

# Nomura Principles for Responsible Banking Report FY2024/25

## Progress on the Implementation of the UN Principles for Responsible Banking

Nomura became a signatory to the UN Principles for Responsible Banking framework in May 2020 and is committed to contributing to the UN Sustainable Development Goals and the Paris Climate Agreement of 2015.



PRINCIPLES FOR  
RESPONSIBLE  
BANKING

# Summary template

<b>Principle 1: Alignment</b>	<b>Principle 2: Impact &amp; Target Setting</b>	<b>Principle 3: Clients &amp; Customers</b>
<p>As a global financial services group with an integrated network that spans Europe, Americas and Asia, Nomura Holdings Inc. (“Nomura” / “Nomura Group” / “The Group”) bridges the gap between investors and issuers by playing an active role in the global capital markets.<sup>[1]</sup></p> <p>Nomura provides a wide range of products and services through its Wealth Management Division, Investment Management Division, and Wholesale Division (Global Markets, Investment Banking and International Wealth Management).<sup>[2][3][4]</sup> The Financial Review section of the Nomura Report 2024 provides the revenue split by business activity and income (before taxes) split by region.<sup>[5]</sup></p> <p>Details on Nomura’s management vision up to FY2025/26 including performance of business segments, strategic themes, KPI and KGI business targets can be found in the Nomura Report within the section on “Strategy for value creation”.<sup>[6]</sup> The Investor Day presentations<sup>[7][8][9]</sup> contain disclosures on client types covered by our Wealth Management business, an illustrative breakdown of the Wholesale revenues across business segments and a breakdown of the assets under management by investor type. The Risk Management Approach section of the Nomura Sustainability Report 2024 provides a breakdown of our carbon related assets by industry.<sup>[10]</sup></p> <p>Nomura’s Founder’s Principles, Corporate Philosophy, Code of Conduct, the Nomura Group Sustainability Statement and Nomura Group Human Rights Policy outline the Group’s endeavor to be a responsible corporate citizen.<sup>[11]</sup></p>	<p>Nomura conducted Impact Analysis for part of its Wholesale Business using the UNEP FI Portfolio Impact Analysis tool and for its Retail business using the UNEP Investment Impact Analysis Tool. The business lines in-scope for the impact analysis constituted approximately 35% of Nomura Group revenue in the periods of assessment.</p> <p>Nomura reviews materiality every year based on trends in the international community and the expectations of stakeholders. Our material issues for 2024 include environmental issues, Japan’s declining birthrate &amp; ageing population and DEI &amp; Human rights and are in line with the nine Sustainable Development Goals outlined in Nomura Report 2024.<sup>[1]</sup></p> <p>The results from the impact identification process and internal stakeholder discussions indicated potential impacts on (a) Climate, (b) Inclusive and Healthy Economies, (c) Strong Institutions, Peace, and Stability, (d) Resource Efficiency, (e) Waste, (f) Integrity and Security of Person.</p> <p>Nomura has selected "Climate" and "Inclusive and Healthy Economies" as its most significant impact areas. "Climate" and "Inclusive and Healthy Economies" had significant overlap with the sustainability initiatives adopted at Nomura Holdings and other various Group companies. Our aim is to increase our positive impacts and decrease our negative impacts in these areas via our activities. Furthermore, other impact areas were not directly linking back to our business model and product offerings.</p> <p><b>Climate</b> In September 2021, we established and announced a roadmap to achieve “net zero” by FY2030/31, targeting net-zero greenhouse gas (GHG) emissions from our own operations, and by FY2050/51 for our investment and loan portfolios.</p>	<p>Nomura has been working towards establishing and fostering responsible relationships with all its clients and customers. The Code of Conduct<sup>[1]</sup> sets the principle for always treating clients responsibly and with integrity. This is accompanied by our policies on Anti Bribery and Corruption, Anti Money Laundering, Whistleblowing<sup>[2]</sup>, Conflict of Interest<sup>[3]</sup>, and Data Privacy<sup>[4]</sup>. All employees follow the Code of Conduct, which sets out guidelines for action, and builds fair and ethical relationships with customers.</p> <p>Nomura updated its ESG Sectoral Appetite Statement in January 2022, outlining financing restrictions, ESG deal screening processes, and alignment with international guidelines for its Wholesale Division.<sup>[5][6][7]</sup></p> <p>All Nomura employees are provided with training on these topics. More specifically, every year, on Nomura Founding Principles and Corporate Ethics Day, a Code of Conduct training is organized under the Conduct Program to foster a high level of professional ethics and compliance awareness. There is confirmation of intention to understand and comply with the Code of Conduct. We have instituted policy, procedure frameworks and training for Treating Customers Fairly, Product Appropriateness and Suitability, Product Governance, Fair Pricing, Product Review and Transparency.</p> <p>In relation to Japan Wealth Management, we established the "Policy on Customer-Oriented Business Conduct" in April 2017 and released target KPIs and the status of implementation of related initiatives.</p>

