

Nippon Life Joins Net-Zero Asset Owner Alliance

- Enhancing Efforts to Achieve Net Zero Greenhouse Gas Emissions in
the Investment Portfolio by 2050 -

Nippon Life Insurance Company (President: Hiroshi Shimizu, hereinafter “Nippon Life”) today joined the Net-Zero Asset Owner Alliance (hereinafter “NZAOA”), an international initiative on climate change, to further enhance efforts to address climate change issues in asset management.

Nippon Life has promoted ESG investment and financing from a variety of perspectives, including signing the United Nations Principles for Responsible Investment (hereinafter “PRI”), one of the world's most important ESG investment and financing initiatives, and a Nippon Life employee becoming the first life insurance company appointee as a PRI Board Director¹.

Nippon Life regards climate change with its significant impact on various environmental and social issues as a material ESG risk for asset management, and supports the initiatives of investment and loan portfolio companies toward decarbonization through funding and dialogue. Against this backdrop, Nippon Life is in favor of the Japanese government’s policy to achieve net zero greenhouse gas (hereinafter “GHG”) emissions by 2050 toward realizing a decarbonized and sustainable society, and aims to achieve net zero GHG emissions² in its investment portfolio by 2050.

Through membership in the NZAOA and by working with alliance members in Japan and abroad, Nippon Life will obtain the latest information on scientific analysis related to climate change and GHG measurement methods and so forth that are being discussed in the international community, and will enhance efforts to achieve net zero GHG emissions in its investment portfolio by 2050.

¹ Nippon Life employee Takeshi Kimura (Special Adviser to the Board, Corporate Planning Department, Global Business Department, Finance and Investment Planning Department) was appointed as a PRI Board Director on July 19, 2021. <https://www.nissay.co.jp/english/news/pdf/20210719.pdf>

² Nippon Life’s target covers investee companies’ Scope 1 and 2 emissions. While the main GHGs include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and chlorofluorocarbons, GHG emissions are generally calculated as a CO₂ equivalent. Nippon Life’s target also covers the CO₂ equivalent GHG emissions.

Based on the Japanese government raising its 2030 GHG emissions reduction target, Nippon Life will set an interim 2030 GHG emissions reduction target for its investment portfolio. Furthermore, Nippon Life will expand the assets subject to its net zero target from the domestic listed equities and corporate bonds to include foreign listed equities and corporate bonds.

Going forward, Nippon Life will continue to engage in ESG investment and financing with the aim of contributing to the realization of a sustainable society and to better serve the interest of policyholders.

<Outline of the Net-Zero Asset Owner Alliance>

- The NZAOA is an alliance of asset owners committed to and striving for transition to their investment portfolio with net-zero (virtually zero) GHG emissions by 2050 to meet the Paris Agreement's objective of limiting temperature increase to below 1.5°C.
- As of September 2021, the NZAOA is a group of 49 organizations including insurance companies and pension funds with over USD 7 trillion (approximately JPY 783 trillion) in assets under management.