

Nomura Principles for Responsible Banking Report 2021

Progress on the Implementation of the UN Principles for Responsible Banking

Nomura Group 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.

Our responses have not been within the scope of assurance for 2021.



PRINCIPLES FOR
RESPONSIBLE
BANKING

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response/ relevant information
--	---------------------------------------	---

1. Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

<p>1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>As a global financial services group with an integrated network that spans over 30 countries in Europe, Americas and Asia, Nomura Holdings Inc. ("Nomura" / "Nomura Group") bridges the gap between investors and issuers by playing an active role in the global capital markets.^[1] We provide liquidity by facilitating the flow of capital, an essential component of ensuring a sound economy that contributes to business development and improving society.^[2]</p> <p>Nomura Group services the needs of a diverse set of customer segments, including institutional investors, financial institutions, governments, corporations, various organizations and individual investors, and serves as their most trusted partner.</p> <p>The Group provides a wide range of products and services through its Wholesale Division (Global Markets and Investment Banking), Retail Division and Investment Management Division.^{[3][4][5]}</p> <ul style="list-style-type: none"> ■ Underwriting of equities and debt ■ Advisory services for mergers and acquisitions ■ Sales and Trading ■ Risk solutions, trading and structuring ■ Investments in stocks and bonds, investment trusts, insurance products, investments in stocks and bonds ■ Asset management services 	<p>[1] Nomura Holdings Website, "About Nomura Group"</p> <p>[2] Nomura Annual Report 2021, "At a Glance", p.004</p> <p>[3] Nomura Holdings Website, "Wholesale"</p> <p>[4] Nomura Holdings Website, "Retail"</p> <p>[5] Nomura Holdings Website, "Investment Management"</p>
---	--	--

1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Nomura's Founder's Principles, Corporate Philosophy, Code of Conduct and the Management Policy outline the Group's endeavor to be a responsible corporate citizen.^[1]

Nomura Group's management vision for 2025 is to "Achieve sustainable growth by solving social issues", and we have integrated sustainability into our management strategy.

Nomura seeks to address sustainability issues in two ways:

- Support the sustainability efforts of our clients and various stakeholders
- Promote risk management and environmental impact reduction in our own operations^[2]

Nomura's Group Materiality assessment identifies the highest priority issues that the firm seeks to address, in line with UN SDGs. We have reviewed and adjusted the Materiality assessment based on changes in the business environment over the past year and developments in our business activities. Our established material issues for our 2021 Materiality assessment are in line with nine Sustainable Development Goals and Nomura Group is working towards these.^[3]

Nomura Asset Management, the core company of the Investment Management Division, has also identified its key material issues, in line with its role as an institutional investor and operating company. The key themes included in their Materiality assessment cover sixteen out of the seventeen SDGs.^[4]

The Head of Sustainability Development guides our efforts to raise awareness across the group, step up our activities and increase communication to external stakeholders.^[5]

The Nomura Group contributes to international goals by participating in the following major domestic and international initiatives and signing guidelines.^{[1][6][7]}

- United Nations Global Compact
- United Nations Environment Programme Finance Initiative (UNEP FI)
- UN Principles for Responsible Banking
- UN Principles for Responsible Investing
- Net-Zero Banking Alliance
- Net- Zero Asset Managers Initiative
- Japan's Stewardship Code
- Task Force on Climate-Related Financial Disclosures (TCFD)
- CDP
- Principles for Financial Action for the 21st Century

[1] [Nomura Holdings Website](#), "Our Commitment to Sustainability"

[2] [Nomura Annual Report 2021](#), "Sustainability", p.027-030

[3] [Nomura Annual Report 2021](#), "Materiality", p.021-022

[4] [Responsible Investment Report 2020](#), "Materiality", p.013-014

[5] [Nomura Annual Report 2021](#), "Prioritizing Sustainability", p.012,p.015

[6] [Nomura Holdings Website](#), "Participation in Initiatives for Sustainability"

[7] [Wholesale ESG Sectoral Appetite Statement](#), "Introduction", p.001

[8] [Nomura Group ESG Statement](#), "Our Approach", p.001

[9] [Nomura Group ESG Statement](#), "Stakeholder Engagement", p.004

[10] [Nomura Holdings Website](#), "Nomura to Partner with Stakeholders to

- 30% Club Japan
- ISO26000
- Charter of Corporate Behavior of Keidanren
- UN Guiding Principles on Business and Human Rights
- OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises

