consistently worked toward realizing our unchanging purpose, striving for a society of health and longevity, and addressing social and environmental issues. Today, we have set our mission as contributing to the well-being of each individual.

“Well-being” is generally taken to mean “health” or “happiness,” but Sumitomo Life defines it a little more broadly as “living better.” It is based on our aspiration to stay close to people and do something more to improve their lives, society, and the global environment. We have established our vision for 2030 to be an “indispensable insurance group” that contributes to well-being,<sup>\*1</sup> and we aim to be a leader in the domain of providing the value of well-being. In this context, our key initiatives are Vitality Shared-Value Insurance in the life insurance business and “responsible investment” in the asset management business.

In fiscal 2024, we received the Grand Prize at the 1st Social Impact Leader Awards<sup>\*2</sup> in recognition of our efforts for “responsible investment,” which we have been promoting consistently under our purpose since our founding.

<sup>\*1</sup> Please refer to the [Company’s website](#) for the Sumitomo Life Group Vision 2030.

<sup>\*2</sup> Please refer to page 54 of this report for details.

## Fulfilling our social role through responsible investment

For each individual to achieve well-being, society and the global environment in which they live must be in a sustainable condition. Life insurance companies, as providers of long-term stable capital, have long supported Japan’s structural transformation and economic development. Currently, we are facing social issues that threaten social and environmental sustainability, such as increasingly severe climate change, intensifying disasters, aging infrastructure, challenges in medical care and nursing, and income disparity. We believe that we have a mission to fulfill our social role as a provider of long-term stable capital. In other words, we have entered an era in which our contribution to customers must go beyond investment returns alone.

Behind these social issues lie various complex and intertwined social factors, which are impossible to resolve through our efforts alone. Therefore, we believe it is important for domestic and international institutional investors to work together and advance initiatives in collaboration with partners in industry, government, and academia.

## Aiming for responsible investment that contributes to the well-being of each individual

As a responsible institutional investor, Sumitomo Life pursues “responsible investment”—asset management that considers sustainability. Our initiatives not only contribute to solving social issues but also lead to improved investment returns by mitigating risk and opening up investment opportunities.

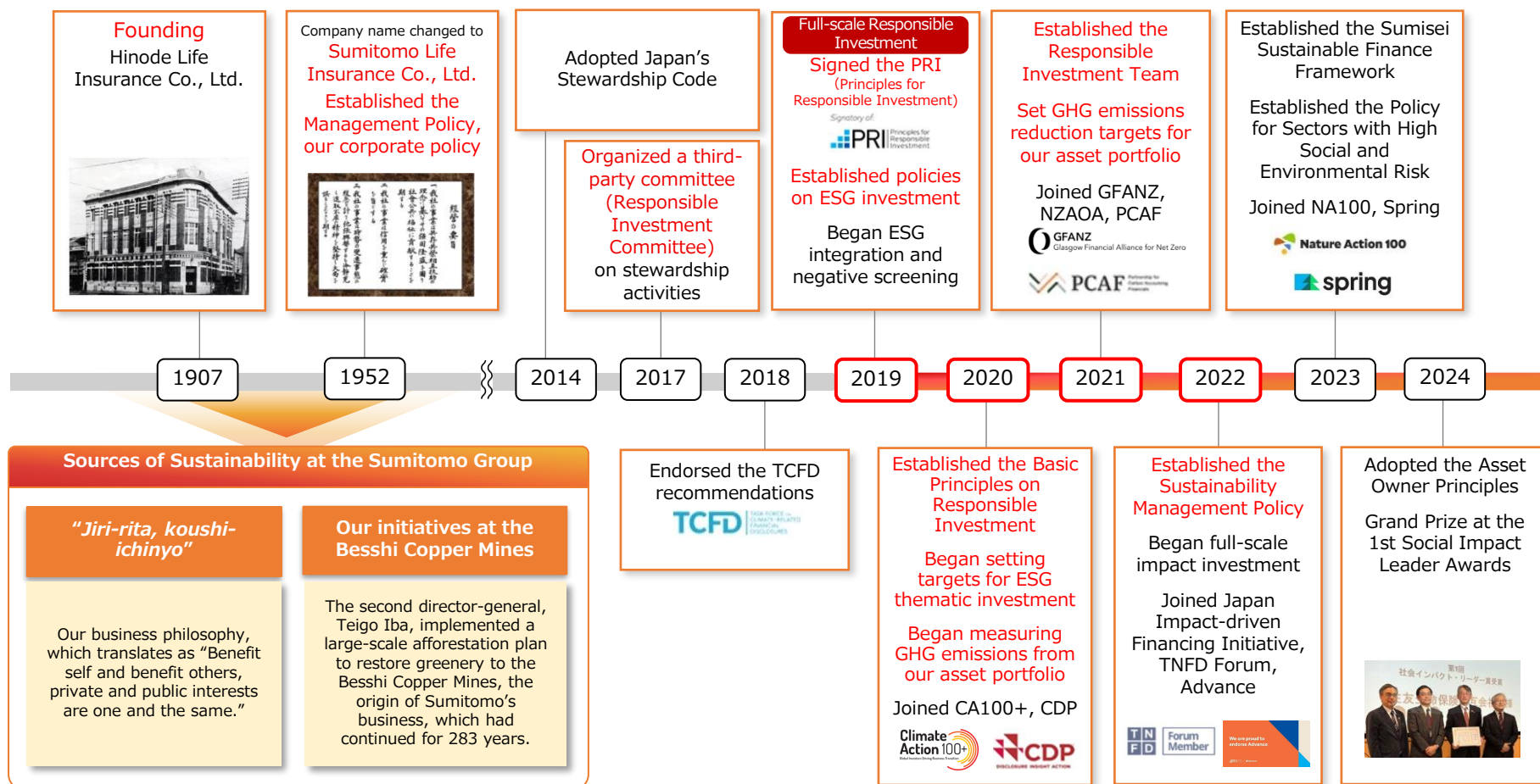
For example, the risks posed by climate change—including health impacts such as heatstroke and infectious diseases, the impact on physical infrastructure from natural disasters, and changes in ecosystems—interact in complex ways, giving rise to a wide range of social challenges. Reducing these risks is also crucial to ensure stable investment returns over the long term.

As society progresses toward decarbonization, we expect to see an increase in investment opportunities in renewable energy and new technologies. In this context, we have set quantitative financing targets to promote investment in the sustainability sector, as well as engaging with our investees to support their initiatives.

In this way, we ensure that the insurance premiums entrusted to us by our customers contribute to each individual’s well-being through responsible investment. We are committed to visualizing the social value created through responsible investment and, within the limits of our assets, we will continue to pursue more effective approaches to financing and engagement, aiming to achieve well-being. The global environment for sustainability is changing day by day, but at Sumitomo Life, we will persevere in our efforts to realize a society and environment where everyone can enjoy well-being.

## Initiatives for Responsible Investment (Transition)

- ❑ “Contributing to the advancement of social and public welfare,” which has been Sumitomo Life’s purpose throughout its history, has been passed down through generations of the Sumitomo family to the present day, and is closely aligned with our commitment to responsible investment.
- ❑ Sumitomo Life signed the PRI (Principles for Responsible Investment) in April 2019. We established a structure in 2021 and began to promote responsible investment.



# Initiatives for Responsible Investment

(Sumitomo Life Medium-Term Business Plan 2025)

## Toward the creation of greater positive impact through responsible investment

We believe that Sumitomo Life, as an institutional investor entrusted with around 37 trillion yen in assets from customers, has a mission to contribute to achieving a sustainable society and improving the well-being of each customer through the promotion of responsible investment.

Fiscal 2025 marks the final year of the “Sumitomo Life Medium-Term Business Plan 2025.” We will continue to actively engage in ESG thematic investments aimed at creating even greater positive impact that contributes to well-being (creating social value). We will focus on promoting impact investments that are specifically designed to generate a positive impact. We also believe that it is important to measure the impact (social value) derived from these investments and to disclose this to stakeholders, and we will work to further enhance these initiatives. At Sumitomo Life, we engage in responsible investment to establish a trajectory toward achieving our vision to be an “indispensable insurance group” that contributes to well-being. We aim to create more positive impact as well as secure stable investment returns over the medium to long term, while also promoting understanding among stakeholders.



**Iwao Matsumoto**  
Senior Managing  
Executive Officer

2019      Previous Medium-Term Business Plan      **Current Medium-Term Business Plan**      2030

Signing the PRI  
(Principles for Responsible Investment)

Decarbonization-  
related

Targets

Others

Commitment of Net-Zero GHG emissions by 2050

Set and reviewed GHG emission reduction targets for 2030

Initiatives for achieving the targets  
(dialogue + financing)

ESG thematic investments  
¥500 billion

Established a structure for responsible investment promotion

Began ESG integration for all assets under management

Promote dialogue on promoting decarbonization  
(continuing)

Promote financing (investments) that will contribute to decarbonization  
(continuing/e.g.: project financing related to renewable energy, etc.)

Promote GHG\* reduction in real estate for investment  
(continuing)

Climate solution investment ¥500 billion

Rev.

ESG thematic investments ¥1,000 billion

Rev.

Response to human rights, human capital, and biodiversity  
(expanding gradually)

Promote impact investment (continuing)

Raise the level of impact measurement (continuing)

\* Greenhouse Gas

Achieve a GHG reduction target of 50%  
Contribute to the achievement of the SDGs

2050: Realize a net-zero & sustainable society

# Initiatives for Responsible Investment (by Item)

## Financing

P29

(Targets\*1 and results of ESG thematic investments)

(to the end of August 2025)

|  |  |      |
|--|--|------|
| Fiscal 2023-2025<br>(Cumulative total of three fiscal years) | Target: ¥1,000.0 billion<br>(Results: ¥1039.3 billion) | Rev. |
| Of which, Climate solution investment                        | Target: ¥500.0 billion<br>(Results: ¥483.6 billion)    | Rev. |

\*1 In March 2025, the implementation target amount for ESG thematic investments was raised from 700 billion yen (three-year cumulative total), and that for Climate solution investment was raised from 400 billion yen.

(Results/Cumulative total of impact investment)

|                           |               |
|---------------------------|---------------|
| To the end of August 2025 | ¥96.0 billion |
|---------------------------|---------------|

(Results/Cumulative total of transition Finance)

|                           |               |
|---------------------------|---------------|
| To the end of August 2025 | ¥49.4 billion |
|---------------------------|---------------|

## Status of GHG Reduction in the Asset Portfolio

P19

|  |  |
|--|--|
| 2030 reduction target                          | Results for fiscal 2023                        |
| 50% reduction*2<br>(Compared with fiscal 2019) | 48.0% reduction<br>(Compared with fiscal 2019) |

\*2 Indicator: GHG total emissions from the asset portfolio divided by the amount of balance held

## Constructive Dialogue with Investee Companies (Domestic Listed Stocks)

P40

|                                    |               |
|------------------------------------|---------------|
| Number of dialogues in fiscal 2024 | 99 dialogues  |
| Cumulative number (since 2016)     | 392 companies |
| Market value we hold*3             | 85%           |

\*3 A proportion of the entire portfolio of domestic listed stocks.

## Impact Measurement\*4

P34

|                  |   |
|------------------|---|
| Environ-<br>ment | Contribution to GHG reduction: Approx. 1,170,000 t-CO2e/year, etc.  |
| Society          | Total of Various Beneficiaries: Approx. 1,170,000 people /year<br>- Medical beneficiaries: 200,000 per year<br>- Microloan recipients: 500,000 per year<br>- Beneficiaries of safe water supply: 400,000 per year, among others |

\*4 Calculated based on available data including issuers' disclosed information.

## Governance/Human Capital Development

P54

[Collaboration]

- Active participation in various initiatives
- Conduct awareness raising activities through speaking in events and lectures at universities, etc.
- Receiving the Grand Prize at the 1st Social Impact Leader Awards

[Human Capital Development]

- Holding various internal study sessions and events related to responsible investment
- Providing e-learning programs on trends in responsible investment
- Recommend acquiring certification of Eco Test for employees in the asset management department

## 01 System for Promoting Responsible Investment

6

- Corporate Policy and Sustainability Management Policy
- Policy and Basic Approach
- Contributing to Well-being Through Responsible Investment
- The Concept of Well-being and Examples of Contributions Through Responsible Investment
- Governance Structure
- Responsible Investment Committee and Responsible Investment Meeting
- Corporate Governance That Boosts Growth Power
- Responsible investment Pursued by Each Staff Member
- Activity Cycle

## 02 Responding to Key ESG Themes

16

- Climate Change Response Roadmap in the Asset Portfolio
- GHG Emission Reduction Targets for 2030
- GHG Emissions from the Asset Portfolio
- Dialogue Activities with GHG High-emitting Domestic Companies
- Climate Risks and Opportunities
- Biodiversity and Natural Capital
- Human Rights

## 03 ESG Investment

25

- Overview of ESG Investment
- ESG Integration
- Mitigation of Negative Impact
- Initiatives of ESG Thematic Investments
- Transition Finance
- Sumisei Sustainable Finance
- ESG Initiatives in Real Estate Investment
- Positive Impact Creation
- Initiatives for Impact Investment

## 04 Stewardship Activity

38

- Stewardship Activity Transition
- Review of Fiscal 2024 Dialogue
- Fiscal 2025 Dialogue
- Dialogue in Bond Investment
- Stance on Exercising Voting Rights
- Fiscal 2024 Voting Results
- Revisions of Stewardship Activity
- Self-evaluation of Stewardship Activity

## 05 Collaboration and Human Capital Development

52

- Participation in Initiatives
- External Activity and Human Capital Development Initiatives

## CONTENTS

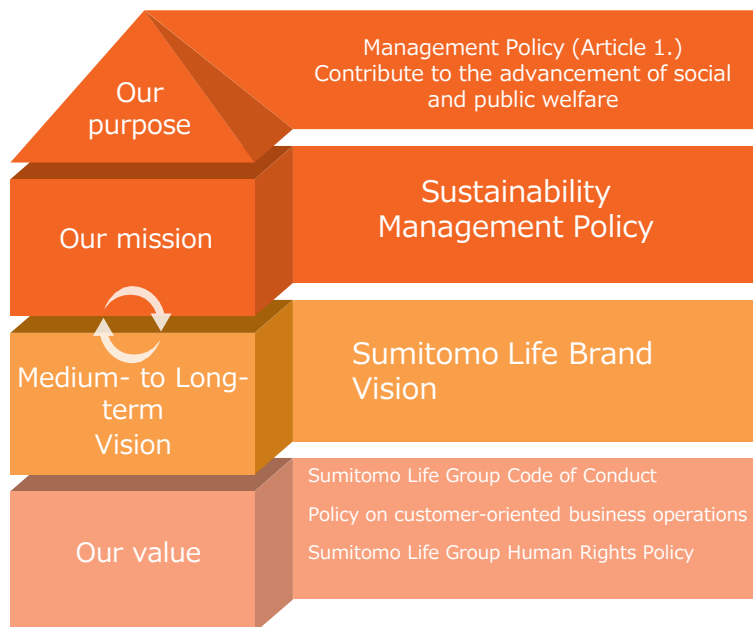
|  |          |
|--|----------|
| • Corporate Policy and Sustainability Management Policy                                  | • • • 7  |
| • Policy and Basic Approach  | • • • 8  |
| • Contributing to Well-being Through Responsible Investment                              | • • • 9  |
| • The Concept of Well-being and Examples of Contributions Through Responsible Investment | • • • 10 |
| • Governance Structure   | • • • 11 |
| • Responsible Investment Committee and Responsible Investment Meeting                    | • • • 12 |
| • Corporate Governance That Boosts Growth Power  | • • • 13 |
| • Responsible Investment Pursued by Each Staff Member                                    | • • • 14 |
| • Activity Cycle   | • • • 15 |

# Corporate Policy and Sustainability Management Policy

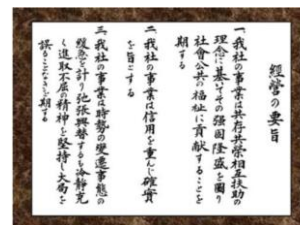
- Sumitomo Life lists its reason for existence (purpose) of “contributing to the advancement of social and public welfare” as Article 1 of the “Management Policy,” which is its corporate policy, and it has established a “Sustainability Management Policy” as the mission to fulfill.
- Based on this purpose and mission, we promote “responsible investment,” asset management that takes medium- to long-term sustainability including the ESGs (environmental, social, and governance) into consideration, while ensuring stable investment returns over the medium to long term as an institutional investor.

## Policy Structure

The Company sets the “Management Policy,” which is our corporate policy that represents the fundamental spirit of our operations, as the apex, and holds “Sustainability Management Policy,” which expresses the universal mission stated in the Management Policy from a sustainability perspective, and the “Sumitomo Life Brand Vision,” which characterizes the image of the Company that we aim to become in the medium- to long-term from a customers’ perspective, as our operating policy.



### Management Policy



The “Management Policy” was formulated in 1952 to stipulate the unwritten fundamental policy on our operations which had been adhered to until then. The policy upholds Sumitomo’s Business Philosophy which underlies the “Monjuin Shiigaki” which Masatomo Sumitomo, the founder of the Sumitomo family, wrote 400 years ago to offer guidance on how a merchant should conduct business, as well as “Business

Principles” listed in the “Rules Governing the House of Sumitomo.” The principles make it possible to “solve social issues” and “improve corporate value” at the same time and brings about sustainability of the Company as well as that of customers and society.

### Sustainability Management Policy

We list in the “Sustainability Management Policy” as follows: “contribution to the realization of a society of health and longevity through the sound operation and development of the insurance business,” “contribution to the realization of a sustainable society through efforts to solve social and environmental issues.” This policy also stipulates that “paying insurance claims are fundamental to the insurance business, and to pay them correctly, promptly, and reliably we will strive to manage assets stably over the medium to long term and ensure a sound financial base.”

## Policy and Basic Approach

- Sumitomo Life is implementing initiatives needed to contribute to the realization of “well-being for all,” in order to realize a society of affluence, vitality and longevity from both the perspective as a life insurance provider and as an institutional investor under the “Sustainability Management Policy.”
- From the perspective of an institutional investor, in order to further create social and environmental impacts\*<sup>1</sup>, we consider ESG\*<sup>2</sup> factors when managing all our assets. We are promoting responsible investment with the aim of both contributing to the realization of a sustainable society and securing stable investment returns over the medium to long term.
- We also believe that our responsible investment, which aims to both secure investment returns and solve social issues, aligns with the direction of the “Policy Plan for Promoting Japan as a Leading Asset Management Center” announced by the Japanese government\*<sup>3</sup>. In addition, we have publicly announced\*<sup>4</sup> our endorsement and acceptance of the “Asset Owner Principles.”

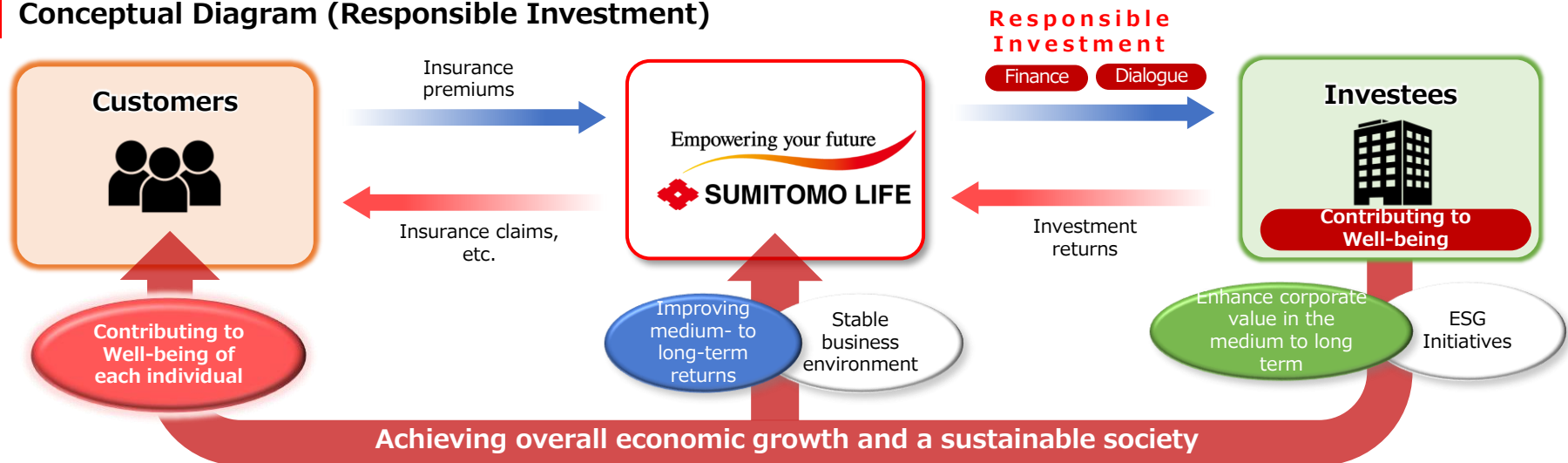
\*1 In addition to creating positive and measurable social and environmental impacts, we aim for investment behavior that mitigates the negative impact.

