

Nomura Principles for Responsible Banking Report FY2023/24

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

Principle 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.

Business model

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 across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g., the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e., by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Response:

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.^[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.

Nomura 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.

Nomura provides a wide range of products and services through its Retail Division, Investment Management Division, and Wholesale Division (Global Markets, Investment Banking and International Wealth Management).

Our product offerings across our different divisions include:

- Retail^[2]
 - Global Equities and Bonds
 - Mutual Funds / Investment Trusts
 - Insurance Products
 - Discretionary Investments
 - Advisory Services for Mergers and Acquisitions
 - Real Estate Referrals
 - Inheritance and Business Succession Services
- Wholesale (Global Markets/Investment Banking/International Wealth Management)^[3]
 - Underwriting of Equities and Debts
 - Advisory Services for Mergers and Acquisitions
 - Risk Solutions
 - Sales in Trading in Equities Rates, Credit, Foreign Exchange and Derivatives

Links and references:

- [1] [Nomura Holdings Website](#), "About Nomura Group"
- [2] [Nomura Holdings Website](#), "Retail"
- [3] [Nomura Holdings Website](#), "Wholesale"
- [4] [Nomura Holdings Website](#), "Investment Management Division"
- [5] [Nomura Annual Report 2023](#), "Financial Review", p.077-082
- [6] [Nomura Annual Report 2023](#), "Business Strategy to Create Economic Value", p.024-033
- [7] [Investor Day Presentation](#), "Head of Retail", p.003
- [8] [Investor Day Presentation](#), "Head of Wholesale", p.004
- [9] [Investor Day Presentation](#), "Head of Investment Management", p.003
- [10] [Nomura TCFD Report 2023](#), "Breakdown of Carbon Related Assets", p. 020

- Investment Advisory and Portfolio Solutions
- Wealth Planning and Trust Solutions
- Discretionary Portfolio Management
- Managed Products and Alternative Investments
- Investment Management (Nomura Asset Management):^[4]
 - Investment Trust
 - Investment Corporation
 - Investment Partnership
 - Discretionary Investments, Advisory

The Financial Review Section of the Nomura Report 2023 provides the business outline, revenue split by business segment and income (before taxes) split by region.^[5]

Detailed information on Nomura’s management vision up to FY2024/25¹ including performance of business segments, strategic themes, KPI and KGI business targets can be found in the Nomura Report within the section on Business Strategy to create economic value.^[6] The Investor Day presentation of the Head of Retail^[7] contains disclosures on the client types serviced. The Investor Day presentation of the Head of Wholesale^[8] contains a breakdown of the Wholesale risk-weighted assets by region and that of the Head of Investment Management^[9] contains a breakdown of the assets under management by investor type.

The Risk Management section of the Nomura TCFD Report 2023 provides a breakdown of our carbon related assets by industry.^[10]

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

- Yes
- No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Guiding Principles on Business and Human Rights
- International Labour Organization fundamental conventions
- UN Global Compact
- UN Declaration on the Rights of Indigenous Peoples
- Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: We publish a Nomura TCFD Report annually.

¹ Fiscal year or “FY” in this document means a twelve-month period starting from Apr 1. e.g., the fiscal year 2022 or FY2022/23 represents a period starting from Apr 1, 2022, and ending on Mar 31, 2023

Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: We publish our Modern Slavery Act Statement annually in accordance with the requirements of the UK Modern Slavery Act. We have taken similar actions in Australia based on the Australian Modern Slavery Act 2018. We also publish a UK Gender Pay Gap report annually.^[1]

None of the above

Response:

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.^[2]

Nomura's management vision is to "Achieve sustainable growth by solving social issues."^[3] 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."^[4]

Nomura's Group Sustainability Statement^[5] 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^[6] and the Investment Management Division: Policy regarding Sustainable Lending and Investing^[7]. The former sets forth the Wholesale Division's sector-specific approach and policy on ESG screening and due diligence, while the latter sets out Investment Management Division's policy for the approach that incorporates considerations of ESG factors into relevant investment processes when managing client assets. We review the statements and annex on regular basis.^[8]

The Group contributes to international goals by participating in the following major domestic and international initiatives and signing guidelines:^{[2][5][6][9]}

- Net-Zero Banking Alliance (NZBA)
- Partnership for Carbon Accounting Financials (PCAF)
- UN Global Compact (The United Nations Global Compact)
- UNEP Financial Initiative (The United Nations Environment Programme Finance Initiative)
- UN PRB (The United Nations Principles for Responsible Banking)
- TCFD (Task Force on Climate-related Financial Disclosures)
- CDP (formerly Carbon Disclosure Project)
- GX League
- TNFD (Taskforce on Nature-related Financial Disclosures) Forum
- The Principles for Financial Action towards a Sustainable Society
- 30% Club Japan
- Keidanren Initiative for Biodiversity Conservation
- Net Zero Asset Managers Initiative (NZAM)*
- UN PRI (The United Nations Principles for Responsible Investment)*

* Initiatives which only Nomura Asset Management participates in.

Links and references

- [1] [Nomura Holdings Website](#), "Modern Slavery Act Statements, UK Gender Pay Gap Report"
- [2] [Nomura Holdings Website](#), "Our Commitment to Sustainability"
- [3] [Nomura Annual Report 2023](#), "CEO Message", p.004
- [4] [Nomura Annual Report 2023](#), "Sustainability", p.039
- [5] [Nomura Holdings Website](#), "Nomura Group Sustainability Statement"
- [6] [Wholesale ESG Sectoral Appetite Statement](#), "Our Sector Approach", p.002
- [7] [Investment Management Division: Policy regarding Sustainable Lending and Investing](#), "Annex to Nomura Group Sustainability Statement", p.001-002
- [8] [Nomura TCFD Report 2023](#), "Sustainability Statement", p.002
- [9] [Nomura Holdings Website](#), "Participation in Initiatives for Sustainability"
- [10] [Nomura TCFD Report 2023](#), "CEO Message, Views on Climate Change", p. 001
"Nomura's Position on Climate Change", p.002
- [11] [Nomura Holdings Website](#), "Risk Management"
- [12] [Nomura Annual Report 2023](#), "Sustainable Finance", p.040
- [13] [Nomura TCFD Report 2023](#), "Major

In September 2021, Nomura announced our commitment to align our commercial activities with the objectives of the Paris Agreement. 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.^[10]

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.^[11]

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.^[12] We have been strengthening our Infrastructure & Power Finance (IPF) business, one of our core businesses overseeing sustainable finance globally. Additionally, in April 2020, Nomura acquired Greentech Capital Advisors. Nomura Greentech is now a fully integrated investment banking team within the Wholesale Division and provides M&A and strategic advisory services and fundraising in the areas of sustainable technology and infrastructure.

