

Sustainability



Yoshifumi Kishida

Chief Sustainability Officer (CSuO) and
Corporate Disclosures



Nomura's Sustainability Efforts to realize a sustainable society

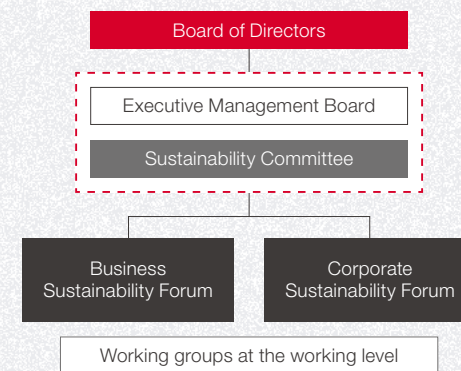
The environment surrounding the sustainability field is changing rapidly, with countries and companies working towards a decarbonized society, increasing interest in natural capital, the circular economy, human capital, human rights, and other issues, as well as calls for the advancement of non-financial information disclosure. As Chief Sustainability Officer, I feel that change firsthand every day. As sustainability is an important theme, we are pursuing a variety of 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." We are working in particular to promote sustainability-related business incubation and to publicize our sustainability initiatives as non-financial information.

Nomura Group believes that providing optimal solutions to meet the challenges faced by our clients and other diverse stakeholders, and becoming a sustainable entity, will lead to greater recognition from society, a higher level of employee engagement, and enhanced corporate value. Going forward, we will continue to implement a wide range of initiatives as we aim to help enrich society through the wisdom of the financial and capital markets.

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Sustainability Governance Structure

In addition to the Sustainability Committee, chaired by the Group CEO, and comprising other executives designated by the Group CEO including Executive Management Board members, we have established the Business Sustainability Forum, which deals with topics that are more closely related to business activities and the Corporate Sustainability Forum, which handles information disclosure and formulates various policies to provide opportunities for more flexible and substantive discussions by executives across divisions and regions.



Nomura's Sustainability Business 1

Sustainable Finance

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. As part of sustainable finance, 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 is also planning to issue decarbonized growth transition bonds GX Economic Transition Bonds.

Nomura was awarded Lead Manager of the Year for Transition Bonds at the Environmental Finance Bond Awards 2023 for having made the most significant contribution to global transition financing projects.

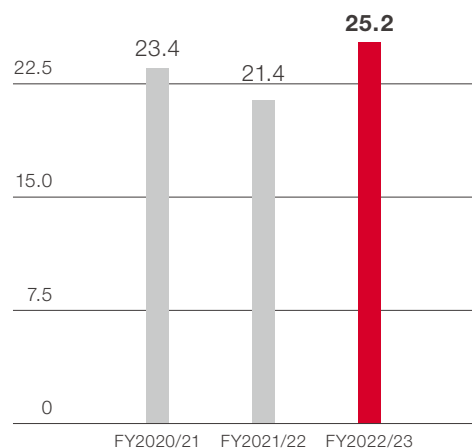
In 2021, we set a target to deploy US\$125 billion in sustainable financing over five years by March 2026 and had already achieved a cumulative total of US\$46.6 billion by FY2022/23.

In October 2022, we established the Sustainable Finance Department to consolidate our internal functions related to sustainable finance, and this department has been providing value-added advice to clients based on our high level of expertise.

We provide high-quality advice based on our expertise not only in financing but also in non-financial disclosure, and play a role in supporting our clients and other stakeholders in their efforts to address sustainability issues through the financial and capital markets.

Sustainable Finance, capital raised

(billions of dollar)
30.0



Providing M&A Advisory Services in the Sustainability Field

In April 2020, Nomura acquired Greentech Capital Advisors, a US M&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 & 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 to waste management systems. With unrivalled expertise in sustainable technology and infrastructure, GII provides advice to both companies possessing innovative technology and that are working towards a low-carbon, digitalized, and more efficient future, as well as existing players.

In 2022, GII performed strongly, ranking first in M&A advisory in the Japan-related sustainable sector, while also acting as financial advisor to multiple overseas companies.

Going forward, GII will continue to strengthen and promote M&A advisory services in the sustainability field on a global basis, including support for decarbonization through the restructuring of our clients' business portfolios.