\*2 Refers to Environment, Society, Governance.

\*3 Please refer to [News Release on January 23, 2024](#) (in Japanese) regarding the Sumitomo Life Group’s efforts for promoting Japan as a leading asset management center.

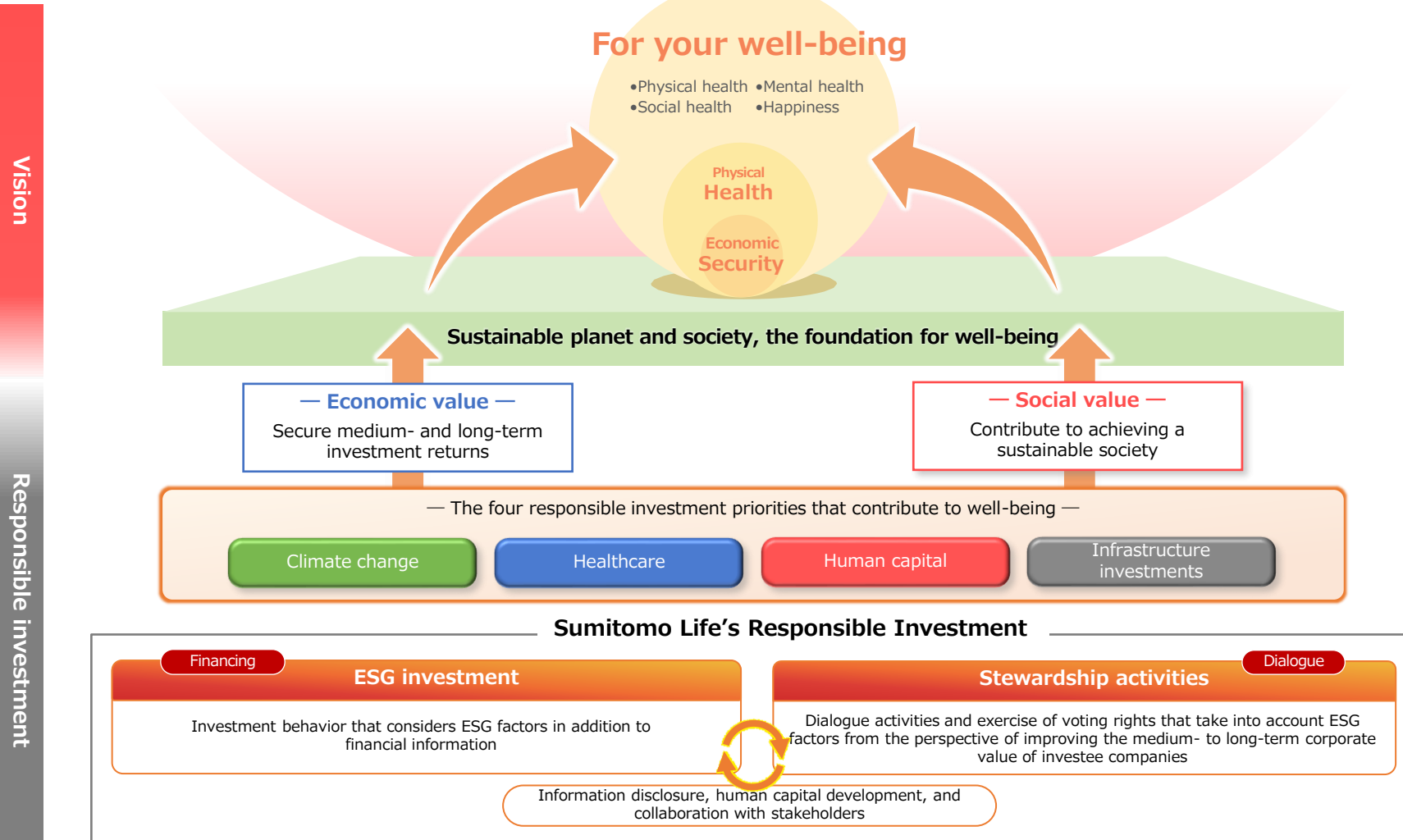
\*4 Please refer to [News Release on October 10, 2024](#) (in Japanese) regarding the acceptance of the “Asset Owner Principles.”

### Conceptual Diagram (Responsible Investment)



# Contributing to Well-being through Responsible Investment

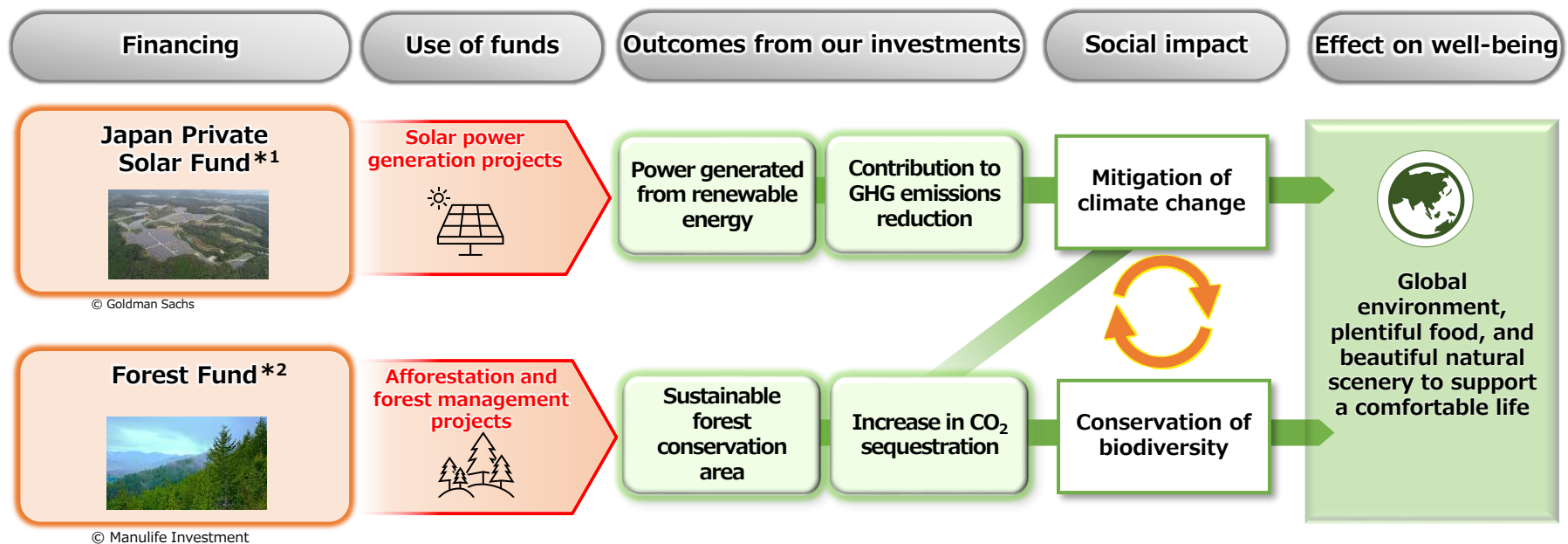
- At Sumitomo Life, we have set forth our vision for 2030 to be an “indispensable insurance group” that contributes to well-being.
- We will work to create economic and social value through responsible investment, helping to achieve a sustainable planet and society, the foundation for well-being. In this way, we aim to deliver the value of well-being to as many people as possible.



# Our Concept of Well-being and Examples of Contribution through Responsible Investment

- ❑ The world is in the midst of great change, including rapid digitalization, the declining birthrate and aging population, as well as global climate change, and people's lifestyles and points of view are also undergoing a transformation. In addition, every individual has a different concept of well-being.
- ❑ "Well-being" is generally interpreted as a state not only of physical health but also of social and mental health and happiness.
- ❑ We have established the "well-being for all" approach based on our aspiration to stay close to people and do something more to improve their lives, society, and the global environment, in addition to providing economic security and physical health.
- ❑ From the perspective of asset management, we create economic and social value through responsible investment, helping to achieve a sustainable planet and society, the foundation for well-being.

## Our contributions to well-being (examples)



\*1 Please refer to ["Investment in an Infrastructure Equity Fund Provided by Goldman Sachs," dated November 4, 2022](#) (in Japanese only)

\*2 Please refer to page 36 of this report and ["Investment in the Manulife Forest Climate Fund," dated December 16, 2024](#) (in Japanese only)

## Governance Structure

- Sumitomo Life is unitedly promoting responsible investment as an institutional investor under the framework shown in the chart below, by formulating and disclosing our Basic Principles on Responsible Investment.

### Basic Principles on Responsible Investment

1. Basic Approach to Responsible Investment

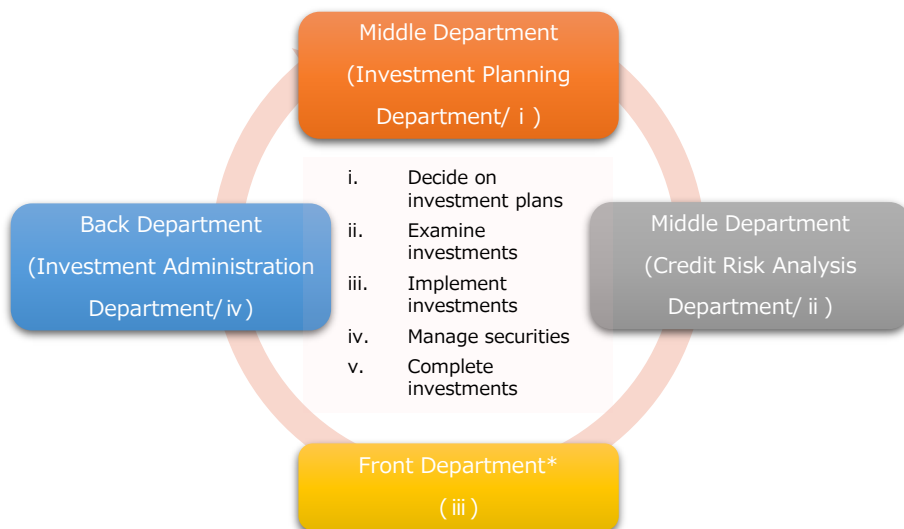
2. Basic Initiatives for Responsible Investment

3. Response to ESG Issues

(Attachment1) Policy for Sectors with High Social and Environmental Risk  
(Attachment2) Adherence to Principles of Japan's Stewardship Code

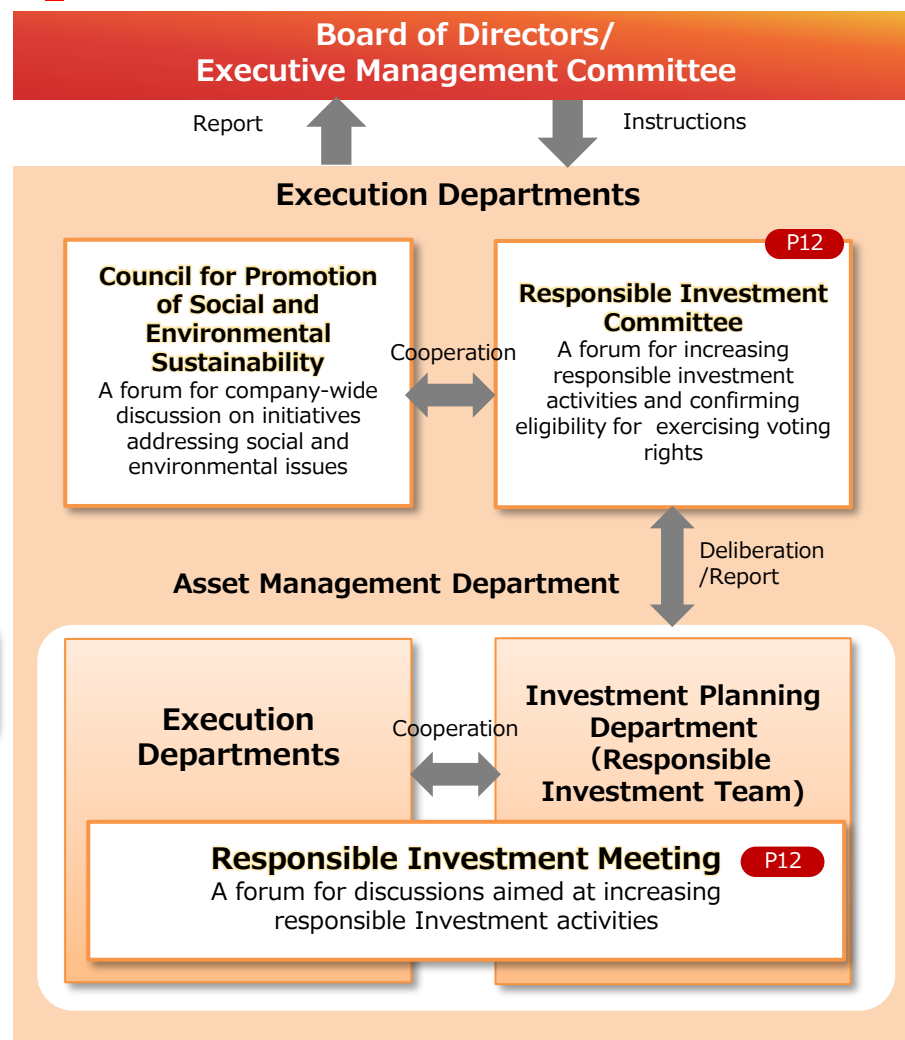
\* Please refer to [Company's website](#) for the Basic Principles on Responsible Investment.

### Value Chain in the Asset Management Department



\* ALM Securities Investment Dept., Loan Dept., Real Estate Dept., Balanced Portfolio Investment Dept., Separate Account Investment Dept.

### Organizational Structure



## Responsible Investment Committee and Responsible Investment Meeting

- ❑ The Responsible Investment Committee conducts wide-ranging discussions of responsible investment activities, including the management of conflicts of interest in exercising voting rights.
- ❑ We are enhancing our responsible investment practices by incorporating discussions from the RIC into our stewardship activities.

### Committee composition

|                              |  |          |
|------------------------------|--|----------|
| Chairman:<br>Ryota Miura     | Lawyer, Miura & Partners   | External |
| Katsuhiko Kokubu             | Professor, Kobe University   | External |
| Shiho Konno                  | Lawyer, Shiho Konno Habataki Law Office  | External |
| Iwao Matsumoto* <sup>1</sup> | Senior Managing Executive Officer (in charge of the asset management department) | Internal |

\*1 Not involved in deliberations on conflicts of interest in exercising voting rights.

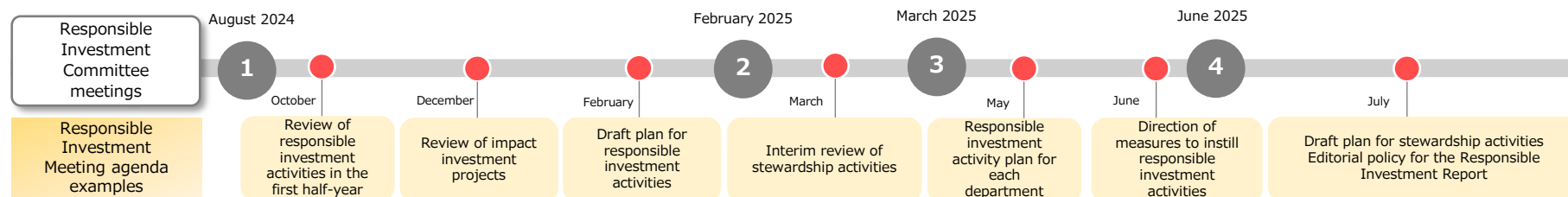
### Deliberation Details of RIC Meetings

| Period held   |   | Main matters for deliberation   |
|---------------|---|---|
| August 2024   | 1 | <ul style="list-style-type: none"> <li>Review and annual plan for stewardship activities</li> <li>Revision to the Guidelines for Exercising Voting Rights</li> </ul>              |
| February 2025 | 2 | <ul style="list-style-type: none"> <li>Review and annual plan for responsible investment</li> <li>Exchange of opinions on ESG fields</li> </ul>                                   |
| March 2025    | 3 | <ul style="list-style-type: none"> <li>Report on status of stewardship activities</li> <li>Exchange of opinions on ESG fields</li> </ul>  |
| June 2025     | 4 | <ul style="list-style-type: none"> <li>Suitability of exercising voting rights at general meetings of shareholders</li> <li>Report on status of stewardship activities</li> </ul> |

(The actual discussion content will be introduced on the next page)

### Responsible Investment Meeting

- Officers and employees from the asset management department\*<sup>2</sup> hold the Responsible Investment Meeting, where they share a wide range of information and engage in discussions regarding responsible investment activities across the entire department. Plans for responsible investment activities are examined and discussed at the Responsible Investment Meeting before deliberation by the Responsible Investment Committee.



\*2 The officer in charge of the asset management department, members at the level of department and section general manager, investment management personnel, and others participate in the meeting. It was held seven times in fiscal 2024.

# Corporate Governance That Boosts Growth Power

## Discussions at the Responsible Investment Committee Meetings



From left: Mr. Miura (Chairman); Ms. Konno (Member); Mr. Kokubu (Member); and Mr. Matsumoto (Member)

### The importance of a proper distance between the Board of Directors and the business execution team

From an investor's perspective, we believe it is important to assess the distance between the Board of Directors and the business execution team, in order to understand the board's approach to enhancing corporate competitiveness. We think it is helpful for investors to confirm through dialogue what points the board is focusing on and whether there is any misalignment of focus, considering each company's circumstances.



Mr. Miura (Chairman)

### Communicating the improvement of growth power appropriately to the market

To attract more capital from around the world to the Japanese market, it is crucial for companies to appropriately communicate to the market the improvements they make in growth power. It is also vital to raise companies' awareness of the need to actively engage with market participants. Recently, I feel that companies have become gradually better able to respond to market demands through their past experiences of such dialogue, and we hope that the market will continue to support corporate initiatives through ongoing dialogue.

### Diversity is a driving force behind corporate innovation



Ms. Konno (Member)

In terms of enhancing corporate competitiveness, I would like companies to understand that the social (S) aspect of ESG, particularly the promotion of women's participation, should not be viewed simply from a human rights perspective; rather, it is a driving force behind the innovation that leads to stronger corporate growth power. It is important for the Board of Directors to incorporate diverse perspectives in its decision-making and supervision of the business execution team. This diversity should encompass not only gender but also various perspectives such as personal background and age.

### The role of outside directors in reflecting the views of investors in management supervision

It has also become important for investors to engage in direct dialogue with outside directors, in the context of demands for greater board effectiveness. Since the Board of Directors plays a crucial role in supervising business execution and reflecting the voices of diverse stakeholders in corporate management, I think that this direct input from investors is likely to have a strong impact on companies.

### The need for companies to understand the concept of "value" they target

It is important for companies to build a value creation story to enhance their corporate value. However, an understanding of the concept of "value" is needed to communicate this story. Companies must recognize that the "value" they aim for includes not only revenue and stock price but also customer satisfaction and environmental considerations. They must then consider their corporate activities with a clear understanding of the purpose of value creation.



Mr. Kokubu (Member)

### Discussions to advance the value creation story

In addition to overseeing the validity and implementation of management strategies, the Board of Directors also plays an important role in developing management strategies together with internal executives. Companies must evolve their value creation stories through discussions at the Board of Directors. I expect dialogue with investors to help convey the importance of these initiatives to companies.

## Responsible Investment Pursued by Each Staff Member

### Interview with Responsible Investment Meeting Members

- Here, we present the content of interviews with investment management personnel participating in the Responsible Investment Meeting.

#### Finance



**"We will improve the quality of our bond investments through the ESG Evaluation Framework, aiming to balance investment returns with the realization of a sustainable society."**

**Eiko Takeda**

Assistant Manager  
ALM Securities Investment Dept.

Please tell us about your initiatives to advance responsible investment

In fiscal 2024, we established the ESG Evaluation Framework to enhance the "quality" of our investments. This framework enables us to determine which bond investments to prioritize within the constraints of our limited funding.

The specific process used involves quantifying eight ESG points, such as GHG emissions reductions and contributions to achieving the SDGs, and investing based on this evaluation. In addition to the ESG Evaluation Framework, we also focused on how the funds are allocated and the impact indicators, based on information from sources such as impact reports. When we had the opportunity to communicate directly with issuers, we used this information to encourage better ESG practices and the disclosure of impact indicators.

Of course, we also consider other factors when making investments, in addition to ESG ratings, to make comprehensive judgments. These include the attractiveness of the investment, the use and thematic focus of the funds raised, and their impact.

How do you plan to contribute to well-being?

We can contribute to achieving all of the SDGs, not only through our core businesses of life insurance business and health promotion services but also by investing in ESG bonds issued by various entities through our asset management business.

In other words, through asset management, we can contribute to society across a greater range of areas and help improve the well-being of more people. I hope to engage in creating this kind of value through asset management.

