



Nippon Life Global Investors Europe Plc

TCFD ENTITY LEVEL REPORT

1 JANUARY 2024 - 31 DECEMBER 2024

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1. Introduction

Nippon Life Global Investors Europe Plc (“NLGIE”, or “the firm”, or “we”) is a UK based investment advisor to fund vehicles investing in private and public assets mostly operated and managed by Nippon Life Insurance Company (“NLIC”), Nissay Asset Management (“NAMCO”), Nippon Life Global Investors Americas and other group affiliates. NLGIE is authorised and regulated by the Financial Conduct Authority (“FCA”) FRN: 767943 since July 2017 and operates out of its registered office located at 11th Floor, 3 Noble Street, London, EC2V 7EE.

This is the firm’s first entity report prepared in line with the recommendations from the Task Force on Climate-Related Financial Disclosures (“TCFD”), recommended disclosures¹, and the requirements outlined in the FCA’s Environmental, Social, and Governance (“ESG”) sourcebook.

Across our organisation we understand the significant role financial services firms can have in driving positive change. Since its founding, Nippon Life Insurance Group (“Nippon Life Group” or “the Group”), including NLGIE, has strived for prudent management with long-term perspective, while also carrying out investment and finance activities that contribute to the public interest supporting an ESG agenda whilst achieving a balance between profitability, safety, and the environment.

This TCFD entity report sets out how NLGIE considers climate-related risks and opportunities encompassing disclosure of governance, strategy, and risk management, including the integration of relevant climate-related metrics and targets.

Company Overview

NLGIE is a wholly owned subsidiary of NLIC, a Japanese entity, which is the ultimate holding company for the Nippon Life Group. NLGIE was established in January 1985 as a Limited Liability Company (as Nissei International Limited) and changed to a Public Limited Company and its name (as NLI International Plc) in 1988. Since July 2015, we have operated as Nippon Life Global Investors Europe. NLGIE is an investment advisory firm mostly focused on alternative and credit markets in Europe and the UK. Clients of NLGIE are the asset managers such as NLGIE’s parent or sister companies, or professional investors.

NLIC is incorporated in Japan and heads a global network of companies that provide life insurance services both in Japan and internationally. NLIC has a mission to faithfully uphold its promise to policy holders over the long-term and a mission to contribute to the creation of a sustainable society by investing the insurance premiums it receives from customers. To protect and maximise the interests of policyholders Nippon Life Group invests premiums in a manner that spreads risk and secures long-term stable investment returns. NLGIE’s role in the group is to provide a range of investment research and advice, and also other administrative services to other group companies.

Basis of preparation and wider context

This TCFD entity report has been prepared by NLGIE on a solo basis in accordance with the relevant provisions contained in the FCA’s ESG sourcebook, the TCFD Recommendations and Recommended Disclosures, and the applicable sections of the TCFD Annex² as required under ESG 2.1.6R³.

¹ TCFD Recommendations and Recommended Disclosures is a reference to the TCFD report entitled ‘Recommendations of the Task Force on Climate-Related Financial Disclosures (the TCFD Final Report) published in June 2017. This reference also includes the Annex to the TCFD report entitled ‘Implementing the Recommendation of the Task Force on Climate-Related Financial Disclosures’, and specifically, section C (Guidance for all sectors) and part 4 section D (Supplemental Guidance for Asset Managers). [FINAL-2017-TCFD-Report.pdf \(bbhub.io\)](#)

² The 2017 TCFD “Annex” provides both general and sector-specific guidance on implementing the Task Force’s disclosure recommendations.

³ The 2017 version has been superseded by the 2021 Annex. [FINAL-TCFD-Annex-Amended-121517.pdf \(bbhub.io\)](#)

³ [ESG 2 - FCA Handbook](#)

NLIC began endorsing the TCFD and Taskforce on Nature-related Financial Disclosures (“TNFD”) in December 2018 and produced its first public report for the financial year 2024. Therefore, throughout this report, we recognise and make reference to relevant information from NLIC’s 2024 TCFD & TNFD report because the activities carried out in the UK towards climate related risks and opportunities forms a part of the Nippon Life Group approach. These references are helpful for NLGIE’s TCFD report as it highlights the work that our UK operations has contributed to the work that is conducted throughout the Group’s other global offices, such as our global sustainability initiatives. We have also made reference to other NLIC Group reports, such as the 2023 Sustainability Report and ESG Report, the 2023 ESG Investment and Finance Report, and the 2024 Responsible Investment Report given these have been deemed relevant as a key part of the initiatives taken so far by NLGIE towards meeting the TCFD recommendations.