GII Activities in 2022

- Acted as joint placement agent in raising US\$400 million through Series C financing for Group14, a global producer and supplier of advanced battery materials
- Acted as sole financial advisor to German-based photovoltaic operator Kronos Solar in its sale of a 70% stake to EDP Renewables (EDPR), a member of the EDP Group that specializes in the production of renewable energy
- Acted as financial advisor to Innovafeed, a leading French insect-derived protein venture, in its €250 million Series D financing
- Acted as sole financial advisor to Italy-based multinational power company Enel in its sale of a stake in Gridspertise
- Acted as sole financial advisor in a capital raising for Sif Holding's financing, a Dutch offshore wind foundation equipment manufacturer
- Acted as financial advisor to KKR, one of the world's leading investment companies, in its sale of a 50% stake of Spanish solar developer X-ELIO to Brookfield

Nomura's Sustainability Business 2 ~Proposals and Participation in the Rulemaking Process and Business Incubation~

Nomura Chairing the GX Business Working Group

Nomura is a member of the GX League*¹ established by the Ministry of Economy, Trade and Industry in February 2022. The GX Business Working Group, formed in September 2022 as one of the main initiatives of the GX League, spent approximately six months discussing how to reflect the reductions in greenhouse gas emissions resulting from the products and services companies provide the market into their corporate valuations. As the chair of this working group, Nomura Holdings led these discussions among the 79 member companies, and in March 2023 the working group released the Basic Guidelines for Disclosure and Evaluation of Climate-related Opportunities. Going forward, Nomura will continue to contribute to the decarbonization of society through the activities of this working group as well as by promoting the understanding and application of these Basic Guidelines.



Support for Moonshot Research and Development Program

Nomura Agri Planning & Advisory (NAPA) has provided support for the Moonshot-type Agriculture, Forestry and Fisheries R&D Business Development Strategy Roundtable, which is the first national research program to implement the goal of “By 2050, we will create a sustainable food supply industry on a global scale by fully utilizing unused biological functions” in the Moonshot Research and Development Program*² led by the Cabinet Office.

One outcome was the signing of a comprehensive research agreement on June 30, 2023, between Professor Kazuhiro Chiba (President of Tokyo University of Agriculture and Technology) and the University of Queensland, Australia. As a result, we will promote R&D and demonstration experiments to establish a stable supply system for food and sustainable biofuels, and aim to implement them in society.



*1: Established by the Ministry of Economy, Trade and Industry as a forum for companies proactively working on GX (Green Transformation) to collaborate and work to transform social systems as a part of efforts to realize economic growth through initiatives aimed at achieving carbon neutrality by 2050. *2: A new system that aims to create explosive innovations originating in Japan and promotes challenging research and development based on bold ideas that are not merely an extension of conventional technologies.

Support for Impact Startups

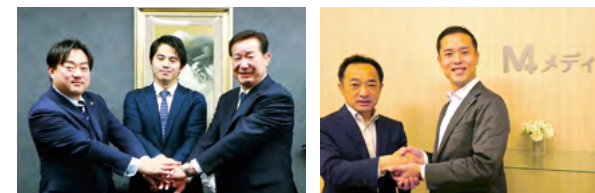
Nomura supports the efforts of impact startups to solve social problems and achieve sustainable growth.

In October 2022, as a member of the Study Group on Impact Investment established by the Financial Services Agency, we participated in discussions to promote impact investment. In February 2023, we joined the Impact Startup Association (ISA), which was established with the aim of building an impact startup ecosystem and realizing a sustainable society, as a platinum member. At its annual meeting in May 2023, we took the stage at a breakout session on the topic of “Entrepreneurship and Growth of Impact Startups” and introduced our ideas on KPIs for evaluating impact on the environment and society. We will continue to support impact startups’ initiatives, centering on finance.



Contributing to the Mobilization of Human Resources, Enhancement of Corporate Value, and Regional Revitalization through Search Funds

Japan Search Fund Platform Investment Limited Partnership (JSFP), which was established in December 2021 by Nomura Research & Advisory and Japan Search Fund Accelerator, Inc., is using the search fund model to resolve business succession issues for midsize companies in Japan resulting from the aging of business owners and a shortage of successors. A search fund is a method of business succession in which a candidate for management (searcher) identifies a company to possibly take over the management of, discusses a growth plan for after the business succession with the current management, followed by JSFP acquiring the company’s capital. By July 2023, JSFP had appointed seven searchers and executed two business succession projects, and will continue to work to resolve business succession issues.



