

Policy on Transition Finance

Established on September 30, 2022

The Dai-ichi Life Insurance Company, Limited (the “Company”) stipulates the following policy for its Transition Finance based on the “Basic Policy on Responsible Investment.”

1. Purpose of Transition Finance

The purpose of the Company’s Transition Finance is to proactively support companies aiming at transforming their business models (including their facilities, technologies and other property) toward the realization of a decarbonized society for reductions of greenhouse gas (“GHG”) emissions in line with long-term transition (“Transition”) strategies through funding for such activities (including, for example, project financing targeting specific businesses) and thereby realize net-zero GHG emissions by 2050 in its investment portfolios and contribute to the realization of a decarbonized society.

2. Policy on Transition Finance

(1) The Company chooses to take investment actions prioritizing the realization of long term carbon neutrality for society as a whole.

- As it can be assumed that companies raising funds through Transition Finance are mostly in GHG-intensive industries, investment in Transition Finance could lead to temporal increases in GHG emissions allocated to the Company and negatively impact the achievement of the interim targets for GHG emission reductions in investment portfolios set by the Company. However, considering that low-carbonization/decarbonization of GHG-intensive industries is essential to achieve long-term carbon neutrality for society as a whole, the realization of Transition will be prioritized in investments decision if the investment will contribute to appropriate Transition of companies in those industries regardless of possible impacts on the achievement of the interim targets set by the Company (*1).

(*1) The Company will continue its maximum efforts toward the achievement of the interim targets for GHG emission reductions and manage allocated emissions for investments in Transition Finance in light of the purport of the policy stated above and disclose information about any impact on the achievement of the interim reduction targets when the impact is assessed relatively major.

(2) When making investment decisions, The Company independently examines the validity and feasibility of companies’ Transition strategies in terms of ensuring investment returns in addition to alignment with key Transition Finance guidelines.

- Transition Finance is generally subject to the fulfillment of the four disclosure elements (*2) recommended in the “Climate Transition Finance Handbook” of the International Capital Market Association (ICMA), and for fundraisers that are Japanese companies, the alignment with the “Basic Guidelines on Climate Transition Finance” established by the Ministry of Economy, Trade and Industry (*3). The Company considers that it is preferable that fundraisers obtain ratings from external rating agencies as fulfilling and complying with the aforementioned elements, guidelines and other requirements, and for those that are Japanese companies, align with the “Roadmap for Promoting Transition Finance” (*3) established by the national government agencies including the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism.
- In addition to the above, when making investment decisions, the Company independently examines the validity and feasibility of companies’ Transition strategies in terms of ensuring investment returns based on quantitative information about pathways to decarbonization, internationally and commonly recognized climate change-related scenarios and other concerns. As pathways to low-carbonization and decarbonization for companies may vary depending on their business types, locations and other factors, the Company takes into account these company-specific characteristics in examinations.
 (*2) Element 1: Issuer’s climate transition strategy and governance; Element 2: Business model environmental materiality; Element 3: Climate transition strategy to be ‘science-based’ including targets and pathways; and Element 4: Implementation transparency
 (*3) In each case, references to any guidelines and other materials will be construed as references to the latest versions thereof

(3) The Company will continuously review its decision criteria used in examining companies’ Transition strategies in light of the external environments surrounding the Transition, situations of technological innovations and other elements.

- What kinds of pathways to the realization of a decarbonized society are probable often relies on the trends in the development, implementation and popularization status of decarbonization-related technologies and policies of each country, leaving a number of matters that are currently uncertain. With these circumstances, the Company will continuously review its decision criteria used in examining the validity of companies’ Transition strategies in light of the external environments surrounding the Transition, situations of technological innovations and other elements.

(4) Based on the insights obtained in the detailed examination process of Transition Finance, the Company facilitates improvements in companies’ Transition strategies and more effective

initiatives through the engagements.

- The Company will further work on gathering its insights in examining details of Transition Finance, including by collecting and analyzing best practice cases regarding companies' Transition strategies. Once an investment is made, the Company will regularly check with the target companies about the progress of their Transition strategies and proactively provide them with its feedbacks whenever it obtains any new knowledge through the engagements to facilitate improvements in companies' Transition strategies and more effective initiatives.