This incorporates a holistic approach on how the Nippon Life Group can have a positive impact on our planet, through its activities in the UK and globally.

Nippon Life Environmental Charter

Although this is the firm’s first TCFD entity report, we are not starting from scratch when it comes to developing a framework aligned to the TCFD recommendations. Since 2001, NLIC established the Nippon Life Environmental Charter⁴ which states that not only NLIC, but the entire Nippon Life Group and its business partners, ensure environmental considerations are taken into account within their business affairs. NLIC complies with five environmental action guidelines as part of the Environmental Charter. For example, NLIC supports various initiatives covering an array of environmental issues which demonstrates our commitment to reducing the environmental impact of our corporate activities, conserve resources and energy, recycle resources, and promote green procurement, all which contribute to climate change mitigation.

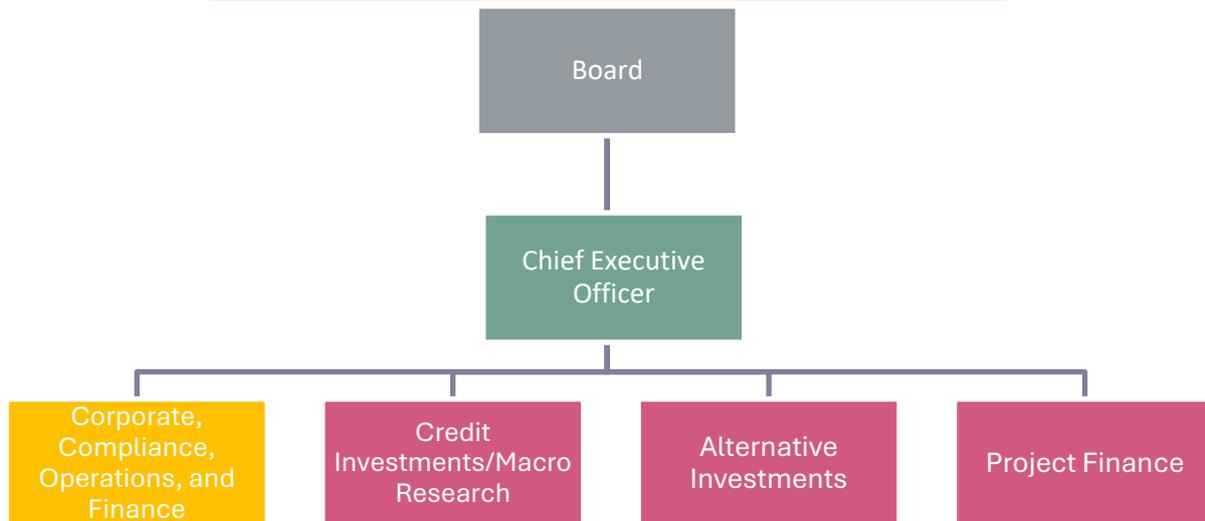
2. Governance

At NLGIE, our simple yet effective governance structure helps the firm and the wider Group to achieve our strategic objectives while ensuring that the risks to the business, our stakeholders, the wider market, and the environment are identified, managed and mitigated where possible.

The Board has overall responsibility for NLGIE and is therefore responsible for defining and overseeing the governance arrangements at the firm. In order to fulfil these governing responsibilities, the Board meet on a quarterly basis for making executive level decisions for the London, UK, operations, and for reporting to our parent company in Japan to ensure our global senior management maintain the proper oversight.

A key part of the Board’s responsibilities is the oversight of the firm’s consideration and approach towards identifying and managing climate-related risks and opportunities and ensuring that our UK business activities continue to support the Group’s sustainability priorities and progress. Included below is a simple diagram that highlights the positioning of the Board and how this relates to the other roles and business functions of NLGIE.

