

January 31, 2024

## Launching of “DL Sustainability Finance Frameworks” to Provide Financial Support for Corporate Sustainability Initiatives

- Replacing 100%<sup>1</sup> of bilateral corporate loan flows with sustainable ones in the medium term -

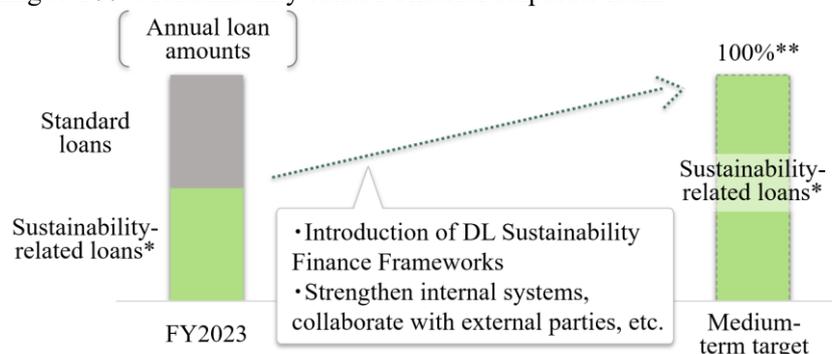
The Dai-ichi Life Insurance Company, Limited (the “Company”; President and Representative Director: Toshiaki Sumino) is pleased to announce that it has launched the “DL Sustainability Finance Frameworks” with the purpose of providing financial support for corporate sustainability initiatives. The frameworks cover six products (see the attachment)—including the first transition loan framework in the Japanese life insurance industry<sup>2</sup>. Each of frameworks has been formulated in line with the relevant international principles and guidelines, and third-party opinions have been obtained from external professional organizations.

Through its asset management activities, the Company aims both to secure investment returns and to help resolve societal issues. To this end, it promotes responsible investment centered on the two key pillars of stewardship activities and ESG investments and loans. Indeed, the Company seeks to contribute to the realization of a sustainable society by providing support for corporate sustainability initiatives.

Because bilateral corporate loans are direct interactions with borrower companies, the Company supports borrower company through providing finance, advice on funds, engagement, and other corporate activities. Therefore, the Company will manage these assets with a further focus on sustainability than before.

The Company has previously provided bilateral corporate loans that are based on sustainability frameworks drawn up by its borrowers, or that contribute to the resolution of their ESG issues. In the medium term, the Company intends to additionally utilize its DL Sustainability Finance Frameworks to replace that 100% of its bilateral corporate loan flows are sustainability-related ones. To encourage corporate sustainability initiatives, the Company intends to strengthen its internal systems, collaborate more closely with external parties, and reinforce its consulting and engagement activities; at the same time, it will monitor the progress of the sustainability initiatives of its borrowers.

<Roadmap for transitioning to 100% sustainability-related bilateral corporate loans>



\* “Sustainability-related loans” refer to loans that are based on the Company’s frameworks or borrowers’ frameworks, or that are judged by the Company to be ESG loans.

\*\* This target relates to bilateral corporate loans only; it excludes loans and subordinated loans that are provided to recipients of financial support, or that are based on special frameworks.

<sup>1</sup> Excludes loans and subordinated loans that are provided to recipients of financial support or that are based on special frameworks.

<sup>2</sup> According to in-house research

## Overview of DL Sustainability Finance Frameworks

\*Third-party feedback can be viewed on the websites of the various assessment organizations