#### Engagement



**"We will achieve corporate growth and solve social issues through constructive dialogue."**

**Yutaka Yamamoto**

Assistant General Manager  
Balanced Portfolio Investment Dept.

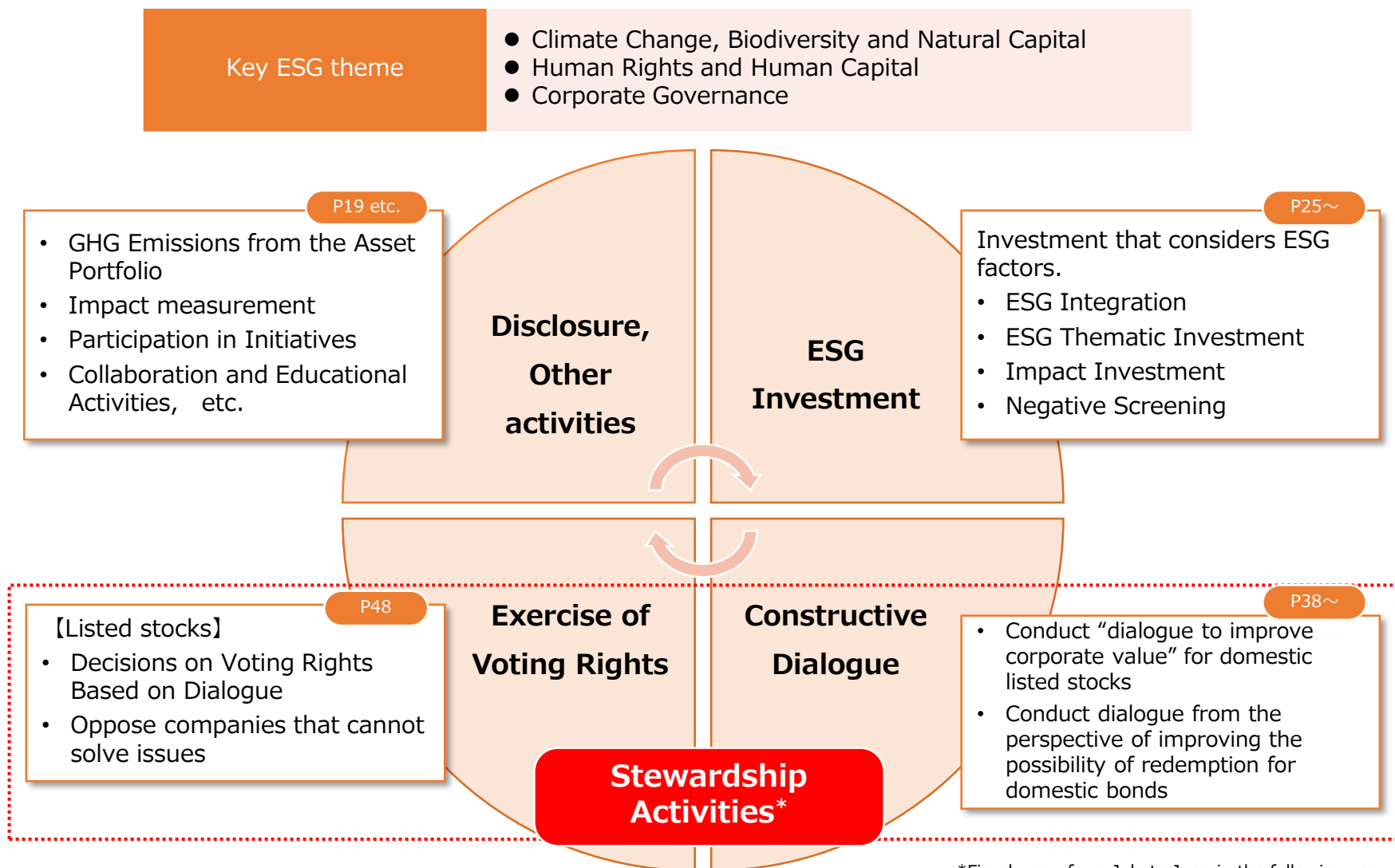
Please tell us about your initiatives to advance responsible investment

We engage in ongoing dialogue with companies that face challenges in areas like capital profitability and growth potential. Through this dialogue, we discuss key themes, such as management strategies—including business portfolio strategies, capital strategies, and human resource development strategies—that can achieve sustainable growth, from the perspective of enhancing corporate value. At the same time, we have further expanded and strengthened our engagement relating to ESG and sustainability. This engagement covers a wide range of topics, including governance issues such as improving board effectiveness, as well as decarbonization measures throughout the supply chain, respect for human rights, and DE&I. To enhance the quality and effectiveness of these dialogues, we engage in follow-up dialogue with companies where further improvement is desirable, rigorously applying the PDCA cycle. In this way, we promote dialogue and support the medium- and long-term enhancement of corporate value.

How do you plan to contribute to well-being?

Through our stewardship activities, we support the sustainable growth of companies while also addressing social challenges. We engage in dialogue on a variety of ESG-related themes, including the conservation and proper management of natural capital and the enhancement of human capital, encouraging companies to achieve both social value creation and economic performance through their business activities. We regard ESG as a key theme, with particular emphasis on strengthening dialogue with companies on climate change response. We focus on the impact of corporate activities on the well-being of society as a whole and promote dialogue aimed at sustainable value creation.

## Activity Cycle

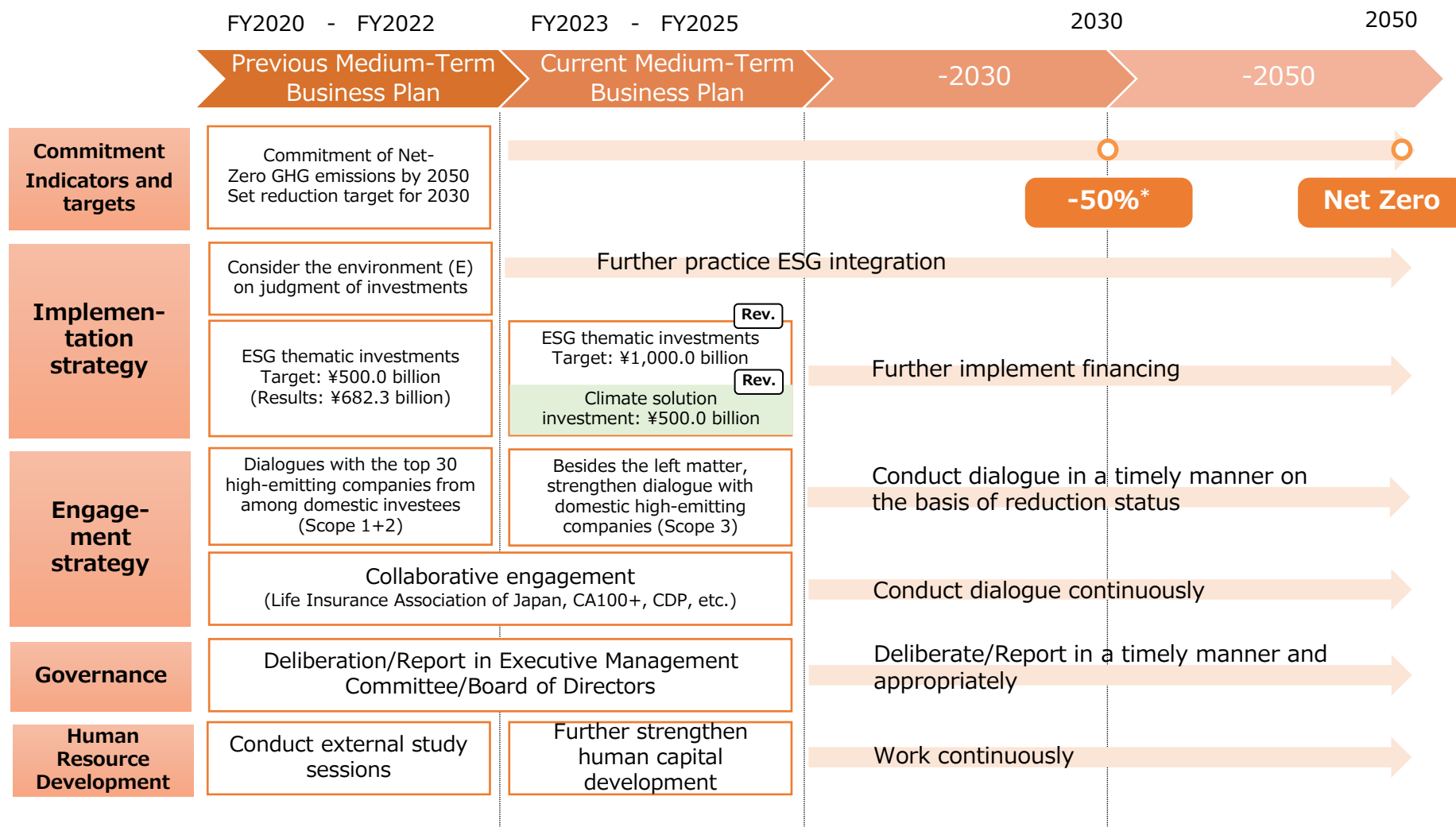


\*Fiscal year: from July to June in the following year

## CONTENTS

|   |          |
|---|----------|
| • Climate Change Response Roadmap in the Asset Portfolio        | • • • 17 |
| • GHG Emission Reduction Targets for 2030                       | • • • 18 |
| • GHG Emissions from the Asset Portfolio                        | • • • 19 |
| • Dialogue Activities with GHG High-emitting Domestic Companies | • • • 20 |
| • Climate Risks and Opportunities                               | • • • 21 |
| • Biodiversity and Natural Capital                              | • • • 22 |
| • Human Rights  | • • • 24 |

# Climate Change Response Roadmap in the Asset Portfolio



\* Intensity compared with FY2019 (GHG emissions proportional to amount of balance held in the portfolio = GHG emissions from the asset portfolio divided by the amount of balance held).

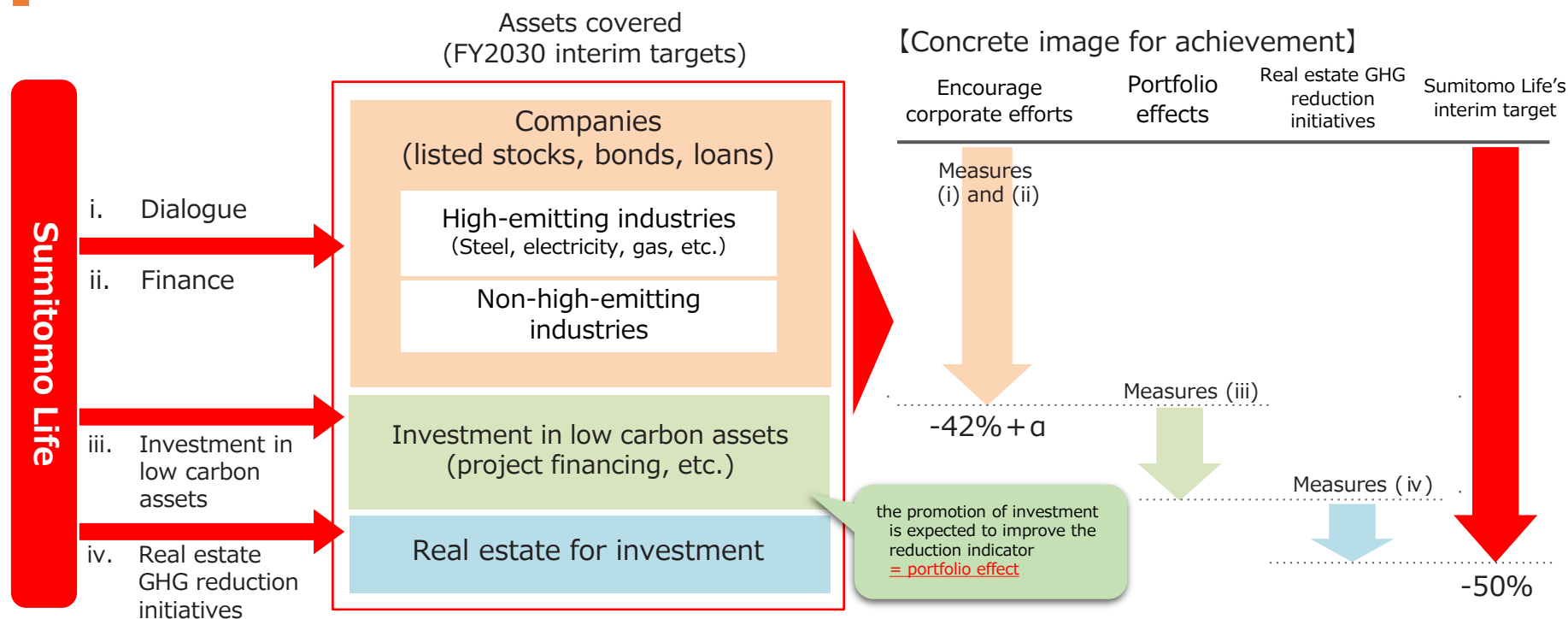
## GHG Emission Reduction Targets for 2030

- Sumitomo Life is aiming to achieve net-zero GHG emissions by 2050. We have set the 2030 interim targets\*1 of reducing GHG emissions for the asset portfolio, and we are working to achieve the target level through various measures. The interim target, which had previously been set solely for Sumitomo Life Insurance Company, was established in March 2025 as a target for the domestic group companies, including Medicare Life Insurance Company.
- The main measures to achieve this are “dialogue with investee companies (i),” “climate solution investment\*2 (ii)(iii),” and “initiatives for GHG reduction in real estate for investment (iv),” and we consider divestment as a last-resort measure.

\*1 Raised to -50% from -42% in March 2023. (Indicator: Intensity = GHG emissions divided by the current portfolio value)

\*2 Investments aimed at mitigation and adapting for climate change. (Green financing to companies, transition financing, and investment in low carbon assets, etc.)

### Initiatives for GHG reduction for the asset portfolio



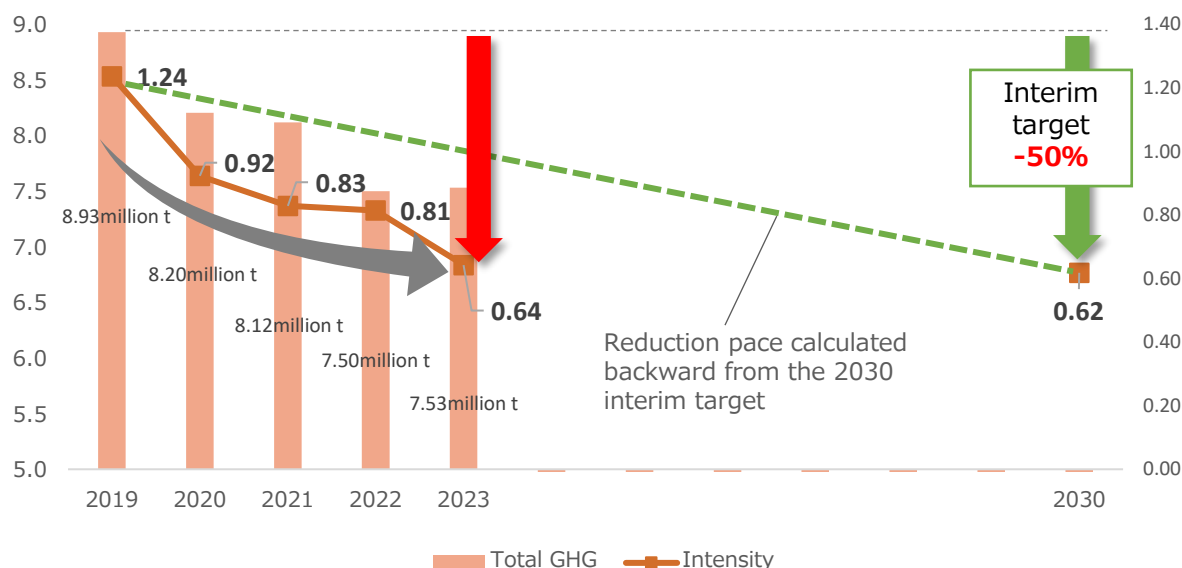
## GHG Emissions from the Asset Portfolio

- GHG total emissions from the asset portfolio\*1 in fiscal 2023 is a downtrend of 7.53 million t (down 15.6% compared with the base year). The intensity, used as an indicator, is at 0.64 t/million yen (down approximately 48.0% compared with the base year), exceeding the reduction pace calculated backward from the 2030 interim target.
- In terms of GHG total emissions by industry, utilities (electricity/gas, etc.) and materials (steel/chemicals, etc.) account for about 80% of the total. We will continue to encourage GHG reduction for such high-emitting companies through dialogue and financing.

\*1 Intensity = GHG emissions divided by the current portfolio value

### Total GHG from the asset portfolio\*2

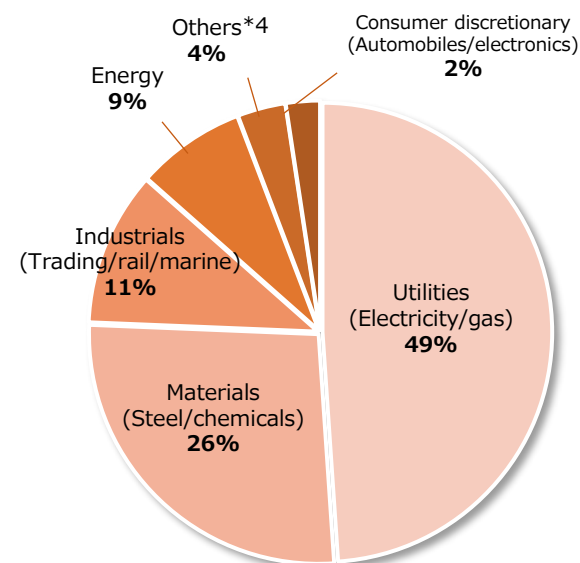
(million t-CO<sub>2</sub>e)



\*2 Actual figures at domestic group companies.

Assets covered are composed of listed stocks, corporate bonds, loans, real estate for investment, and infrastructure assets (including delegated assets that is available to measure). The absolute amount of GHG emissions from the asset portfolio is calculated (formula is below). We use published figures and estimated data for companies provided by MSCI. In the event that no GHG emissions data is distributed, we supplement by using parent company data or average figures by industry.

### Total GHG by industry\*3



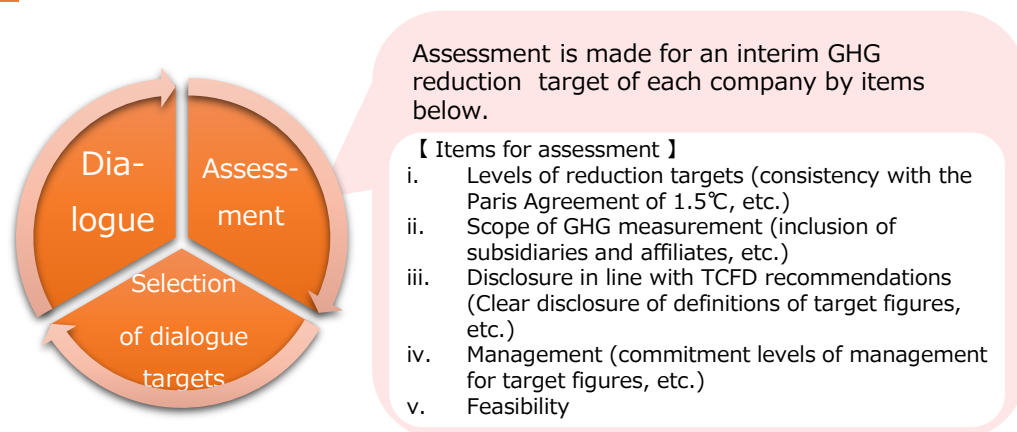
\*3 Sumitomo Life Insurance Company's standalone data. Industries are categorized according to GICS (Global Industry Classification Standard). The assets covered are composed of listed stocks, corporate bonds, and loans (excluding delegated assets).

\*4 Others represent financials/information technology/real estate/consumer staples/health care/communication services.

## Dialogue Activities with GHG High-emitting Domestic Companies

- Sumitomo Life focuses on dialogue with the top 30 high-emitting companies, which account for about 80% of GHG emissions (in Japan) in its asset portfolio.
- We assess an interim GHG reduction target of each investee company by multiple items. For example, although feasibility tends to improve as a whole, the progress shows a polarized tendency. Therefore, we will continue to encourage each company to make improvements through dialogue based on their situations.