<p>Nomura's management vision for 2030 is based on our new purpose: "Reaching for Sustainable Growth."<sup>[12]</sup> We are pursuing various initiatives based on the two goals of "Supporting the sustainability initiatives of clients and diverse stakeholders through our business activities" and "Promoting activities such as reducing environmental impact and improving governance in order to ensure that Nomura itself is a sustainable organization."<sup>[13]</sup></p> <p>Nomura's Group Sustainability Statement<sup>[14]</sup> promotes the realization of a sustainable environment and society by informing stakeholders about our approach to sustainability-related activities and our envisaged response to environmental and social risks. As a more detail annex to this statement, we have established the Wholesale Division: ESG Sectoral Appetite Statement<sup>[15]</sup> and the Investment Management Division's Policy regarding Sustainable Lending and Investing<sup>[16]</sup></p> <p>Nomura participates actively in various organizations and initiatives to contribute to the development of society at all times and to fulfill the Nomura Group's corporate social responsibility as a corporate citizen.<sup>[17]</sup></p> <p>In September 2021, we established and announced a roadmap to achieve "net zero" by FY2030/31, targeting net-zero greenhouse gas (GHG) emissions from our own operations, and by FY2050/51 for our investment and loan portfolios. Further details on our objectives and progress can be found in the Nomura Sustainability Report 2024.<sup>[18]</sup></p> <p>Nomura defines risk appetite as the types and level of risk that we are willing to assume in pursuit of its strategic objectives and business plans. The statement is approved by the Executive Management Board and has the consent of the Board Risk Committee.<sup>[19]</sup></p> <p>Detailed disclosures on Nomura Group's efforts for the realization of a sustainable society through our business activities can be found in our Sustainability Report 2024.<sup>[20]</sup> In April 2023, a Chief Sustainability Officer was appointed to further accelerate our sustainability initiatives.<sup>[21]</sup></p>	<p>Net Zero GHG emissions for own operations<sup>[2]</sup></p> <ul style="list-style-type: none"> <li>▪ For own operations, we have announced the target to achieve net zero greenhouse gas emissions.</li> <li>▪ The Group has been promoting and increasing the purchase of renewable electricity. Nomura previously announced its aim to switch the electricity at offices to 100% renewable energy by FY2030/31.</li> <li>▪ Using the market-based approach, Scope 1 and 2 emissions for FY2023/24 were recorded at 21,927 t-CO<sub>2</sub>e, reflecting an 18% decrease from the previous year, after considering the use of renewable energy. (Base Year's Scope 1 and 2 emissions were recorded at 41,476 t-CO<sub>2</sub>e,</li> <li>▪ The adoption ratio of renewable energy, including data centers, reached 74.0% in the fiscal year ended March 31, 2024, surpassing the FY2025/26 target of over 70%.</li> </ul> <p>Net Zero Financed Emissions from Lending and Investment</p> <ul style="list-style-type: none"> <li>▪ In February 2023, we set and announced an interim target for reducing GHG emissions from our lending and investment portfolio to achieve net-zero emissions in FY2050/51. Due to the nature of our business profile, volume of our investment and loan portfolio is small compared to commercial banks, and as of the end of March 2024, our financed emissions across all sectors are approximately 7.5 million t-CO<sub>2</sub>e.</li> <li>▪ At Nomura, Power sector accounts for the largest share of investment and loan portfolio emissions, thus we decided to set our first interim target for this sector.<sup>[3]</sup></li> <li>▪ In addition, in December 2024, we also set additional interim targets for the Automotive Manufacturing and Commercial Real Estate sectors, which have the second largest GHG emissions related to loans and investment after the Power sector.</li> <li>▪ <u>Power sector target:</u> Our target is in line with the power generation mix that IEA NZE scenario assumes for 2030. Our emissions intensity in FY2030/31 shall be lower than that of this scenario.<sup>[2]</sup></li> <li>▪ Our financed emissions in the Power sector slightly decreased from 4.662 mtCO<sub>2</sub>e in FY2022/23 to 4.516 mtCO<sub>2</sub>e in FY2023/24.</li> </ul>	<p>The Wealth Management Division regularly holds Customer Satisfaction (CS) Improvement Liaison Meetings, matters arising from which, are reported to the Executive Management Board, as necessary.<sup>[8][9]</sup></p> <p>Nomura Asset Management undertakes due diligence and analysis of potential investee companies to compute proprietary ESG scores which represent Japanese companies' true ESG abilities. Our impact investing process follows a defined procedure of establishing impact goals, identifying SDG topics, and establishing KPIs to ensure ESG impacts are met. As an institutional investor, we are committed to continuous engagement with portfolio companies and providing proxy voting services to clients. For further details on Nomura Asset Management's initiatives see the Responsible Investment Report 2023.<sup>[10]</sup></p> <p>We actively engage with clients on sustainability related topics by way of conferences, seminars, ESG pitch-books and newsletters. Nomura Greentech maintains dialogue with clients on making investments in sustainable and green businesses. Nomura has the largest client base among Japanese securities companies. We introduce on the Nomura website investment trusts from our ESG product lineup which contribute to the SDGs under the categories of decarbonization, the environment, healthcare, water and SDGs.<sup>[11]</sup> Nomura Greentech hosts an annual Sustainable Leaders' Summit and publishes a bi-annual "Sustainable Heroes" Magazine, bringing the spotlight on global leaders and entrepreneurs with a passion for sustainability.<sup>[12]</sup> The Nomura Connects platform provides thought leadership on a variety of topics including sustainability.<sup>[13]</sup></p> <p>In April 2020, Nomura acquired Greentech Capital Advisors, a US M&amp;A boutique with a strong presence in sustainable technology and infrastructure. The company was fully integrated into the Investment Banking team within the Wholesale Division. In April 2022, we established Greentech Industrials &amp; Infrastructure (GII), a team of approximately 150 bankers working in 11 subsectors, by realigning our existing teams and hiring in focus areas to bolster the organization. GII supports clients in transforming their core infrastructure, from energy, transportation, food, and water</p>
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<p>Nomura Asset Management's Responsible Investment report contains its ESG Statement and Basic Policy for Responsible Investment demonstrating its commitment to Sustainability.<sup>[22]</sup></p> <p>"Drive Sustainability" was created as a call to action to enhance communication of the firm's ESG and SDG initiatives to a wide range of stakeholders.<sup>[23]</sup></p> <p>At the Nomura Sustainability Week held during 09th September 2024 till 19th September 2024, the Head of Group Sustainability and Chief Sustainability Officer jointly presented our sustainability initiatives across different business divisions to a wide range of stakeholders. At the same event, the role of debt capital markets within sustainability was highlighted by the Global Head of the Debt Syndicate business. Nomura Asset Management sustainability initiatives can also be found in their Presentation.<sup>[24]</sup></p>	<ul style="list-style-type: none"> <li>▪ <u>Commercial Real Estate sector target:</u> We set an interim target based on the emissions intensity per square meter of Commercial Real Estate in Japan. Our interim target is 34.3kgCO<sub>2</sub>e /m<sup>2</sup> by end of March 2031.<sup>[2]</sup></li> <li>▪ <u>Automotive Manufacturing sector:</u> We set an interim target for automotive manufacturers based on the emissions intensity of sold automobiles that is expected to decrease from 2023 to 2030 in the NZE scenario and other external scenarios. Our interim target is 102~132 gCO<sub>2</sub>e /vkm by end of March 2031.<sup>[2]</sup></li> </ul> <p><b><u>Inclusive &amp; Healthy Economies</u></b>  Nomura supports its clients' efforts toward transition to a decarbonized society, hence, has aimed to deploy US\$125 billion in sustainable finance projects over the five years from April 2021 to March 2026.<sup>[4]</sup>  Our sustainable financing facilitated is subject to independent assurance.  Baseline: Nomura facilitated approximately \$21.4 billion of financing in FY2021/22<sup>[5]</sup>  Nomura was involved in US\$28.5 billion sustainable financing in FY2023/24 and a total of US\$75 billion since FY2021/22, which illustrates our steady progress toward our goal.<sup>[5]</sup></p> <p>One of the key focus areas for Nomura Securities' Wealth Management division is its 'Workplace Service' business. The business provides financial advice and services for the working-age customers with salaried employee status who utilize their employers' defined contribution pension schemes (401k) or stock compensation plans. The service aims to improve financial literacy and facilitate asset building over the medium to long term. With this service Nomura is contributing to the shift from savings to asset building in Japan as well as to improved human capital management at corporates.</p> <p>Nomura Securities aims to raise the number of accounts receiving workplace services from 3.63 million in FY2023/24 to 3.66 million in FY2024/25.  The baseline is 3.36 million in FY2021/22.<sup>[6]</sup></p> <p>We have created the Green and Social Finance Framework with support from Morningstar Sustainalytics as well as published Transition Finance guidance - both are used to verify and</p>	<p>to waste management systems. GII provides advice to both innovative new entrants and incumbents that are working towards a low carbon, digitalized, and more efficient future. Major GII activities are provided in our Sustainability Report 2024.<sup>[14]</sup></p> <p>Nomura's Infrastructure and Power Financing business (IPF) focuses on originating, structuring, distributing and managing financing for the development and operation of infrastructure, power, telecommunications, and other tangible assets across regions leveraging Nomura's global platform. The team has established a strong global presence with a significant focus on renewable energy projects, including underwriting financing for the largest renewable energy project in the US, SunZia. In Japan, the team has underwritten financing for over 20 transactions related to renewable assets. Major IPF activities are provided in our Sustainability Report 2024.<sup>[15]</sup></p> <p>The Nomura Group is strengthening its efforts for transition finance. The Nomura Group served as a bookrunner in 14 out of 15 transition bonds (nine issuers) in FY2023/24 in the Japanese market and contributed to the popularization of the bonds. Our above-mentioned innovative initiatives are also highly recognized from the markets<sup>[16]</sup></p> <p>In April 2024, we reorganized the Sustainable Business Development Dept. in Japan to enhance our initiatives for sustainability-related businesses. This reorganization allows internal knowledge to be concentrated, expands collaboration with our Industrial Innovation Research Dept., which possesses abundant knowledge of the industrial world, and makes it possible for us to assist our clients extensively in planning and developing strategies and projects.<sup>[17]</sup></p> <p>In response to the growing awareness of environmental and social issues, we created an ESG product lineup comprised of investment trusts with the theme of realizing a sustainable society through investment in and building up of client assets over the medium- to long-term and began offering ESG products primarily to individual investors in July 2020. As of March 2024, our ESG product lineup total sales were ¥800</p>
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	<p>validate the sustainable use of funding.</p> <p>In addition to that, Nomura Group established the "Green Issuance Framework" in August 2024. The potential issuance of green debt aims to mobilize resources to support Nomura's sustainable financing goals.<sup>[7] [8] [9]</sup></p> <p>The Group is committed to promoting sustainable circulation of capital by underwriting green, social and sustainability bonds globally along with transition bonds in Japan, providing financing and advisory services for renewable energy and green technologies as well as developing ESG investment funds.</p> <p>.</p> <p>For detailed information about the progress on our targets please refer to the Supplement section as part of this report.</p>	<p>billion.<sup>[18][19]</sup></p> <p>As part of our initiatives for enhancing of capability to offer high-quality investment products leading to a resolution of social issues, the Nomura Group entered into a strategic partnership with Angeleno Group and invested in a Forestry Fund in 2023. We believe that these initiatives not only lead to offering new management opportunities to clients, but also contribute to the realization of a sustainable society through the circulation of capital directed to these initiatives.<sup>[20]</sup> Nomura Fiduciary Research &amp; Consulting provides asset management services for pension funds based on global ESG investment trends.<sup>[21]</sup></p>
<p><b>Links &amp; references</b></p> <p>[1] <a href="#">Nomura Holdings Website</a>, "About Nomura Group"</p> <p>[2] <a href="#">Nomura Holdings Website</a>, "Wealth Management"</p> <p>[3] <a href="#">Nomura Holdings Website</a>, "Investment Management"</p> <p>[4] <a href="#">Nomura Holdings Website</a>, "Wholesale"</p> <p>[5] <a href="#">Nomura Annual Report 2024</a>, "Financial Review", p.098-102</p> <p>[6] <a href="#">Nomura Annual Report 2024</a>, "Strategy for value creation", p.032-052</p> <p>[7] <a href="#">Investor Day Presentation</a>, "Head of Wealth Management", p.002- 004</p> <p>[8] <a href="#">Investor Day Presentation</a>, "Head of Wholesale", p.0010</p> <p>[9] <a href="#">Investor Day Presentation</a>, "Head of Investment Management", p.004</p> <p>[10] <a href="#">Nomura Sustainability Report</a>, "Breakdown of Carbon Related Assets", p. 028</p> <p>[11] <a href="#">Nomura Holdings Website</a>, "Our Commitment to Sustainability"</p> <p>[12] <a href="#">Nomura Annual Report 2024</a>, "CEO Message", p.007</p> <p>[13] <a href="#">Nomura Sustainability Report</a>, "Nomura Group's Approach to Sustainability", p.007</p> <p>[14] <a href="#">Nomura Holdings Website</a>, "Nomura Group Sustainability Statement"</p> <p>[15] <a href="#">Wholesale ESG Sectoral Appetite Statement</a>, "Our Sector Approach", p.002</p> <p>[16] <a href="#">Investment Management Division: Policy regarding Sustainable Lending and Investing</a>, "Annex to Nomura Group Sustainability Statement", p.001-002</p> <p>[17] <a href="#">Nomura Holdings Website</a>, "Participation in Initiatives for Sustainability"</p>	<p><b>Links &amp; references</b></p> <p>[1] <a href="#">Nomura Annual Report 2024</a>, "Materiality", p.029-030</p> <p>[2] <a href="#">Nomura Sustainability Report 2024</a>, "Net Zero Initiatives", p.031-033</p> <p>[3] <a href="#">Nomura Annual Report 2024</a>, "Initiatives for Scope 3 Category 15 (Financed Emissions)", p.063</p> <p>[4] <a href="#">Nomura Sustainability Report 2024</a>, "Sustainable Finance", p.016-018</p> <p>[5] <a href="#">Nomura Sustainability Report 2024</a>, "Sustainable Finance", p. 079</p> <p>[6] <a href="#">Nomura Annual Report 2022</a>, "Business growth/KPI", p. 023</p> <p>[7] <a href="#">Nomura Holdings Website</a>, "Green and Social Finance Framework"</p> <p>[8] <a href="#">Nomura Holdings Website</a>, "Transition Finance Guidance"</p> <p>[9] <a href="#">Nomura Holdings Website</a>, "Green Issuance Framework"</p>	<p><b>Links &amp; references</b></p> <p>[1] <a href="#">Nomura Holdings Website</a>, "Code of Conduct"</p> <p>[2] <a href="#">Nomura Holdings Website</a>, "Compliance"</p> <p>[3] <a href="#">Nomura Holdings Website</a>, "The Nomura Group Conflicts of Interest Management Policy"</p> <p>[4] <a href="#">Nomura Holdings Website</a>, "Nomura Group Privacy Policy"</p> <p>[5] <a href="#">Nomura Sustainability Report 2024</a>, "Initiatives for Human Rights Due Diligence", p.054</p> <p>[6] <a href="#">Wholesale ESG Sectoral Appetite Statement</a>, "Our Sector Approach", p.002-004</p> <p>[7] <a href="#">Nomura Sustainability Report 2024</a>, "Transaction Committee Process", p.030</p> <p>[8] <a href="#">Nomura Holdings Website</a>, "Improving Products and Services"</p> <p>[9] <a href="#">Nomura ESG Data 2024</a>, "Social", p.003</p> <p>[10] <a href="#">Responsible Investment Report 2023</a></p> <p>[11] <a href="#">Nomura Sustainability Report 2024</a>, "Expansion of Sustainability-related Investment", p.020</p> <p>[12] <a href="#">Nomura Greentech Website</a>, "Sustainable Heroes"</p> <p>[13] <a href="#">Nomura Connects</a>, "Sustainability."</p> <p>[14] <a href="#">Nomura Sustainability Report 2024</a>, "Providing M&amp;A Advisory Service", p.019</p> <p>[15] <a href="#">Nomura Sustainability Report 2024</a>, "Infrastructure &amp; Power Finance" p.018</p> <p>[16] <a href="#">Nomura Sustainability Report 2024</a>, "Receiving High Recognition" p.018-019</p> <p>[17] <a href="#">Nomura Sustainability Report 2024</a>, "Sustainable finance" p.016</p> <p>[18] <a href="#">Nomura Sustainability Report 2024</a>, "Expansion of</p>