⁴ See page 10 of Nippon Life Insurance Company TCFD & TNFD Report 2024



KEY

- Board
- Executive position
- Business support function
- Front office function

NLGIE conduct its operations in the UK in a way that is proportionate and appropriate to the nature and scale of its company size and activities as the investment advisor to assets managed outside the UK. Each business function of the firm outlined in the above diagram hold regular meetings and attend committees held by the Group companies’ fund managers, such as the Investment Committees, to present findings from market research in relation to current investments and newly proposed opportunities to invest.

In line with our ESG approach across the Nippon Life Group, and to adhere to the Environmental Charter, the front office functions at NLGIE monitor and report on ESG issues throughout the investment process across all asset classes where we provide our investment advisory and market research expertise services. We believe the consideration of ESG issues will lead to not only improving long-term investment returns, but also addressing our social responsibilities. Although this is consistent throughout each business function at NLGIE, we ensure to consider the most appropriate method to address these issues, such as ESG thematic investing, ESG integration, and ESG engagement. Selecting the most appropriate method will depend on a variety of factors, for example characteristics of the asset class or the investment strategy adopted by the asset manager.

The below table identifies the key persons of the Board and each business function.

Committee/Business Function	Key persons
NLGIE Board	Mr. Okamoto Mr. Yamauchi Mr. Maki Mr. Kosaka
Chief Executive Officer (CEO)	Mr. Kosaka
Credit Investments/Macro Research (Function)	Mr. Kobayashi

Alternative Investments (Function)	Mr. Harigaya Mr. Kawai
Project Finance (Function)	Mr. Tanaka
Corporate (Compliance, Finance and Operations) (Function)	Mr. Moritani

Nippon Life Internal Initiatives

The Board considers an array of environmental-related matters may be internally reported to the NLIC Sustainability Committee⁵ which meet four to five times a year to review and discuss global environmental topics across the Group such as setting greenhouse gas (“GHG”) emissions reduction targets and disclosures in accordance with the TCFD recommendations. The Sustainability Committee was established as an advisory body to the NLIC Management Committee tasked with drafting policies on initiatives for addressing sustainability priority issues and assisting with external disclosures in relation to these initiatives and priorities.

The Sustainability Committee considers dialogue that is open to all Nippon Life Group global offices. One of the Nippon Life internal initiatives is complying with the TCFD recommendations and recommended disclosures and so when it was determined that NLGIE would become in scope for reporting on a solo basis the NLGIE Board began to make the structure and contents of the firm’s first TCFD entity report coherent with NLIC initiatives. Another internal initiative is to reduce GHG emissions for example converting company cars to electric vehicles, increasing the use of renewable energy sources, reduction of paper use, and so on. NLGIE support these vital actions in order to reduce negative impacts on the environment. Over time, we aspire to report on our impact solely from a NLGIE perspective to show our own achievements in the UK as well as continuing to report on how the wider Group work towards these initiatives.

All of the Nippon Life Group internal initiatives are explained in detail within NLIC’s TCFD & TNFD Report⁶.

Nippon Life’s approach to sustainability

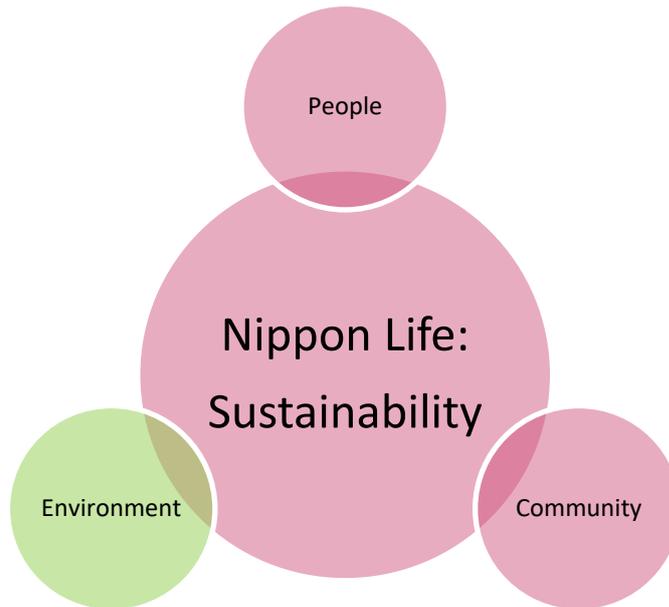
Since its inception, Nippon Life has advocated the fundamental principle of *“contributing to the stability and enhancement of people’s lives,”*⁷ with the aim to improve corporate value through contributing to the achievement of a sustainable society that is safe and peaceful, and by promoting sustainability management in every business activity.