In the fiscal year 2022, Nomura has supported structuring and distribution of Transition Bonds under the Japanese government (METI) frameworks, through our Debt Capital Markets business.

In January 2023, we received the Sustainable Innovation Award at the 8th Sustainable Finance Awards, hosted by the Research Institute for Environmental Finance for developing the Green Digital Track Bond (security token bond). This was part of a green bond issuance project of the Japan Exchange Group, and the Green Digital Track Bond was highly regarded for making it possible to avoid greenwashing and visualizing the ESG impact by clarifying environmental data by using blockchain and other digital technologies. The JPX Market Innovation & Research, Inc. and Nomura Securities jointly received the award for this project.^[13]

Nomura Asset Management's Responsible Investment report contains its ESG Statement and Basic Policy for Responsible Investment demonstrating its commitment to Sustainability.^[14]

We recognize that regular engagement with our stakeholders is necessary to achieve the goals established in these statements. 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.^[5] In April 2023, a Chief Sustainability Officer was appointed to further accelerate our sustainability initiatives. The Chief Sustainability Officer is responsible for implementing sustainability related strategies including gathering information on sustainability locally and globally, managing the progress of sustainability-related measures, and developing sustainability-related policies and frameworks.^[15]

Nomura introduced their Green Transformation or GX initiatives at the Japan Pavilion of the 28th Conference of the Parties to the UN Framework Convention on Climate Change (COP28) held in Dubai, United Arab Emirates. GX is a Japan-led initiative to achieve carbon neutrality by 2050. We also took part in a seminar titled "Appropriate evaluation of avoided emissions towards net zero society" organized by Japan's Ministry of Economy, Trade and Industry (METI) and the World Business Council for Sustainable Development

achievements in recent years", p.011

[14] [Responsible Investment Report 2022](#), "Basic Policy for Responsible Investment", p.019

[15] [Nomura TCFD Report 2023](#), "Chief Sustainability Officer", p.007

[16] [Nomura Holdings Website](#), "Nomura Introduces GX Initiatives at COP28 Japan Pavilion"

[17] [Nomura Holdings Website](#), "Nomura to Partner with Stakeholders to Drive Sustainability"

[18] [Nomura Holdings Website](#), "Nomura Sustainability Day"

[19] [Nomura Holdings Website](#), "Nomura Sustainability Day, Global Head of Infrastructure and Power Finance Nomura Securities International"

[20] [Nomura Holdings Website](#), "Nomura Sustainability Day, President and CEO, Nomura Asset Management Co., Ltd."

[21] [Nomura Annual Report 2023](#), "Diversity, Equity and Inclusion", p.049-050

(WBCSD), and a seminar on the role of sovereign bonds in expanding GX finance organized by METI, Ministry of Finance and the Ministry of the Environment.^[16]

"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 its strong relationships, 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.^[17]

At the Nomura Sustainability Day held on 28th September 2023, the Head of Group Sustainability and Chief Sustainability Officer jointly presented our sustainability initiatives across different business divisions to a wide range of stakeholders.^[18]

At the same event, details on Nomura's sustainability focused Infrastructure and Power Finance businesses were covered by its Global Head. Nomura Asset Management sustainability initiatives can be found in their Presentation.^{[19][20]}

Pages 39 to 46 of Nomura Report 2023 details our sustainability initiatives across themes such as sustainable finance, M&A Advisory in sustainability, support for impact start-ups, net zero initiatives, financial education, human rights commitment, and social contribution activities among others.^[3]

On Page 49-50 details on Diversity, Equity and Inclusion initiatives can be found.^[21]

Principle 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 (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfil the following requirements/elements (a-d):

- a) **Scope:** What is the scope of your bank’s impact analysis? Please describe which parts of the bank’s core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

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. This aligns with the revenue split across business line for FY 2023/24 as well.

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.^[1]

Materiality Assessment

Nomura’s Materiality assessment identifies changes in the environment surrounding Nomura that will have a material impact on Nomura’s value creation process, and themes that Nomura should focus on in each of these areas, in line with UN SDGs. We review the Materiality every year based on the environment and Nomura’s business developments. Our material issues for 2023 include environmental issues, Japan’s declining birthrate & ageing population and DEI & Human rights and are in line with the following nine Sustainable Development Goals:^[2]

- SDG 4 – Quality Education

Links and references

- [1] [Responsible Investment Report 2022](#)
- [2] [Nomura Annual Report 2023](#), “Materiality”, p.016
- [3] [Responsible Investment Report 2022](#), “Materiality”, p.012

- 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 Selection Process, Nomura’s understanding of the environment surrounding Nomura and risks/opportunities and Issues and details to work on can be found in the Nomura Report 2023.^[2]

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 2022.^[3]

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

- b) Portfolio composition:** Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope
- i) by sectors & industries for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
 - ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank’s scale of exposure, please elaborate, to show how you have considered where the bank’s core business/major activities lie in terms of industries or sectors.

Response:

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.

We also considered the composition of our corporate lending and investment portfolio by GHG emissions for setting of our interim GHG emissions reduction target. The power generation sector was chosen because it accounts for the largest share of our lending and investment portfolio GHG emissions by sector.^[1]

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

Links and references

[1] [Nomura TCFD Report 2023](#), “Nomura’s Net Zero Initiatives”, p.015

sectors analyzed were Automobiles and Components, Banks, Capital Goods, and Retailing among others.

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

Response:

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.

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 customers in their efforts to decarbonize and resolve social issues in order 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:^[1]

- Expansion of sustainable finance:
 - 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.
- Providing total solutions in the sustainability field
 - Increasing information-providing opportunities for formulation of decarbonization strategy.
 - Increasing consulting opportunities for sustainability strategy and ESG management.
- Provision of M&A Advisory services in the sustainability field
 - Increasing M&A advisory opportunity by supporting clients' decarbonization through business portfolio reorganization.
- Expansion of ESG investment opportunities
 - Developing ESG products.
 - Index development.
 - Assessing the performance of financial instruments against ESG standards.
 - Strengthening information provision to individual investors.

