

August 8, 2025

Nippon Life Insurance Company

Nippon Life to develop Nippon Life Nature Finance Approach

Nippon Life Insurance Company (President: Satoshi Asahi, hereinafter “Nippon Life”) has established Nippon Life Nature Finance Approach (“the Approach”), which provides with a process of quantitatively measuring and evaluating various corporate activities from perspective of nature restoration.

Nippon Life has set a priority issue "Passing on indispensable Earth to the future" in the area of "Environment," which is one of the three key areas under our sustainability management. In particular, for nature, although the urgency of action is extremely high, we recognize that efforts are still on progress in the society as a whole due to its complexity compared to climate change. Therefore, we believe that it is necessary to promote initiatives in both our business activities and asset management field.

Based on this recognition, as a responsible institutional investor, we believe that indicators to evaluate efforts are important in order to further promote corporate efforts toward the restoration of nature, and we have organized a set of practical and simple indicators based on a scientific perspective this time. In the approach, for terrestrial plants (forests, etc.) that are considered to have the big influence on the restoration of nature, Nippon Life has organized indicators from two perspectives, referring to the concept of the “Biosphere Integrity” in the “Planetary Boundaries*1,” which indicate the Earth's limit within which humanity can enjoy well-being.

- (1) From the perspective of the impact on ecosystems, "NPP*2", the energy used by organisms for their survival and growth, and "HANPP*3", the amount of NPP used by humans
- (2) From the perspective of the impact on species, "the population of the target species".

In addition, we also adopt the approach of the DNSH*4 principle, which ensures that no significant negative impacts occur from the environmental and social perspectives.

*1 Proposed by the Stockholm Resilience Centre in 2009. There are nine boundaries in total, including “climate change,” “biosphere integrity,” “land-system change,” and “freshwater change” etc.

*2 Net Primary Production

*3 Human Appropriation of Net Primary Production

*4 Do No Significant Harm

Concept of Nippon Life Nature Finance

Types of Nature Recovery	Projects	Two indicators of the Planetary Boundaries that indicate the critical thresholds of the Biosphere Integrity		DNSH
		Functional (Ecosystems)	Genetic (Species)	
Decrease in HANPP	Various projects except forest conservation and reforestation. (Projects* that avoid or mitigate activities involving deforestation) *Agriculture, Food, Mining, and Real estate etc.	Avoided HANPP	N/A	No significant negative impact from the environment or society.
Increase in NPP	Forest conservation and reforestation (Covers a wide range of forestry projects that are not limited to public or charitable activities)	Increased NPP	Increased population of target species *Put a focus on endangered species	

Nippon Life believes that providing a method for visualizing the direction and impact of corporate efforts is useful in promoting them to achieve restoration of nature, and thus publishes the approach. We will refine the approach as necessary, taking into account trends in international discussions.

In order to develop the approach, we engaged with ERM Japan Ltd., a global specialist sustainability consultancy, to draw on their expertise in operationalizing sustainability at pace and scale.

*The details are available on our website:

<Nippon Life Nature Finance Approach>

<https://www.nissay.co.jp/global/sustainability/esg/pdf/2025-nature-finance-approach.pdf>

<ERM Japan Ltd.>

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