<p>[18] <a href="#">Nomura Sustainability Report 2024</a>, “Roadmap to Decarbonized Society”, p. 030</p> <p>[19] <a href="#">Nomura Holdings Website</a>, “Risk Management”</p> <p>[20] <a href="#">Nomura Sustainability Report 2024</a>, “Nomura Group's sustainability initiatives”, p.016-019</p> <p>[21] <a href="#">Nomura Sustainability Report 2024</a>, “Chief Sustainability Officer”, p.013</p> <p>[22] <a href="#">Responsible Investment Report 2023</a>, “Basic Policy for Responsible Investment”, p.019</p> <p>[23] <a href="#">Nomura Holdings Website</a>, “Nomura to Partner with Stakeholders to Drive Sustainability”</p> <p>[24] <a href="#">Nomura Holdings Website</a>, “Presentations, Nomura Sustainability Week”</p>		<p>Sustainability-related Investment Products” p.020</p> <p>[19] <a href="#">Nomura Annual Report 2024</a>, “Nomura highlights”, p. 016</p> <p>[20] <a href="#">Nomura Sustainability Report 2024</a>, “Investment in a Forestry Fund”, p.020</p> <p>[21] <a href="#">Nomura Sustainability Report 2024</a>, “Providing Research Services in the Field of Sustainability”, p.021</p>
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<p><b>Principle 4: Stakeholders</b></p>	<p><b>Principle 5: Governance &amp; Culture</b></p>	<p><b>Principle 6: Transparency &amp; Accountability</b></p>
<p>Nomura classifies stakeholders into five categories, identifies the interests of each stakeholder, and works to respond to those interests.<sup>[1]</sup> Topics of discussions with stakeholders include economic, social (human rights and labor), anti-corruption, and environmental issues. Detailed disclosures on our responses &amp; efforts to cater to the stakeholder's interests are highlighted on the Nomura Holdings Website.<sup>[2]</sup></p> <p>As part of our interaction with stakeholders, we participate in the Japan Network for the United Nations Global Compact and the United Nations PRI, as well as CDP and the Principles for Financial Action for the 21st Century. We also participate in The Climate Bonds Initiative to promote green bonds as a partner.<sup>[2]</sup></p> <p>Additionally, Nomura Asset Management engages with portfolio companies on 09 priority topics. Detailed information on its engagement efforts and examples of engagement can be found on pages 59-75 of their Responsible Investment Report 2023.<sup>[3]</sup></p> <p>Nomura held its annual Sustainability Week in Tokyo in September 2024, featuring presentations on the company's sustainability initiatives and research. The event covered topics such as decarbonization, impact investment, and human capital, bringing together corporate executives and experts to discuss various sustainability themes.</p> <p>We participate in the GX League established in February 2022 by the Ministry of Economy, Trade, and Industry. We have served as the chair for a GX Business Working Group, one of the key initiatives of the GX League, since the September 2022 establishment.<sup>[4]</sup> In addition to participating in domestic and overseas initiatives, the Nomura Group engages in wide-ranging dissemination activities by actively seizing opportunities to participate in rule-making activities and to express opinions in the area of sustainability.</p> <p>A detailed for participation in advocacy and rule-making activities and the major initiatives the Nomura Group participates</p>	<p>The Board of Directors offers advice from various perspectives on reports by executive officers pertaining to sustainability initiatives, based on Nomura's basic sustainability policy.<sup>[1]</sup> In 2023/24, the Board conducted discussions on sustainability related topics a total of 9 times, covering themes such as UN PRB report, transition plan, integrated report etc.<sup>[2]</sup></p> <p>Nomura has established the Sustainability Committee, comprising members designated by the Group CEO that include the Executive Management Board members, to deliberate and make decisions on strategies related to sustainability promotion including contributing to SDGs. Sustainability Forums have been established since FY2023/24 to provide opportunities for more flexible and substantive discussions on sustainability by executives across divisions and regions. The forums arose through expanded reorganizing of the Sustainability Council, which was established in August 2021.<sup>[3]</sup></p> <p>The Governance section of the Nomura Sustainability Report 2024 contains further details on Nomura's governance structure, topics of discussions at Board of Directors meetings, Sustainability Committee meetings and Sustainability Council meetings.<sup>[1]</sup></p> <p>The Responsible Investment Council in the Nomura Asset Management business consists of independent directors and external experts, making up much of the Council. The Council supervises, finalizes, and recommends policies to the Responsible Investment Committee.<sup>[4]</sup></p> <p>Section 18 of our Code of Conduct relates to contribution to a sustainable society and details Nomura's view on sustainability and steps each of us can take to contribute to a sustainable society.<sup>[5]</sup> Based on the pay-for-performance principle, compensation supports the Group business strategy, objectives and the aim of sustainable growth, while at the same time it ensures the maintenance of sound and market-competitive remuneration practices.<sup>[6]</sup></p>	<p>Nomura obtains limited assurance on certain metrics of its ESG Data section by Ernst and Young Shinhon LLC.<sup>[1]</sup></p> <p>The metrics having third party limited assurance include:</p> <ul style="list-style-type: none"> <li>• Sustainable Finance, Capital Raised</li> <li>• Total Scope 1, 2 (market-based) emissions</li> <li>• Renewable electricity purchased, Percentage of renewable electricity.</li> </ul> <p>Nomura has enhanced its sustainability reporting and transparency by aligning with various international standards and guidelines. The company's website and annual report adhere to Global Reporting Initiative (GRI) standards, and Nomura publishes an annual GRI disclosure referencing its reporting across multiple platforms. In addition to GRI, Nomura's reporting framework refers to several other respected organizations' guidelines, ensuring a comprehensive approach that meets a wide range of global and local standards.<sup>[2]</sup></p> <p>Internal Climate Risk measures, including Carbon Related Assets and High Transition Risk metrics,<sup>[3]</sup> are now established and regularly monitored.</p> <p>Nomura continues to prioritize sustainability as a key management strategy, supporting clients and stakeholders while improving risk management and reducing environmental impact. The company's efforts have been recognized through multiple awards and inclusions in prestigious indices. Notably, Nomura received The Banker's Investment Bank of the Year Award in Sustainable categories for four consecutive years starting 2020. Additionally, Nomura has been included in various ESG indices such as the Dow Jones Best-in-Class Indices and MSCI World ESG Leaders Index.<sup>[4][5][6][7]</sup></p> <p>Detailed descriptions of our sustainability initiatives and direction for the future can be found in our Sustainability Report<sup>[7][8][9]</sup></p>