### Process for Dialogue on Climate Change



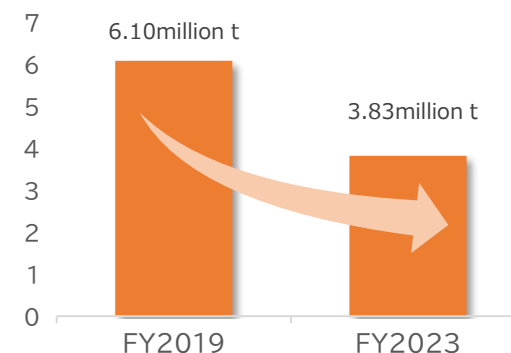
### Feasibility assessment of interim reduction targets

○: Yes (Assessment based on disclosed information and dialogue details)

|      | Assessment rank | Specific measures to achieve goals | Investment plans to practice measures | (Expected) reduction effect of each of measures |
|------|-----------------|------------------------------------|---------------------------------------|---|
| High | Rank 1          | ○                                  | ○                                     | ○   |
|      | Rank 2          | ○                                  | ○ for any rank                        |   |
|      | Rank 3          | ○                                  | —                                     | —   |
| Low  | Rank 4          | —                                  | —                                     | —   |

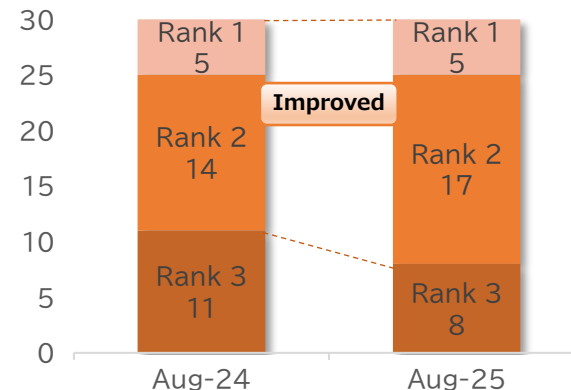
### GHG emissions from the top 30 high-emitting companies (domestic) in our asset portfolio

(million t-CO<sub>2</sub>e)



### Breakdown: Feasibility assessment

(Company numbers)



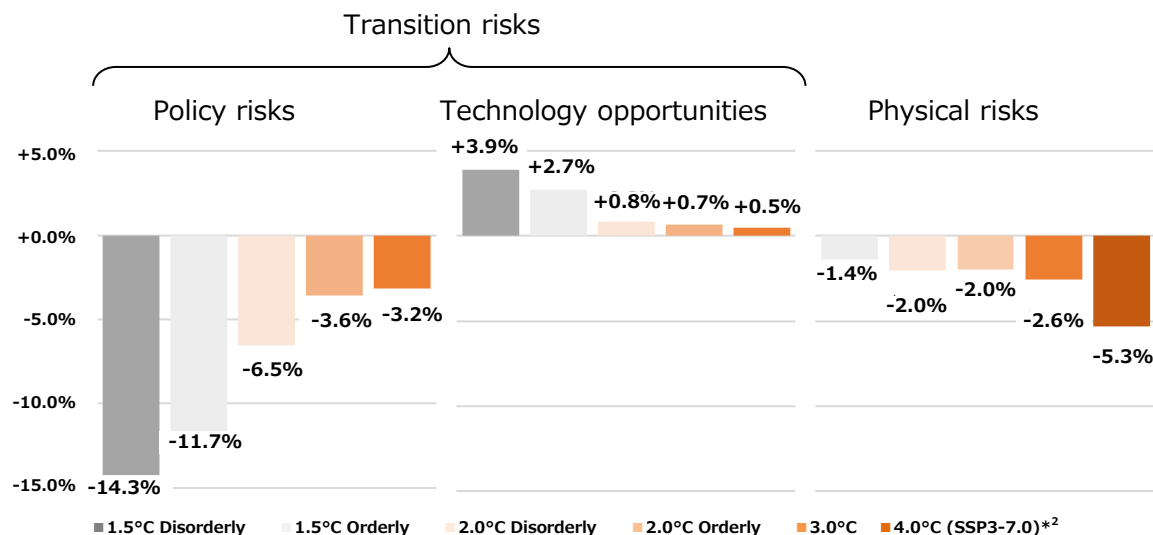
## Climate-related Risks and Opportunities

- ❑ We use MSCI's Climate Value-at-Risk (CVaR) model in relation to the impact of climate-related risks on the asset management business, to quantitatively ascertain the impact of climate change on our asset portfolio.
- ❑ This method indicates the loss ratio of each company's stocks and bonds due to climate change for each rising temperature scenario. Analysis results showed that even where technological opportunities are taken into account, transition risks would be higher in a scenario in which temperatures rise at a restrained rate, whereas physical risks would be higher in a scenario where temperatures rise drastically.
- ❑ We use ITR (Implied Temperature Rise) to analyze which average rising temperature scenario our asset portfolio investee companies' greenhouse gas emissions correspond to. The results of our analysis indicate that our asset portfolio was found to be in the range of 2°C or higher and less than 3°C.

### Impact of Climate Change on the Asset Management Business

| Risk/Opportunity | Impact on the asset management business  |
|------------------|--|
| Risk             | Policy changes, regulatory reforms, and measures related to the transition to a decarbonized society may affect our investee companies, potentially impairing the value of our investment assets in the future |
| Opportunity      | Increasing investment opportunities in companies developing technologies that contribute to realize a decarbonized society and for renewable energy-related projects.  |

### CVaR Measurement Outcomes by Scenario\*<sup>1</sup>



\*1 These measurements cover assets held as of September 30, 2024 (listed stocks, corporate bonds, and loans). Measurements of CVaR and ITR are based on data acquired as of November 30, 2024. Some of the information is reproduced with permission from ©2025 MSCI ESG Research LLC.

\*2 The 1.5°C to 3.0°C scenarios adopt the NGFS scenario, and the 4.0°C scenario (physical risks only) adopts the IPCC scenario. For the transition to a decarbonized society, the 1.5°C and 2.0°C scenarios adopt a disorderly transition scenario where reductions proceed inefficiently or through coercion (Disorderly) and an orderly transition scenario where emission reduction policies are implemented smoothly or in stages (Orderly).

## Biodiversity and Natural Capital

- Conservation of natural capital and biodiversity is key initiative issues on sustainability that are closely linked to climate change response.
- In order to contribute to realization of Nature Positive<sup>\*1</sup>, we will strive to understand the impact of biodiversity on Sumitomo Life's asset management while continuing to work actively on financing and dialogue with investee companies.

<sup>\*1</sup> Halting the downtrend in biodiversity and moving toward recovery.

### Initiatives for Natural Capital and Biodiversity

- We are working to address natural capital and biodiversity through dialogue with investee companies and ESG thematic investments.
- In February 2024, we joined the international initiatives "Spring" and "NA100 (Nature Action 100)" that conduct collaborative engagement activities to address biodiversity conservation and restoration.
- We aim to improve our engagement activities through active involvement in these initiatives.



#### Collaborative Engagement Utilizing NA100

- Through collaborative engagement by member companies, NA100 supports companies with significant dependence on or impact to natural capital in their efforts to set targets and strengthen governance.
- By participating in NA100's collaborative engagement, we are also elevating the level of our dialogue, drawing on engagement examples from other member companies.

### Initiatives for Mitigation of Negative Impact

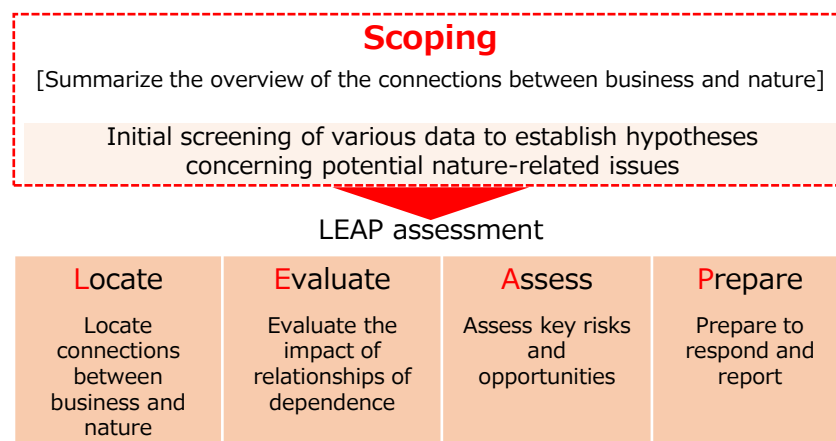
- In fiscal 2023, we established a policy to mitigate the negative impact, including those related to biodiversity. For details, please see P28.

### Respond to TNFD Recommendations

- Since TNFD recommendations were announced officially in September 2023, we were registered as a "TNFD Adopter" in January 2024, and we are working on early disclosure in line with the TNFD recommendations.
- In our asset management business, we conducted an analysis (Scoping) of the points of contact between investments and nature (see P23).
- We will continue to enhance our disclosure of information in line with the TNFD recommendations.



#### LEAP Approach Recommended by TNFD



## Biodiversity and Natural Capital

- ❑ We used analytical tools such as ENCORE, which is recommended by the TNFD, to assess the impact and dependence of each industry on nature and understand the relationship between our investees and natural capital.
- ❑ The items where we found a high impact or dependence are shown below. We found that water-related issues (water usage and water supply) rated especially high in terms of impact and dependence.
- ❑ We will continue to consider the use of analysis results for engagement activities, etc., while engaging in even more sophisticated scoping.

### Results of Analysis Using ENCORE

#### Investment heat map (impact on nature and dependence on nature)\*

| GICS<br>11 sectors     | Impact on nature                             |                                    |                   |                              | Dependence on nature |                                     |                                      |                           | Five-level evaluation<br>using ENCORE, etc. |           |
|------------------------|--|------------------------------------|-------------------|------------------------------|----------------------|-------------------------------------|--------------------------------------|---------------------------|---|-----------|
|                        |  |                                    |                   |                              | Supply<br>services   | Regulation and maintenance services |                                      |                           |   |           |
|                        | Changes in the use of land<br>and freshwater |                                    | Climate<br>change | Resource use<br>and recovery | Water supply         | Climate<br>regulation               | Mitigation of flooding and<br>storms |                           |   |           |
|                        | Use of land<br>ecosystems                    | Use of<br>freshwater<br>ecosystems | GHG<br>emissions  | Water usage                  | Groundwater          |                                     | Protection<br>from<br>flooding       | Protection<br>from storms |   |           |
| Consumer discretionary |  |                                    |                   |                              |                      |                                     |                                      |                           | Impact on nature                            | Very High |
| Consumer staples       |  |                                    |                   |                              |                      |                                     |                                      |                           |   | High      |
| Energy                 |  |                                    |                   |                              |                      |                                     |                                      |                           |   | Middle    |
| Financial              | —  | —                                  | —                 | —                            | —                    | —                                   | —                                    | —                         |   | Low       |
| Healthcare             | —  | —                                  |                   |                              |                      |                                     |                                      |                           | Dependence on nature                        | Very Low  |
| Industrials            |  |                                    |                   |                              |                      |                                     |                                      |                           |   | Very High |
| Information technology | —  | —                                  |                   |                              |                      |                                     |                                      |                           |   | High      |
| Materials              |  |                                    |                   |                              |                      |                                     |                                      |                           |   | Middle    |
| Real estate            |  | —                                  |                   | —                            |                      | —                                   |                                      |                           |   | Low       |
| Communication services |  |                                    | —                 | —                            | —                    |                                     |                                      |                           |   | Very Low  |
| Utilities              |  |                                    |                   |                              |                      |                                     |                                      |                           |   |           |

\*Only impacts and dependencies judged of special importance are shown.

# Human Rights

- ❑ We believe that our efforts to promote human capital management and address social issues such as responding to human rights issues related to our businesses, including supply chains, will not only mitigate business risks but also help to secure business opportunities and ultimately contribute to the realization of a sustainable society.
- ❑ Sumitomo Life has formulated and announced the “Sumitomo Life Group Human Rights Policy<sup>\*1</sup>,” and conducted a human rights risk assessment as the Sumitomo Life Group in fiscal 2023. From the position of an institutional investor, we will encourage investee companies to respect human rights through dialogue.

<sup>\*1</sup> “Sumitomo Life Group Human Rights Policy” is disclosed on [Sumitomo Life official website](#).

## Initiatives for a Human Rights Risk Assessment (Sumitomo Life Group Initiatives)

- In fiscal 2023, the Sumitomo Life Group (Sumitomo Life and its subsidiaries in Japan) identified human rights risks, and specified and assessed the negative impact on human rights.
- After identifying Groupwide key issues, we developed measures to prevent or mitigate these key issues<sup>\*2</sup>.
- The identification of human rights risks, as well as the specification and assessment of the negative impact, are reviewed regularly every three years, in principle.

<sup>\*2</sup> Measures to prevent or mitigate these key issues are disclosed on [Sumitomo Life official website](#) (in Japanese).

## Dialogue Activities Relating to Respecting Human Rights (Initiatives as an Institutional Investor)

- We conduct dialogue by considering respect for human rights as one of the key themes in dialogue activities. We select target companies using external ESG scores, etc. after selecting industries at high potential risk with regard to human rights and considering the situation of companies as well.
- As the main theme of dialogue, we especially focused on human rights and labor environment issues in the supply chain.

## “Business and Human Rights” Workshop

- In January 2025, we held a “Business and Human Rights” workshop for employees of our asset management department to deepen their understanding of business and human rights. We invited Mr. Ryusuke Tanaka, Program Officer at the International Labour Organization (ILO) Tokyo Office and specialist in labor standards and public relations, to lead the session.
- With the Guide to 'Business and Human Rights' for Institutional Investors in mind, the workshop provided an explanation of what human rights are, why it is important to address human rights issues, how to tackle them, and what investors should communicate to companies during engagement activities.



## Initiatives for Mitigation of Negative Impact

- In fiscal 2023, we established a policy to mitigate any negative impact, including items related to human rights. Please refer to page 28 for details.



## CONTENTS

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|   |          |
|---|----------|
| • Overview of ESG Investment                | • • • 26 |
| • ESG Integration                           | • • • 27 |
| • Mitigation of Negative Impact             | • • • 28 |
| • Initiatives of ESG Thematic Investments   | • • • 29 |
| • Transition Finance                        | • • • 30 |
| • Sumisei Sustainable Finance               | • • • 31 |
| • ESG Initiatives in Real Estate Investment | • • • 32 |
| • Positive Impact Creation                  | • • • 33 |
| • Initiatives for Impact Investment         | • • • 35 |

# Overview of ESG Investment

## ① ESG Integration P27

- A method that incorporates ESG perspectives in addition to financial information in the investment decision-making process.
- In fiscal 2021, we began ESG integration that considers ESG factors for all assets under management based on asset characteristics.

Financial analysis

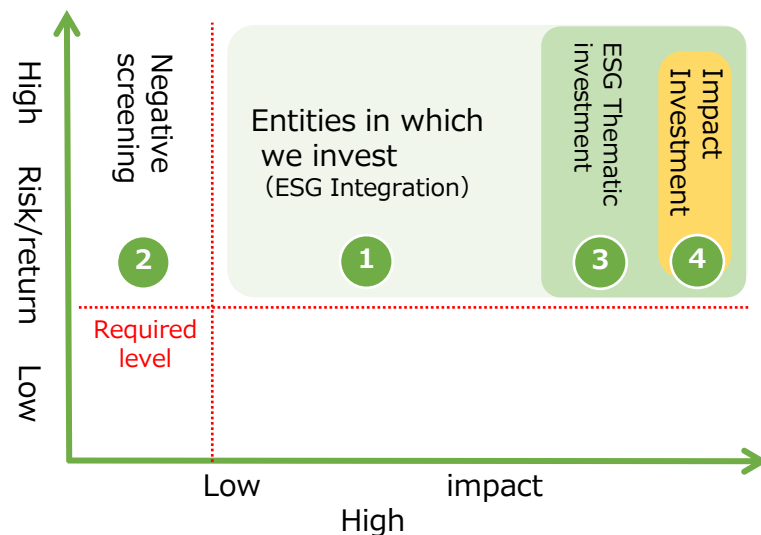
(e.g.)profitability, etc



Non-financial analysis

(e.g.)analysis of materiality, etc

## ESG investment risk/return(image)



## ② Negative Screening P28

- A method to exclude specific industries and uses of funds from the scope of investments.
- We prohibit investments in inhumane weapons manufacturers and coal, oil, and gas-related projects.

## ③ ESG thematic investment P29~

- Investments aimed at solving ESG issues and achieving the SDGs.
- We conduct impact measurement on environmental and social aspects.

|   |   |      |
|---|---|------|
| Fiscal 2023-2025<br>(Cumulative total of three fiscal years)* | Target: ¥1,000.0 billion<br>(Results: ¥1,039.3 billion) | Rev. |
| Of which, Climate solution investment                         | Target: ¥500.0 billion<br>(Results: ¥483.6 billion)     | Rev. |

\* To the end of August 2025. In March 2025, the implementation target amount for ESG thematic investments was raised from 700 billion yen (three-year cumulative total), and that for Climate solution investment was raised from 400 billion yen.

## ④ Impact Investment P35~

- An investment approach that intends to create social and environmental impact alongside monetary return
- Results/Cumulative total of impact investment

|                           |               |
|---------------------------|---------------|
| To the end of August 2025 | ¥96.0 billion |
|---------------------------|---------------|

## ESG Integration

- ❑ The sustainability initiatives of investees are an important aspect as they affect future corporate value.
- ❑ Therefore, Sumitomo Life launched ESG integration for all assets under management.
- ❑ When making investment decisions, we use data from external ESG rating agencies as a reference, but the final decision is made by our analysts.

### ESG Integration Method

|  | Methods of financial analysis, etc.   |   | Consideration of ESG factors   |
|--|---|---|--|
| <b>Listed stocks</b><br><br><b>Corporate bonds and Loans</b> | Financial analysis<br>(e.g.)profitability, growth potential                           | + | Incorporate ESG factors into ratings<br><br>Consider qualitative ESG factors using in-house ratings<br><br>Identify material ESG issues by industry <ul style="list-style-type: none"> <li>• Environment: GHG emission reduction targets</li> <li>• Social: Employee safety</li> <li>• Governance: Composition of Directors</li> </ul> |
| <b>Real estate</b>   | Future cash flow analysis, valuation of legal and physical risk of properties, etc.   | + | Confirm important ESG factors in stages, particularly including due diligence, monitoring, holding, and sale   |
| <b>Project financing</b>                                     | Future cash flow analysis, validation of project legal risk and completion risk, etc. | + | Confirm important ESG factors in stages, particularly including due diligence and monitoring   |
| <b>Sovereign</b>   | Macro-analysis for each country, etc.   | + | Enlist ESG evaluations of external evaluators  |
| <b>Outsourcing</b>   | Investment methods, asset management platforms, etc.                                  | + | assign an ESG score (3-point scale).   |

- We send questionnaires regarding responsible investment to externally managed asset managers and evaluate them using our proprietary ESG score (3-point scale) based on their responses.
- For asset managers whose responsible investment initiatives are lagging, we engage with them to confirm future improvement measures and other actions.

## Mitigation of Negative Impact

- ❑ To mitigate negative impact, we have prohibited investments in inhumane weapons manufacturing companies and coal-fired power generation projects to date through negative screening (a method to exclude specific uses of funds, etc. from the scope of investments).
- ❑ However, social and environmental issues that need to be addressed are growing year by year, including human rights and biodiversity. To address these issues comprehensively, we have established and announced the “Policy for Sectors with High Social and Environmental Risk” in March 2024.
- ❑ We will review the policy as necessary and strive to mitigate negative impacts through our investments.