Drive
Sustainability”

[11] [Nomura Holdings Website](#),
“Governance,
Risk
Management”

In line with the above initiatives, Nomura is actively working towards integrating sustainability in its business strategy. Notably, we acquired Greentech Capital Advisors ^[5] in March 2020, announced our Net Zero 2050 commitment and \$125 billion sustainable financing target. We facilitated ground-breaking transactions such as EU SURE €17 billion social bond, EU €12 billion green bond, the first sovereign green bond in Samurai format, Woven Planet bonds issued by Toyota Motor Corporation among others.

Internally, we have established a Group ESG Statement, Wholesale ESG Sectoral Appetite Statement and a Risk Appetite Statement to govern our efforts.^{[7][8]}
^[11]

We recognize that regular engagement with our stakeholders is necessary to achieve the goals established in these statements. We believe that dialogue with various stakeholders will help identify priorities, minimize Sustainability -related risks and enable early identification of problem-solving opportunities. To this effect we organize events and participate in working groups on the theme of sustainability, in addition to regular Investor Relations activities and shareholders' meetings.^[9]

"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. Leveraging the strong relationships it has built, Nomura also aims to combine the knowledge and expertise gained through its business with the strengths of various stakeholders to build a more sustainable world.^[10]

2. Impact and 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.

2.1 Impact Analysis:

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:

- a) **Scope: The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.**
- b) **Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.**
- c) **Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the**

Impact Analysis Process

Nomura conducted its first Impact Analysis using the UNEP FI Portfolio Impact Analysis tool. Following the methodology, the tool was applicable only for the advisory, financing and origination businesses across Investment Banking and Global Markets within the Nomura Wholesale division.

The client revenue for the select business lines was considered from our global Wholesale operations; we prioritized top fifteen geographies for further research and analysis as per the tool requirements.

Key client sectors analyzed include Financial Institutions, Technology, Media and Telecom, Real Estate, Gaming and Leisure, Industrials, Consumer/Retail, Healthcare, Energy and Infrastructure and Public Sector.

The sustainability challenges of the geographies and the for positive and negative impact associations of the client sectors have been analyzed to determine the impact areas with respect to the business lines in scope.

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.

Most Significant Impact Areas

Considering that the principal business of the Wholesale division (which is the subject of this impact analysis), does not have an extensive corporate lending business, and that the Group itself owns and uses only a limited number of facilities with high environmental and social impacts, we believe that the core of the Group's sustainability efforts is to support customers and stakeholders in addressing environmental and social issues.

Among environmental and social concerns, we recognize climate as a particularly important issue, based on recent trends, the Japanese government's

countries/regions in which it operates.

d) **Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.**

(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))

Show that building on this analysis, the bank has

- **Identified and disclosed its areas of most significant (potential) positive and negative impact**
- **Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts**

declaration of carbon neutrality, and discussions at COP 26.

As a guardian of the financial and capital markets, Nomura Group is committed to contributing to the development of, and ensuring the fairness and impartiality of the markets.

By promoting the circulation of capital, we will contribute to the formation of a sound capital market and contribute to the advancement of society and build economic prosperity.

We will also work to resolve social issues by supporting the sustainability efforts of our customers and improve financial literacy through financial and economic education. Accordingly, we recognize the importance of an inclusive and healthy economy.

Based on the above, Nomura Group has selected "climate" and "inclusive and healthy economies" as its most significant impact areas

Opportunities and Initiatives for Selected Impact Areas

- **Climate**

Nomura Group 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.

We are also working to identify and appropriately manage the risks associated with climate change. Nomura has developed Climate Risk scenarios to assess the medium and long term impacts on the firm's portfolio under various climate change pathways. We have also developed an approach for incorporating ESG factors (including climate-related factors) into counterparty ratings.

- **Inclusive and Healthy Economies**

The Nomura Group's management vision is to achieve sustainable growth by helping resolve social issues. The Group is committed to promoting sustainable circulation of funds by underwriting green bonds and social bonds, providing strategic advisory services such as M&A, developing ESG investment funds, and providing them to individual investors. As an investment bank without a balance sheet, Nomura seeks to support its customers in their efforts to decarbonize and resolve social issues in order to realize a carbon neutral, decarbonized and a sustainable society. We will contribute to the realization of a sustainable society by actively engaging in sustainable finance.

