

July 7, 2022

Hakuhodo DY Holdings Inc.

**Hakuhodo DY Holdings selected as a constituent of the ESG investment indexes
FTSE4Good Index Series and FTSE Blossom Japan Index
for the fourth consecutive year**

**Also selected for the first time as a constituent of the
FTSE Blossom Japan Sector Relative Index**

Hakuhodo DY Holdings Inc. is pleased to announce that it has been selected for the fourth consecutive year for inclusion in the FTSE4Good Index Series and FTSE Blossom Japan Index. The two indexes are for Japanese companies that demonstrate excellence in environmental, social and governance (ESG) management and practices. Hakuhodo DY Holdings has also been named as a constituent of the FTSE Blossom Japan Sector Relative Index for the first time.

A company's stance to ESG initiatives is regarded as a key evaluation criterion for its management stability and growth potential. The FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index are used as key investment criteria by investors around the world who pay close attention to companies' ESG initiatives. The indexes have also been adopted by the Government Pension Investment Fund (GPIF), which operates Japan's public pension system, as a criterion for evaluating ESG investments.

Hakuhodo DY Holdings is pushing forward ESG initiatives in line with its sustainability goal of realizing a society in which every *sei-katsu-sha* can shine brightly while staying true to themselves. The company was selected as a constituent stock in recognition of its efforts related to climate change, health-oriented corporate management, and the Sustainable Development Goals (SDGs).

In our Medium-Term Business Plan¹, Hakuhodo DY Holdings has positioned strengthening our foundation for sustainable business management as one of the key themes we must address, and the Group will continue to work to develop a sustainable management environment.

¹ Read Hakuhodo DY Holdings' Medium-Term Business Plan here:

<https://www.hakuhodody-holdings.co.jp/english/group/businessplan.html>

Sustainability initiatives

Hakuhodo DY Holdings established its Corporate Sustainability Division in 2022 to expand disclosure of sustainability and ESG-related information, and to strengthen ongoing efforts.

In May 2022, Hakuhodo DY Holdings set targets and disclosed information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Since publicly declaring our support of the TCFD, we have set reduction targets for total greenhouse gas emissions, as we continue to strengthen our efforts to address climate change.

Specifically, we set a target of reducing CO₂ emissions to 50% of 2019 levels in FY2030 and achieving carbon neutrality in FY2050. To achieve these reduction targets, we will take appropriate actions to further reduce our environmental impact, including introducing renewable energy in our offices, with the aim of realizing a post-carbon society.

FTSE4Good Index Series, FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index

These ESG-focused indexes were created by FTSE Russell, a subsidiary of the London Stock Exchange Group.

- **FTSE4Good Index Series**

Designed to measure the performance of companies demonstrating strong ESG practices, the index is widely used to create and evaluate sustainable investment funds and other financial instruments.

- **FTSE Blossom Japan Index**

An index that selects Japanese companies that demonstrate strong ESG practices, including in relation to the SDGs, based on certain evaluation criteria.

- **FTSE Blossom Japan Sector Relative Index**

An index designed to measure the performance of Japanese companies that demonstrate strong ESG practices relative to peers in their respective sectors. To promote the transition to a low-carbon economy, companies with particularly high greenhouse gas emissions are included in the Index only if their improvement efforts are evaluated using Transition Pathway Initiative (TPI)² Management Quality scores.

² Transition Pathway Initiative (TPI): An initiative that assesses companies' preparedness for the transition to a low-carbon economy. TPI's Management Quality assess the quality of a company's management of their greenhouse gas emissions and of risks and opportunities related to the low-carbon transition.

<https://www.ftserussell.com/products/indices/tpi-climate-transition>

Read more about Hakuhodo DY Holdings' sustainability-related initiatives here:

<https://www.hakuhodody-holdings.co.jp/english/csr/>

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