Links and references:

- [1] [Nomura TCFD Report 2023](#), "Climate Change-related Strategies", p. 010-014
- [2] [Nomura Holdings Website](#), "Investor Day Presentation, Head of Retail"
- [3] [Nomura Holdings Website](#), "Nomura Sustainability Day"
- [4] [Nomura Annual Report 2023](#), "Financial Education Initiatives", p.045
- [5] [Nomura Holdings Website](#), "Nomura Updates Group Diversity, Equity and Inclusion Statement"
- [6] [Nomura Holdings Website](#), "Diversity Equity and Inclusion"
- [7] [Nomura Holdings Website](#), "Form 6-K", p. 006

Further detailed information can be found in "Section 3.2 - Climate Change-related Strategies" of the Nomura TCFD Report 2023.

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 is to achieve sustainable growth by helping resolve social issues. The Group is committed to promoting sustainable circulation of capital 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. 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.

Nomura aims to promote securities investment across all of society to protect assets of more clients and contribute to expansion of capital markets. Nomura helps clients with extending assets in the age of 100-year lifespans and asset planning to counter inflation.

With the Japanese government's plan to double asset-based income, NISA small investment tax exemption system is being expanded and will become permanent from January 2024. Nomura Asset Management is preparing product lineups that will encourage a wide range of age groups to take advantage of the system, including the launch of a new series of low-cost index funds, "My First NISA".

Nomura is increasing contact points with working age generations and supporting improved financial literacy and asset building over the medium to long term. In this way Nomura is contributing to shift in Japan from savings to asset building via investment and also to human capital management at corporates. Nomura Securities has a KPI to increase the number of accessible accounts providing services to salaried employees from 3.49m in FY2022/23 to 3.66m by FY2024/25.^[2]

Nomura also formed the Japan Search Fund Platform with Japan Search Fund Accelerator by investing ¥5.8bn along with other LP investors. The fund will pick CEO candidates and help them identify companies where they could be installed as successor. When a new leader starts, the fund can inject capital in return for a stake. As of July 2023, 7 researchers were hired and 2 transactions were completed under this initiative.^[3]

In addition, since the spread and improvement of financial literacy is essential to the creation of an Inclusive and Healthy Economy, we will promote financial and economic education.

In April 2022, Nomura Securities established the Financial Well-being Dept. in order to strengthen our financial education capabilities. All Nomura Securities branches have established a Financial Well-being Promotion Team, headed by the head of each branch, to provide financial education to a diverse range of students in accordance with the distinct profiles of each community and region.^[4]

Diversity, equity and inclusion are also important factors in continuing to grow as an organization. Nomura's Diversity, Equity and Inclusion (DEI) Statement expresses Nomura's commitment to creating a diverse and inclusive workplace that offers fair and equitable opportunities to all employees.^[5] The Diversity, Equity & Inclusion Working Group was established under the Sustainability

Committee. This working group comprises executive officers and other members, and discusses Group-wide strategies to promote diversity, equity & inclusion. At each global site, we have established an organization with local senior management as members and have assigned DEI staff to promote activities in accordance with local conditions. In addition, voluntary employee networks are promoting local issues such as women's careers, work-life management, multiculturalism, people with disabilities, LGBTQ +, race, ethnicity, and mental health. Through both these top-down and bottom-up approaches, we conduct our diversity, equity, and inclusion activities. Accordingly, we will work to create a workplace where each employee can demonstrate his or her full potential.^[6]

Nomura also discloses the diversity ratios among its employees and gender pay gap information.^[7]

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.

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)? Please disclose.

Response:

Links and references

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 COO office.

Most Significant Impact Areas

As GHG emissions from Nomura Group's lending and investment portfolios are relatively small 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 the depth of the climate crisis, the Japanese government's 2020 declaration of carbon neutrality, and ongoing international discussions at the COP forums.

As a guardian of the financial and capital markets, Nomura 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 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.

d) For these (min. two prioritized impact areas): Performance measurement. Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank’s context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank’s current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. If you have identified climate and/or financial health & inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your bank has taken another approach to assess the intensity of impact resulting from the bank’s activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

Response:

Climate

In order to shift to a portfolio consistent with the goals of the Paris Climate Agreement, we measure our Scope 3 Category 15 GHG emissions from corporate lending and investment activities for each NZBA sector. In FY 2022/23 we recorded GHG emissions of 7m t-CO₂e, which is smaller than lending banks.^[1] We chose the Power Generation sector for our first interim GHG emissions reduction target as it accounts for the largest share of our lending and investment.

In order to achieve the interim target, we seek to maintain and manage the ratio of renewable energy related assets versus our total fuel mix in our lending and investment portfolio.^[2]

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 TCFD disclosures.^[3]

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. 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 has issued GX Economic Transition Bonds.

In October 2022, we established the Sustainable Finance Department to consolidate our internal functions related to sustainable finance, and this

Links and references:

- [1] [Nomura Holdings Website](#), “Sustainability Day Presentation”
- [2] [Nomura TCFD Report 2023](#), “Nomura’s Net Zero Initiatives”, p.015
- [3] [Nomura TCFD Report 2023](#), “Carbon Related Assets (CRA)”, p.019
- [4] [Nomura Annual Report 2023](#), “Sustainable Finance”, p.040
- [5] [Nomura Holdings Website](#), “Green and Social Finance Framework”
- [6] [Nomura Holdings Website](#), “Transition Finance Guidance”

department has been providing value-added advice to clients based on our high level of expertise.^[4]

We have also formulated the Green and Social Finance Framework with support from Morningstar Sustainalytics to validate green and social finance transactions. To complement this, we have published Transition Finance guidance to validate transition finance transactions.^{[5][6]}

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?

| | | | |
|--------------------------|---|--------------------------------------|-----------------------------|
| Scope: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Portfolio composition: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Context: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Performance measurement: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate and Inclusive and Healthy Economies

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: *(optional)*

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and 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.

You can build upon the context items under 2.1.

Response:

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 the Net Zero Banking Alliance. 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.^[1] Detailed list covered under Section 1.