## Policy for Sectors with High Social and Environmental Risk

| Theme          | Sector            | Assets  | Policy  |
|----------------|-------------------|---|---|
| Human rights   | All sectors       | Equity, corporate bonds, loans, and project finance | <ul style="list-style-type: none"> <li>● In accordance with the “Sumitomo Life Group Human Rights Policy,” we will require our investee companies to respect for human rights.</li> <li>● We will not invest in companies or projects that cause child labor, forced labor, or human trafficking. If an investee company or project is found to have caused these human rights problems, we will ask the company or project to take corrective action and prevent recurrence. If no action is taken after a certain period of time, we will carefully consider whether to continue the investment.</li> </ul> |
|                | Inhuman weapons   |   | <ul style="list-style-type: none"> <li>● From a humanitarian perspective, we do not invest in companies or projects that manufacture specific weapons (cluster munitions, biological weapons, chemical weapons, anti-personnel landmines, nuclear weapons, etc.).</li> </ul>  |
| Climate change | Coal, oil and gas | Project finance                                     | <ul style="list-style-type: none"> <li>● We do not invest in coal, oil or gas related projects. (except for projects that are in line with our transition criteria.)</li> </ul>   |
| Biodiversity   | Palm oil, forest  | Equity, corporate bonds, loans, and project finance | <ul style="list-style-type: none"> <li>● We will require our investee companies to address biodiversity issues.</li> <li>● Especially, we will require investee companies engaged in palm oil and forestry business to establish and publicly disclose policies (e.g., NDPE*) to ensure compliance with zero deforestation, etc.</li> </ul>   |

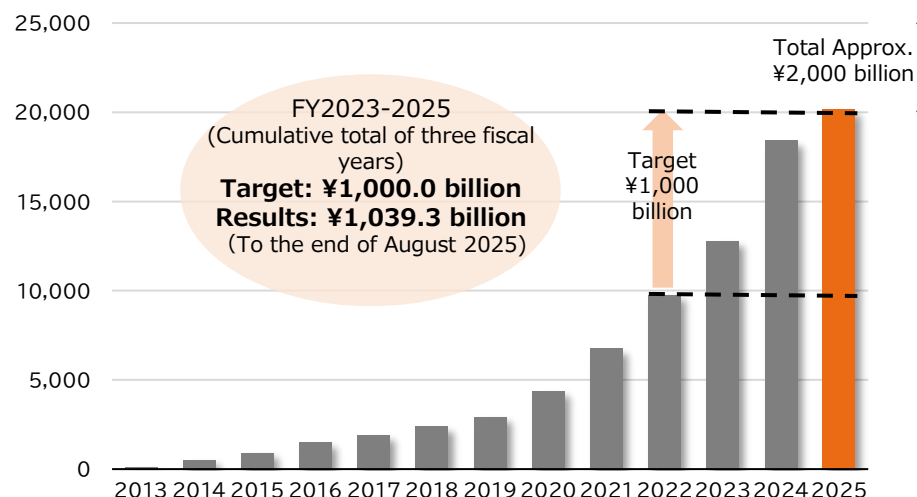
\* No Deforestation, No Peat, No Exploitation

## Initiatives of ESG Thematic Investments

- Sumitomo Life aims to contribute to solving social issues through finance. In particular, we are actively investing in well-being contribution areas ((1) climate change area, (2) healthcare area, (3) human capital area, and (4) infrastructure investment area).
- In order to create social impact, Sumitomo Life has set a target of 1,000 billion yen cumulative (including 500 billion yen cumulative in climate solution investment) during the Medium-Term Business Plan (FY2023-2025) in ESG thematic investments that contribute to solving social issues. After implementing these investments, we will follow up on the impacts generated.
- Going forward, we will enhance our initiatives while paying more attention to the extent of our contributions (impact) to realizing a sustainable society.

### Target and Results of ESG Thematic Investment

(¥100 million)



### Target and Results of Climate solution investment

(¥100 million)



#### Assets covered

SDGs bonds/loans, renewable energy projects (project financing), infrastructure investment funds, etc.

\* In March 2025, the implementation target amount for ESG thematic investments was raised from 700 billion yen (three-year cumulative total), and that for Climate solution investment was raised from 400 billion yen.

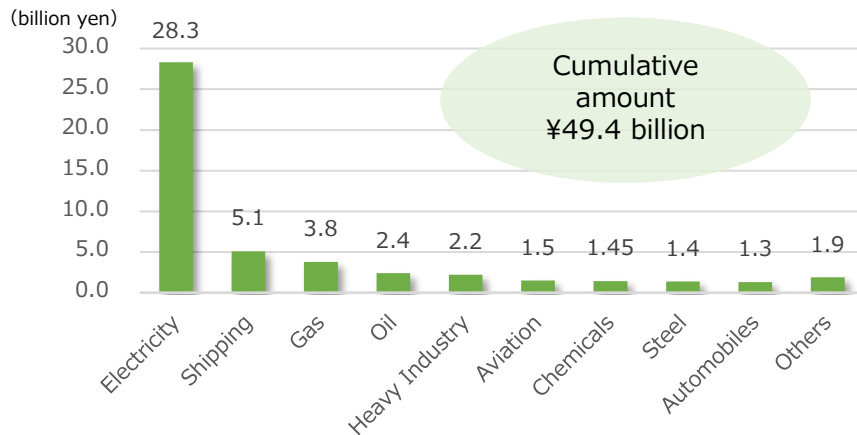
## Transition Finance

- GHG high-emitting industries and companies often find it difficult to decarbonize overnight, which necessitates a transition with steps. Transition finance is a method to encourage the transition.
- Transition finance often results in financing for GHG high-emitting companies, which may cause a temporary increase of GHG emissions in Sumitomo Life's asset portfolio. However, we consider that transition finance contributes to medium- to long-term GHG reduction by all society as a result of investees' efforts to reduce GHG emissions, and therefore, we work actively on transition finance, while assuming it will secure a certain level of return.

### Transition Finance Implementation

- With investment opportunities expected to further increase going forward due to the transition to a decarbonized society, we are focused on transition finance.
- We are actively investing mainly in transition bonds issued by operating companies and GX Economy Transition Bonds.
- After the implementation of investments, we will follow up with each investee through means such as dialogue on the progress of their transition plan and any necessary responses if there is a deviation from the plan.

### ● Status of Transition Finance Implementation (To the end of August 2025)



\* Others represent non-ferrous metals and sovereign bonds.



**We help drive corporate transition with an awareness of all-around support, from pre- through post-investment stages**

#### Chihiro Shibuya

Assistant Manager, Credit Securities Sect.  
ALM Securities Investment Dept.

I believe that, as an institutional investor, Sumitomo Life's contribution to the transition to a decarbonized society—a major challenge for society as a whole—is to support transition efforts through financing. In particular, we recognize the importance of transition financing for sectors where it is challenging to reduce greenhouse gas emissions, to achieve decarbonization in line with long-term transition strategies.

When investing in transition bonds, we first review disclosures and IR information to assess the issuer's transition strategy and plans, as well as the intended use of the bond proceeds. After investment, we regularly check the progress and, if necessary, create opportunities for direct follow-up with the issuer. We do not see investment as the end goal; rather, through our investments, we actively engage with companies to support them in their decarbonization efforts.

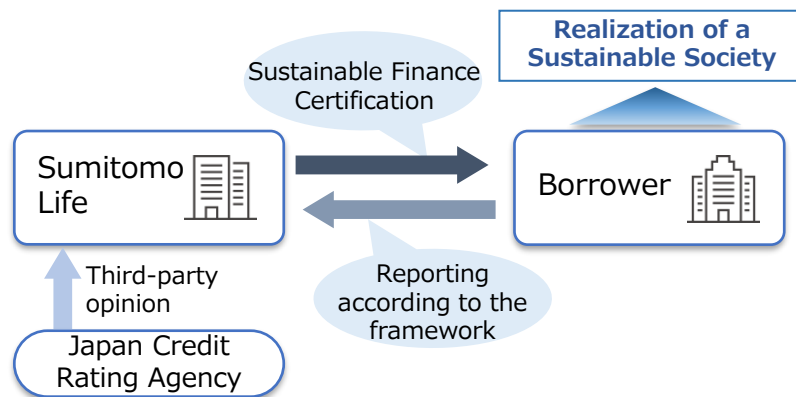
Looking ahead, I hope to deepen both my own and my team's knowledge about transition while engaging in ongoing investment, so that Sumitomo Life can continue to fulfill its responsibilities as an institutional investor. Through transition finance, we will work to contribute to the realization of a sustainable society.

## Sumisei Sustainable Finance

- Sumitomo Life promotes climate solution investment in order to realize a decarbonized society.
- Climate Solution Investment refers to investments aimed at reducing and adjusting for climate change, specifically, we work on investments in green financing, transition financing, and renewable energy projects.

### Sumisei Sustainable Finance Framework

- This framework is established to more actively meet the financial needs of companies as they promote their sustainability initiatives, and has received a third-party opinion (Japan Credit Rating Agency).



### [Reference] Loans that fall under this framework

| Loans                       | Contents   |
|-----------------------------|--|
| Green loans                 | Loans used only for green projects with clear environmental benefits.  |
| Sustainability linked loans | Sustainability performance targets are set, and loan terms are modified according to the achievement of these targets. Loan proceeds are not tied to specific projects.  |
| Transition loans            | Loans to companies/projects that are working to reduce GHG emissions in accordance with a long-term strategy to achieve a decarbonized society. Transition strategies and eligibility of use of proceeds are assessed. |

### Examples of Sumisei Green Loan

- Borrower: KDX Realty Investment Corporation
- Investment amount: ¥1.0 billion (loan period of 7.25 years)
- Investment period: January 2025
- This loan will be used to fund the acquisition of a clean logistics facility (CASBEE for New Detached Houses "A" rank) and related costs.

Please refer to the [press release dated January 31, 2025](#) (in Japanese only) for details.

The logistics facility funded by this Green loan is a large multi-tenant logistics facility located in an excellent location, close to the IC of the Tomei Expressway and nearby stations.

This logistics facility has several environmentally friendly features, such as the solar panels installed on the roof, and has been rated "A" under CASBEE for New Detached Houses.\*



© KDX Realty Investment Corporation

\* CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a system that evaluates the quality of buildings on a five-grade scale (S, A, B+, B-, and C), not only considering environmental aspects such as energy-saving measures and the use of materials with low environmental impact, but also factors like indoor comfort and consideration for the surrounding landscape.

## ESG Initiatives in Real Estate Investment

- Sumitomo Life is actively investing in real estate property, securitized products, and other investments that contribute to the solving of social issues such as environmental issues. We are reducing energy consumption, such as through the use of LEDs, to cut GHG emissions from the real estate we own while introducing electrical power generated from renewable energy sources.
- The “Tenjin Sumitomo Life FJ Business Center” was completed in June 2025. We will secure medium- to long-term profits through real estate operations while conducting environmentally and socially conscious real estate management to promote the well-being of companies and communities.

### GHG Emissions Reductions

- The real estate properties managed by our company have, in principle, completed the transition to LED lighting by fiscal year 2024. We have introduced additional renewable energy sources (RES) utilizing off-site corporate PPAs.\*1 We will continue to promote GHG emissions reduction through diverse approaches.

\*1 PPAs are contracts through which RES power generated in renewable energy power facilities in off-site areas other than the area where the power is demanded is to be supplied to power purchasers through the general electrical grid.

#### Trend in Actual GHG Emissions from Real Estate

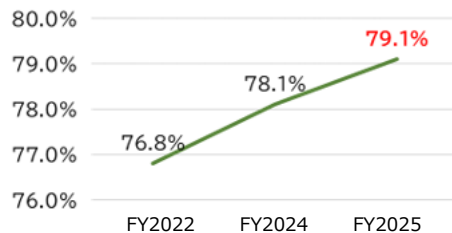
| Fiscal year                            | 2019<br>Base Year | 2023   | 2024          | 2030<br>Target |
|--|-------------------|--------|---------------|----------------|
| GHG emissions<br>per unit of balance*2 | 179.9             | 107.4  | <b>81.2</b>   | <b>89.9</b>    |
| Reduction rate                         | —                 | -40.3% | <b>-54.9%</b> | <b>-50%</b>    |

\*2 Unit: kg-CO2/million yen

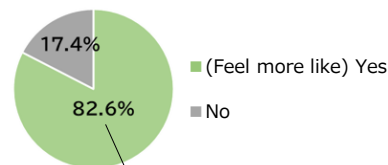
### Engagement Activities

- As an effort to increase engagement with tenants, we administer satisfaction surveys regularly on management, services, safety, comfortability, and initiatives for environment in buildings. This survey is now in its third year, and we are seeing the improvement cycle take root.

Trend in Overall Satisfaction



Q. Do you take environmental response into consideration with regard to building tenancy? (Question to general affairs department)



(Change from previous survey: -3%)

### Real Estate Investment Case Study

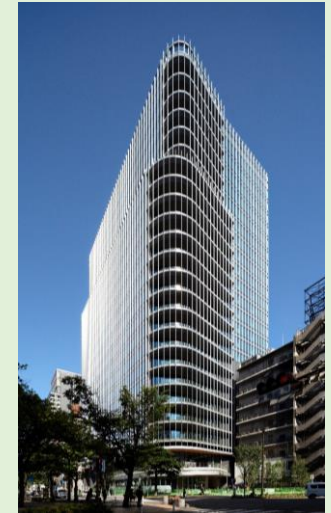
#### Real estate investment that balances returns with consideration for the environment and society —Completion of the Tenjin Sumitomo Life FJ Business Center—

The “Tenjin Sumitomo Life FJ Business Center,” an office building developed jointly with Fukuoka Jisho Co., Ltd. as part of Fukuoka City’s “Tenjin Big Bang” project, was completed in June 2025.

This project will contribute to enhancing the international competitiveness of the Tenjin area while helping to create a green and vibrant city.

In consideration for the environment, we have worked to reduce net carbon emissions by using wood products to sequester CO<sub>2</sub> and by adopting ECM concrete, which reduces CO<sub>2</sub> emissions to about 60% of normal levels. We plan to effectively source all of the electricity used in this property from renewable energy.

The property also features large-scale shared spaces totaling approximately 3,300m<sup>2</sup>, including work lounges and refreshment areas. These will contribute to the well-being of users by providing environments where office workers can boost their energy and work more comfortably.

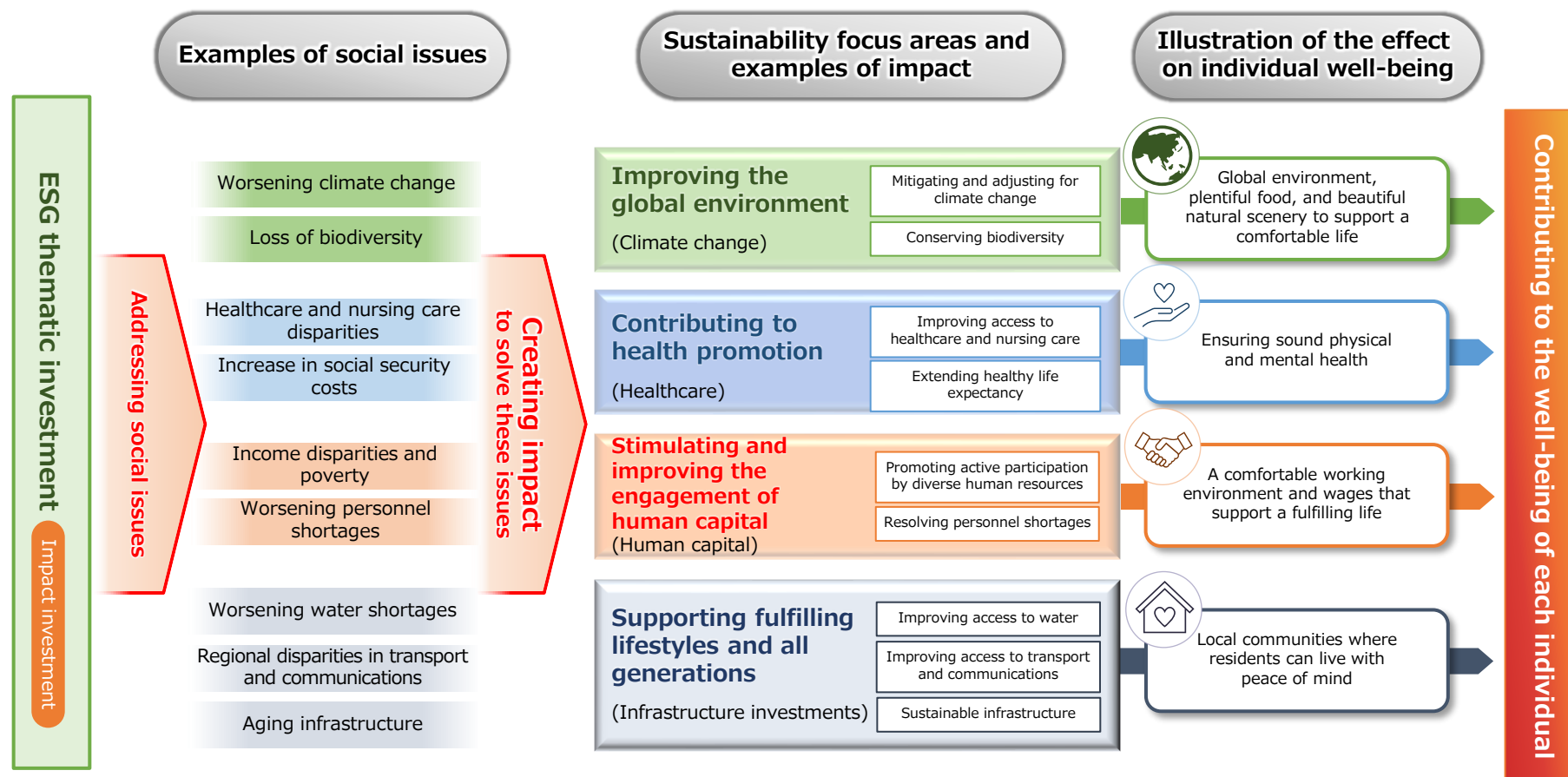


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Please refer to the [press release dated July 7, 2025](#) (in Japanese only) for details.

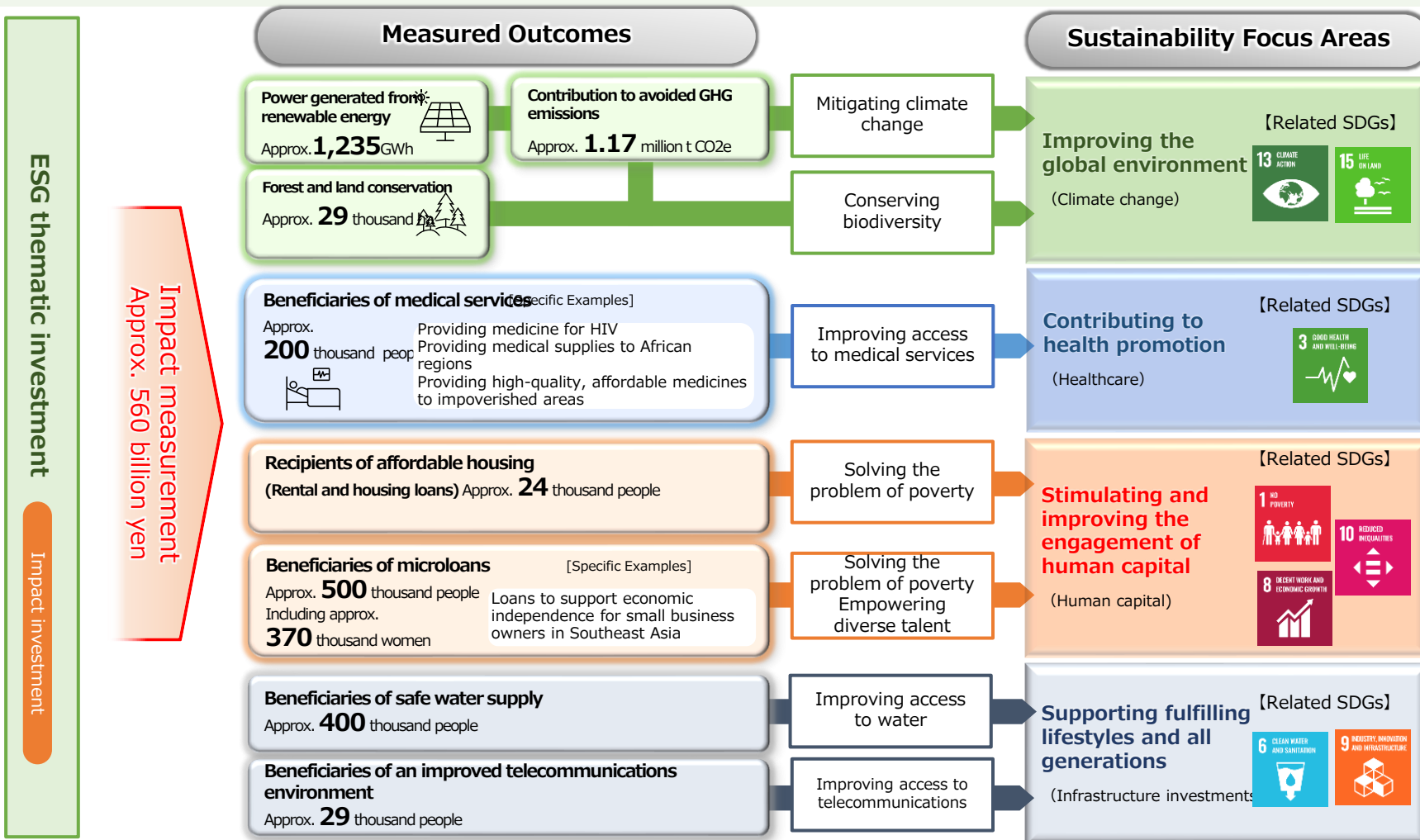
## Positive Impact Creation

- At Sumitomo Life, we focus on creating positive and measurable social and environmental impact through our ESG thematic investments, including impact investment, aiming to contribute to well-being.
- We believe it is crucial to measure the impact (social value) created through our investments and disclose it to stakeholders, and we are working to enhance our efforts in this area.



## Positive Impact Creation (Outcomes of ESG Thematic Investments)

- Here, we present the measured impact of our ESG thematic investments. It should be noted that projects for which the impact is measured and disclosed account for only about 45% of all ESG thematic investments. We hope our investee companies will continue to expand their disclosures in the future, and we will encourage impact disclosure as required.