Product	Overview and Aims, and Main Standards and Guidelines	Third-party Assessment Organization
DL Transition Loans	<ul style="list-style-type: none"> <li>• The loans provide support for corporate initiatives for steady greenhouse gas reduction that align with long-term strategies for the realization of a decarbonized society.</li> <li>• Assessments are carried out on borrowers' transition strategies and the alignment of their projects with the strategies.</li> </ul> <p>Main standards and guidelines</p> <ul style="list-style-type: none"> <li>■ Climate Transition Finance Handbook (ICMA<sup>3</sup>)</li> <li>■ Basic Guidelines on Climate Transition Finance (FSA, Ministry of Economy, Trade and Industry, Ministry of the Environment, etc.)</li> <li>■ Financial Institution Net-zero Transition Plans (GFANZ<sup>4</sup>)</li> </ul>	DNV BUSINESS ASSURANCE JAPAN K.K.
DL Green Loans	<ul style="list-style-type: none"> <li>• The loans provide financing for projects that are recognized as leading to clear environmental improvements.</li> <li>• Assessments are carried out on the validity of projects, use of funds, and environmental improvements.</li> </ul> <p>Main standards and guidelines</p> <ul style="list-style-type: none"> <li>■ Green Loan Principles (LMA and others<sup>5</sup>)</li> <li>■ Green Loan and Sustainability-Linked Loan Guidelines (Ministry of the Environment)</li> </ul>	Japan Credit Rating Agency, Ltd.
DL Social Loans	<ul style="list-style-type: none"> <li>• The loans provide financing for projects that are recognized as leading to improvements on societal issues.</li> <li>• Assessments are carried out on the validity of projects, use of funds, and societal contributions.</li> </ul> <p>Main standards and guidelines</p> <ul style="list-style-type: none"> <li>■ Social Loan Principles (LMA and others)</li> <li>■ Social Bond Guidelines (FSA)</li> </ul>	Japan Credit Rating Agency, Ltd.
DL Sustainability Loans	<ul style="list-style-type: none"> <li>• The loans provide financing for projects that meet the conditions for both green loans and social loans.</li> <li>• Assessments are carried out on the validity of projects, use of funds, environmental improvements, and societal contributions.</li> </ul> <p>Main standards and guidelines</p> <ul style="list-style-type: none"> <li>■ Sustainability Bond Guidelines (ICMA)</li> </ul>	Japan Credit Rating Agency, Ltd.

<sup>3</sup> "ICMA" is an acronym of "International Capital Market Association."

<sup>4</sup> "GFANZ" is an acronym of "Glasgow Financial Alliance for Net Zero."

<sup>5</sup> "LMA" is an acronym of "Loan Market Association."

<p>DL Sustainability Linked Loans</p>	<ul style="list-style-type: none"> <li>• The loans provide borrowers with incentives for setting and achieving sustainability performance targets (SPTs) that align with their management strategies. Use of funds is not limited to specific projects.</li> <li>• Assessments are carried out on the validity and ambitiousness of SPTs and KPIs.</li> </ul> <p>Main standards and guidelines</p> <ul style="list-style-type: none"> <li>■ Sustainability Linked Loan Principles (LMA and others)</li> <li>■ Green Loan and Sustainability-Linked Loan Guidelines (Ministry of the Environment)</li> </ul>	<p>Rating and Investment Information, Inc.</p>
<p>DL Positive Impact Finance</p>	<ul style="list-style-type: none"> <li>• The loans seek to create a positive impact on the environment, society, and the economy, with the aim of creating a sustainable society and economy—which is also what the SDGs aim to achieve. Use of funds is not limited to specific projects.</li> <li>• Assessments are carried out on the validity and ambitiousness of KPIs. Where necessary, third-party feedback is also sought on the rationality of the Company’s assessments of individual projects.</li> </ul> <p>Main standards and guidelines</p> <ul style="list-style-type: none"> <li>■ Principles for Positive Impact Finance (UNEP FI<sup>6</sup>)</li> </ul>	<p>Rating and Investment Information, Inc.</p>

\* Loan agreements based on the DL Sustainability Finance Frameworks require the Company’s credit approval. After financing has been provided, borrowers are required to provide Company-prescribed reports on the management of the procured loans (for projects with SPTs and/or KPIs, their status of achievement).

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<sup>6</sup> “UNEP FI” is an acronym of “United Nations Environment Programme Finance Initiative.”