In addition, since the spread and improvement of financial literacy is essential to the promotion of the circulation of funds, we will promote financial and economic education.

Diversity and inclusion are important factors in continuing to grow as an organization. Accordingly, we will work to create a workplace where each employee can demonstrate his or her full potential. We will also work to incorporate D&I and human rights considerations and perspectives in our screening and due diligence processes for our business.

To consider the impacts significant to us we have undertaken cross-functional engagement with key Business areas and functions such as Risk, Group Strategy and the Sustainability Development Department, among others.

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

Nomura has piloted the UNEP FI impact analysis approach and has identified significant impact areas for its Wholesale business, thus fulfilling the requirements regarding Impact Analysis. Over the course of the next year, we will focus on refinement of methodology and broadening of scope, along with constructive engagement with relevant stakeholders.

2.2 Target Setting:

Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.

Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.

Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society’s goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.

Nomura Group has set the following targets in order to address the two impact areas selected .^[1]

Climate

Nomura Holdings and Nomura Asset Management have set the following targets to achieve net zero greenhouse gas emissions.

- Net zero for own operations by 2030 (NHI)
 - For own operations, we have raised the target to net zero greenhouse gas emissions, (from the previous target of 65% gross emissions reduction by FY2050)
 - We have been increasing procurement of renewable power, and we will switch the electricity at offices to 100% renewable energy by FY2030
- Net Zero Financed Emissions in Lending and Investment Portfolios (NHI)
 - We will set an interim target for 2030 and a long-term target for 2050 for sectors with a significant impact. We will also work towards sector-specific decarbonisation targets.
 - Nomura will meet the commitment through;
 - Providing products and services to clients to assist with transition to a decarbonized economy
 - Supporting corporates, industries and public institutions in their transition journey, in line with science and giving consideration to associated social impacts
 - Supporting innovation, deployment of technologies and climate solutions
 - In September 2021, Nomura Holdings, Inc. joined the Net Zero Banking Alliance (NZBA), which was established by the United Nations Environment Programme Finance Initiative, to promote net-zero initiatives in its investment and loan portfolios. In collaboration with NZBA, we aim to achieve net zero in our investment and loan portfolio by 2050.
- Net Zero Financed Emissions in Investment Portfolios (NAM)
 - In addition to measuring greenhouse gas emissions and removals from our investment portfolio, we aim to achieve our 2050 net zero target by strategically engaging in stewardship activities, strengthening cooperation with stakeholders, and developing financial products.

[1] [Nomura Holdings Website](#), “Nomura Commits to Net Zero Greenhouse Gas Emissions, Joins Net-Zero Banking Alliance”

[2] [Nomura Annual Report 2021](#), “Financial Literacy”, p.077-078

- We have set an interim target to achieve net zero greenhouse gas emissions for 55% of assets managed as of 2030
- Nomura Asset Management has also joined the Net Zero Asset Managers initiative (NZAMI), an initiative of global asset managers, to promote net zero initiatives in its investment portfolios. As a responsible institutional investor, we will work with NZAMI to achieve net zero in our investment portfolio by 2050.

Inclusive and Healthy Economies

Nomura Holdings has set the following targets to achieve sustainable circulation of funds

- To deploy \$125 billion in sustainable financing by March 2026.
 - Nomura supports its clients and their priorities, through providing financing solutions to solve sustainability issues, with a target to deploy \$125 billion in sustainable financing by March 2026.
 - This target includes debt capital markets, IPO and financing through Nomura Greentech, and renewable infrastructure and power financing. It also includes products aligned to this impact area, such as social bonds.
 - Nomura facilitated approximately \$23 billion of financing in FY2020 (for the debt capital markets element, total bond amount over the full bond period is divided evenly by the number of Mandated Lead Arrangers (MLAs)).
- Financial and Economic Education
 - In order to improve financial literacy, increase the number of participants in capital markets, and further promote the circulation of funds, we aim to increase the total number of participants in financial and economic education currently conducted in Nomura Securities (Japan) to 1 million by March 2026.
 - The total number of participants through fiscal 2020 was 910,000. ^[2]
- ESG Screening Enhancement
 - Nomura aims to embed ESG screening to transact with our suppliers. This includes Human Rights and D&I perspective.