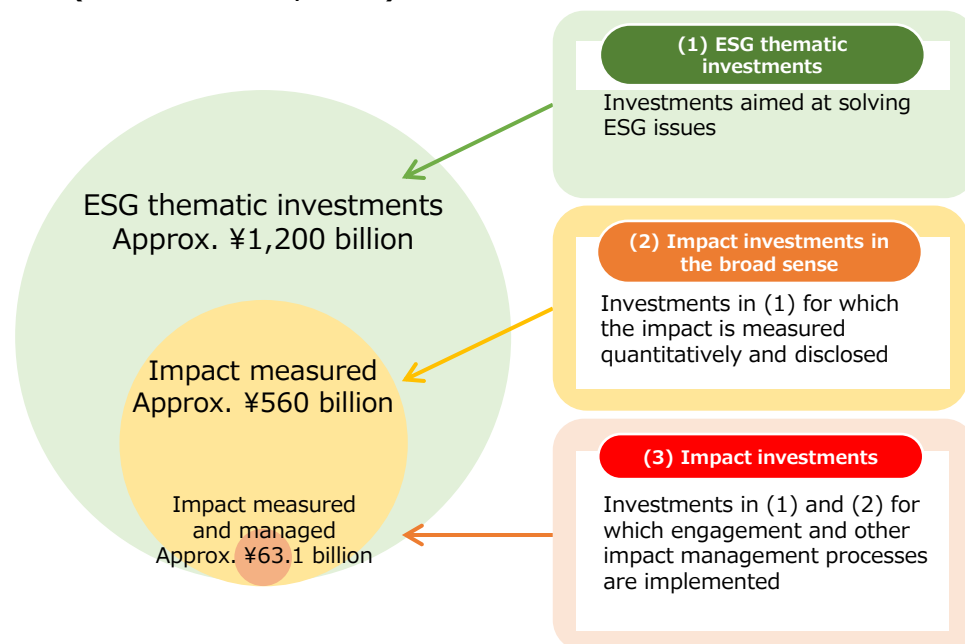


\* Calculated based on available data (including ICE Data Services) such as issuer disclosures, and key metrics (annual basis) are disclosed. Some figures also include estimates by our company.

## Initiatives for Impact Investment

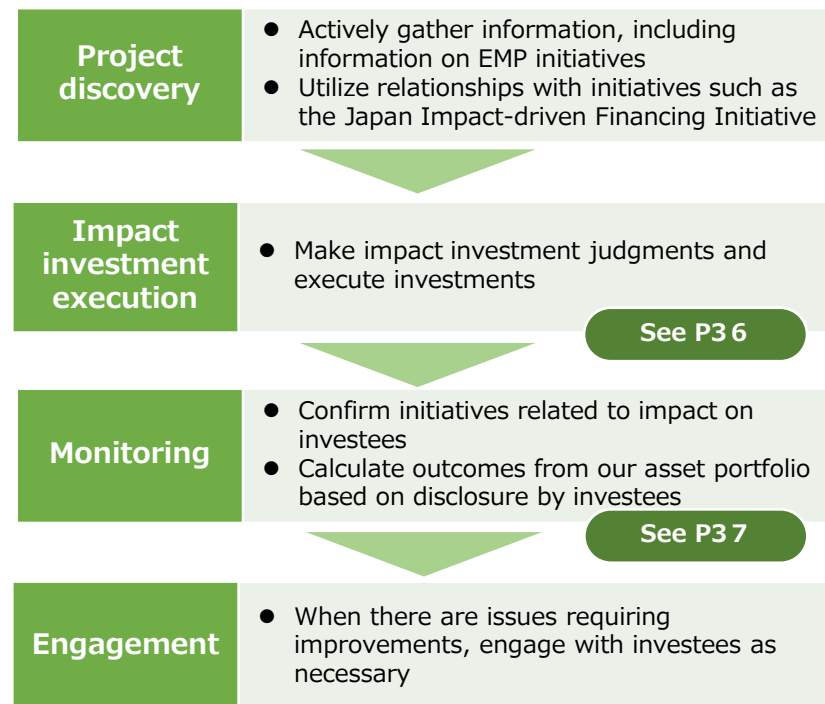
- Impact investment refers to investments made with the intention of creating social and environmental impacts in addition to financial returns. Sumitomo Life is actively working on impact investment as part of initiatives to create social and environmental impacts.
- To ensure the effectiveness of impact investment, we focus on implementing the PDCA cycle, and we strive to raise the level of our impact investment by leveraging initiatives such as the “Japan Impact-driven Financing Initiative.”
- In our discovery of new projects, we conduct the Emerging Managers Program (EMP)\* as part of our initiatives under the Policy Plan for Promoting Japan as a Leading Asset Management Center.

### Positioning and Balance\* of Impact Investments (As of March 31, 2025)



\* Balances are as of March 31, 2025. Differences from the amounts at the time of investment are due to factors such as sales and redemptions.

### Impact Investment Process



# Initiatives for Impact Investment (Investment Case Studies)

## Investment in EUCALIA Inc.

— Our first-ever impact investment in an individual listed company —

Invested in December 2024  
(Press release in Japanese only)

In December 2024, we made an impact investment\* in EUCALIA Inc., which operates in the healthcare business. This marks Sumitomo Life's first-ever impact investment in an individual listed company.

Since its establishment in 2005, EUCALIA Inc. has aimed to "stabilize management of medical institutions/nursing homes," "improve job satisfaction and income of medical and nursing care workers," and "improve the well-being of patients/care-receivers" to realize its "Triple Win" vision of the world. Starting with its hospital management support business, which provides management and operational support to hospitals, the company offers comprehensive support services to hospitals and nursing care facilities, including the development and provision of digital solutions to improve efficiency in the medical and nursing care industries.

Japan's healthcare industry faces various challenges, with many hospitals operating at a deficit. This makes the establishment of sustainable medical and nursing care systems an urgent task. Through this investment, we believe that Sumitomo Life can help to solve these social issues and contribute to the well-being of society.

Another challenge in building an ecosystem for the growth of startups and similar companies is the limited number of institutional investors willing to invest in newly listed companies. Our investment in EUCALIA Inc. is also meaningful from this perspective. We believe it contributes to the government's plan to promote Japan as a leading asset management center, which aims to facilitate the supply of growth capital.

\*We assess impact investments through dialogue with the investee, referring to "Guidance for Impact Companies on Disclosure and Dialogue in Capital Markets" published by the (formerly named) GSG Japan National Advisory Board.

## EUCALIA's Vision of the World

— From EUCALIA's financial results presentation materials —

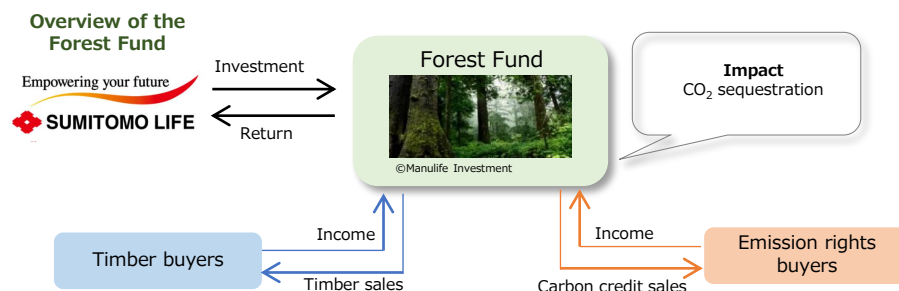


## Investment in a Forest Fund

— Our first-ever investment in a fund that generates carbon credits —

Invested in December 2024  
(Press release in Japanese only)

In December 2024, we invested in the Manulife Forest Climate Fund, an impact investment fund for forests in the United States and globally. This marks Sumitomo Life's first investment in a forest fund that generates carbon credits. The main objective of this fund is to balance investment returns with its contribution to achieving a decarbonized society, through increased CO<sub>2</sub> sequestration from sustainable forest management and the generation and sale of high-quality carbon credits.



**"We will contribute to mitigating climate change and conserving biodiversity through our investment in forests"**

**Akihiro Hayashida**

Assistant Manager,  
ALM Securities Investment Dept.

This fund was established to make a significant contribution to solving social issues, in addition to generating investment returns. Through sustainable forest management practices such as appropriate planting and thinning, leveraging the knowledge of an experienced fund, we expect the fund to contribute not only to mitigating climate change by increasing the sequestration of CO<sub>2</sub> in forests, but also to the conservation of biodiversity.

We will continue to strive to identify investment opportunities with an awareness of balancing investment returns with the resolution of social issues.

## Initiatives for Impact Investment (Monitoring Case Studies)

- ❑ In impact investment, it is crucial to verify whether an actual impact has been created after the investment is made. We monitor the impact investments we have made so far and share the results across asset groups at the Responsible Investment Meeting, which is the meeting body of the asset management department (see pages 11–12).

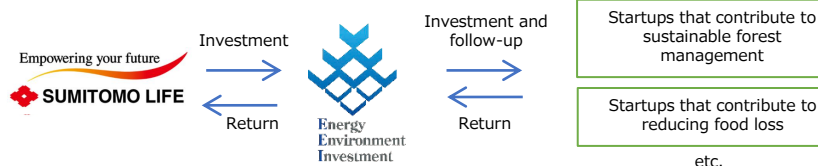
### Impact venture capital fund operated by Energy & Environment Investment, Inc.

**Invested in March 2023**  
(Press release in Japanese only)

#### [Overview of fund monitoring]

- ❑ This fund discloses both the impact generated by each investee and the expected impact generated through their future growth.
- ❑ In addition, the fund analyzes and evaluates the impact of each investment from multiple perspectives using a leading impact investment framework.

#### Fund Overview



#### [Investee image]

Startups that contribute to sustainable forest management

Startups that contribute to reducing food loss

etc.



**“Through our investments, we aim to foster environmental startups that drive environmental problem-solving and economic growth”**

**Tomoyo Sorihashi**

Assistant Manager,  
ALM Securities Investment Dept.

We invest to support companies that could become game changers in solving environmental issues, including climate change, while driving economic growth.

The actual impact generated by this fund has not been large so far, but we expect a very significant impact in the future. Achieving this depends on each investee's efforts to realize ambitious business plans, and we will continue to support and follow up on the fund's efforts in assisting these initiatives.

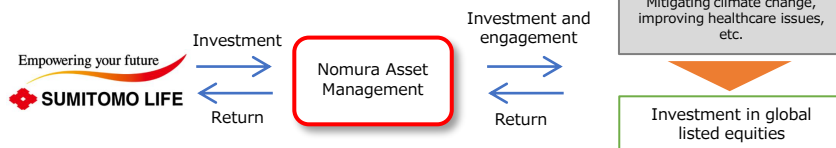
### Global listed equity impact investment fund managed by Nomura Asset Management Co., Ltd.

**Invested in July 2022**  
(Press release in Japanese only)

#### [Overview of fund monitoring]

- ❑ This fund monitors and discloses the status of indicators related to the impact goals of each investee, as well as measuring the overall impact of the portfolio.
- ❑ The fund also conducts engagement through milestone management to encourage investees' efforts to achieve their impact goals.

#### Fund Overview



**[Impact Goals]**  
Mitigating climate change,  
improving healthcare issues,  
etc.

Investment in global  
listed equities

We invest in this fund because we agree with its investment philosophy of achieving excess returns by concentrating investments in companies that enhance both social and shareholder value.

The social issues set as impact goals are very significant, and we believe there are latent needs in them that can serve as a source of corporate growth. We will continue to monitor the fund to ensure that it can successfully create social value as well as achieve excess returns through the growth of investee companies.



**“We will create social value and capture excess returns through investees' corporate growth”**

**Marie Tawata**

Assistant Manager,  
Balanced Portfolio Investment Dept.

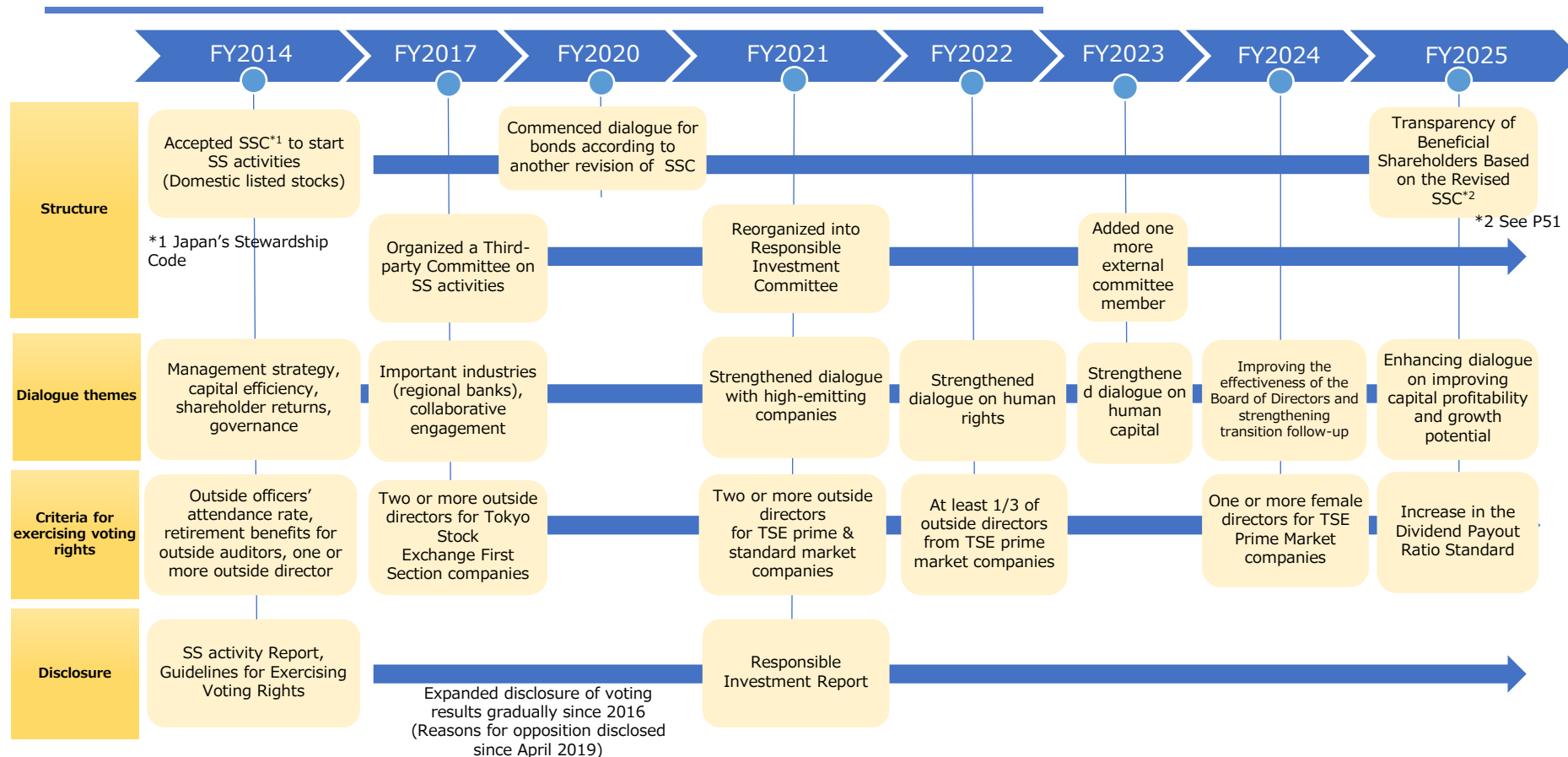


## CONTENTS

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|   |          |
|---|----------|
| • Stewardship Activity Transition         | • • • 39 |
| • Review of Fiscal 2024 Dialogue          | • • • 40 |
| • Fiscal 2025 Dialogue                    | • • • 45 |
| • Dialogue in Bond Investment             | • • • 47 |
| • Stance on Exercising Voting Rights      | • • • 48 |
| • Fiscal 2024 Voting Results              | • • • 49 |
| • Revisions of Stewardship Activity       | • • • 50 |
| • Self-evaluation of Stewardship Activity | • • • 51 |

# Stewardship Activity Transition



## Number of dialogues<sup>\*3</sup>

| Fiscal year (From July to June in the following year) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|------|------|------|------|------|------|------|------|------|------|------|
| Corporate value                                       | 218  | 125  | 124  | 151  | 142  | 94   | 105  | 119  | 143  | 119  | 99   |
| Voting rights   | 347  | 313  | 254  | 258  | 227  | 186  | 170  | 175  | 139  | 136  | 120  |

<sup>\*3</sup> Coverage is domestic listed stocks. Besides, for domestic bonds, dialogue with about 10 companies has been conducted every year from fiscal 2020.

## Review of Fiscal 2024 Dialogue —Key Items— (July 2024 to June 2025)

- ❑ We conducted 99 dialogues in fiscal 2024 (cumulative total of 392 since 2016, accounting for 37% of the issuers of our portfolio, and 85% of the market value we hold) for enhancing corporate value.
- ❑ We have strengthened dialogue with companies in which we have large investments and which present challenges in terms of capital profitability and growth potential. Specifically, we screened our top holdings by market value using metrics such as PBR, ROE, and PER, analyzed each investee, identified issues, and considered our approach before conducting dialogue based on this (see page 42 for details).
- ❑ With the Tokyo Stock Exchange requesting “Action to Implement Management that is Conscious of Cost of Capital and Stock Price,” there is a renewed focus on enhancing the competitiveness of Japanese companies—in other words, strengthening their growth power to increase corporate value. We are also focusing on dialogue to improve the effectiveness of investees’ boards of directors, which serve as the foundation for this growth power (see page 43 for details).
- ❑ In addition, we engaged in dialogues with GHG high-emitting companies aimed at both promoting environmental initiatives and enhancing corporate value (see page 44 for details), as well as dialogues to encourage diversity on boards of directors, promote DE&I, and address human rights and labor environment issues (see page 44 for details).

| Theme content      |   | Main requests  |  |                          |   |
|--------------------|---|--|--|--------------------------|---|
| Sustainable growth | Companies with large investment balances and issues on capital profitability and growth potential | <ul style="list-style-type: none"><li>● Management that is conscious of stock price and cost of capital</li><li>● Business Portfolio Strategy and Capital Strategy</li><li>● Improve and enhance governance</li><li>● Human capital management</li></ul> | Corporate value is expected to improve   |                          |   |
|                    |   |  | Improvements to previously requested points are insufficient   |                          |   |
|                    |   |  | Guidelines for Exercising Voting Rights may be violated  |                          |   |
| Key themes (ESG)   | Dialogue on carbon neutrality   | <ul style="list-style-type: none"><li>● Monitor progress of addressing climate change issues, and promote response to the issues</li></ul>   | Improve GHG emission reduction targets and accuracy of effectiveness   |                          |   |
|                    | Dialogue from other environmental and social perspectives   | <ul style="list-style-type: none"><li>● Increase efforts to address human rights and labor environment issues in the supply chain</li></ul>  | Identify issues related to human rights, and conduct surveys and disclose information on business places and regions where issues are inherent |                          |   |
| Collaboration      | Collaborative engagement  | <ul style="list-style-type: none"><li>● 10 life insurance companies participating in the Stewardship Activities Working Group of the Life Insurance Association of Japan jointly sent letters requesting the following.</li></ul>                        |  |                          |   |
|                    |   | Enhance shareholder returns  | Disclosure of measures for management focused on capital costs and stock prices  | Comprehensive disclosure | Enhanced Disclosure of Climate Change Information(Scope 1+2, 3) |
|                    |   | <ul style="list-style-type: none"><li>● Collaborative engagement leveraging initiatives such as CA100+<sup>*1</sup>, NA100<sup>*2</sup>, Advance<sup>*3</sup>, and CDP.</li></ul>  |  |                          |   |

<sup>\*1</sup> Climate Action 100+. An international initiative that encourages high GHG emitting companies to take reduction measures through collaborative engagement on climate change.

<sup>\*2</sup> Nature Action 100. An international investor initiative in the natural capital and biodiversity sector, positioned as the natural capital counterpart to CA100+.

<sup>\*3</sup> International human rights initiatives. Aims to encourage companies with relatively high human rights risks to take action through collaborative engagement.

## Review of Fiscal 2024 Dialogue —Improvement — (July 2024 to June 2025)

- We focus on dialogue on management strategies that lead to an improvement in corporate value over the medium to long term. In fiscal 2023 (July 2023 to June 2024), we requested 265 items and confirmed improvements in 115 of them (improvement rate of 43.4%).
- Compared to the previous fiscal year, companies have made progress in formulating growth scenarios and other initiatives, but we recognize that further improvement is necessary. Furthermore, we recognize that improving profitability metrics such as ROE often requires time and necessitates sustained efforts.
- We will implement highly effective engagement through the PDCA cycle to continuously improve their corporate value, through monitoring the progress of improvements in corporate issues and holding dialogues again as necessary.

### Fiscal 2023

### Fiscal 2024

| Request (case)      | Improvement         | Partial improvement | Not yet improved | Improvement rate        |
|---------------------|---------------------|---------------------|------------------|-------------------------|
| <b>265</b><br>(441) | <b>115</b><br>(162) | 120<br>(164)        | 38<br>(115)      | <b>43.4%</b><br>(36.7%) |

- Improvement : Achieved traced items or showed signs of progress/improvement in line with the request
- Partial improvement : Improvement has been made, but not to the level required
- Not yet improved: Not achieved, or no signs of progress/improvement in line with the request

\* Figures in parentheses are the previous year's results.