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. Wherever significant ESG issues are identified, we undertake ESG due diligence, including engagement with clients and external assessments of the client's management of environmental and social issues, where necessary. Transactions that have significant ESG issues are escalated for consideration by the senior management committees.^{[2][3]}

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

Links and references:

- [1] [Nomura Group Sustainability Statement](#), "Participation in International Initiatives", p.004
- [2] [Nomura Connects](#), "Sustainability"
- [3] [Wholesale ESG Sectoral Appetite Statement](#), "Our Sector Approach", p.002-004

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

| Impact area | Indicator code | Response |
|---------------------------|---|--|
| Climate change mitigation | A 1.1 Climate Strategy | Yes |
| | A 1.2 Paris alignment target | Yes, we have committed to achieving net zero GHG emissions from our lending and investment portfolios by 2050, in line with IEA's NZE scenario |
| | A 1.3 Policy and process for client relationships | In progress |
| | A 1.4 Portfolio Analysis | Yes, we have analyzed our corporate lending and investment portfolio for financed GHG emissions |
| | A 1.5 Business Opportunities and Financial Products | Yes, refer to section 3.2 for details |
| | A 2.1 Client engagement process | |
| | A 2.2 Absolute Financed Emissions | Our Scope 3 Category 15 financed GHG emissions in FY 2022/23 amounted to approximately ~7m t-CO ₂ e. |
| | A 2.3 Sector specific emission intensity | We have set an interim GHG emissions reduction target for Power Generation sector, refer section 2.3 for details |
| | A 2.4 Proportion of financed emissions covered by a decarbonization target | Our interim GHG emissions reduction for the Power Generation sector covers a majority of our portfolio GHG emissions. |
| | A 3.1 Financial volume of green assets / low-carbon tech | Renewable energy constitutes 61% of our total power generation fuel mix in FY 2022/23. This is in line with the NZE scenario's 2030 target. 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. |
| | A 3.2 Financial volume lent to / invested in carbon intensive sectors and activities and transition finance | Our exposure to carbon related assets in March 2023 constitutes 6.8% (vs 8.1% in March-2022) of our loan equivalent exposure, of which loans constituted 4.8%. |

| | | |
|--|----------------------------------|---|
| | | For further details, refer the “Risk Management Approach” section of the Nomura TCFD Report 2023 |
| | A 4.1 Reduction of GHG emissions | Refer section 2.3 for details |
| | A 4.2 Portfolio Alignment | The majority of our GHG emissions from lending and investment portfolios are accounted for by the Power Generation sector where we have set an interim GHG emission reduction target. Renewable energy constitutes 61% of our total power generation fuel mix in FY 2022/23. This is in line with the NZE scenario’s 2030 target. |

| <i>Impact area</i> | <i>Indicator code</i> | <i>Response</i> |
|-------------------------------|-----------------------|-----------------|
| <i>Financial</i> | ... | |
| <i>health & inclusion</i> | ... | |

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

Response:

Links and references

We have determined a baseline year and target metric for each of our UN PRB targets:

- Net Zero GHG emissions for own operations:
 - Metric: t-CO₂e
 - Baseline Year: FY2020/21
- Net Zero interim target for Power Generation Sector
 - Metric: t-CO₂e / \$m
 - Baseline Year: End of March2021
- Facilitate \$125bn in Sustainable Financing over 5 years by March 2026
 - Metric: Sustainable financing in \$m.
 - Baseline: FY2021/22

More details on our PRB targets in further sections.

c) SMART targets (incl. key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Response:

Links and references:

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

Climate

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

Nomura has set the following targets to achieve net zero greenhouse gas emissions.

- Own operations by 2030
 - For own operations, we have announced the target to achieve net zero greenhouse gas emissions (FY2020/21: 41,476 t-CO₂e; FY2021/22: 33,634 t-CO₂e; FY2022/23: 26,656 t-CO₂e; 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% FY2025/26 Target: Over 70%; 2030 Target: 100%).
- Financed Emissions in Lending and Investment Portfolios^[2]
 - We have a long-term target for 2050 to align financed emissions in lending and investment portfolios to Net Zero as a member of the Net Zero Banking Alliance. We are working towards sector-specific decarbonization targets.
 - Power generation sector target: Our target is in line with the power generation mix that IEA NZE scenario² assumes for 2030. Our emissions intensity in FY2030/31 shall be lower than that of this scenario. Refer to section 2.3 for details.
- Nomura will meet the commitment through:
 - Managing the ratio of renewable energy related assets versus our total fuel mix in our lending and investment portfolio. The renewable mix is currently 61% in 2023, in line with NZE scenario's 2030 target.
 - Improving the emission efficiency of our investments and loans through engagement with our customers
 - Providing products and services to clients to assist with transition to a decarbonized economy.

[2] [Nomura TCFD Report 2023](#), "Nomura's Net Zero Initiatives", p.014-016

[3] [Nomura Annual Report 2023](#), "ESG Data", p. 085-092

Inclusive and Healthy Economies

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

- To deploy \$125 billion in sustainable financing for five fiscal years ending 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 in five fiscal years ending 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.
 - Baseline: Nomura facilitated approximately \$21.4 billion of financing in FY2021/22^[3]

² International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario (NZE). Refer to 2.3 for details.

d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Response:

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

- To achieve net zero greenhouse gas emissions for the Group^{[1][2]}
 - The Environmental Activities Working Group 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.
 - 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.
 - 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, in order to make more accurate measurements.^[3]
 - Further details on Net Zero financed emissions in section 2.4
- \$125 billion in Sustainable Financing for five fiscal years ending March 2026.^{[1][2][4][5]}
 - We have formulated the Green and Social Finance Framework with support from Morningstar Sustainalytics to validate green and social finance transactions. To complement this, we have published the Transition Finance guidance for validating transactions that qualify as transition finance.
 - Our sustainable financing facilitated, calculated based on the above frameworks, is subject to independent assurance.

Links and references:

- [1] [Nomura Holdings Website](#), “ESG Data”
- [2] [Nomura Holdings Website](#), “Assurance Report”
- [3] [Nomura TCFD Report 2023](#), “Nomura’s Net Zero Initiatives”, p.014-016
- [4] [Nomura Holdings Website](#), “Green and Social Finance Framework”
- [5] [Nomura Holdings Website](#), “Transition Finance Guidance”

As per the Wholesale Division: 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 are committed to promoting sustainable practices in all sectors when supporting economic growth and prosperity. We expect our clients to comply

with all applicable local laws and regulations, as well as international conventions that their country has ratified.

We screen all relevant transactions in all sectors/industries for ESG issues as part of our transaction approval process. Wherever significant ESG issues are identified, we undertake ESG due diligence, including engagement with clients and external assessments of the client's management of environmental and social issues, where necessary. Transactions that have significant ESG issues are escalated for consideration by the senior management committees.

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

| | Climate | Inclusive and Healthy Economies | <i>(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)</i> |
|---------------|--|--|---|
| Alignment | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No |
| Baseline | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No |
| SMART targets | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No |
| Action plan | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No |

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

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

Report on your bank’s progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response:

Nomura has significant progress on its targets.