Our approach to sustainability can be categorised into three areas:

⁵ Nippon Life Insurance Company TCFD & TNFD Repot 2024 – Page 16 - [FY2024 | Nippon Life Insurance Company](#)

⁶ Nippon Life Insurance Company TCFD & TNFD Repot 2024 – Page 17 - [FY2024 | Nippon Life Insurance Company](#)

⁷ Nippon Life Insurance Company ESG Investment and Finance Report 2023 – Page 7 - [FY2023 | Nippon Life Insurance Company](#)



To focus on our approach to *Environment*, Nippon Life Group, including NLGIE, aims to support the creation of an environment where everyone can continue to live with reassurance that our climate is protected and has a promising future to thrive. The sustainability priorities contained within the fields of **People**, **Community** and **Environment** are met by the implementation of the foundations laid by our Compliance, Governance, Risk Management, and Human Capital across the Nippon Life Group and locally within NLGIE.



Environment

Our priority for the environment is how our actions as a business contribute to our indispensable Earth for the future. As a Group company, we have mapped this priority to the following Sustainable Development Goals (“SDGs”) developed by the United Nations Department of Economic and Social Affairs on Sustainable Development⁸. The Nippon Life Group contributes to solving environmental challenges, such as climate change, to help build solutions to better our environmental health. An example for how NLGIE supports this environmental priority is through engagement with investee companies across our asset management portfolios. Engagement allows us to gather useful information on the sustainability nature and impact of an asset and helps us explore opportunities where we as an institutional investor can support companies achieve their own sustainability goals that can ultimately contribute to wider goals such as achieving net zero emissions by 2050. Our approach towards engagement is explained in more detail in the Strategy section below.



Source: Nippon Life Insurance Company – webpage on Sustainability Management⁹

⁸ [THE 17 GOALS | Sustainable Development](#)

⁹ [Sustainability Management | Nippon Life Insurance Company](#)

3. Strategy

Our strategy towards managing risk brought on from environmental impacts and exploring opportunities for tackling climate change derives from the strategy led by NLIC in Japan. Working in this way towards tackling environmental issues allows us to improve our ESG investing capabilities by sharing knowledge and expertise with our Group companies and exchanging information with other organisations and researching on industry leading ESG practices. Examples of practices we have incorporated at NLGIE to support the Group's wider sustainability strategy in line with the TCFD recommendations include considering ESG issues in our research and investment decisions or outsourcing investment for funds which we monitor on an ongoing basis. For the due diligence and monitoring process for external fund managers' we check their ESG efforts based on characteristics of the investments.

The investment advisory and research activities of the firm ensure that appropriate priority is given to the identification and monitoring of the environmental issues that may impact the portfolio holdings of the funds. The findings from this monitoring are reported to the fund managers across the Group and, where appropriate, include recommendations for the manager to consider based off the market knowledge and expertise of the teams in London, UK. and through engagement activity with the portfolio companies. Please refer to page 32 of NLIC's TCFD & TNFD Report 2024¹⁰ for more information on the Groups engagement with investee companies.

Roadmap towards Net Zero

NLIC has set a net zero target for fiscal 2050 and intermediary targets for fiscal 2030¹¹ for the asset management portfolios and has developed a TCFD transition plan to reduce GHG emissions. Our asset management portfolios cover scope 1 and scope 2 emissions of domestic and overseas listed equities, domestic and overseas corporate bonds, and real estate. Page 28 of NLIC's 2024 TCFD Report¹² presents this roadmap towards net zero. At NLGIE, our investment advisory services provided to the Group companies support this roadmap. The sustainability impact of investments is considered across relevant asset classes when the teams in London, UK, propose new investment recommendations to the asset managers and as part of the firm's ongoing monitoring of the funds' portfolios.

This TCFD entity report for NLGIE confirms that the firm is working towards the same plan and targets as NLIC. At this stage the firm has not developed its own local targets that would contribute to the roadmap set by NLIC, nevertheless the Board will continue to assess the need for this on an ongoing basis and will commit to report on its progress in future TCFD reports.