### <Breakdown>

#### Fiscal 2022 requests

| Item  | Request |
|---|---------|
| ESG   | 94      |
| Environment/Social  | 81      |
| Governance (management)                                       | 13      |
| Business strategy (growth scenario, etc.)                     | 98      |
| Revision of business portfolio                                | 40      |
| Revenue (Improvement of capital efficiency and profitability) | 64      |
| Shareholder returns   | 9       |

#### Fiscal 2023 confirmation

| Improvement | Partial improvement | Not yet improved | improvement rate | Prior-year improvement rate |
|-------------|---------------------|------------------|------------------|-----------------------------|
| 43          | 38                  | 13               | 45.7%            | 43.3%                       |
| 35          | 34                  | 12               | 43.2%            | 43.4%                       |
| 8           | 4                   | 1                | 61.5%            | 42.9%                       |
| 40          | 46                  | 12               | 40.8%            | 25.9%                       |
| 13          | 23                  | 4                | 32.5%            | 25.0%                       |
| 25          | 28                  | 11               | 39.1%            | 55.6%                       |
| 7           | 0                   | 2                | 77.8%            | 42.6%                       |

In fiscal 2024, we continue to engage in dialogue with investee companies whose improvements are insufficient or who face new issues, as a "continuous tracing companies"

### ROE Improvement Status of Companies Requested to Enhance Capital Efficiency and Profitability (Confirmed in FY2024)

|                           | Fiscal 2021 | Fiscal 2022 | Fiscal 2023 |
|---------------------------|-------------|-------------|-------------|
| ROE (Improvement/Request) | 13/25 (52%) | 32/49 (65%) | 15/39 (38%) |

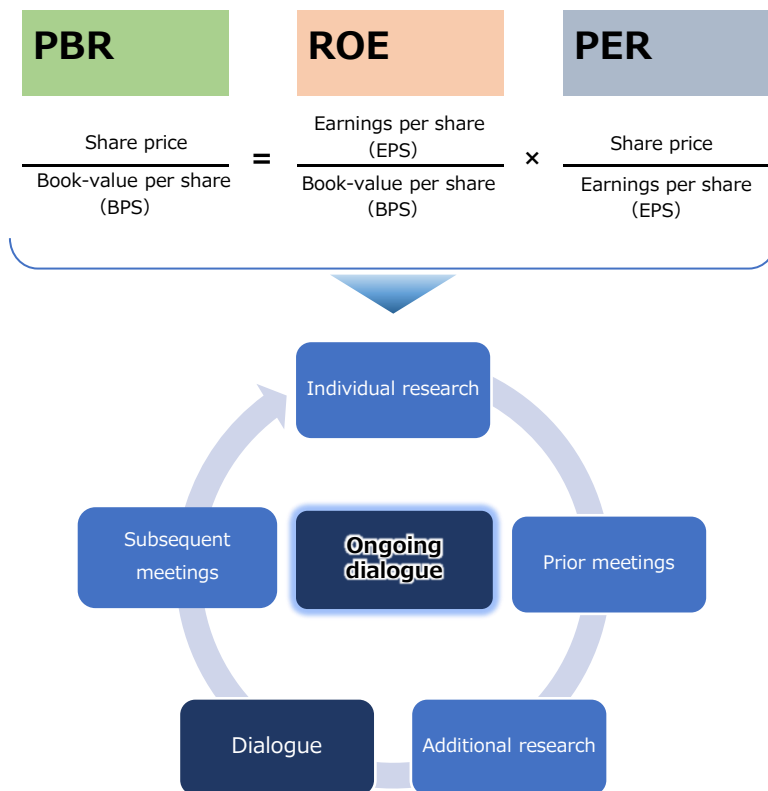
\* For companies with a March fiscal year-end, compare the improvement in ROE as of March 2025 with that as of March 2022, March 2023, and March 2024. For fiscal year 2021, among the 25 companies requested to improve capital structure and ROE, 13 companies (52%) saw an improvement in ROE by fiscal year 2024.

## Review of Fiscal 2024 Dialogue —Key Points (1)— (July 2024 to June 2025)

- Here, we outline our dialogue with companies in which we have large investments and which present challenges in terms of capital profitability and growth potential.

### Screening for companies with challenges in capital profitability and growth potential

- We screened our top holdings by market value using metrics such as PBR, ROE, and PER, analyzed each investee, identified issues, and considered our approach before conducting dialogue based on this.
- We recognize that improving capital profitability and other factors often takes time and requires ongoing efforts, and we will continue to implement and strengthen these initiatives going forward.



### Dialogue with major investees that have challenges in capital profitability and growth potential

Awareness of issues

- Low PBR, ROE, and PER
- Low-profit, unstable core business due to a deterioration in demand caused by the rise of Chinese companies, making structural transformation and business restructuring essential

Requests to companies

- Need to promote investor understanding and enhance disclosure regarding urgent restructuring of the core business, the prospects for focus businesses, and the transformation of the business portfolio

Response from companies

- Restructuring of the core business: Examined options based on three main approaches—(i) alternatives other than company ownership (such as sale or withdrawal), (ii) optimization through collaboration with other companies, and (iii) strengthening independently or through partnerships with other companies—to improve ROE and other metrics, with consideration for diverse stakeholders
- Business portfolio reform: Made efforts to deepen investors' understanding of the potential prospects of focus businesses, investment schemes, and the time required to generate returns

Future engagement

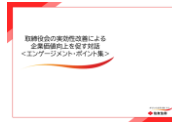
- Further clarification of the direction of core business optimization
- Disclosure of the status of investment in focus businesses and developing businesses (progress against numerical targets in investment plans)

## Review of Fiscal 2024 Dialogue —Key Points (2)— (July 2024 to June 2025)

- Here, we outline our dialogue with outside directors aimed at initiatives such as improving the effectiveness of the Board of Directors.

### Key Points in Dialogue Aimed at Improving Board Effectiveness

- The Responsible Investment Committee has held multiple discussions regarding dialogue aimed at enhancing corporate value through more effective directorship. The committee is working to elevate the quality of dialogue by acting on these discussions and reflecting on each dialogue undertaken.
- In August 2025, we created engagement points based on discussions by the Responsible Investment Committee and our dialogue with investees so far, as well as the Ministry of Economy, Trade and Industry's "Five Principles for Board of Directors to Enhance 'Growth Power.'"
- We will share our goals and directions with our investee companies and strive for deeper dialogue.



| Five Principles for Board of Directors to Enhance "Growth Power" |   | Key themes to assess   |
|--|---|--|
| 1  | Development of Value Creation Story                           | • Development of a value creation story that builds on the company's competitive advantages  |
| 2  | Promotion of Appropriate Risk-Taking by the Management Team   | • Promotion of appropriate risk-taking by the management team, such as the reclassification of business portfolio strategy and investments for growth, aimed at pursuing the value creation story                              |
| 3  | Promotion of Medium- to Long-Term Oriented Management         | • Promotion of the management team to adopt a medium- to long-term perspective and pursue growth-oriented management, while the board of directors' being mindful not to be short-term oriented                                |
| 4  | Ensuring an Appropriate Decision-Making Process and Structure | • Encouragement of the management team to ensure that the decision-making process and structure contribute to its timely and decisive decision-making, while being mindful to avoid micromanagement                            |
| 5  | Ensuring Effectiveness in Nomination and Compensation         | • Appointment of the most suitable CEO, establishment of an optimal compensation policy, and determination of whether to reappoint the CEO based on annual evaluation of the CEO in light of the contents of Principles 1 to 4 |

Examples of requests for the promotion of appropriate risk-taking by management team and medium- to long-term oriented management

### Examples of dialogue with outside directors aimed at initiatives such as improving board effectiveness

Awareness of issues

- While it is essential to complete the business structure reforms, it is also crucial to formulate and promote an effective strategy for sustainable growth.
- To return to a growth cycle, the Board of Directors must go beyond the supervision of business execution, switching to a more aggressive approach.

Requests to companies

- The large-scale growth investments planned should go beyond business structure reforms, **significantly affecting the sustainable growth scenario**.
- It is crucial that the board makes management decisions with the effective contribution of outside directors, while also **promoting risk-taking**.

Response from companies

- We believe this is a key business investment, considering the impact on solving social issues, as well as its alignment with the company's purpose and technological capabilities; the anticipated risks are manageable.
- This investment has the potential to transform the company's management base. The board will support business execution in the expectation that the company will be able to evolve toward a new phase.

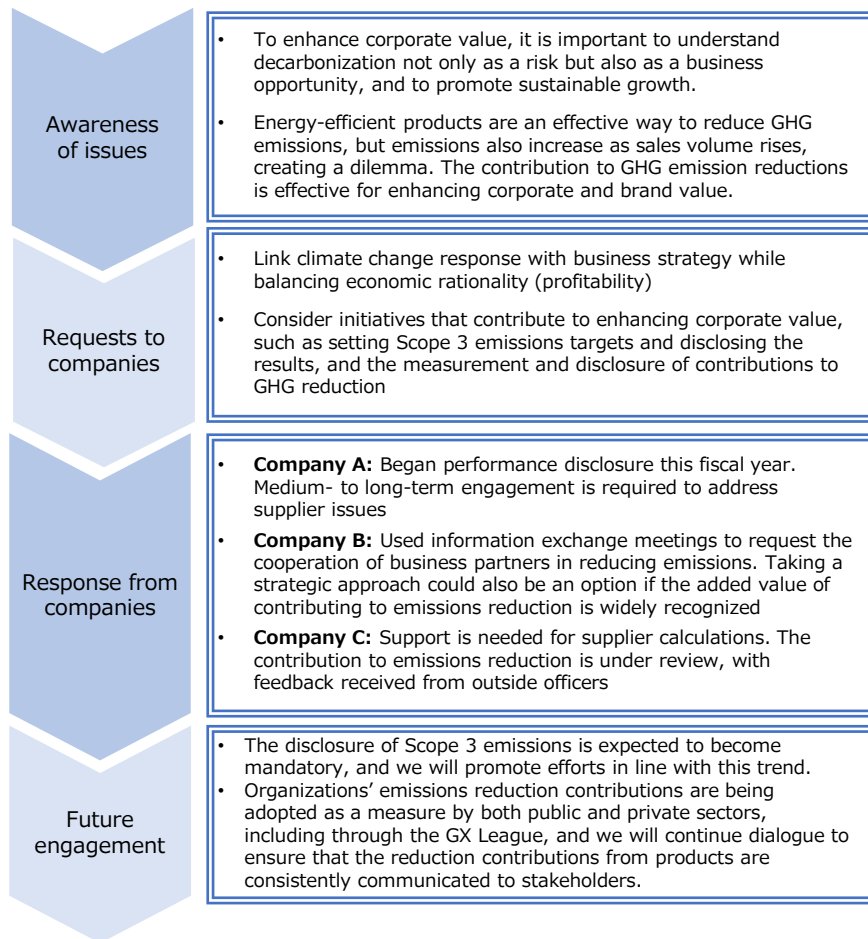
Future engagement

- Executive team: Engage in ongoing dialogue that incorporates monitoring of the effectiveness of the business structure reforms, the establishment and maintenance of competitive advantages in growth investment businesses, and contribution to earnings
- Board of Directors: Engage in ongoing dialogue regarding the board's evaluation of the progress of large-scale growth investment projects and awareness of issues, as well as actions taken by the board.

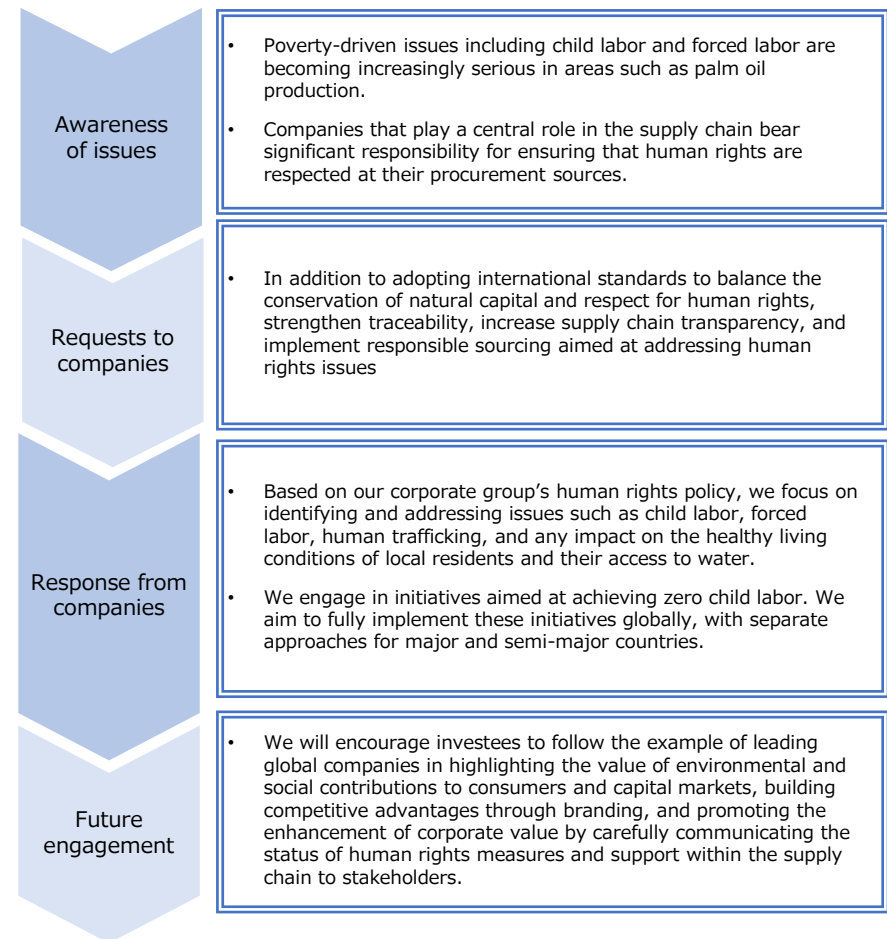
## Review of Fiscal 2024 Dialogue —Case Studies— (July 2024 to June 2025)

- Here, we present case studies of dialogue concerning decarbonization and measures to address human rights in supply chains.

### Efforts toward decarbonization (Scope 3)



### Measures to address human rights in supply chains



## Fiscal 2025 Dialogue —Stocks—

- ❑ In fiscal year 2025, we will continue our engagement efforts while rigorously implementing the PDCA cycle, including follow-up actions for companies facing challenges in capital profitability and growth potential, or those showing insufficient improvement.
- ❑ Furthermore, we believe that effectively integrating ESG factors into management—such as ensuring the effective functioning of corporate governance and advancing decarbonization—is essential for achieving sustainable growth and enhancing long-term corporate value. We will support companies' efforts in these areas through our engagement activities.
- ❑ Based on the following themes, we will select the companies with which we have dialogue from the perspective of improving corporate value of investees and the value of the entire portfolio.

### Sustainable growth

|   |  |  |
|---|--|--|
| Capital profitability, growth potential, information disclosure, etc. |  | <ul style="list-style-type: none"> <li>Strengthen dialogue for sustainable growth (screening and selecting companies based on PBR, ROE, etc.)<br/>Discuss matters such as capital strategy, business portfolio strategy, and information disclosure.</li> </ul>  |
|   |  | <div>Stocks with low ROE/PBR</div> <div>Insufficient improvement in past requests</div>  |
| Key themes (ESG)  | Reduction of GHG (Scope 1+2) emissions | <ul style="list-style-type: none"> <li>Dialogue with the top 30 GHG (Scope 1+2) emission companies in our stock portfolio.<br/>Discuss target setting and initiatives for reduction.</li> </ul>  |
|   |  | <div>Verify GHG emission reduction targets and scopes</div> <div>→</div> <div>Improve targets and accuracy of effectiveness</div>  |
|   | Other ESG issues                       | <ul style="list-style-type: none"> <li>Discuss improvement and response measures for environmental and social ESG issues such as GHG Scope 3, natural capital, and biodiversity after confirming awareness of these issues (human rights issues, human capital management, and governance (effectiveness of the Board of Directors, etc.) are common themes).</li> </ul> |
|   |  | <div>Environment: Scope 3 is relatively higher</div> <div>Social: Issues related to human rights, etc. in the supply chain</div>   |
| Others  |  | <ul style="list-style-type: none"> <li>Additional dialogues aimed at improving corporate value and dialogues concerning the exercise of voting rights, etc.</li> </ul>   |

### Collaborative engagement

Other than collaborative engagement with the Life Insurance Association of Japan, utilize initiatives\* such as CA100+, Advance, and CDP, etc.

\* For main initiatives Sumitomo Life has joined, please refer to P.53

## Fiscal 2025 Dialogue —Stocks—

- While considering the following matters as key factors for improvement in corporate value, we will conduct dialogue activities.

### Management and capital strategy

- Internalization of Management Philosophy and Purpose and Its Alignment with Long-Term Management Strategy
- Selection of materiality and business strategies based on anticipation of industry trends
  - Appropriate grasp and analysis of risks and opportunities
  - Efficient management in balance sheet to realize management strategies
  - Securing equity spread and ROIC/WACC
- Dealing with requests from TSE

### Governance: Improving effectiveness of the board of directors

- Define functions of the board of directors (balance in supervision and execution)
- Functioning of Outside Directors
- Structures of supervision and advice for executing medium- and long-term business strategies
- Consistency between management strategies/issues and skill matrices of directors
- Diversity (gender/nationality/experience/period of office)

### Measures for human rights (including supply chain)

- Establish human rights policies (internal and external commitment, internal instillation)
- Implement due diligence for human rights and establishment of relief measures
- Correct child labor and overwork issues

### Promotion of human capital management

- Linkages between management and human capital strategies (grasp of gaps in As is-To be, human capital development and other strategies)
- Respecting diversity in gender, age, nationality, values, and other aspects, and thoroughly implementing management and personnel policies that provide fair opportunities and flexible work arrangements from a DE&I perspective, enabling all employees to maximize their capabilities
- Increases in employees' engagement

### Reconciliation of climate change risks and business opportunities

- Ties between measures on climate change risks and management strategies
- Feasibility of interim targets for GHG emission reduction
- Confirm roadmaps toward carbon neutrality in 2050
- Set Scope 3 GHG emission reduction targets, disclose results, and consider measuring and disclosing the volume that contributes to reduction
- Utilize GX investments by the government and private sectors, and reconcile them with economic rationality (profitability)
- Improve disclosure based on TCFD recommendations

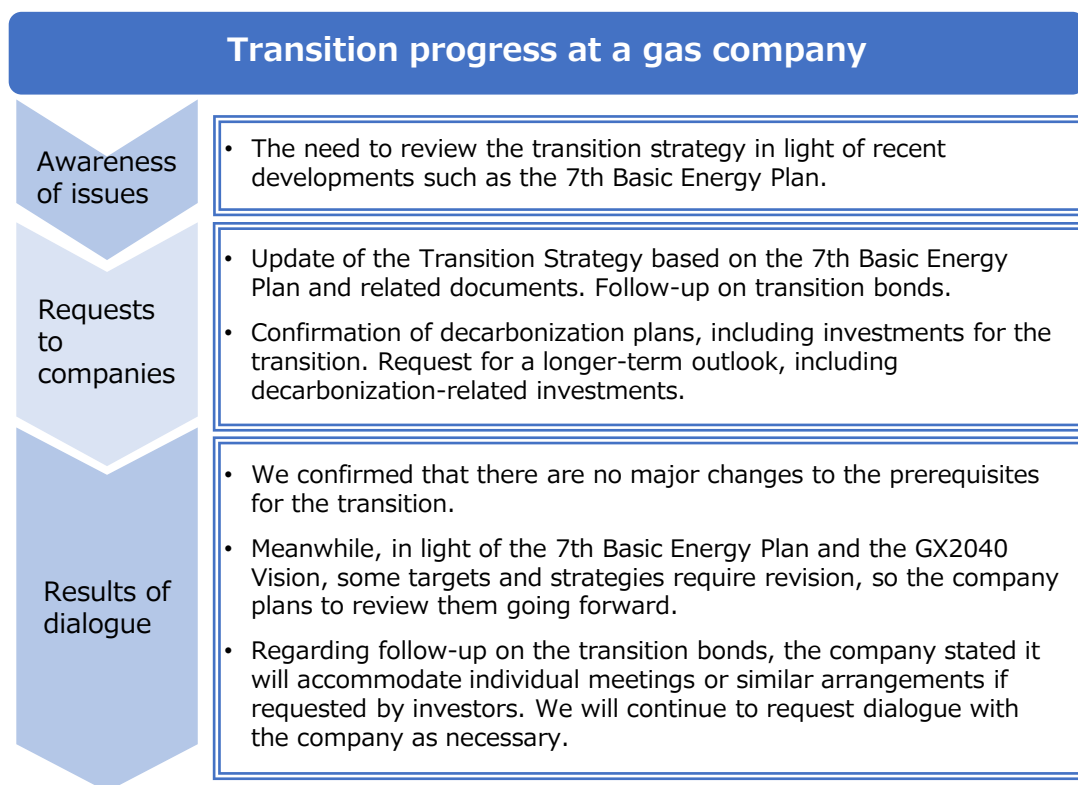
### Conservation of nature and biodiversity

- Identify biodiversity risks from business activities in the supply chain
- Identify business risks from the loss of natural capital and biodiversity
- Disclosure based on the TNFD Recommendations and status of response as a management Issue

## Dialogue in Bond Investment

- ❑ We take a long-term perspective in our discussions with companies and encourage them to take the appropriate response to risk to increase the possibility of redemption of bonds Sumitomo Life holds. In addition, we also conduct dialogue for reducing GHG in our asset portfolio. We are mutually sharing the content of such dialogue with stock investment departments to work together.
- ❑ In fiscal 2024, while engaging in follow-up dialogue with transition bonds issuers, we worked to increase the possibility of redemption of bonds and engaged with 10 companies from the perspectives such as GHG emissions reductions. Furthermore, we participated in collaborative engagement through an international initiative (CDP).
- ❑ In fiscal year 2025, we will continue to engage in dialogue focused on reducing business risks and ESG risks, including follow-up on transition bonds, to support appropriate financing for decarbonization.