- Own Operations^[1]: 26,656 t-CO₂e for FY2022/23. Our Scope 1 & 2 GHG emissions decreased 21% YoY over FY2021/22 despite an expanded boundary to include data centres due to increased use of renewable energy.
- Financed Emissions^{[2][3]}:
 - Nomura measured its GHG emissions and set interim targets to reach net zero emissions in its investment and loan portfolio. An interim target towards FY2030/31 has been set for the power generation sector, which has a large impact on Nomura’s Scope 3 Category 15 GHG emissions from investments and loans.
 - The power generation 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. Also at Nomura, power generation sector accounts for the largest share of investment and loan portfolio emissions, and thus we decided to set an interim target for this sector.
 - To reduce GHG emissions in the power generation 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.
 - 61% of Nomura’s power generation sector portfolio is currently in renewable energy in line with IEA NZE scenario target for 2030. In FY2030/31, Nomura aims to keep emissions intensity lower than that calculated from the power mix assumed in 2030 under the IEA NZE scenario.

Links and references:

- [1] [Nomura Holdings Website](#), “Sustainability Day Presentation 2023”
- [2] [Nomura Holdings Website](#), “ESG Data”
- [3] [Nomura Annual Report 2023](#), “Net Zero Financed Emissions”, p.043
- [4] [Nomura Net Zero Transition Plan](#)
- [5] [Nomura Annual Report 2023](#), “Sustainable Financing”, p.040

| Baseline measurement | |
|---|----------------------------|
| GHG emissions in the power generation sector | 790 ktCO ₂ e |
| Economic emissions intensity in the power generation sector | 635 tCO ₂ e/\$M |

| | | | | |
|--|--|-----------|-----------|-----------|
| Target setting metric | Economic emission intensity: absolute emissions (tCO ₂ e) divided by the loan and investment volume (million USD) | | | |
| Baseline measurement date | End of March 2021 | | | |
| PCAF data quality score | Scope 1,2,3: 4.2 | | | |
| Interim target for the power generation sector | | | | |
| 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. ³ | | | |
| Reference scenario | International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario (NZE) ⁴ | | | |
| Target scope | | | | |
| Value chain in scope | Power generation business | | | |
| Emission scope counted | Scope 1, 2, 3 | | | |
| Target assets | Investments and loans (excluding unused commitments) | | | |
| Financed Emissions (Power Generation Sector) | | | | |
| Financial Year | PCAF DB | 2020/2021 | 2021/2022 | 2022/2023 |
| GHG emissions (kt-CO ₂ e) | New | - | 3647 | 4662 |
| | Old | 790 | 1250 | 1673 |
| Economic emissions intensity (t-CO ₂ e/US\$m) | New | - | 3458 | 3422 |
| | Old | 635 | 1186 | 1229 |
| PCAF Data Quality Score (Scope 1,2,3) | | 4.2 | 3.8 | 4.2 |

- Our GHG emissions from the power generation sector have increased vs our baseline year due to the following reasons:
 - External factor: Increase due to recent change in Exiobase emission factors provided by PCAF
 - Internal factor: Increase in outstanding loans in the power generation sector (+ 9%, 2021 vs 2023) and decrease in portion of renewable energy among our power generation sector loans and investment (61% in 2023 vs 80% in 2021).

³ As reference information, we will strive to maintain the power mix of our investment and loan portfolio within the range of the IEA NZE scenario for 2030, and keep our renewable energy ratio at 61% or more in FY2030/31.

⁴ A scenario released by the IEA where the increase in global average surface temperature is limited to 1.5°C with a 50% or greater probability of success.

-
- Our renewable energy ratio in FY2022/23 is still in line with NZE scenario’s 2030/31 target.
 - 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.
Transition Plan
 - Nomura published its Transition Plan in line with the Net Zero Banking Alliance framework. Please refer to our website . Please refer to our Transition Plan for the description on the implementation and monitoring content regarding our target on Financed Emissions.^[4]
- \$125bn in Sustainable Financing Facilitated
 - \$25.2 billion facilitated in sustainable financing for FY 2022/23 taking our total up to approximately \$46.6 billion out of \$125 billion in sustainable financing.^[5]
 - Breakdown of sustainable financing facilitated in FY2022/23:
 - Green: 48%
 - Social: 28%
 - Sustainability: 19%
 - Sustainability-linked: 3%
 - Transition: 3%
-

**Principle 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 Client engagement

Does your bank have a policy or engagement process with clients and customers in place to encourage sustainable practices?

Yes In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

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). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Response:

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

The 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 Code of Conduct, which sets out guidelines for action, and builds fair and ethical relationships with customers.

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.

ESG Screening in Wholesale Division

In January 2022, Nomura revised its ESG Sectoral Appetite Statement that pledges our support to international frameworks and guidelines for key sectors in Wholesale Division. The Statement identifies areas where Nomura will not provide or restrict financing from an ESG perspective and outlines the ESG

Links and references:

- [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 2023](#), "Our Views on Sustainability", p.002-003
- [6] [Wholesale ESG Sectoral Appetite Statement](#), "Our Sector Approach", p.002-004
- [7] [Nomura Holdings Website](#), "Improving Products and Services"
- [8] [Nomura Annual Report 2023](#), "ESG Data", p.086
- [9] [Responsible Investment Report 2022](#), "ESG"

screening and due diligence process to assess transactions. It prohibits financing of certain types of transactions in selected sectors.

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

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 regularly holds Customer Satisfaction (CS) Improvement Liaison Meetings chaired by an executive officer in charge of the Retail Division, with the aim of enhancing customer satisfaction by aggregating feedback received from clients through our daily business activities, dedicated phone lines, as well as our client satisfaction surveys. The matters discussed by the CS Improvement Liaison Meeting are reported to the Executive Management Board as necessary.^{[7][8]}

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. Analysts and ESG specialists collaborate to compute proprietary ESG scores which represent Japanese companies' true ESG abilities. The assessment comprises four items (Environment, Social, Governance and SDGs) with a weighting of 25% each. There are a total of approximately 100 evaluation items, with a good balance between risks and opportunities. 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]

Further detailed information, including ESG Scoring Framework and Utilizing ESG scores, can be found on page 89 of the Responsible Investment Report 2022.^[9]