TCFD: Risks and Opportunities

At NLGIE, we recognise the impacts of climate change and how these will in turn will be affected by the lack of appropriate action. Limiting global warming to 1.5°C is essential to avoid the most damaging impacts of climate change however it is evident that this target is becoming increasingly challenging. It is clear that our efforts to identify our exposure to climate risks and how we can take appropriate action for climate related opportunities are essential to contribute towards wider national and global efforts to reduce the impact of climate change. This sub section of our strategy summarises the firm's approach to climate-related risks and opportunities.

¹⁰ [FY2024 | Nippon Life Insurance Company](#)

¹¹ Page 28 and 41 of the 2024 NLIC TCFD Report - [FY2024 | Nippon Life Insurance Company](#)

¹² [FY2024 | Nippon Life Insurance Company](#)

Risks

Climate-related risks consist of physical risks resulting from the direct impacts of climate change that can be slow in their onset, such as extreme changes in temperature and precipitation leading to droughts, or agriculture losses, or they can be more sudden like a severe tropical storm and flooding. Climate risks can also consist of transition risks that impact our efforts to moving towards a lower-carbon economy, such as changes to future climate related regulations and increased cost to new technologies such as renewable energy, that seek to lessen the impact of climate change events on our environment.

At NLIC, climate risks and opportunities are recognised in support of TCFD across short-term, mid-term, and long-term timeframes¹³. As referenced in NLIC's TCFD Report 2024, the impacts of the anticipated climate related physical and transition risks as well as the corresponding opportunities have been identified for our asset management business line. The business functions of NLGIE closely monitor and report internally on these risks and opportunities to ensure our clients understand the moving impact of these climate related risks on the investee companies within our asset management portfolios. For example, for the Private Equity Infrastructure fund range, the team in London, UK, monitor environmental key performance indicators ("KPIs")¹⁴ in order to measure the impact of the investee companies individually as well as forming a view backed by the data as to the overall impact of the fund. This data allows the team to study the impact on the identified climate risks and opportunities to then produce informative reports internally across Nippon Life Group global offices and to our investors.

The below diagrams taken from NLIC's 2024 TCFD Report outlines the key examples of anticipated impacts on asset management activities that arise from climate related risks and opportunities.

Category	Business activities	Asset management	Examples of anticipated impacts on our business <small>* For asset management, the impacts are on investee companies in our asset management portfolio</small>	Timeframe*		
				Short-term	Mid-term	Long-term
Physical risks	Acute		Impact of typhoons, floods, etc., on number of deaths and costs of structural damage to Nippon Life business locations	→	→	→
			Losses at investee companies due to increased frequency and severity of natural disasters	→	→	→
	Chronic		Increased number of deaths due to hot temperatures and heatwaves in summer, air pollution, infectious diseases and forest fires		→	→
			Losses at investee companies following increased damage from extreme fluctuations in weather patterns			→
Transition risks	Policies and Laws		Stronger energy conservation law related to measures to address global warming	→	→	→
			Declining profitability at investee companies due to introduction and strengthening of carbon-related regulations (carbon tax, emissions trading)	→	→	→
	Technology		Declining competitiveness of existing technology and assets of investee companies following the emergence of new technology		→	→
	Market		Declining demand for investees' products and services due to changes in consumer behavior and preferences	→	→	→
	Reputation		Reputation damaged by insufficient efforts toward addressing climate change	→	→	→

Source: Nippon Life Insurance Company TCFD & TNFD Report 2024 – Page 25 – TCFD Risks & Opportunities¹⁵

¹³ Nippon Life defines short-term, mid-term, and long-term as follows: Short-term: one year. Mid-term: three years. Long-term: 30 years. Nippon Life's Mid-Management Team Plans (NLIC) are three-year plans. We have set the 2050 fiscal target of net-zero emissions as our long term plan. Please refer to page 25 of NLIC TCFD & TNFD Report 2024 for more information.

¹⁴ Environmental KPIs considered by NLGIE include but not limited to; carbon footprint, energy consumption, and waste management.

¹⁵ [FY2024 | Nippon Life Insurance Company](#)

Opportunities

Climate-related opportunities arise from efforts to mitigate adverse environmental impacts brought by arising climate risks and so to adapt to climate change. Opportunities include the use of renewable energy, cost cutting, use of existing or new resources more efficiently, adaptation to low emission energy sources, and expansion and development of new products and services.