Contribution to SDGs

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

- 04 Quality Education
- 07 Affordable and Clean Energy
- 08 Decent Work and Economic Growth
- 09 Industry Innovation and Infrastructure
- 13 Climate Action

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.

Nomura has fulfilled the requirements regarding Target Setting by establishing SMART targets relating to Sustainable Financing, Net Zero by 2050, and Carbon neutrality for Own Operations by 2030 including 100% Renewable Energy, Financial and Economic Education. As the industry and resources continue to evolve and mature, we will be reviewing our commitments regularly.

2.3 Plans for Target Implementation and Monitoring

Show that your bank has defined actions and milestones to meet the set targets.

Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.

Nomura Group monitors progress toward the targets set above based on the following system.

- To achieve net zero greenhouse gas emissions
 - The Environmental Activities Working Group has oversight of and governs the progress on Own Emission Targets (Scope 1 and 2) and 100% Renewable Energy by 2030.
 - In order to meet our Net Zero 2050 commitment, we have established a Net Zero Steering Committee, a Group-wide forum reporting into the Group Sustainability Council.
 - Our milestones include developing a GHG accounting methodology, analyzing our current emissions and preparing a trajectory pathway for 2050.
- \$125 billion in Sustainable Financing for five fiscal years ending 2026.
 - The overall supervision and review of the target sits within our Wholesale Sustainability Forum.
 - We will develop a reporting framework for internal review of revenue earned and financing raised in relation to climate and other ESG issues
- Achievement of a cumulative total of 1 million participants in financial and economic education
 - The overall supervision and implementation of the target will be undertaken by the Sustainability Development Department.
 - The action plans and milestones for this target are under discussion.

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.

Nomura has set up the governance framework and identified resources to meet its targets. We will be actively monitoring the progress and results to assess any additional requirements.

2.4 Progress on Implementing Targets

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.

Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)

Nomura previously announced medium-term and long-term own operations CO₂ reduction targets for the entire group, including domestic and overseas companies, compared with the base year FY2012/13:

- 32% gross CO₂ reduction by FY2030
- 65% gross CO₂ reduction by FY2050

It already achieved a 54.8% gross CO₂ emissions reduction by March 2021. Nomura is now extending its target to net zero GHG emissions for own operations by FY2030.^[1]

As previously described in 2.2, Nomura has recently set its new targets and is in the early stages of implementing the measures the firm has put in place. We will report on progress made towards achieving our targets in our next report.

[1] [Nomura Holdings Website](#), "Nomura Commits to Net Zero Greenhouse Gas Emissions, Joins Net-Zero Banking Alliance"

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets

As Nomura has recently set its targets, we will begin reporting on the progress next year onwards.

3. Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.

In line with our philosophy of placing our clients at the heart of everything we do, Nomura Group has been working towards establishing and fostering responsible relationships with all its clients and customers.

The Nomura Group Code of Conduct^[1] sets the tenet for treating clients responsibly and with integrity at all times. This is accompanied by our policies on Anti Bribery and Corruption, Anti Money Laundering, Whistleblowing,^[2] Conflict of Interest,^[3] and Data Privacy.^[4] All employees follow the Nomura Group Code of Conduct, which sets out guidelines for action, and builds fair and ethical relationships with customers.

All Nomura employees are trained 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 Nomura Group 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.

ESG Screening in Wholesale Division

In October 2020, Nomura published its ESG Sectoral Appetite Statement that pledges our support to international frameworks and guidelines for key sectors in Wholesale Division. It prohibits financing certain types of transactions such as those for new thermal coal power plants, nuclear, chemical, biological or other weapons of mass destruction.

We have enhanced our existing transaction approval processes for advisory, financing and origination businesses across Investment Banking and Global Markets within the Nomura Wholesale division, with screening of all relevant transactions for ESG issues. Wherever significant ESG issues are identified, we undertake ESG due diligence, including engagement with clients and external assessments on the client's management of environmental and social risks, where necessary.