Scores for Japanese Equities", p.089-090

- [10] [Responsible Investment Report 2022](#), "Impact Investing", p.091- 098
- [11] [Responsible Investment Report 2022](#), "Initiatives on Human Rights", p.041-042
- [12] [Responsible Investment Report 2022](#), "ESG Integration", p.085-111
- [13] [Nomura TCFD Report 2023](#), "Strengthening Information Provision to Individual Investors", p. 014
- [14] [Nomura Greentech Website](#), "Sustainable Heroes"
- [15] [Nomura Annual Report 2023](#), "Retail Division, Sustainability Initiatives", p.026
- [16] [Nomura Annual Report 2023](#), "Investment Management Division, Sustainability Initiatives", p.029
- [17] [Nomura Connects](#), "Sustainability"

Detailed information on Nomura Asset Management's ESG integration initiatives can be found in the ESG integration section, pages 85-111 of the Responsible Investment Report 2022.^[12]

Engagement with Clients on Sustainability

We have actively engaged with clients on sustainability related topics by way of conferences, seminars, ESG pitch-books and newsletters. Nomura Greentech initiates and maintains dialogue with clients on making investments in sustainable and green businesses. Nomura Greentech initiates and maintains dialogue with clients on making investments in sustainable and green businesses. Nomura has the largest client base among Japanese securities companies. We hold ESG seminars for individual investors and share videos of ESG study sessions on our social media platforms. 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. We also provide information to individual investors on how investing in these areas can help resolve social issues. By promoting ESG investment to individual investors, we aim to create a virtuous investment cycle.^[13]

- In June 2023, Nomura Greentech hosted the Sustainable Leaders' Summit 2023 bringing together over senior executives from innovative sustainable technology and infrastructure companies and focused venture capital and private equity investors. Roundtable discussions were held over various topics such as Climate Change and Water Stress, Decarbonizing Food and Clean Hydrogen among others
- Nomura Greentech's "Sustainable Heroes" Magazine features global leaders and entrepreneurs with a passion for sustainability.^[14]
- The Nomura Sustainable Finance Newsletter is released monthly internally to senior management as well as externally to clients. The newsletter details Nomura's ESG related events, key ESG transactions and thought leadership and research on sustainability trends.
- As part of our retail division, we hold ESG seminars and stream ESG study sessions for individual investors using SNS to convey Nomura's message that we contribute to solve social issues, promote individual investors to invest into ESG investments, and create a virtuous cycle of investment funds.^[15]
- As part engagement activities, Nomura Asset Management has launched Project BRIDGE to help uncover the potential corporate value of Japanese companies, while simultaneously disseminating information about investment opportunities in Japanese stocks to investors around the world.^[16]

The Nomura Connects platform provides insights and thought leadership from Nomura on a wide variety of topics including sustainability in the form of articles, videos and podcasts.^[17]

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Response:

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

Advisory and Financing^{[1][2][3][4][5][6]}

- In April 2020, Nomura acquired Greentech Capital Advisors, a U.S. M&A boutique with strengths in sustainability, including renewable energy. In April 2022, we established Greentech Industrials & Infrastructure (GII), a team of approximately 150 bankers and 12 subsectors. 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 advises established players as well as innovative companies on low carbon, digital, and efficiency initiatives. GII is ranked first in Eikon's M&A advisory category for 2022 in the Japan-related sustainability sector.
- In Feb 2023, GII acted as sole financial advisor in raising for Sif Holding's financing, a Dutch offshore wind foundation equipment manufacturer. In March 2023, GII 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 Infrastructure and Power Financing business (IPF) is focused on sourcing, structuring, executing and distributing financings of green projects and other assets globally. IPF was involved in financing deals worth over US\$4 billion between January 2022 and December 2022 being ranked #1 in Japan Renewables Project Finance according to Inframation (As of January 2023). 50% of IPF's commitments totaling approximately ~\$7.5bn have supported renewable energy and energy security since the inception.
- IPF won the PFI "Americas Renewables Deal of the Year" for its role as a Coordinating Lead Arranger and Documentation agent on a ~\$1B senior secured credit facility to support the construction of the Edwards & Sanborn 1B solar + storage project. The project consists of a 410 MWac solar PV and 1.7GWh battery energy storage system located in California. Terra-Gen, the Project sponsor is active in the U.S. renewables generation.
- In June 2022, Nomura acted as the lead manager and structuring agent for the first transition bond issuance by JFE Holdings, Inc. The bond was the first in the Japanese manufacturing industry to be selected as a model case for the fiscal 2021 Climate Transition Finance Model Project by the Ministry of Economy, Trade and Industry (METI). Also, 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, which included assisting transition bond issuance by JFE Holdings.
- In September 2022, Nomura has established a Sustainable Finance Department in Japan to further strengthen initiatives for sustainability-related businesses. With the establishment of the new department, Nomura will consolidate its sustainable financing capabilities and expertise to deliver value added advice to clients, including on non-financial information disclosure. Nomura will also deepen collaboration across the firm, leveraging the extensive experience and track record of Nomura Greentech and sustainable finance related departments in Europe to strengthen global competitiveness.

Links and references:

- [1] [Nomura Holdings Website](#), "Advisory and Financing"
- [2] [Nomura TCFD Report 2023](#), "Reference: Major achievements in recent years", p.011
- [3] [Nomura TCFD Report 2023](#), "Expansion of Sustainable Finance Initiatives" p.010
- [4] [Nomura Annual Report 2023](#), "Nomura's Sustainability Business" p.040-041
- [5] [Nomura TCFD Report 2023](#), "GII Activities" p.013
- [6] [Nomura Holdings Website](#), "Nomura Sustainability Day, Global Head of Infrastructure and Power Finance Nomura Securities International"
- [7] [Nomura TCFD Report 2023](#), "Expansion of ESG / SDG investment products" p.014
- [8] [Responsible Investment Report 2022](#), "ESG Integration", p.085-111
- [9] [Responsible Investment Report 2022](#), "Engagement", p.057-073
- [10] [Nomura Holdings Website](#), "Nomura Sustainability Day"
- [11] [Nomura TCFD Report 2023](#), "Providing Total Solutions in the Field of Sustainability", p.012
- [12] [Nomura Holdings Website](#), "Financial Literacy"
- [13] [Nomura Annual Report 2023](#), "Financial Well-being", p.057-058

Retail services

- In July 2020, Nomura developed a series of funds focused on sustainable growth and medium to long term investment growth for our clients. The funds are part of our ESG lineup and are mainly marketed to individual investors. As of February 28, 2023, our ESG product lineup had a net asset balance of over ¥650 billion. We also offer sustainable bonds for individual investors and investment trusts, and we are working to expand ESG investment opportunities in Japan.^[7]

