

March 17, 2022

Nippon Life Insurance Company

Nippon Life Sets 2030 Interim Targets for Greenhouse Gas Emission Reduction in the Investment Portfolio and Lays out Related Specific Measures

Nippon Life Insurance Company (President: Hiroshi Shimizu, hereinafter “Nippon Life”) has set 2030 interim targets for greenhouse gas (hereinafter “GHG”) emission reduction in the investment portfolio, with a view to stepping up climate change mitigation measures in its investment activities. As a global institutional investor, Nippon Life has set two targets based on reference to globally significant indicators and will strive to help solve the climate change issue, which is a crucial global priority.

<2030 Interim Targets for GHG Emission Reduction in the Investment Portfolio>

Indicators	Total emissions	Reduce by more than or equal to 45% (compared to 2010)
	Intensity(*1) (Emissions per investment unit)	Reduce by more than or equal to 49% (compared to 2020)
Target assets	Domestic and foreign listed equities, domestic and foreign corporate bonds, and real estate (Scope 1 and 2 for each asset class(*2))	

(*1) Total emissions / investment amount

(*2) Scope 1, 2 and 3 are classification concept under the GHG emissions calculation and reporting standards for businesses, which are prescribed by the GHG Protocol, and refers to the following:

- Scope 1 : Direct emissions from the use of fuel by businesses
- Scope 2 : Indirect emissions from the use of electricity and heat purchased by businesses
- Scope 3 : All indirect emissions other than Scope 1 and 2 that occur in business activities

- Total emissions: A crucial indicator for steadily reducing overall emissions. Set with reference to the target levels of the IPCC (Intergovernmental Panel on Climate Change), which comprises scientists from all over the world.

- Intensity: An indicator of Nippon Life’s substantive reduction measures, without being affected by fluctuations in the assets under management.

Set based on reference to the target levels of the Net-Zero Asset Owner Alliance (hereinafter, “NZAOA”), which plays a pivotal international role in the decarbonization efforts of institutional investors.

- Target assets: Determined based on considerations such as whether data related to GHG emissions can be acquired and how well measurement methods are established.

Expanded from domestic listed equities and corporate bonds previously, considering the globally diversified investment portfolio of Nippon Life.

In addition, as a specific emission reduction measure, Nippon Life has joined the Partnership for Carbon Accounting Financials (hereinafter, “PCAF”), which is an international initiative to develop GHG emission measurement methods, while maintaining, as before, a basic policy of utilizing various ESG investment and finance methods in a well-balanced manner. Moreover, on the investment and finance front, Nippon Life has established a decarbonization financing facility (JPY 500 billion) to support the decarbonization efforts of society as a whole and individual investees, such as transition and innovation measures.

< Specific Measures >

1. Membership in PCAF

PCAF is an international initiative founded in 2015 for the purpose of standardizing measurement and disclosure methods for GHG emissions in investment portfolios.

PCAF has so far issued GHG measurement standards for six asset classes, such as listed equities and corporate bonds. PCAF has earned global recognition, with the NZAOA referring to PCAF’s measurement standards, for example. As of February 2022, 222 financial institutions representing 53 countries have joined PCAF. The total amount of assets under management of PCAF-member financial institutions has surpassed USD 60 trillion (approx. JPY 6,900 trillion).

By joining PCAF, Nippon Life will work together with financial institutions in Japan and abroad and engage in discussions on formulating GHG emission measurement rules, as it strives to develop sophisticated GHG emission measurement and disclosure methods using the knowledge and data held by PCAF. In these ways, Nippon Life will implement measures to reduce GHG emissions in the investment portfolio.

2. Establishing a decarbonization financing facility

Nippon Life has so far assisted with the decarbonization efforts of investees through engagement. At this time, Nippon Life has established a decarbonization financing facility to provide additional investment and finance support as an institutional investor and assist with the decarbonization efforts of society as a whole and individual investees.

【Overview of Decarbonization Financing Facility】

Amount	JPY 500 billion
Targets	<ul style="list-style-type: none"> • Renewable energy-related investments • Green bonds • New technology development (innovation)-related investments (fund investment, etc.) • Transition finance, among others

Using this financing facility, Nippon Life has decided to invest (*3) in a decarbonization fund of funds (approx. JPY 20 billion), a decarbonization venture investment fund (approx. JPY 10 billion), and a renewable energy fund of funds (approx. JPY 30 billion).

Going forward, Nippon Life will continue to contribute to the solution of a wide range of environmental and social issues, with the aim of both realizing a sustainable society and improving investment returns.

(*3) Nippon Life has concluded a discretionary investment contract with Nissay Asset Management Corporation, to which it has transferred its credit investment and alternative investment functions.

< Overview of Decarbonization Fund of Funds >

1. Name	GPEF Climate Change & Sustainability (Impact)
2. Manager	Nissay Asset Management Corporation
3. Investment targets	Private equity funds expected to contribute to solving the climate change issue and a sustainable society
4. Features	Through investments in private equity funds that address the climate change issue, investments will be made in unlisted companies expected to help realize a decarbonized society.

< Overview of Decarbonization Venture Investment Fund >

1. Name	CP CLIMATE IMPACT FUND, LP (*4)
2. Manager	SVB CP CLIMATE IMPACT GP, LLC
3. Investment targets	Equity of unlisted companies expected to help solve the climate change issue
4. Features	Investments will be made in startups that create new technologies or services that address the climate change issue.

(*4) Nippon Life invests in the fund (“SVB Global Climate Change Impact Fund”), whose purpose is to invest in “CP CLIMATE IMPACT FUND, LP”.

< Overview of Renewable Energy Fund of Funds >

1. Name	Nissay Core Global Renewables Fund of Funds 1, L.P. (Planned)
2. Manager	Nissay Asset Management Corporation
3. Investment targets	Overseas infrastructure equity funds
4. Features	Contribute to the realization of a decarbonized society through investments in renewable energy-related businesses