<p>in can be found in the Nomura Sustainability Report 2024.</p> <p>Nomura has been providing financial education programs for people of all ages, ranging from children to adults for more than 20 years, commencing in 1999. Key initiatives in this space are highlighted in the Nomura Sustainability Report 2024.<sup>[5]</sup></p>	<p>Nomura is working to raise awareness of sustainability among its executive officers and employees by providing learning opportunities.<sup>[7]</sup> Nomura leadership communicates on sustainability matters using various forums such as Investor Day, Sustainability Week, and Investor Forum.<sup>[8]</sup></p> <p>To adhere to and promote sustainability standards, our annual reporting and external website are IIRC, GRI and SASB compliant.<sup>[9]</sup> In 2022, we revised our environmental policy to reflect advances in our initiatives on the environment and changes in the social environment.<sup>[10]</sup> In Japan, we have established an environmental management system to promote environmental impact reduction by setting environmental targets and implementing a PDCA cycle. Nomura London has held ISO 14001 certification since 2007, updating to the 2015 revision in 2018. In 2015, it also obtained ISO 50001 certification for energy management. The company utilizes ICMA and CBI labels in its bond transactions.<sup>[11]</sup></p> <p>Nomura has integrated ESG and climate risk considerations into its business practices. All relevant transactions and underlying client activities in the Wholesale business are screened for ESG risks as part of the transaction approval. The company has developed methodologies to incorporate ESG factors into credit ratings and assessments, created climate risk scenarios, and provided staff training on these new frameworks. Nomura recognizes both the risks and opportunities associated with climate change in its business model. To identify ESG risks, including physical and transition climate risks, the company has developed sectoral and country heatmaps using data from sources like UNEP-FI and other external providers. These tools are used in various risk management processes and can be applied to both on-balance and off-balance sheet exposures. For more detailed information on Nomura's climate risk strategy, refer to the Nomura Sustainability Report 2024.<sup>[12]</sup></p>	
<p><b>Links &amp; references</b></p> <p>[1] <a href="#">Nomura Holdings Website</a>, “Stakeholder Engagement”</p> <p>[2] <a href="#">Nomura Holdings Website</a>, “Communication with Stakeholders”</p> <p>[3] <a href="#">Responsible Investment Report 2023</a>, “Review of Priority Topics”, p.070</p> <p>[4] <a href="#">Nomura Sustainability Report 2024</a>, “Initiatives at GX Business Working Group”, p.046</p>	<p><b>Links &amp; references</b></p> <p>[1] <a href="#">Nomura Sustainability Report 2024</a>, “Board of Directors”, p.011-013</p> <p>[2] <a href="#">Nomura Annual Report 2024</a>, “Directors of Nomura Holdings”, p.063-064</p> <p>[3] <a href="#">Nomura Holdings Website</a>, “Promoting Sustainability”</p> <p>[4] <a href="#">Responsible Investment Report 2023</a>, “Our Strengths in Responsible Investment”, p.004</p>	<p><b>Links &amp; references</b></p> <p>[1] <a href="#">Nomura Holdings Website</a>, “ESG Data 2024”</p> <p>[2] <a href="#">Nomura Holdings Website</a>, “GRI Standards”</p> <p>[3] <a href="#">Nomura Sustainability Report 2024</a>, “Credit Exposure Analysis”, p.025-30</p> <p>[4] <a href="#">Nomura Holdings Website</a>, “Awards and Recognition”</p> <p>[5] <a href="#">Responsible Investment Report 2023</a>, “NAM's initiatives on PRI”, p. 017</p>