Transactions that have significant ESG issues are escalated for consideration by the senior management committees. The ESG screening and due diligence

[1] [Nomura Holdings Website](#), "Code of Conduct"

[2] [Nomura Holdings Website](#), "Compliance"

[3] [Nomura Holdings Website](#), "The Nomura Group Conflicts of Interest Management Policy"

[4] [Nomura Holdings Website](#), "Nomura Group Privacy Policy"

[5] [Nomura TCFD Report 2021](#), "Wholesale Division", p.009-010

[6] [Wholesale ESG Sectoral Appetite Statement](#), "Our Sector Approach", p.002-004

[7] [Nomura Holdings Website](#), "Improving Products and Services"

[8] [Nomura Annual Report 2021](#), "ESG Data", p.087

[9] [Responsible Investment Report 2020](#), "ESG Scores", p.065-067;

framework has been implemented globally, with over 2,000 Investment Banking, Global Markets and Corporate relevant staff trained on ESG risks, the screening process and their role in it.^{[5] [6]}

“Transition Risk Analysis” p.024

[10] [Responsible Investment Report 2020](#), “Impact Investing”, p.069-070

How the Retail Division reflects customer feedback

In relation to Japan Retail, we established the "Policy on Customer-Oriented Business Conduct" in April 2017 and released target KPIs and the status of implementation of related initiatives. The Retail division also conducts client satisfaction surveys for clients who visit sales branches.^{[7] [8]}

[11] [Responsible Investment Report 2020](#), “Human Rights”, p.033-034

Based on the opinions of our customers, we hold regular meetings to discuss improvements to our products, services, and systems and respond to them.

Nomura Asset Management's efforts in due diligence and analysis of investee companies

Nomura Asset Management undertakes due diligence and analysis of potential investee companies. The ESG scores of the companies assist in investment decision making and new product development. The weight of each evaluation factor (E, S, G and SDG) has been set at 25%. These scores are based on not only disclosed data but also future risks and opportunities. They further help in comparing the strengths and weaknesses of the portfolio companies' ESG efforts and industry benchmarking, and help in engagement by discussing future directionality, avoiding unintentional ESG risk bias, among other aspects.^[9]

Our impact investing process follows a defined procedure of establishing impact goals, identifying SDG topics and establishing KPIs to ensure ESG impacts are met.^[10]

As part of the human rights risk monitoring, we research the efforts of companies in our investment universe with respect to the human rights efforts and implementation of programs. There is specific focus on companies in industries with high human rights risk such as agricultural products, automobile parts, mining. At the portfolio level, we engage with companies to understand how they are addressing the risk.^[11]

3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.

Nomura Group strives to promote sustainable trends by providing bespoke services and solutions.

Advisory and Financing^{[1][2]}

- Acquired in 2020, Nomura Greentech provides M&A and strategic advisory services, raises capital for sustainable technology and infrastructure clients globally. The team focuses on clients that are using new technologies to accelerate the transformation of our core infrastructure systems – energy, transportation, food, water and waste – to be lower carbon, more efficient and digitally networked.
- In our Debt Capital Markets business, we have been arranging sustainability themed bonds since 2010, and have established a dedicated team in 2017. We have actively participated in sustainable finance working groups at International Capital Market Association and London Stock Exchange.
- Nomura’s Infrastructure and Power Financing business (IPF) is focused on sourcing, structuring, executing and distributing financings of green projects and other assets globally. Today, more than 50% of IPF’s portfolio positions are ESG-focused investments (e.g., solar, wind and other renewable energy assets).

Retail services

- In our domestic retail business in Japan, we put together a series of funds focusing on sustainable growth and launched them as “ESG Product Line-up” in July 2020. As of March 2021, the net asset value of the product line-up was over ¥580 billion.^[3]

Asset Management services

- NAM integrates ESG in its products by way of - Global Sustainable Equity Strategy, Japan Sustainable Equity Strategy, Global Investment Grade Corporate Bond Strategy, Japan Credit Strategy, and Environmental Leaders Bond Strategy ^[4].
- As an institutional investor, NAM is committed to its continuous engagement with portfolio companies and providing proxy voting services to clients. There is engagement to understand management of ESG issues in the portfolio companies and their level of disclosure on ESG.^[5]
- Index development
- NAM has partnered with Sustainalytics for collaborative engagement for global equities, and with ISS on climate risk analysis data.^[5]

[1] [Nomura Holdings Website](#), “Advisory and Financing”

