To fulfill our social responsibilities as a corporate citizen, Nomura Group actively engages in ESG activities to contribute to the development of financial markets through our business activities as well as works to achieve sustainable growth and resolve social challenges. Working with all of our stakeholders, including clients, business partners, and employees, the entire Nomura Group promotes activities to realize a sustainable society.

ESG execution process

Our ESG Committee is a management-level decision-making body that plays an integral role in Nomura Group’s sustainable growth and our aim to contribute to resolving social issues. Nomura Group executives in charge of businesses and corporate affairs comprise the ESG Committee. The Committee is responsible for developing business policies on ESG-related risks and opportunities for Nomura Group as a whole and for approving and deciding on related activities. The ESG Committee’s activities are reported to the Board of Directors and the Executive Management Board as the occasion demands. The Committee also considers specific business operations that will contribute to the Sustainable Development Goals (SDGs) established by the United Nations.

As a subordinate body of the ESG Committee, we have established separate subordinate organizations consisting of members from related groups which examine business opportunities and risks related to ESG, including climate change and Nomura Group’s efforts to reduce environmental impact.

Summary of ESG Committee meetings

In FY2019/20, two ESG Committee meetings were held to realign important ESG issues (materiality) and discuss TCFD disclosure.

- **Number of meetings**: 2 (from April 1, 2019 to March 31, 2020)

- **Agenda items**
  - Important ESG Issues (Materiality)
  - Matters related to TCFD
  - Reports related to climate change
  - Realignment of key ESG issues (materiality)
  - Establishment of the TCFD Working Group
  - Risks and opportunities related to climate change
  - Trends in Sustainable Finance in Japan and overseas
  - Matters related to UNEP FI PRB signing

Efforts to Achieve Sustainable Management

**-ESG Governance Structure and Activities of Subordinate Groups-**

**Governance System**

- **Board of Directors**
- **Executive Management Board**
- **ESG Committee**

**Wholesale Sustainability Forum**

- **Business opportunities and strategies for Sustainable Finance**
- **Transaction frameworks, appetite and policies**

To accelerate our efforts to provide financing and other solutions for low-carbon projects, our Wholesale Division created the Forum which is led by the Head of Wholesale and comprises employees from relevant departments across the firm. The Forum will monitor market and regulatory trends, identify opportunities for financial products and services that will contribute to sustainability, and take an active role in industry initiatives, while accumulating expertise at the same time.

**Climate Risk Working Group**

- **Scenario analyses on physical and transition risks**
- **Analyses of climate change risk in the portfolio**
- **Stress testing**

We have launched the Climate Risk Working Group comprising members from risk management and related departments, in order to build a global framework to identify, understand and manage ESG-related risks based on our strategies. This working group will formulate methods (processes for new transactions, credit evaluation, scenario analyses, risk management techniques, etc.) to manage ESG- and climate change-related risks.

**Environmental Activities Working Group**

- **Efforts to achieve CO2 emissions reduction targets**

The Environmental Activities Working Group, a group-wide organization, is the secretariat for the environmental management system. In order to reduce CO2 emissions, we are purchasing green power certificates in Japan, and most of the electricity used in our offices in Europe is supplied by renewable energy such as hydroelectric power.

**TCFD Working Group**

- **Disclosure policy and content**
- **Analysis of impact on our businesses**
- **Study of climate change risks and opportunities**

We established the TCFD Working Group as a Group-wide organization in order to provide enhanced disclosure in line with TCFD recommendations. Based on the four core elements of the TCFD recommendations (Governance, Strategy, Risk Management, Metrics and Targets), the TCFD Working Group analyzes the impact of climate-change-related risks and opportunities on Nomura Group’s businesses and works to enhance the content of disclosure. For details, see “TCFD” on page 71.