<p>[5] <a href="#">Nomura Sustainability Report 2024</a>, “Nomura Group’s sustainability initiatives - Provide value to society”, p.038-042</p>	<p>[5] <a href="#">Nomura Holdings Website</a>, “Nomura Group Code of Conduct”, p049-050          [6] <a href="#">Nomura Holdings Website</a>, “Compensation Policies and Practices for Nomura Group’s Talent”          [7] <a href="#">Nomura Sustainability Report 2024</a>, “Capability building through Sustainability Training”, p.021          [8] <a href="#">Nomura Holdings Website</a>, “Presentations”          [9] <a href="#">Nomura Holdings Website</a>, “Reference Guidelines”          [10] <a href="#">Nomura Sustainability Report 2024</a>, “Environmental Policy”, p.008          [11] <a href="#">Nomura Holdings Website</a>, “Environmental Management”          [12] <a href="#">Nomura Sustainability Report 2024</a> “Assessment of Climate Risk”, p. 027; “Portfolio-Wide Approach: Credit Exposure Analysis”, p.027; “Portfolio-Wide Approach: Scenario Analysis”, p.028</p>	<p>[6] <a href="#">Nomura Holdings Website</a>, “Nomura Included in 2023 Bloomberg Gender-Equality Index”          [7] <a href="#">Nomura Holdings Website</a>, “Nomura Sustainability Week”          [8] <a href="#">Nomura Holdings Website</a>, “Nomura Sustainability Week, President and CEO, Nomura Asset Management Co., Ltd.”          [9] <a href="#">Nomura Holdings Website</a>, “Nomura Sustainability Week, Head of Debt Syndicate Nomura International plc ”</p>
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# Supplements templates

## Principle 2: Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products, and services. To this end, we will set and publish targets where we can have the most significant impacts.

### Impact Analysis

Show how your bank has identified, prioritized, and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target-setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.

The impact analysis should include assessment of the relevance of the four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector](#), as part of its initial or ongoing impact analysis.

### Links & references

- [1] [Responsible Investment Report 2023](#)
- [2] [Nomura Annual Report 2024](#), “Materiality”, p.029-030
- [3] [Responsible Investment Report 2023](#), “Materiality”, p.010
- [4] [Nomura Sustainability Report 2024](#), “Nomura Group’s Sustainability Initiatives”, p. 016-022
- [5] [Nomura Annual Report 2024](#), “Initiatives for 2030”, p. 047
- [6] [Nomura Sustainability Report 2024](#), “Search Fund”, p. 022
- [7] [Nomura Sustainability Report 2024](#), “History of initiatives toward financial education”, p. 038-039
- [8] [Nomura Sustainability Report 2024](#), “Nomura Financial Wellness Program”, p. 065
- [9] [Nomura Holdings Website](#), “Nomura Updates Group Diversity, Equity and Inclusion Statement”

### Response

As a diversified financial institution, we recognize the challenges of conducting firm-wide analyses. Our approach is to focus on high priority areas where impacts can be directly addressed.

#### UNEP FI Tool

In Year 1 of the assessment, Nomura conducted Impact Analysis for part of its Wholesale Business using the UNEP FI Portfolio Impact Analysis tool. Following the methodology, the tool was applicable only for the Investment Banking and Global Markets’ advisory, financing and origination businesses. In Year 2, we have expanded scope of the Impact Analysis to include our Retail business using the UNEP Investment Impact Analysis Tool. The business lines in-scope for the impact analysis constituted approximately 35% of Nomura Group revenue in the periods of assessment.

The International Wealth Management and Global Markets’ Trading businesses have not yet been included in scope for the analysis using the UNEP FI tools. The Asset Management Division has been excluded from scope due to coverage under UN Principles for Responsible Investing (UN PRI) framework.<sup>[1]</sup>

#### Materiality Assessment

In consideration of the environment surrounding Nomura, we have identified specific issues that should be addressed (“materiality”) focusing on not only enhancing Nomura’s corporate value but also creating social value in relation to fulfilling a better world for all stakeholders. We review materiality every year based on trends in the international community and the expectations of stakeholders. Our material issues for 2024 include environmental issues, Japan’s declining birthrate & ageing population and DEI, Human rights and human capital and are in line with the following nine Sustainable Development Goals:<sup>[2]</sup>

- SDG 4 – Quality Education
- SDG 5 – Gender Equality
- SDG 7 – Affordable and Clean Energy
- SDG 8 – Decent Work and Economic Growth

- SDG 9 – Industry, Innovation, and Infrastructure
- SDG 10 – Reduced Inequalities
- SDG 12 – Responsible Consumption and Production
- SDG 13 – Climate Action
- SDG 16 – Peace Justice and Strong Institutions.

Disclosures on the Materiality Identification Process, Nomura's understanding of the environment surrounding Nomura and risks, opportunities, issues, and details to work on can be found in the Nomura Report 2024.<sup>[2]</sup>

Nomura Asset Management, in line with its role as an institutional investor and operating company, also details its key material issues in its Responsible Investment Report 2023.<sup>[3]</sup>

The sustainability challenges of geographies and the positive and negative impacts associated have been analyzed to determine the impact areas with respect to the business lines in scope.

#### Wholesale Impact Analysis

The revenue information for the selected business lines was considered from our entire global operations, however, we prioritized top fifteen client geographies for further research and analysis as per the tool. Key client sectors analysed include Financial Institutions, Technology, Media and Telecom, Real Estate, Gaming and Leisure, Industrials, Consumer/ Retail, Healthcare, Energy and Infrastructure and Public Sector.

