

# Responsible investment policy

## I. Our policy

As a fiduciary asset manager, Resona Bank has designed responsible investment policy. In pursuit of sustainable return on investments over the long period, Resona Bank keeps following and takes account of multilateral aspects of investees including environmental, social and corporate governance (ESG) issues. Resona Bank believes that our activities along with this policy should protect and enhance the economic value of our customers' assets.

## II. Actions

**Resona Bank takes following actions to put our ideas into practice:**

- 1. To incorporate ESG issues into investment decisions on our asset management.**
  - In the research reports, our in-house analysts make comments on ESG issues that issuer companies have, as well as their strategies, earnings, and competitiveness.
  - At the same time, our analysts decide recommendation rating for individual company considering its ESG aspects they actually researched.
- 2. To have constructive dialogues with investees.**
  - We believe that constructive dialogues with issuer companies should support their sustainable growth and enhance the economic value of our customers' assets over the long period.
  - In the dialogues, we primarily focus on corporate governance structure as well as other key issues on corporate social responsibilities, including compliance, co-existence with society and environmental solutions.
- 3. To exercise proxy voting in accordance with fiduciary responsibilities.**
  - We make proxy voting decision reflecting dialogues with issuer companies and actions they take against the issues that we discussed in the dialogues.
  - For the voting purpose, we set ceiling on utilization ratio in securities lending program.

## III. Basic framework for avoiding conflicts of interest

To make sure that our investment activities are entirely devoted to customers interest, we have formulated official procedures to resolve specific situations where intrinsic conflicts of interest exist.

· **Voting proxies of Resona Holdings, Inc.**

In exercising the voting rights of "Resona Holding, Inc.", which is our parent company, we vote based on the advice which third party service provider makes in accordance with our proxy voting guidelines so that we maintain our neutrality.

#### **IV. The responsible investment committee**

**The responsible investment committee acts as an organization governing our responsible investment activities. The committee is deeply concerned in enhancement of our approach and procedure for responsible investment.**