Efforts to Address Environmental Impact

We are pursuing initiatives in line with our target to achieve net-zero greenhouse gas (GHG) emissions for our own operations by 2030, and to transition attributable GHG emissions from our lending and investment portfolios to align with pathways achieving net zero by 2050.

Overview of the Net-Zero Transition Plan



Please also refer to the TCFD report for information about climate change initiatives.
<https://www.nomuraholdings.com/investor/library/tcfcd/2023/pdf/all.pdf>



| | | 2021 | 2022 | 2023 | 2024 | 2025 | ≈ | 2030 | ≈ | 2050 |
|-------------------|---------------------------------|--|------|----------|------|------|------|------|---|------|
| Scope 1,2 | Our own operations | Usage of renewable energy at main global offices | | | | | | | Achieve net zero by 2030 | |
| | | Over 50% | | Over 70% | | | 100% | | | |
| Scope 3 Cat 15 | Financed emissions | Interim target for Power generation sector towards 2030 | | | | | | | Achieve financed emissions net zero by 2050 | |
| | Initiatives as an asset manager | Portfolio companies to incorporate climate change initiatives into their management strategies | | | | | | | | |

* Scopes 1, 2, and 3 follow the classifications in the GHG Protocol (<https://www.ghgprotocol.org>).

Support transition to decarbonized society

Nomura's Net Zero Initiatives

In addition to continuing our efforts to reduce emissions and promote energy conservation, we will gradually expand the use of renewable energy and replace electricity used in our operations with 100% renewable energy as we aim to achieve net zero by 2030.

With respect to renewable energy, we purchase

and use green power certificates and non-fossil certificates corresponding to the amount of electricity used by our main offices in Japan.

In addition, our key offices in Europe cover most of their electricity use with renewable electricity.

Environmental Management System

In our Environment Policy, Nomura Group has established a basic approach to environmental issues and specific action guidelines, and is promoting various environmental initiatives.

In Japan, we have established an environmental management system to promote environmental impact reduction by setting environmental targets and implementing a PDCA cycle.



Environmental Policy
<https://www.nomuraholdings.com/sustainability/environment/management.html>

Protection of Biodiversity

We are working to protect biodiversity through NGO/NPO support via the Keidanren Nature Conservation Fund. Global biodiversity protection activities include support for tree planting and reforestation, as well as the promotion of greening. In London, a garden area was created on the roof of our office building more than 10 years ago to grow plants, flowers and organic vegetables. There is also a beekeeping program under the guidance of experts. This garden area is a place for employees to deepen their understanding of biodiversity by being exposed to nature, even though located on an office building.

GHG emissions

| | FY2020/21 | FY2021/22 | FY2022/23 |
|-------------------------------------|--------------------------|--------------------------|--------------------------|
| GHG emissions (Scope1) | 2,152 t-CO ₂ | 1,924 t-CO ₂ | 2,473 t-CO ₂ |
| GHG emissions (Scope2) | 39,324 t-CO ₂ | 31,710 t-CO ₂ | 24,183 t-CO ₂ |
| Percentage of renewable electricity | 25.4% | 33.6% | 67.8% |

* Scope 2 emissions are calculated using the market-based method based on the GHG Protocol. The market-based method is a method of calculating Scope 2 emissions reflecting companies' electricity contract. As the emission factor is based on the contractual terms, if a company purchases low-carbon electricity, such as from renewable energy sources, the effect can be reflected.

Net Zero in Financed Emissions (Scope 3 Category 15)

In February 2023, we set and announced an interim target for reducing GHG emissions from our lending and investment portfolio in line with the NZBA^{*1} framework to achieve net-zero emissions in 2050. We chose to focus on the Power generation sector since it accounts for the largest share of our financed emissions by sector.



TCFD Report
<https://www.nomuraholdings.com/investor/library/tcfid/2023/pdf/all.pdf>

Recent Emissions

Our financed emissions in the Power generation sector as at the end of March 2022 and 2023 increased due to both internal and external factors. The main driver for the emissions increase at the end of March 2022 and 2023 was a recent change in the Exiobase emission factors by PCAF^{*2}, which we use for calculating GHG emissions. The emission factor increased as shown in table 2. In this report, we are presenting the emissions using the previous and the current PCAF emission factors for a comparison purpose. As a result of the limited data available for our investments (as indicated by our data quality score), our financed emissions are calculated using PCAF emissions intensity factors. This results in our calculated emissions being heavily influenced by the changes in PCAF emissions intensity factors and / or a change in

PCAF's approach for determining these.