#### Retail Impact Analysis

The impact analysis for our retail business is based on asset classes, sectors, and exposures of Retail Client Assets in them. Approximately 98% of our Retail Client Assets were analyzed across asset classes such as equities (listed) and fixed income (corporate bonds, government bonds and mortgages). Key sectors analyzed were Automobiles and Components, Banks, Capital Goods, and Retailing, among others.

#### Analysis Result

The results from the impact identification process and internal discussions indicated potential impacts on (a) Climate, (b) Inclusive and Healthy Economies, (c) Strong Institutions, Peace, and Stability, (d) Resource Efficiency, (e) Waste, (f) Integrity and Security of Person.

To consider significant impacts we have undertaken cross-functional engagement with key Business areas and functions such as Risk Management, Group Strategy, and the Group Sustainability.

#### Country-Sector Analysis

For the businesses in-scope for the Impact Analysis, we analyzed the positive and negative impacts of our sectoral exposures in the key countries of operation during the impact identification process. Potential positive and negative impacts as well as the challenges and priorities at a country level were acknowledged during internal discussions.

#### Most Significant Impact Areas

Nomura has selected "Climate" and "Inclusive and Healthy Economies" as its most significant impact areas. "Climate" and "Inclusive and Healthy Economies" had significant overlap with the sustainability initiatives adopted at Nomura Holdings and other various Group companies. Our aim is to increase our positive impacts and decrease our negative impacts in these areas via our activities. Furthermore, other impact areas were not directly linking back to our business model and product offerings.

#### Opportunities and Initiatives for Selected Impact Areas

##### **Climate**

Nomura recognizes the growth opportunities related to Climate as an Impact Area. Nomura seeks to support its clients in their efforts to decarbonize and resolve social issues to realize a carbon neutral, decarbonized and a sustainable society. As we transition to a decarbonized society, some of the growth opportunities lie in the form of:<sup>[4]</sup>

- Providing M&A Advisory Service in the Field of Sustainability
  - Help clients resolve sustainability issues by providing strategic advisory services & leveraging the comprehensive capabilities, knowledge, and expertise.
  - Contribute to a more sustainable and resilient energy future by providing financing for green projects and other energy infrastructure assets
- Expansion of Sustainability-related Investment Products and Investment Opportunities
  - Offering of the ESG Investment Trusts to Individual Investors
  - Enhancement of Capability to Offer High-quality Investment Products Leading to a Resolution of Social Issue
- Providing Total Solutions in the Field of Sustainability:
  - Providing Research Services in the Field of Sustainability
  - Launch of the ESG Share Buyback Service
  - Real business consulting for the food and agriculture and healthcare field

Nomura is actively working to respond to climate change by aiming for net zero for our own operations and our investment portfolios. We are also actively working to enhance our climate-related financial disclosures.

### **Inclusive and Healthy Economies**

The Nomura's management vision 2030 is "Reaching for sustainable growth". We believe it is our duty to help resolve social issues through our sustainable-related businesses to realize a sustainable society.<sup>[2]</sup> The Group is committed to promoting sustainable circulation of capital by underwriting sustainable-related bonds globally and transition bonds in Japan, financing green technologies and renewable energy projects and providing strategic advisory services such as M&A to these sectors, and by developing ESG investment funds. Nomura seeks to support its clients in their efforts to decarbonize and resolve social issues to realize a decarbonized and sustainable society. We will contribute to the realization of a sustainable society by actively engaging in sustainable finance.

Since the first green bond issuance by a domestic company in Japan in 2016 by Nomura Research Institute, Nomura Group has been actively engaged in various deals in sustainable finance, contributing to the environment and society through capital markets. In FY 2023/24, Nomura not only ranked No.1 for ESG Bond Underwriting in Japan but also achieved a global ranking of No.9. We are looking to expand sustainable finance by:<sup>[4]</sup>

- Increasing underwriting opportunities in line with higher capital investment needs related to decarbonization (transition finance).
- Origination of green projects for renewable energy such as solar and wind power.

In line with the purpose of NISA (Nippon (Japan) Individual Savings Account), Nomura has prepared products that contribute to medium-to-long term asset building for individuals. The Group has also expanded its product lineup for defined contribution pension plans (DC). To capture growing investment flows in NISA, Nomura will focus on expanding our investor base and assets through following initiatives:<sup>[5]</sup>

- providing products across diverse distribution channels nationwide,
- supporting consulting capabilities of distribution companies and leveraging media promotion.

Nomura Research & Advisory established the Japan Search Fund Platform Investment Limited Partnership (JSFP) in December 2021 jointly with Japan Search Fund Accelerator, Inc. Nomura offers a wide range of financial services including corporate M&A advisory services, financing, and investment management to meet the business succession needs of clients across Japan. Nomura and JaSFA aim to solve social issues such as the shortage of successors due to the aging society as well as offer profit opportunities to investors in the private market. JSFP hired seven searchers by July 2023 and achieved three business succession cases by June 2024.<sup>[6]</sup>

Nomura Group has been undertaking initiatives for financial education dating back the 1990s. It began sponsoring the Nikkei Stock League, a contest-style program for learning about finance and economics in schools, in 2000 and courses for university students in 2001, with both expanding in scope since then. The Financial Well-being Dept. was established in April 2022 by Nomura Securities to integrate and strengthen capabilities within the Group to provide financial education. The head of branch office at each Nomura Securities branch in Japan is responsible for promoting financial well-being, and opportunities to learn about money are being offered mainly in the form of off-site lectures and seminars to individuals in a diverse range of age groups and attributes in accordance with the distinct profiles of each community and region.<sup>[9]</sup> Nomura has provided financial education to a total of 1,104,433 individuals and 5,081 schools as of March 2024.<sup>[7]</sup>

In February 2024 the Nomura Group started providing "Nomura Financial Wellness Program: Can You Calculate Your Pension?", a financial education program for Nomura's employees aimed at improving their financial well-being and engagement. In the current phase, the program is available to the employees of Nomura Holdings and Nomura Securities.<sup>[8]</sup>

One of the key focus areas for Nomura Securities' Wealth Management division is its 'Workplace Service' business. The business provides financial advice and services for the working-age customers with salaried employee status who utilize their employers' defined contribution pension schemes (401k) or stock compensation plans. The service aims to improve financial literacy and facilitate asset building over the medium to long term. With this service Nomura is contributing to the shift from savings to asset building in Japan as well as to improved human capital management at corporates. Nomura Securities aims to raise the number of accounts receiving workplace services from 3.63 million in FY2023/24 to 3.66 million in FY2024/25. Nomura is committed to attracting and retaining the best and diverse talent and to fostering an inclusive culture. In line with Nomura Group's Diversity, Equity and Inclusion (DEI) Statement, Nomura is committed to providing an environment where everyone can grow authentically and maximize their potential. We believe that this is a source of competitiveness and innovation that contributes to our goal of creating a better world by harnessing the power of financial markets.<sup>[9]</sup>

Through our efforts, we seek to increase our positive impacts on Inclusive and Healthy Economies across key sectors as an impact area in our countries of operation.

### **Targets, Target Implementation, and Action Plans/Transition plans**

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/ Transition plans and Milestones.

Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector \(2024\)](#).