[2] [Nomura TCFD Report 2021](#), “Wholesale Division”, p.006-009

[3] [Nomura TCFD Report 2021](#), “Retail Division”, p.010

[4] [Responsible Investment Report 2020](#), “ESG Integration”, p.071-079

[5] [Responsible Investment Report 2020](#), “Engagement”, p.035-048

[6] [Nomura Forum](#), “ESG Conference 2020”

[7] [Nomura Connects](#), “Sustainability”

Promotion of financial literacy and social contribution activities

- On site classes in the form of active learning
- Support through donations
- Cooperation with NPOs and NGOs

Climate and ESG Risks

Credit Risk Management has developed country and sector heat-maps to identify counterparty groups vulnerable to Climate and ESG related risks. An ESG due diligence questionnaire has been developed to request the additional information required to complete the ESG assessment from our corporate and financial institutions clients.

Communication with Clients on Sustainability

We have actively engaged with clients on sustainability related topics by way of conferences, seminars, ESG pitch-books and newsletters.

- We hosted the Nomura Investment Forum Asia with two dedicated ESG sessions. In Asia, an inaugural ESG conference in a virtual format was held in 2020 and the ESG Corporate Day in 2021.^[6]
 - In 2021, we rolled out an ESG Survey to our Wholesale clients in Asia to understand their sustainability considerations and challenges
 - We publish our thought leadership pieces from our sustainability experts on Nomura Connects.^[7]
-

4. Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.

Nomura classifies stakeholders into five categories, identifies the interests of each stakeholder, and works to respond to those interests.^[1] Topics of discussions with stakeholders include economic, social (human rights and labor), anti-corruption, and environmental issues.^[2] Some examples of engagement include:^[1]

- Society and Environment (Community and Governments and Regulatory Authorities)
 - Interests: Environmental issues, improving financial literacy, access to investment opportunities, fair competition and corporate culture.
 - Our responses: Strengthening of sustainability-related business, dialogue with NGOs and support activities, cooperation with international organizations, continuous reporting and dialogue, contribution to the maintenance of a stable financial system.
- Shareholders and Investors
 - Interests: Return through shareholder returns and stock price appreciation, capital efficiency, ESG initiatives.
 - Our responses: Sustainable growth through realization of management vision, business operations with emphasis on capital efficiency, initiatives to strengthen governance, implementation of ESG Appetite Statement.
- Clients (Individuals and Institutional Investors and Companies and Government Agencies)
 - Interests: Long term asset building, investment performance, fair and transparent pricing, solution for business continuity, growth and innovation, efficient fundraising.
 - Our responses: Comprehensive consulting including measures for inheritance and business succession, continuous liquidity supply, support for optimal funding, establishment of a listed investment entity to provide investors opportunities to invest in unlisted companies.
- Employees
 - Interests: Rewarding work environment, diverse work styles, growth opportunities, career development.

[1] [Nomura Annual Report 2021](#), "Stakeholder Engagement", p.025-026

[2] [Nomura Holdings Website](#), "Communication with Stakeholders"

[3] [GFMA Website](#), "Global Principles for Developing Climate Finance Taxonomies"

[4] [Nomura Annual Report 2021](#), "Digital Transformation", p.038

- Our responses: Promotion of a diverse and inclusive working environment, development of human resources system and IT infrastructure to enable remote-working, conducting employee engagement surveys, providing extensive training opportunities, including online courses, fair personnel evaluation and compensation.
- Business Partners
 - Interests: Synergies with Nomura Group, trust and stability as business partner.
 - Our responses: Strategic alliances such as comprehensive business agreements and joint ventures, ongoing collaboration in providing services to clients.

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 CSR Asia and the Industrial Advisory Panel, which exchange views on ESG issues and sustainable finance promotion in Asia. We also participate in The Climate Bonds Initiative to promote green bonds as a partner.^[2]

We provide opportunities for dialogue with stakeholders, such as by exchanging opinions with government officials, corporate managers, and academic experts working on the SDGs, and by holding events to explain Nomura Group's vision and initiatives to investors. These efforts are reported to the Sustainability Committee and reviewed as appropriate.

Some examples of our initiatives and efforts to address stakeholder interests include:

- Nomura's Head of Wholesale, is the current Chairman of the Global Financial Markets Association (GFMA). The forum brings together leading global banks and has priority focus on Sustainability. GFMA has published key reports on Climate Finance and Global Taxonomies.^[3]
- Establishment of Boostry, a platform for issuing and trading digital securities and providing issuing services to promote the circulation of capital.^[4]

5. Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.