Opportunities	Resource Efficiency	▲	Improved production capacity and reduced costs due to efficient use of resources at investee companies	→
	Energy Sources	▲	Stable prices for renewable energy, progress toward energy efficiency	→
	Products and Services	▲	Development of products and services related to global warming	→
		▲	Increased competitiveness due to development of new low-carbon-related technologies by investee companies	→
	Market	▲	Increased demand for investees' products and services due to changes in consumer behavior and preferences	→

Source: Nippon Life Insurance Company TCFD & TNFD Repot 2024 – Page 25 – TCFD Risks & Opportunities¹⁶

Our teams in London, UK, conduct ongoing monitoring of these types of opportunities for our investee companies across the Nippon Life asset management portfolios on behalf of our global offices. These opportunities are also taken into account for the running of our business activities out of the UK office including the use of our business partners, service providers, and suppliers which are managed and monitored by NLGIE.

TCFD Transition Plan

To support the TCFD transition plan set up NLIC, NLGIE evaluates the ESG related outputs of investee companies across the asset management portfolios through a lens that is suited to the characteristics of each asset class to then apply an appropriate ESG rating. For example, our team covering fixed income assets use a ESG rating that derives from the UN's SDGs and is mostly a qualitative analysis. Then, we make investment and finance decisions by incorporating these ESG assessments in terms of their influence on corporate value and creditworthiness. From the advisory and research services we provide in relation to the ESG profile of current assets and potential new investments, the team across our other global offices use ESG ratings in allocation rules, which set the proportion of holdings with high ratings for each asset. This also depends on the investment objective of the fund, for example whether it is an impact fund or only seeking to promote certain environmental or social characteristics.

	Screening areas	Screening assets
Non-humanitarian	Specific weapons manufacturing companies (Cluster munitions, biological weapons, chemical weapons, anti-personnel mines, nuclear weapons)	<ul style="list-style-type: none"> • Equity investments • Bond investments • Corporate loans
Biodiversity/human rights	Palm oil-related companies	
Health	Tobacco-related companies	
Climate change	Coal-related projects (Excluding brownfield projects aligned with 1.5°C pathways) Oil- and gas -related projects (1) Greenfield exploration projects (2) Related projects except resource exploration (Excluding gas-related projects aligned with 1.5°C pathways)	<ul style="list-style-type: none"> • New project finance

Source: Nippon Life Insurance Company TCFD & TNFD Repot 2024 – Page 29 – TCFD Risks & Opportunities¹⁷

Engaging with investee companies on environmental and social themes is another key area of NLIC's TCFD transition plan that has been incorporated within the business activities of NLGIE. In London, the

¹⁶ [FY2024 | Nippon Life Insurance Company](#)

¹⁷ [FY2024 | Nippon Life Insurance Company](#)

teams have developed ESG due diligence questionnaires that are used to engage with investee companies to contribute towards assessing and monitoring climate related risks and opportunities and how the ESG profile of the investee company fits within the ESG objective of the fund as a whole. This questionnaire so far has served as an effective form of engagement with investee companies and is used on an ongoing basis across the Credit and Alternatives functions within the firm.

From the NLIC TCFD Report 2024, there are statistics¹⁸ included on the impact of engagement and dialogue with investee companies to have better sight of and understand our asset management portfolio exposure to climate risk and opportunities.

4. Risk Management

NLGIE has established a risk management framework that is appropriate and proportionate to the advisory and research activities in the UK. The risk management process is overseen by the Board along with the CEO and Compliance Officer. The Board holds overall responsibility for the firm's risk management, including its risk appetite. The Compliance Officer has responsibility for the implementation and enforcement of the firm's approach to risk management which is reported to the Board on an annual basis outlining the risks for the firm and what mitigants are in place.

The Board approach NLGIE's risks through a framework of policy and procedures having regard to the relevant laws, regulations, standards, and principles with the aim to operate a defined and transparent risk management framework that acts independently of the wider group's activities in Japan. This framework also has the goal to be connected to the activities of Nippon Life Group's other global offices to ensure risks at group level are also assessed and monitored on an ongoing basis.