The other factor of the emissions rise is the increase in outstanding loans in the Power generation sector (+ 9%, 2021 vs 2023) and a decrease in the portion of renewable energy among our Power generation sector loans and investment (61% in 2023 vs 80% in 2021). Nomura's renewable energy ratio in 2023 is still in line with NZE scenario's 2030 target.

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.

^{*1} Net-Zero Banking Alliance . A framework convened by the United Nations Environment Program Finance Initiative (UNEP FI) for the transition towards a decarbonized economy.

^{*2} Partnership for Carbon Accounting Financials. A framework for financial institutions to calculate consistently GHG emissions derived by businesses that they invest and/or finance.

Table 1: Interim target for the Power generation 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) |

Table 2: Power generation sector measurement

| End of March | 2021 | 2022 | 2023 |
|--|------|-------|-------|
| GHG emissions (kt-CO₂e) | 790 | 3,647 | 4,662 |
| | | 1,250 | 1,673 |
| Economic emission intensity (t-CO₂e/US\$m) | 635 | 3,458 | 3,422 |
| | | 1,186 | 1,229 |
| PCAF data quality score (Scope 1,2,3) | 4.2 | 3.8 | 4.2 |

Notes:

1. The values in the dark grey boxes in the chart are consistent with emissions factors used by PCAF before June 2023.
2. The emissions for the baseline (end of March 2021) will be recalculated in the future, reflecting the latest PCAF methodology at the time.

Commitment to Human Rights

Formulation of a Human Rights Policy

Based on our mission to help to enrich society through our expertise in capital markets, Nomura Group is working to realize a sustainable society through our business activities. We recognize that respect for human rights is an essential and important element in achieving a sustainable society, and based on advice from outside experts, in May 2023, we established the Nomura Group Human Rights Policy following a resolution by the Board of Directors.

The Nomura Group Human Rights Policy sets forth the basic concept of respect for human rights. Furthermore, it stipulates measures to respect human rights based on the attributes and relationships of stakeholders, including executives, employees, clients, and suppliers.

The human rights policy is regularly reviewed and relevant initiatives are discussed, at the Sustainability Committee and the Nomura Securities Human Rights Awareness Subcommittee, and reported to the Board of Directors.

The Nomura Group Code of Conduct, which guides the actions of all Nomura Group executives and employees, also stipulates respect for human rights.



Nomura Group Human Rights Policy
https://www.nomuraholdings.com/sustainability/group/data/pdf/hr_policy.pdf



Nomura's Human Rights Initiatives

Initiative
01

For our Executives and Employees ~Training programs~

Nomura Group provides training programs to ensure a correct understanding and awareness of human rights issues among each and every executive and employee. In addition to the mandatory human rights awareness training program for all employees, Nomura Securities has been offering power harassment prevention training for managers, completed by approximately 4,300 employees. In our professional ethics training program for members of management, outside experts have lectured on the topic of "business and human rights."

Initiative
03

For our Suppliers ~Supplier CSR Guidelines~

Nomura Group strives to carry out procurement in a responsible manner and requires suppliers who provide goods and services to Group companies to respect human rights. In order to jointly implement CSR activities with our suppliers, we have established the "Supplier CSR Guidelines" in Japan and are committed to responsible procurement. We will consider expanding the scope of application of the "Supplier CSR Guidelines" and promote efforts to respect human rights in the supply chain.



Supplier CSR Guideline
<https://www.nomuraholdings.com/company/supplier/guideline.html>

Initiative
02

For our Clients ~Formulation of various policies~

In our business activities, such as investments and loans, we have formulated and publicized the "Wholesale Division: ESG Sector Appetite Statement" and the "Investment Management Division: Sustainability Policy in Investment and Finance." As a financial services group, we strive to secure appropriate influence for the respect of human rights through various types of screening and due diligence according to the nature of business and appropriate communication with client companies.

Wholesale Division:
ESG Sectoral Appetite
Statement



Investment
Management Division:
Sustainability Policy
in Investment and
Finance



Initiative
04

Grievance Mechanisms ~Developing Appropriate Systems~

Nomura Group has developed systems to receive consultations and complaints regarding human rights. In case any business activities are found to have caused or encouraged a negative impact on human rights, we respond and work to remedy the situation appropriately.