Based on our vision to achieve sustainable growth by helping resolve social issues, Nomura has established a system to promote sustainability.

Chaired by the Group CEO and composed of Executive Management Board members, the Sustainability Committee is a decision-making body at the management level that plays a central role in promoting ESG and sustainability initiatives across the group. The committee also reports on the implementation status of PRB principles as appropriate, and has a structure in place that enables management to properly ascertain the status of implementation. The Sustainability Committee is further supported by a Sustainability Council, which has eight senior leaders including the three Division Heads, overseeing the group sustainability initiatives.

Nomura has created a framework for swift decision making on matters of sustainability. Five sub-committees are established under the Sustainability Committee and Council – Wholesale Sustainability Forum, Climate Risk and ESG Working Group, TCFD Working Group, Environmental Activities Working Group, and Diversity and Inclusion Working Group.^[1]

As part of its governance policies, Nomura has formulated the Group ESG Statement, Wholesale Division ESG Sector Appetite Statement, and Risk Appetite Statement, which are reflected in its business activities.^{[2] [3] [4]}

The Group Risk Management Committee, also chaired by the Group CEO and comprising members of the Executive Management Board, and the Sustainability Committee approve and decide business policies on risks and opportunities related to the environment, society, and governance (ESG), including climate change, for the entire Group.^[5]

Responsible Investment Council in the NAM business consists of independent directors and external experts, making up the majority of the Council. The Council supervises, finalizes and recommends policies to the Responsible Investment Committee.^[6]

Nomura Group's Board of Directors formulates the Group's basic stance on sustainability. Sustainability initiatives are reported to the Board of Directors as necessary, and each director, including outside directors, gives advice, drawing on their diverse experience and knowledge.

[1] [Nomura Holdings Website](#), "Promoting Sustainability"

[2] [Nomura Group ESG Statement](#), "Our Approach", p.001

[3] [Wholesale ESG Sectoral Appetite Statement](#), "Introduction", p.001

[4] [Nomura Holdings Website](#), "Governance, Risk Management"

[5] [Nomura Annual Report 2021](#), "Sustainability", p.028

[6] [Responsible Investment Report 2020](#), "Our Strengths in Responsible Investment", p.005

5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.

In order to inculcate the value of Responsible Banking and to build internal expertise on sustainability topics, Nomura undertakes the following initiatives:

Training and Workshops^[1]

- Training for all employees on sustainability (Japan)
- Sustainable Finance Teach in Series training on a variety of topics in Sustainable Finance (Wholesale Division and Corporate functions)
- ESG Screening training for Wholesale and Risk division
- Product review sessions (Retail Division) at the time of introduction of new fund
- Nomura Sustainability Research Center sessions

Sustainability Experts

The five sustainability sub-working groups help establish expertise on various sustainability themes and business.^[2]

Communication and Dialogue on Sustainability

- The Nomura Connects platform provides a variety of sustainability information.^[3]
- Nomura is committed to provide information on sustainability by exchanging opinions with government officials, corporate managers, academic experts, and others working on the SDGs, and by participating in investor conferences.

In order to adhere to and promote sustainability standards, our annual reporting and external website are IIRC, GRI and SASB compliant.^[4] Our London headquarters building has maintained ISO 14001 certification since 2007.^[5] We also use the ICMA and CBI labels in the bond transactions we execute.

To realize our Group's management vision, it is essential to raise productivity while providing employees with a sense of satisfaction. To this end, we are implementing a variety of initiatives, including creating lively working environments, providing support through human resources development, and promoting diversity and inclusion.

[1] [Nomura TCFD Report 2021](#), "Sustainability training to cultivate thought leaders", p.011

[2] [Nomura Holdings Website](#), "Promoting Sustainability"

[3] [Nomura Connects](#), "Sustainability"

[4] [Nomura Holdings Website](#), "Reference Guidelines"

[5] [Nomura Holdings Website](#), "Environmental Management"

5.3 Governance Structure for Implementation of the Principles

Show that your bank has a governance structure in place for the implementation of the PRB, including:

a) target-setting and actions to achieve targets set

b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.