Asset Management services

- Nomura Asset Management 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 ^[8].
- As an institutional investor, Nomura Asset Management 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.^[9]
- Index development
- Nomura Asset Management has partnered with Sustainalytics for collaborative engagement for global equities, and with ISS on climate risk analysis data.^[9]

Investment Management services

- In May 2022, Nomura announced that it had entered into an agreement to acquire 41% of the shares in New Forests Pty Limited, one of the world's leading forestry asset management companies. In Aug 2023, we entered into agreement to invest in Tropical Asia Forest Fund 2 L.P. (TAFF2), a Southeast Asia forestry fund managed by New Forests Asia aiming to contribute to climate change mitigation, biodiversity protection, and sustainable forest conservation as part of investment thesis^[10]
- In response to growing interest in SDG bonds, NOMURA-BPI SDGs was developed in 2019 for performance measurement and risk analysis of the Japanese domestic SDG bond market. In April 2023, Nomura Fiduciary Research & Consulting Co., Ltd. (NFRC) revised the NOMURA-BPI SDGs classification and began publishing a sub-index named NOMURA-BPI SDGs Extended.^[11]

Promotion of financial literacy and social contribution activities ^{[12][13][6]}

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 and highlights include

- More than a million cumulative total recipients of financial education as of March 2023
- 1,115,000 cumulative total original teaching materials distributed as of March 2023
- Collaborating with regional banks as well as companies outside financial services to raise awareness
- On site classes in the form of active learning
- Distribution of teaching materials
- Nikkei Stock League

-
- Support through donations
 - Cooperation with NPOs and NGOs
-

Principle 4: Stakeholders



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

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Response:

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:^[2]

- Society and Environment (Community and Governments and Regulatory Authorities)
 - Stakeholders' Interests: Environmental issues, Social issues such as inequality, 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, respect for international human rights standards, Environmental management to reduce environmental impact, improve financial literacy through courses and economic education
 - Our efforts:
 - 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.
 - By strengthening our sustainability-related business, we will contribute toward the creation of a sustainable society by increasing the sustainability efforts of society.
 - We will also work to resolve social issues by improving financial literacy through financial and economic education, and reducing GHG emissions.

Links and references:

- [1] [Nomura Holdings Website](#), "Stakeholder Engagement"
- [2] [Nomura Holdings Website](#), "Communication with Stakeholders"
- [3] [Responsible Invest Report 2022](#), "Review of Priority Topics", p.066
- [4] [Nomura TCFD Report 2023](#), "Proposals, Participation in Rulemaking Process", p.011
- [5] [Expert Panel on Sustainable Finance, FSA – The Second Report](#), "Members of Expert Panel on Sustainable Finance", p.03
- [6] [Nomura Holdings Website](#), "Sustainability News"
- [7] [Nomura Holdings Website](#), "Investor Relations, Presentations, Nomura Sustainability Day"
- [8] [Nomura TCFD Report 2023](#), "History of Nomura Group's Sustainability Promotion", p.014
- [9] [Nomura Holdings Website](#), "Financial Literacy"

-
- Shareholders and Investors
 - Stakeholders’ Interests: Return through shareholder returns and stock price appreciation, capital efficiency, ESG initiatives, management vision and strategy.
 - Our responses: Sustainable growth through realization of management vision, business operations with emphasis on capital efficiency, initiatives to strengthen governance, implementation of our Group Sustainability Statement.
 - Our efforts:
 - Through our sustainability-related focused businesses and engaging in activities that lead to the sustainable growth of society as a whole, we strive to earn the trust of society and continuously improve our company’s brand value.
 - Clients (Individuals and Institutional Investors and Companies and Government Agencies)
 - Stakeholders’ Interests: Long term asset building, investment performance, fair and transparent pricing, solutions 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.
 - Our efforts:
 - Help corporate clients achieve sustainable growth and create innovation by providing advice on growth strategies and supporting financing.
 - By strengthening initiatives in private market business, we will promote fund raising and investment, and contribute to the formation of a deeper capital market.
 - Employees
 - Stakeholders’ Interests: Rewarding work environment, diverse work styles, growth opportunities, career development.
 - 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.
 - Our efforts:
 - Provide a healthy work environment in which employee with diverse backgrounds and values can demonstrate their abilities and individuality to the fullest, and provide opportunities for skill development and training
 - Maintain and retain strong talent by thoroughly implementing appropriate performance evaluation and compensation.
 - Business Partners
 - Stakeholders’ Interests: Synergies with Nomura, 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.
-

- Our efforts:
 - Explore new areas in financial services and accelerate business expansion by combining the strengths of both companies

Additionally, Nomura Asset Management engages with portfolio companies on the below 09 priority topics:^[3]

- Rational explanation of financial strategy
- Integrate business strategy and sustainability
- Redefine the Board of Directors
- Strengthen commitment to capital efficiency
- Solve problems aimed at realizing well-being within society
- Climate change
- Natural capital
- Utilize human capital possessing diverse values
- Human rights risks

Further detailed information on Nomura Asset Management's engagement efforts and examples of engagement can be found on pages 57-74 of their Responsible Investment Report 2022.

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's vision and initiatives to investors. These efforts are reported to the Sustainability Committee and reviewed as appropriate.

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]

Some examples of our initiatives and efforts to address stakeholder interests include:^{[4][5][6][7]}

- At the third Nomura's Sustainability Day, Group senior management gave presentations on the firm's sustainability initiatives to investors and the Content Company hosted a series of panel discussions on sustainability. The panels, which included corporates and external experts, discussed a range of topics including ESG investing, Green Transformation, visualization of impact, and biodiversity.
- Nomura spearheaded the Working Group on Disclosure and Evaluation of Climate-related Opportunities, established in September 2022, as an initiative of the GX League, a private sector-led framework established under the leadership of Japan's Ministry of Economy, Trade and Industry. This Working Group continues in 2023 with about 90 participants from various sectors such as industrials, energy, construction, retail and financial institutions
- Nomura contributed to the issuance of Japan Exchange Group's digitally tracked Green Bonds. The first digital green bonds in Japan.
- Nomura is part of the Advisory Council of ICMA Green and Social Bond Principles 2023. The role of the Advisory Council is to advise the Executive Committee of the Principles, to increase its market awareness and

outreach, and to enable further engagement with specific membership categories and observers.