On an annual basis, the NLGIE Corporate team undertake a formal review of the risks, controls, and other risk mitigation measures arrangements and assesses their effectiveness, the conclusions to which help inform the overall risk appetite of the firm for the Board to then review and discuss. At NLGIE, there is no independent Risk Management Committee as the purpose of this is satisfied by the Board. At Group level there is a Risk Management Committee which reviews exposure to all types of risk, including those that are climate related, across all Nippon Life entities globally as well as conclusions from reports made by each Group company on the management of different risks including investment, operational, environmental (climate) and so on.

It is the responsibility of the Board of NLGIE to ensure that any updates or changes to the firm's approach to risk management are communicated to the Group Risk Management Committee. This includes where relevant updates in relation to the firm's approach to climate related risks and opportunities.

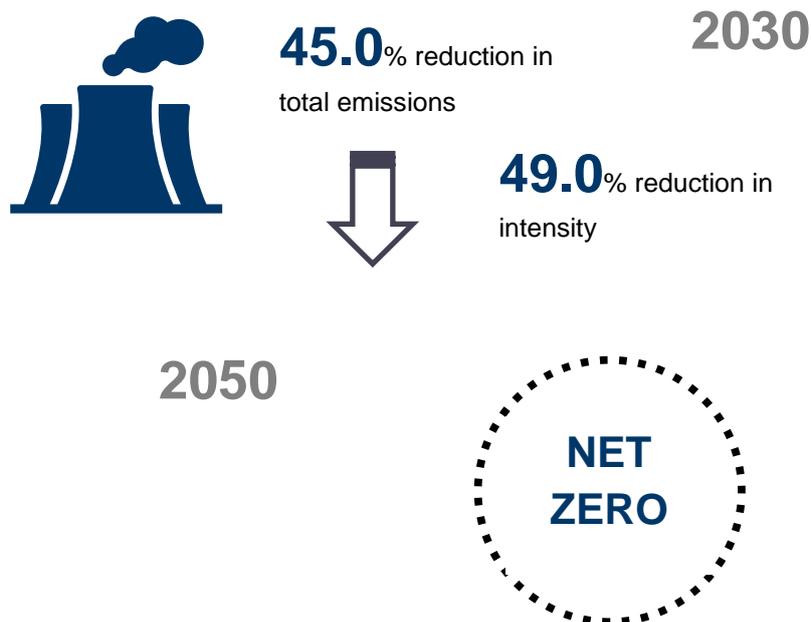
5. Metrics and Targets

To ensure the Nippon Life Group achieve its TCFD transition plan and its overall net-zero target by the fiscal year 2050, specific metrics and targets must be set to support this and help the Group to take appropriate action when needed.

NLIC has outcome targets in the asset management business line which focus on GHG emissions (Scope 1 and 2), GHG intensity, and the contribution to the amount of GHG reductions. These metrics and targets are reviewed and discussed at the Group's Sustainability Committee, held in Japan. These metrics and targets are illustrated below.

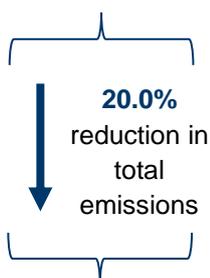
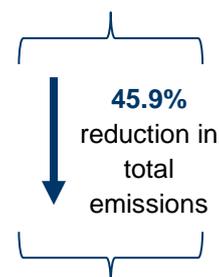
¹⁸ Nippon Life Insurance Company TCFD & TNFD Report 2024 – Pages 31-37 - [FY2024 | Nippon Life Insurance Company](#)

Targets



Present (2022)

Total emissions (10,000 t-CO ₂ e)	Year
2,611	FY 2010
1,412	FY 2022
<i>+0.9% ahead of target for 2030</i>	



Total intensity (t-CO ₂ e/¥100 million)	Year
72	FY 2020
58	FY 2022
<i>29% until intermediary 2030 target is met</i>	

Please refer to pages 28-30 of NLIC's 2024 TCFD Report for more information on these metrics and targets.¹⁹

¹⁹ Nippon Life Insurance Company TCFD & TNFD Report 2024 – Pages 28-30 - [FY2024 | Nippon Life Insurance Company](#)

6. Compliance Statement

I can confirm that the information contained in this report disclosed in a manner which is consistent with the TCFD recommendations and recommended disclosures entity. NLGIE will ensure it maintains a robust internal compliance and governance control framework which underpins this compliance statement.

Mr. Yu Kosaka
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