Nomura's Sustainability Committee, the highest decision-making body at the executive level, is well placed to guide and assess the progress of the PRB targets at a group level.^[1]

The Sustainability Committee and Sustainability Council set and monitor the action plan for impacts and target setting for different sustainability initiatives.

As one of the five sub-committees in the Group Sustainability Governance Structure, the Wholesale Sustainability Forum, chaired by the Head of Wholesale, monitors the implementation of the PRB framework via the PRB Steering Committee.

The four regional forums of the Wholesale Sustainability Forum also provide the necessary regional expertise and leadership to drive the sustainability initiative forward.

Nomura Group's sustainability initiatives are reported to the Board of Directors as appropriate.

[1] [Nomura Holdings Website](#), "Promoting Sustainability"

Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.

Nomura has strong governance and oversight on Sustainability initiatives and has made significant progress in fulfilling the requirements set forth by the Principles for Responsible Banking. The firm is focused on developing internal policies and procedures, and promoting a culture of sustainability in the way we conduct business and engage with employees.

6. Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Progress on Implementing the Principles for Responsible Banking

Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).

Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.

Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.

Nomura has been committed to embedding the UN Principles across its business divisions by way of aligning the firm's activities to SDGs, Paris Climate Agreement and Net Zero.

The firm 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. ^[1]^[2]

Nomura facilitated approximately \$80 billion (¥8,480 billion) in sustainable financing in FY2020/21, and achieved a 54.8% reduction in gross emissions (v. FY2012/13) as of March 2021. Responsible investing is fully embedded in our Asset Management business by way of portfolio construction and engagement.

Our efforts have yielded us the Investment Bank of the Year for Sustainable FIG Financing Award in 2021 by The Banker, The Investment Bank of the Year for Sustainable Corporate Finance Award in 2020 by The Banker, and an A+ on major PRI scores in the UN PRI assessment of 2020. Nomura ranked number 9 in Environmental Finance's Social Bond Managers rankings and number 10 in its Sustainable Bond Managers rankings for 2020.

Using the UNEP FI Portfolio Impact Analysis Tool, 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 by announcing commitment to achieve net zero greenhouse gas emissions and setting targets for sustainable financing.

We have also been enhancing our sustainability reporting and transparency. We publish an annual GRI disclosure^[3] and have made progress in implementing the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations. In 2021 we disclosed approaches for identifying and measuring various physical and transition risks, and climate-related business opportunities, governance and strategy.

Internal Climate Risk measures, including Carbon Related Assets and High Transition Risk metrics, ^[4] are now established and regularly monitored. The carbon emission intensities are measured for our Asset Management portfolios.

[1] [Nomura Connects](#), "Sustainability"

[2] [Wholesale ESG Sectoral Appetite Statement](#), "Our Sector Approach", p.002-004

[3] [Nomura Holdings Website](#), "GRI Standards Content Index"

[4] [Nomura TCFD Report 2021](#), "Credit Exposure Analysis", p.015

[5] [Responsible Investment Report 2020](#), "TCFD", p.019-027

[6] [Nomura Holdings Website](#), "Participation in Initiatives for Sustainability"

Also, the Asset Management business assesses opportunities in new markets, resource efficiency and development of carbon free products. Additionally, there is focus on carbon pricing, CCUS, carbon recycling and renewable energy.^[5]

We are already aligned with the international frameworks and good practices such as UN PRI, UN Global Compact, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, Universal Declaration of Human Rights, the ILO's international labour standards, CDP, and The Principles for Financial Action towards a Sustainable Society. Nomura continues to monitor its operations to ensure compliance with these guidelines.^[6]

Nomura is analyzing and has implemented the Sustainable Finance Regulations for its EU entities such as the SFDR, updates to EU Benchmark regulation for ESG and the Green Taxonomy.

Nomura Group will continue to position sustainability as a management strategy and support the sustainability initiatives of customers and various stakeholders. The Group will also improve its risk management and reduce its environment impact in order to meet its sustainability commitment. These two pillars are our means to achieve the realization of sustainability.

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking

Nomura has made significant progress in the implementation of the Principles, and also in its overall sustainability alignment. We are currently focused on our net zero strategy, sustainable financing, product development and climate risk scoring. Our decision making processes and operations are guided by the international frameworks we have committed support to.

NOMURA

NOMURA HOLDINGS, INC.

<https://www.nomura.com/>