### **Links & references**

- [1] [Nomura Group Sustainability Statement](#), "Participation in International Initiatives", p.004
- [2] [Nomura Sustainability Report 2024](#), "Risk Management Approach" (CRA)", p.027
- [3] [Nomura Sustainability Report 2024](#), "Net Zero Initiatives", p.031-033
- [4] [Nomura Holdings Website](#), "ESG Data"
- [5] [Nomura Holdings Website](#), "Assurance Report"
- [6] [Nomura Annual Report 2024](#), "Initiatives for Scope 3 Category 15 (Financed Emissions)", p.063

[7] [World Energy Transitions Outlook 2023 \(International Renewable Energy Agency\)](#), "An enduring investment gap" P.25

[8] [Nomura Sustainability Report 2024](#), "Sustainable Finance", p.016-018

[9] [Nomura Holdings Website](#), "Green and Social Finance Framework"

[10] [Nomura Holdings Website](#), "Transition Finance Guidance"

[11] [Nomura Holdings Website](#), "Green Issuance Framework"

[12] [Nomura Sustainability Report 2024](#), "Sustainable Finance", p. 078

Nomura has been committed to embedding the UN Principles across its business divisions by way of aligning the firm's activities to the SDGs and the Paris Climate Agreement. We have selected "Climate" and "Inclusive and Healthy Economies" as areas that will have the most significant impacts, and we are working to address them. We committed to three objectives: achieving net zero GHG emissions from our own operations by 2030; achieving net zero GHG emissions from our lending and investment portfolios by 2050; and aiming to deploy \$125 billion in sustainable financing in the five years to March 2026. We are also aligned with and participate in various international frameworks.<sup>[1]</sup>

#### Climate

In September 2021, we established and announced a roadmap to achieve "net zero" by FY2030/31, targeting net-zero greenhouse gas (GHG) emissions from our own operations, and by FY2050/51 for our investment and loan portfolios.

In February 2023, Nomura set and announced an interim target for reducing GHG emissions from its lending and investment portfolio in line with our commitment to net zero by 2050.

Our carbon-related assets are defined as those assets tied to the following four non-financial groups: "Energy," "Transportation," "Materials and Buildings" and "Agriculture, Food and Forest Product". In-scope exposures are identified using our industry level sectors, which align most closely to the GICS sectors in scope of each measure. We monitor and disclose this metric as part of our Sustainability report disclosures.<sup>[2]</sup>

#### ■ Net Zero GHG emissions for own operations<sup>[3]</sup>

- For own operations, we have announced the target to achieve net zero greenhouse gas emissions (Metric: t-CO<sub>2</sub>e; Baseline Year: FY2020/21: 41,476 t-CO<sub>2</sub>e; FY2021/22: 33,634 t-CO<sub>2</sub>e; FY2022/23: 26,656 t-CO<sub>2</sub>e; FY2023/24: 21,927 t-CO<sub>2</sub>e; 2030 Target: Net Zero).
- The Group has been promoting and increasing the purchase of renewable electricity. Nomura previously announced its aim to switch the electricity at offices to 100% renewable energy by 2030. (FY2020/21: 25.4%; FY2021/22: 33.6% FY2022/23: 67.8% FY2023-24: 74%; FY2025/26 Target: Over 70%; 2030 Target: 100%).
- The Sustainability Committee has oversight of and governs the progress on Own Emissions Target (Scope 1 and 2).
- Our scope 1 and 2 GHG emissions data, along with the list of calculation standards, energy consumption data including percentage of renewable power, is reported in the ESG Data section of the Nomura Website. The scope 1 and 2 GHG emissions data is subject to independent assurance annually.<sup>[4][5]</sup>
- Using the market-based approach, Scope 1 and 2 emissions for FY2023/24 were recorded at 21,927 t-CO<sub>2</sub>e, reflecting an 18% decrease from the previous year, after considering the use of renewable energy.
- The adoption ratio of renewable energy, including data centers, reached 74.0% in the fiscal year ending March 31, 2024, surpassing the FY2025/26 target of over 70%<sup>[3]</sup>

#### ■ Net Zero Financed Emissions from Lending and Investment Portfolios<sup>[3]</sup>

- We have a long-term target for 2050 to align financed emissions in lending and investment portfolios to Net Zero
- Nomura measured its GHG emissions and set interim targets to reach net zero emissions in its investment and loan portfolio. Breakdown of our financed emissions for the year 2024 is as follows<sup>[4][6]</sup>: -
  - Power – 60%
  - Transport – 10%
  - Commercial & Residential Real Estate – 5%
  - Oil & Gas – 2%
  - Other – 22%
- To meet our Net Zero 2050 financed emissions (Scope 3 Cat 15) target, we have established a Net Zero Steering Committee, a Group-wide forum reporting into the Group Sustainability Forum.
- Our milestones include adopting a GHG accounting methodology, analyzing our current emissions, and preparing a trajectory pathway for 2050.
- The Power sector currently accounts for the largest share of global sectoral GHG emissions, and demand for electricity is expected to increase in the future due to global population growth, GDP growth, and the promotion of electrification. At Nomura, too, Power sector accounts for the largest share of investment and loan portfolio emissions, thus we decided to set our first interim target for this sector.<sup>[6]</sup>
- In addition, in December 2024, we also set additional interim targets for the Automotive Manufacturing and Commercial Real Estate sectors, which have the second largest GHG emissions related to loans and investment after the Power sector.
- Taking into account the weight of both sectors in our lending and investment portfolio, in the Automotive Manufacturing sector, we set an interim target for the emissions intensity of sold vehicles that is expected to decrease from 2023 to 2030 in the NZE scenario and other external scenarios. In the Commercial Real Estate sector, given that significant majority of the Financed Emissions are attributed by the Commercial Real Estate sector in Japan, we set an interim target based on the emissions intensity per square meter of commercial real

estate in Japan in 2030, which is assumed from a scenario in which CRREM(Carbon Risk Real Estate Monitor), which evaluates the decarbonization of the Commercial Real Estate industry, calculated backwards to achieve net zero in 2050.<sup>[3]</sup>

- **Power sector target:** Our target is in line with the power generation mix that IEA NZE scenario assumes for 2030. Our emissions intensity in FY2030/31 shall be lower than that of this scenario.<sup>[3]</sup>
- To reduce GHG emissions in the Power sector by 2030, it is essential to switch the power generation mix from fossil fuel-based to renewable energy. The IEA NZE scenario also assumes that electricity generated by renewable energy will increase from 2020 to 2030, replacing fossil fuels. Nomura will meet the commitment through: <sup>[3]</sup>
  - Managing the ratio of renewable energy related assets versus our total fuel mix in our lending and investment portfolio. The renewable mix is currently 67% in 2024, in line with NZE scenario's 2030 target.
  - Providing products and services to clients to assist with transition to a decarbonized economy.
  - Supporting decarbonization initiatives of businesses, industries, and governments, considering scientific methods and social impacts.
  - Supporting the development of innovations, technological advancements, and climate change solutions

#### Interim Target for the Power sector

Target Setting Metric	Economic Emission Intensity
Interim Target for FY2030/31	Our target is in line with the Power generation mix that IEA NZE scenario assumes for 2030. Our emissions intensity in FY2030/31 shall be lower than that of this scenario
Referenced scenario	International Energy Agency Net Zero Emissions by 2050 scenario (NZE)
Sub-Industry	Power Generation business
Emission Scope Counted	Scope 1, 2,3
Target Assets	Investments and loans (excluding unused commitments)

#### Power sector – Historical Measurement

End of March	2021	2022	2023	2024
GHG Emissions (kt-CO2e)	1,150	3,647	4,662	4,516
Economic Emission Intensity (tCO2e /US\$m)	924	3,458	3,422	2,477
PCAF Data Quality Score (Scope 1, 2, 3)	4.2	3.8	4.2	3.57
Ratio of Renewable Energy-related Lending and Investments (%)	80	56	61	67

\* Emissions, including the baseline, have been recalculated as of July 2024 to reflect the latest PCAF emission factors.