### Fiscal 2024 Dialogue Case Study



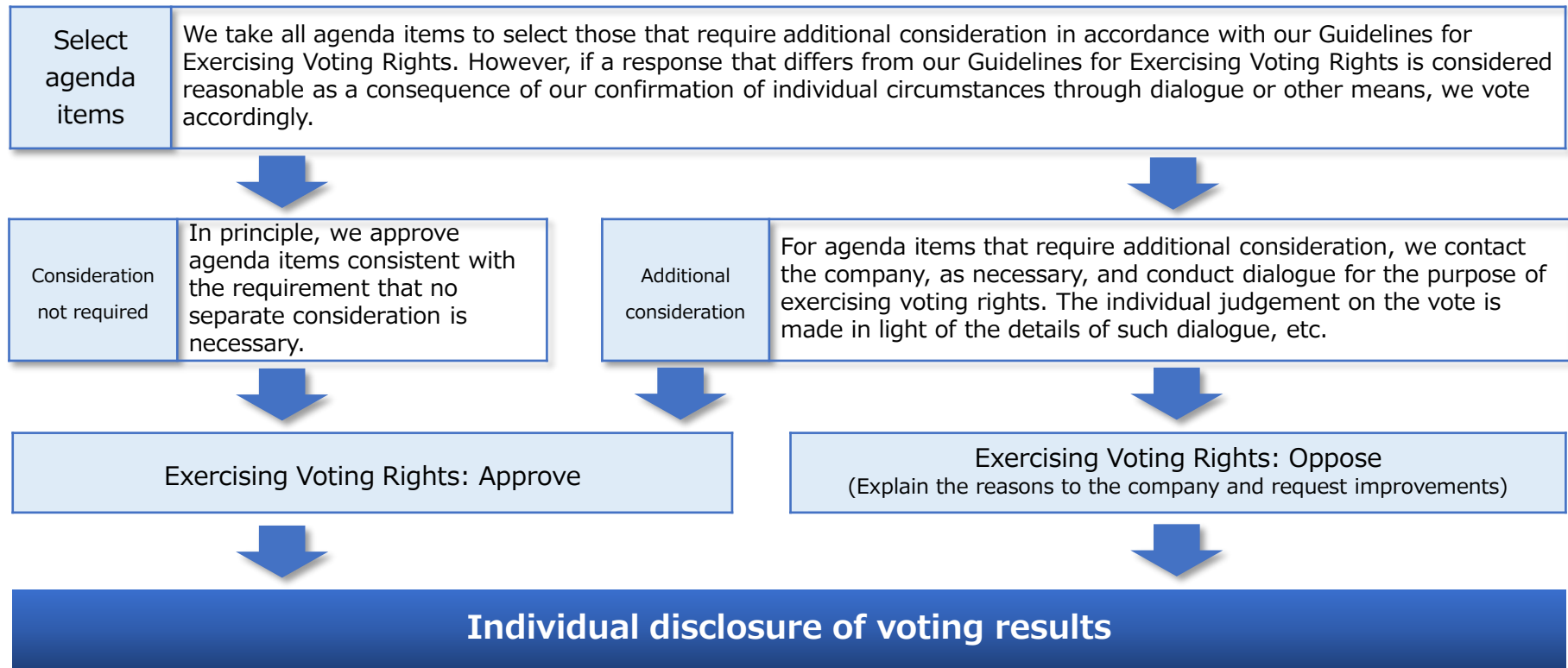
### Fiscal 2024 Dialogue Themes

#### Main themes of dialogue with 10 companies

- GHG emissions reduction plans
- Disclosure of Scope 3 GHG emissions reductions
- Transition strategies and progress
- Future composition of power sources
- Business opportunities and business portfolio outlook
- Investment risk management, investment and financial policies
- Governance (effectiveness of the Board of Directors, etc.)
- Human capital (percentage of female managers, etc.)

## Stance on Exercising Voting Rights

- ❑ Our company has established “Guidelines for Exercising Voting Rights” and determines whether to vote for or against a proposal when exercising our voting rights, in light of dialogue with investee companies and the state of their initiatives on issues, etc.
- ❑ Specifically, we select agenda items that require additional consideration according to our Guidelines from perspectives such as the investee company’s financial performance/conditions, capital policy, legal compliance structure, stance on distribution of returns and sustainability initiatives, and make careful decisions.
- ❑ We recognize that exercising voting rights is also an important method for encouraging the sustainable growth of investee companies. When considering whether to approve or oppose an individual agenda item, our decisions are not a mere formality. We listen to investee companies about their response to issues and conduct dialogue through which we explain our opinions and concerns to encourage their sustainable growth.



## Fiscal 2024 Voting Results (July 2024 to June 2025)

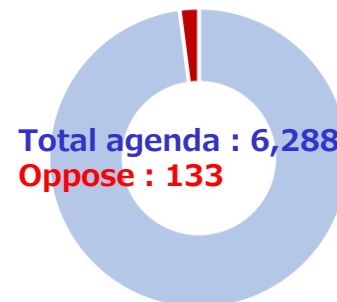
- In exercising our voting rights, we opposed 133 agenda items (2.1% of a total of 6,288 agenda items) and opposed 106 companies (5.6% of a total of 1,896 companies).
- The number of shareholder proposals reached a record high of 348 (an increase of 212 proposals compared to fiscal 2016), while the number of proposals opposed (opposing company proposals and supporting shareholder proposals) was 4 (an increase of 4 proposals compared to the previous fiscal year).

### Voting results by category of agenda items

| Category of agenda                  | Total agenda | Opposed items | Opposed ratio | Prior-year Opposed ratio |
|-------------------------------------|--------------|---------------|---------------|--------------------------|
| Appropriation of retained earnings  | 1,238        | 12            | 1.0%          | 1.1%                     |
| Appointment/ dismissal of directors | 2,634        | 71            | 2.7%          | 2.3%                     |
| Appointment/ dismissal of auditors  | 764          | 4             | 0.5%          | 0.4%                     |
| Payment of retirement benefits      | 65           | 13            | 20.0%         | 31.2%                    |
| Executive compensation              | 701          | 26            | 3.7%          | 3.5%                     |
| Takeover defense measures           | 43           | 2             | 4.7%          | 10.0%                    |
| Shareholder proposals               | 348          | 4             | 1.1%          | 0.0%                     |
| Other                               | 495          | 1             | 0.2%          | 0.4%                     |
| Total                               | 6,288        | 133           | 2.1%          | 2.1%                     |

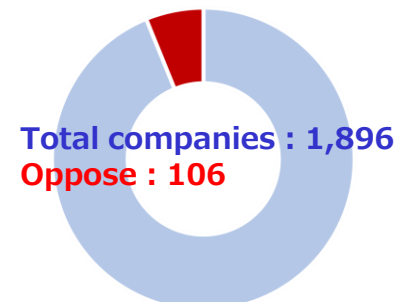
#### By number of proposals

Opposed ratio 2.1%  
(±0.0pt YoY)



#### By number of companies

Opposed ratio 5.6%  
(±0.0pt YoY)



### Status of improvement in FY2024 for the companies that we voted against in FY2023

| Fiscal 2023 Opposed items | Items of which the same agenda is proposed in fiscal 2024 | Fiscal 2024 Approved items | Ratio of improvement | Category of agenda                  | Fiscal 2023 Opposed items | Fiscal 2024 Improvement | Ratio of improvement |
|---------------------------|---|----------------------------|----------------------|-------------------------------------|---------------------------|-------------------------|----------------------|
| 135<br>(110 companies)    | 64<br>(57 companies)                                      | 22<br>(20 companies)       | 34.4%<br>(35.1%)     | Appointment/ dismissal of directors | 45                        | 17                      | 38%                  |
|                           |   |                            |                      | Appropriation of retained earnings  | 11                        | 4                       | 36%                  |
|                           |   |                            |                      | Executive compensation              | 8                         | 1                       | 13%                  |

## Revisions of Stewardship Activity

### Revisions to the Guidelines for Exercising Voting Rights

- Dialogue and the exercise of voting rights are some of our most important initiatives in fulfilling our stewardship responsibilities.
- We have amended the philosophy in our Guidelines for Exercising Voting Rights, so that our philosophy is better understood. Please refer to the [Guidelines for Exercising Voting Rights](#) for details.

Revised in September 2025

#### Raising the Dividend Payout Ratio Standard

- In view of the March 2023 request by the Tokyo Stock Exchange for “Action to Implement Management that is Conscious of Cost of Capital and Stock Price,” and taking into account the growing emphasis on capital efficiency and shareholder returns in corporate management, **the dividend payout ratio standard for the appropriation of surplus will be set uniformly at 15% (regardless of the equity ratio).**
- However, we will not automatically oppose any action that falls short of this standard. As before, decisions will be made based on an understanding of each company’s stage of growth, scale of retained earnings, funding needs, and other factors.
- Many companies have already thoroughly adopted “Action to Implement Management that is Conscious of Cost of Capital and Stock Price.” We have set a **deadline for adoption at general meetings held from April 2026 onward**, to encourage swift improvements by any companies that have been slow to respond to the Tokyo Stock Exchange’s request.

#### Criteria to be Applied for General Meetings of Shareholders Held from April 2026 Onward

(Commencement of applying for revised standard in September 2024)

- For companies listed on the Tokyo Stock Exchange Prime Market, we will, **in principle, oppose the appointment of top management to the position of directors when there are no female directors on the board.**
- We will raise the required ratio of independent outside directors for companies implementing policies and countermeasures against takeovers (takeover defense measures) from the current level of “at least 1/3” to **“at least 1/2,”** in principle.

### Changes concerning separate accounts

- Beginning from general meetings held in July 2025, we have entrusted the exercise of voting rights for domestic stocks in special accounts to the asset management companies responsible for stock selection and dialogue with investees. We believe that by allowing the entrusted asset management companies to consistently handle both dialogue and the exercise of voting rights, we can more effectively facilitate the enhancement of investee companies’ corporate value.
- We will continue to fulfill our fiduciary responsibilities by ensuring that the initiatives of the entrusted asset management companies are consistent with our own policies on stewardship activities, and by assessing and evaluating the content of dialogue and the results of voting.

# Self-evaluation of Stewardship Activity

| Principle   | Japan's Stewardship Code   | Self-evaluation and future initiatives (✓ : Compliant) |  |
|-------------|--|--|--|
| Principle 1 | Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities, and publicly disclose it.   | ✓  | ➤ We have formulated and published the "Basic Principles on Responsible Investment."   |
| Principle 2 | Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.   | ✓  | ➤ We have formulated and published the "Policy on Management of Conflicts of Interest."<br>➤ This was deliberated three times at the Responsible Investment Committee when exercising voting rights in fiscal 2024 and we disclosed the results.   |
| Principle 3 | Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies.   | ✓  | ➤ We collect financial information and non-financial information including ESG and conduct both quantitative and qualitative corporate analysis (ESG integration). We also strive to accurately understand the status of investee companies.   |
| Principle 4 | Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.  | ✓  | ➤ In fiscal year 2024, we conducted dialogues focused on corporate sustainable growth and ESG issues, including climate change response.<br>➤ We continue to share our recognition of issues with investee companies and strive for improvement through adequately prepared dialogue.  |
| Principle 5 | Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.  | ✓  | ➤ We have established and published "Guidelines for Exercising Voting Rights." We also disclose the results of our voting rights exercise.<br>➤ We will continue to work on substantive judgments by presenting our thinking in various publications so that they do not become a mere formality.  |
| Principle 6 | Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.   | ✓  | ➤ We disclose our overall responsible investment activities, including stewardship activities, in our Responsible Investment Report, Integrated Report, and Sustainability Report. We will continue to improve our disclosure.   |
| Principle 7 | To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies. | ✓  | ➤ We have established the structure for stewardship activities and are promoting human resource development, including the enhancement of corporate analytical capabilities.<br>➤ We will continue to expand our decarbonization initiatives across assets, strengthen our collaboration with external organizations, and work to further improve the effectiveness of our stewardship activities. |

※In accordance with the June 2025 revision of the Japanese Stewardship Code, we have amended our "[Basic Principles on Responsible Investment](#)." We will continue to engage in collaborative engagement. When receiving inquiries from investee companies regarding our shareholdings, we will explain our holdings and strive to maintain constructive dialogue with them.

05

## Collaboration and Human Capital Development

### CONTENTS

- Participation in Initiatives . . . 53
- External Activity and Human Capital Development Initiatives . . . 54

## Participation in Initiatives

- Sumitomo Life actively participates in domestic and international initiatives from the perspective of an institutional investor, for achieving a sustainable society. We will continue to collaborate with domestic and international institutional investors to address social issues, while increasing the level of our responsible investment through exposing ourselves to best practices in each area.
- In March 2025, we joined the Impact Investment Initiative for Global Health (Triple I for GH), an international initiative promoting impact investing to address global healthcare challenges.

Signatory of:



- Investment principles launched by the United Nations in 2006 that call for institutional investors to incorporate ESG perspectives into their investment decision-making processes.
- Sumitomo Life signed the PRI in April 2019.

### Net-Zero Asset Owner Alliance

- An initiative that aims to achieve the Paris Agreement's goal of limiting temperature rise to 1.5°C through the cooperation of asset owners. Under the leadership of the UNEP FI and PRI, the AOA has been active since 2019.
- Sumitomo Life joined AOA in October 2021.



- An initiative to seek the reduction of GHG emissions through engagement with companies.
- Sumitomo Life signed the initiative in December 2020.



- A global partnership of financial institutions launched in 2019, working to develop and implement a standardized approach to assess and disclose the GHG emissions from the asset portfolio.
- Sumitomo Life joined PCAF as the first Japanese life insurer in September 2021.

### Japan Impact-driven Financing Initiative

- A Japanese initiative launched in November 2021 to aim for the practice and promotion of impact investment by financial institutions that seek to resolve environmental and social issues through investment activities.
- Sumitomo Life joined it in April 2022.



- An international initiative promoting impact investing to address global healthcare challenges such as improving medical access.
- Sumitomo Life joined it in March 2025.

### [other initiatives]



## External Activity and Human Capital Development Initiatives

- Besides domestic and international initiative activities, we actively work on awareness raising activities for sustainable financing.
- With regard to human capital development, we believe that the important foundation is for the employees who will play a role in promoting responsible investment to sympathize with the philosophy of responsible investment and acquire the latest relevant knowledge, and we work to hold learning sessions and encourage them to acquire certification of qualifying examinations.
- In fiscal 2024, we distributed a video as educational material for all employees learning about social and environmental issues, covering the fundamentals of responsible investment and our company's initiatives. Additionally, in July 2025, we hosted a talk session with startups in which our company has invested.

### External Recognition

- December 2024  
Awarded Grand Prize at the 1st Social Impact Leader Awards hosted by The Society of Law and Management
- Throughout our history, we have consistently pursued our purpose of "contributing to the advancement of social and public welfare." We have gained a high degree of recognition for our initiatives in responsible investment as an institutional investor, in addition to our efforts in the life insurance business.
- Please refer to the [press release dated December 26, 2024](#) (in Japanese only) for details.



From left: Representative Director Kinjo and Director Kondo of The Society of Law and Management; Iwao Matsumoto, Senior Managing Executive Officer of Sumitomo Life; and Junichi Tanaka, General Manager in charge of Responsible Investment of Sumitomo Life

### Taking the Rostrum in Lectures and Events

- In July 2025, we participated in the SDGs talk event "Let's Talk with JICA! International Cooperation — Realizing a New Era from an African Perspective," hosted by OKASAN SECURITIES CO., LTD.
- We presented lectures at the following universities and graduate schools.

| Date      | University  |
|-----------|---|
| June 2025 | Gakushuin Women's College                             |
| June 2025 | Graduate School of Public Policy, University of Tokyo |
| July 2025 | Kyushu University                                     |



Junichi Tanaka, General Manager in charge of Responsible Investment

### Measures to Thoroughly Promote Responsible Investment within Sumitomo Life

- Provided video teaching materials on responsible investment
- Study sessions (on human rights) by the International Labour Organization (ILO) Tokyo office
- Held in-house events related to impact investment
- Encouraged employees to acquire Eco Test\*1 certification

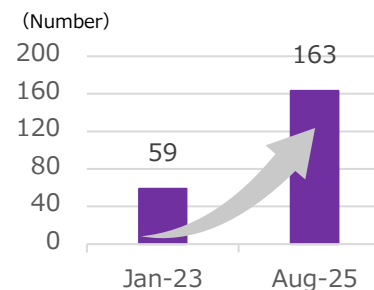
#### Internal events

In July 2025, we invited EUCALIA Inc., a startup company we invest in, to hold talk sessions on topics such as "Our Commitment to Solving Social Issues" and "Balancing Impact with Corporate Growth (Aiming for a Market Capitalization of 1 Trillion Yen)."



A lecture by President Misawa of EUCALIA Inc.

#### Number of employees who acquired certification of Eco Test\*2



\*1 Eco Test (Certification Test for Environmental Specialists), which is hosted by the Tokyo Chamber of Commerce and Industry, is an examination designed to gain wide knowledge of environment.

\*2 The chart indicates the number of employees in the asset management department (approx. 300) who have acquired Eco Test certification.

## Editor's Note

### Regarding the Publication of Our Responsible Investment Report

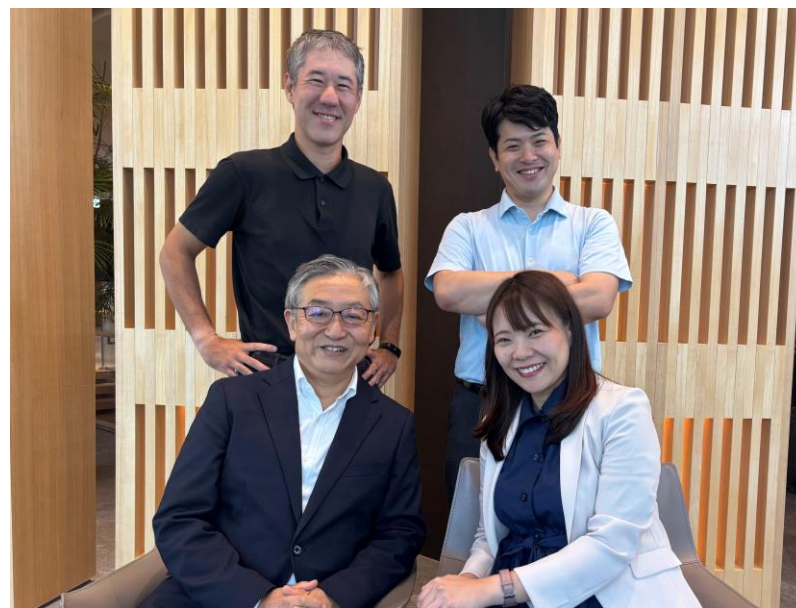
Thank you for reviewing our Responsible Investment Report. We have been publishing this report since fiscal year 2021 to transparently and clearly communicate our responsible investment initiatives to our clients, investees, and all stakeholders. While we recognize there are still many areas for improvement, we would greatly appreciate your feedback to help us enhance our future efforts.

For our overall approach and activities related to promoting sustainability, please also refer to our [Sustainability Report](#).

### Well-being Value Created Through Responsible Investment

Achieving “well-being for all” requires a sustainable foundation in society and the global environment. Our Asset Management Division engages daily in its work while contemplating what well-being value can be created through responsible investment. We prepared this report hoping to convey a glimpse of our team's commitment to you.

We will continue to engage in responsible investment to realize a better society and environment, while valuing collaboration with all our stakeholders. We appreciate your continued support.



Investment Management Dept. Responsible Investment Team

for your well-being