The following systems are provided in Japan.

| | |
|------------------|---|
| Clients | Established a dedicated phone line to receive a wide range of client feedback |
| Supplier | Established a point of contact for information on non-compliance with the Supplier CSR Guidelines |
| Employees | Established internal and external harassment consultation desks, manned by professionals, and an internal whistleblowing system P.68 |

Financial Education Initiatives ~Improving Financial Literacy for People of All Ages~

The Government of Japan designated 2005, the year when the limited deposit insurance program was adopted in Japan, as the “Year 1” of financial and economic education, and has encouraged further efforts in financial and economic education over the years since. In 2007, the Central Committee for Financial Communications released the Financial Education Program, which provides examples of financial and economic education plans for elementary, junior high, and high schools. In fiscal 2022, following the revision of the curriculum guidelines, a new section on asset formation was made mandatory in high school home economics courses in high schools.

Financial education is becoming increasingly

important, partly because of major changes in the environment, such as lowering of the age of adulthood and society becoming increasingly cashless. Nomura Group has been providing financial and economic education at schools since the 1990s, and continues to provide support not only to students, but also to teachers. In addition, the Financial Wellbeing Office has been established to provide financial and economic education to people of all ages, from school-age students to senior citizens. Moreover, Financial Wellbeing Promotion teams have been established at Nomura Securities' domestic branches to provide opportunities for people of all ages to learn about money seamlessly through on-site classes and seminars.

Summer Kids Event 2023: Nomura Manabo Classroom

During the summer break, Nomura Securities carried out the “Summer Kids Event 2023 Nomura Manabo Classroom” for elementary school students (grades 4 to 6) for the first time at 34 Nomura branches nationwide and Awa Bank's head office, with which we have a comprehensive business alliance. At the event, many students and their parents enjoyed learning about the appreciation and depreciation of the yen.



Provision of integrated financial and economic education for people of all ages

Contributing to the improvement in financial literacy and long-term asset building of young people

Contributing to the improvement in financial literacy and long-term asset building of working-age people **P.26**

Support for school education and financial/economics education

Support for government, business, economic organizations and individuals

Primary, middle and high school

University students

Young adults

Mid-career

Seniors



On-site classes, sponsored lectures, and courses for adults

Approximately
1,028,000 participants

Number of on-site classes, university sponsored lectures, and seminars for working professionals

14,000 in total

Number of Nikkei STOCK League participants

Approximately
145,000

Provision of educational materials

Approximately
1,115,000 books

*By March 2023

Social Contribution Activities

Nomura Group Social Contribution Activity Policy sets out our fundamental approach to social contribution as a global corporate citizen. Through our social activities, we aim to help build a more sustainable world.



 Nomura Group Social Contribution Activity Policy
https://www.nomuraholdings.com/sustainability/group/data/pdf/sca_policy.pdf

Health Management × Social Contribution Nom ☆ Challenge (NOMURA Health Challenge)

The NOMURA Health Challenge "Nom ☆ Chare" has been carried out in each department since FY2017/18 to promote health. In FY2019/20, we launched the "Nom ☆ Chare WALK" (walking campaign), a company-wide initiative to make the average number of steps taken per day by employees visible and to publish the average values of the departments to which they belong in a ranking format. In recent years, we have evolved this program so that it not only promotes employee health, but also stimulates communication among employees, and raises awareness of, and promotes participation in, social contribution activities. In addition, we have

raised awareness of social contribution activities by sharing examples from different departments, and we also make donations to organizations that engage in social contribution activities depending on the rate of achievement.



Europe, Americas

Implementation of educational and employment support programs for disadvantaged youth
 Initiatives to improve children's literacy skills, donations of school supplies to underfunded school districts
 Humanitarian aid donation to Ukraine



Powai, India

Supporting the creation of a learning environment for children by providing STEM* kits
 Renovation of medical centers, replacement of medical equipment, and provision of food aid to coronavirus-hit families



Asia

Grants to charities that provide quality early childhood education and care programs to low-income communities. Focus on ensuring the region's most vulnerable children receive the learning opportunities and stimulation they need to thrive.
 Initiatives that support and empower our employees to raise awareness and funds for a wide range of causes close to their hearts.



Japan

Donations to Doctors Without Borders and the United Nations World Food Program in support of COVID-19
 Donation to Keidanren Nature Conservation Fund
 Restoration support



Nomura carries out a variety of social and community contribution activities in each region according to the characteristics of that region.

*STEM: Science, Technology, Engineering, Mathematics