- Our financed emissions in the Power sector as at the end of March 2024 slightly decreased from 4.662mtCO2e in FY2022/23 to 4.516mtCO2e in FY2023/24. While outstanding lending and investment increased by approximately 34% compared to the previous year, the impact of improvement of Data Quality used for GHG calculation was also reflected. The portion of lending and investment for renewable energy in the power sector has increased from 61% to 67%, surpassing the 59% assumed in the NZE scenario's 2030 target.<sup>[3]</sup>
- At present, our financed GHG emissions calculations are mainly based on estimated data based on the PCAF emission factor database. We will continue our efforts to improve the PCAF score, including the collection of investment and loan portfolio information, to make more accurate measurements.<sup>[3]</sup>
- Financed emissions calculation is still new and evolving and we expect there to be meaningful improvements to data sourcing and calculation methodologies over time. As better sources of data are identified through enhancements in reporting by our clients, revisions to data sources and updates to calculation methodologies and emission calculation factors, there may be significant volatility in year over-year numbers and potential restatements of historical results.
- Upon measurement and target setting, we discovered that GHG emissions from Nomura's entire investment and loan portfolio are limited in magnitude. While continuing to reduce our own GHG emissions, we will also pursue to work toward the realization of a decarbonized society by supporting our stakeholders' transition through our financial services.
- **Commercial Real Estate sector target:** Our interim target for the Commercial Real Estate sector is 34.3kgCO2e /m2 by end of March 2031

#### Interim target for the Commercial Real Estate sector

Referenced scenario	CRREM scenario
Sub-Industry	Commercial Real Estate in Japan
Emissions Scope Counted	Scope 1 and 2 emissions
Baseline	End of March 2023 (43.1kgCO2e /m2)
Interim target	End of March 2031 (34.3kgCO2e /m2)
Target assets	Investments and loan (excluding unused commitments)

- Automotive Manufacturing sector: Our interim target for the Automotive Manufacturing sector is 102~132gCO<sub>2</sub>e /vkm by end of March 2031

#### Interim target for the Automotive Manufacturing sector

Referenced scenario	IEA NZE2050 scenario, and scenario aligned with clients' goals aiming at carbon neutrality by 2050
Sub-Industry	Automotive manufacturers*
Emissions Scope Counted	Scope 1, 2, 3(Category 11) emissions
Baseline	End of March 2024 (174gCO <sub>2</sub> e /vkm)
Interim target	End of March 2031 (102~132gCO <sub>2</sub> e /vkm)
Target assets	Investments and loan (excluding unused commitments)

\* Passenger light duty vehicles and light commercial vehicles

- Further details on Net Zero financed emissions can be found in our Sustainability Report 2024.<sup>[3]</sup>

#### Monitoring and Implementation

As part of our monitoring and implementation protocol, we are implementing a biannual review of emissions for the entire group lending and investment portfolio. To manage the alignment of portfolio emissions with our interim target for Power sector, a process is being established whereby the business units provide information relating to their near-term potential projects to Group Sustainability who will estimate the potential emissions for these transactions to be informed to the Emission Oversight Committee for incremental considerations and oversights.<sup>1</sup>

#### Inclusive and Healthy Economies

Over the next three decades until 2050, investment on the order of US\$150 trillion in total is said to be required to transition to a decarbonized society.<sup>[7]</sup> As part of our sustainable finance initiative, we are strengthening our efforts in transition finance to respond to expected growth in demand by clients seeking to procure funds for capital investment and R&D in a low-carbon society, and in Japan the government has issued GX Economic Transition Bonds.

In April 2024, Nomura reorganized the Sustainable Business Development Dept. to enhance our initiatives for sustainability-related businesses. The department provides value-added advice to our clients based on a high level of expertise and supports clients in their initiatives for a wide variety of sustainability issues through the financial capital market.<sup>[8]</sup>

Nomura has set the following targets related to business to achieve sustainable circulation of capital.

#### ■ Sustainable finance

- To support our clients' efforts toward transition to a decarbonized society, we aim to deploy US\$125 billion in sustainable finance projects over the five years from April 2021 to March 2026.<sup>[8]</sup>
- This target includes green, social and sustainable bond underwriting, transition bond underwriting (Japan), equity underwriting, other types of debt financing, incl. financing of green technologies and infrastructure and power financing. We have created the Green and Social Finance Framework with support from Morningstar Sustainalytics as well as published Transition Finance guidance - both are used to verify and validate the sustainable use of funding. In addition to that, Nomura Group established the "Green Issuance Framework" in August 2024. The potential issuance of green debt aims to mobilize resources to support Nomura's sustainable financing goals.<sup>[9][10][11]</sup>
- Our sustainable financing facilitated, calculated based on the above frameworks, is subject to independent assurance.
- Baseline: Nomura facilitated approximately \$21.4 billion of financing in FY2021/22 <sup>[12]</sup>
- \$28.5 billion facilitated in sustainable financing for FY 2023/24 taking our total up to approximately \$75.1 billion out of \$125 billion in sustainable financing.<sup>[8]</sup>
- Breakdown of sustainable financing facilitated in FY2023/24:<sup>[8]</sup>
  - Green: 49.1%
  - Social: 29.2%
  - Sustainability: 18.1%
  - Sustainability-linked: 2.6%
  - Transition: 0.9%

#### ■ Workplace Service' business

- One of the key focus areas for Nomura Securities' Wealth Management division is its 'Workplace Service' business. The business provides financial advice and services for the working-age customers with salaried employee status who utilize their employers' defined contribution pension schemes (401k) or stock compensation plans. The service aims to improve financial literacy and facilitate asset building over the medium to long term. With this service Nomura is contributing to the shift from savings to asset building in Japan as well as to improved human capital management at corporates.
- Nomura Securities aims to raise the number of accounts receiving workplace services from 3.63 million in FY2023/24 to 3.66 million in FY2024/25.
- Baseline is 3.36 million in FY2021/22

#### Contribution to SDGs

Through these efforts, we aim to contribute to the following SDGs:

SDG 7 - Affordable and Clean Energy

SDG 9 - Industry Innovation and Infrastructure

SDG 12 – Responsible Consumption and Production

SDG 13 - Climate Action

Nomura has been engaging with stakeholders on sustainability initiatives such as identifying material issues, incorporating sustainability considerations in internal transaction screening, credit ratings and credit risk assessments among others. As per the Wholesale Division ESG Sectoral Appetite Statement, our sector-specific approaches cover the following sectors: energy generation, oil and gas, mining, agriculture, forestry, and weapons. We review the list of sectors on a regular basis and, where appropriate, may expand the list. We actively monitor emerging issues, regulatory developments, concerns of key stakeholders, as well as best practices relating to environmental and social risk management. We screen all relevant transactions in all sectors/industries for ESG issues as part of our transaction approval process. Where material ESG risks are identified we undertake due diligence including engagement with clients to determine whether there are sufficient mitigating actions for the potential negative impacts of the client's business activity. Transactions that have significant ESG issues are escalated for consideration by the senior management committees.

# NOMURA

NOMURA HOLDINGS, INC.

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