- Nomura participates in the International Capital Markets Association (ICMA) Climate Transition Finance Working Group, the Social Bond & Sustainability Linked Bond Working Groups and the Global Financial Markets Association (GFMA) Climate Data Working Group. As lead sponsor of the ICMA Annual Conference June 2023, we contributed to discussions on market integrity, transition and ASEAN and the promotion of GX bond.
- As a member of the Sustainable Bond Market Advisory Group of the London Stock Exchange, Government, and associations related to sustainable finance such as Japan Securities Dealers Association, we are also actively involved in rulemaking in the area of sustainable finance and the revitalization of the sustainable finance sector as a whole.
- We are a member of the Japanese Financial Services Agency expert panel on Sustainable Finance.
- In 2023, we committed to the World Economic Forum/Stakeholder Capitalism Metrics^[9]
- We have a dedicated sustainability news section on our website.

A detailed list of our membership on external committees/working groups can be found in the Sustainability Day Presentations.^[7]

As noted in section 3.2, Nomura has been providing financial education programs for people of all ages, ranging from children to adults for more than 20 years. This enables us to provide financial education to a diverse range of students across Japan.^[10]

Principle 5: Governance & Culture



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

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes In progress No

Please 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 the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Response:

The Nomura Group Sustainability Statement outlines our sustainability objectives based on our management vision to achieve sustainable growth by helping resolve social issues.^[1]

The Board of Directors provides oversight on sustainability reports prepared by executive officers, based on our sustainability policy which states: “Nomura will contribute to the creation of a truly enriched society through our business activities based on the principles embodied in the Nomura Group Corporate Philosophy, and actively pursue initiatives to resolve social issues and create a sustainable world.” In fiscal 2023, the Board conducted discussions on sustainability reporting themes such as the UN PRB report, Net Zero plan and Sustainability Day presentations. They also discussed our sustainability related investment banking business. Out of 13 board members, 6 have business experience in sustainability areas.^[2] Exchange of opinions regarding sustainability also occur at meetings of our outside directors, which are held periodically in order for outside directors to discuss our business and our corporate governance.^[3]

Chaired by the Group CEO and composed of Executive Management Board members, the Sustainability Committee deliberates and makes decisions on strategies to achieve sustainability objectives. In fiscal 2022, the Sustainability Committee conducted 8 meetings, deliberating on topics such as:^{[4][5]}

- TCFD Report
- Materiality (Nomura Group Priority Initiatives)
- Response to CDP
- Results of social contribution activities for the fiscal year 2021
- Revision of the Environmental Statement and the Environmental Policy
- Revision of the Nomura Group Sustainability Statement

Links and references:

- [1] [Nomura Holdings Website](#), “Nomura Group Sustainability Statement”
- [2] [Nomura Annual Report 2023](#), “Corporate Governance”, p.057-064
- [3] [Nomura TCFD Report 2023](#), “Board of Directors”, p.005
- [4] [Nomura Holdings Website](#), “Promoting Sustainability”
- [5] [Nomura TCFD Report 2023](#), “Sustainability Committee”, p. 006
- [6] [Nomura TCFD Report 2023](#), “Chief Sustainability Officer”, p. 007
- [7] [Nomura TCFD Report 2023](#), “Discussions by the Sustainability Committee, Discussions at the Sustainability Council”, p. 006,007
- [8] [Nomura TCFD Report 2023](#), “Governance”, p. 005
- [9] [Responsible Investment Report 2022](#), “Our

- Formulation of Investment Management Division: Policy on the Approach to Sustainability in Investments and Lending
- Decision on interim targets for achieving net-zero GHG emissions from our lending and investment portfolio in alignment with the NZBA framework
- PRB Report
- Human Rights Policy

Strengths in Responsible Investment", p.003-004

To ensure opportunities for more flexible and substantive discussions the Sustainability Council was divided into the Sustainability Business Forum, which deals with topics more closely related to business activities, and the Sustainability Corporate Forum, which deals with information disclosure and policy formulation. Each forum will coordinate with the Sustainability Committee as appropriate to promote flexible approaches to sustainability.^[5]

In April 2023, a Chief Sustainability Officer was appointed to further accelerate our sustainability initiatives. The Chief Sustainability Officer leads discussions at the Sustainability Committee meetings and the Sustainability Forums and also acts as the flagship for promoting sustainability by communicating our initiatives to the public. In addition, the Group Sustainability COO office has been promoting sustainability-related business incubation and enhancing the disclosure of sustainability initiatives as non-financial information under the leadership of the Chief Sustainability Officer in collaboration with global sustainability teams.^[6]

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.^[5]

The PRB Report 2021 was discussed at two Sustainability Council meetings as well as one Sustainability Committee meeting.^[7]

The PRB Report 2022/2023 was discussed at the one Sustainability Council meeting, two Sustainability Committee meetings, as well as two Board of Director Meetings.

Nomura's sustainability initiatives, including setting and progress of PRB targets, are reported to the Board of Directors as appropriate.

The Governance section of the Nomura TCFD 2023 report contains further details on Nomura's governance structure, topics of discussions at Board of Directors meetings, Sustainability Committee meetings and Sustainability Council meetings.^[8]

The Responsible Investment Council in the Nomura Asset Management 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.^[9]

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Response:

Section 18 of the Code of Conduct relates to contribution to a sustainable society and details Nomura's view on sustainability and steps each of us can

Links and references:

[1] [Nomura Holdings Website](#), "Nomura Group

take to contribute to a sustainable society.^[1] To this end, we are implementing a variety of initiatives, including creating lively working environments, providing support through human resources development, and promoting diversity, equity and inclusion in an effort to embed sustainability values in day-to-day operations and practices.

Conduct and culture are strong underpinning cultural objectives at Nomura, where staff are held to standards set in the Nomura Code of Conduct, and annually recognize the principles set out by Nomura's founder. Conduct is reviewed as an element of discretionary compensation.

Compensation for Nomura employees aims to realize Nomura Group corporate philosophy, to promote healthy corporate culture and behavior in line with the "Code of Conduct" and to facilitate a greater alignment with the environmental, social and governance ("ESG") considerations.

Based on the pay-for-performance principle, compensation supports the Group business strategy, objectives and the aim of sustainable growth and increasing enterprise value over the medium and long-term, while at the same time it ensures the maintenance of sound and market-competitive remuneration practices.^[2]

Nomura is working to raise awareness of sustainability among its executive officers and employees by providing learning opportunities through trainings, study sessions, and online programs to develop talent that meet the diverse needs of clients.

Training and Workshops ^[3]

- 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 Management
- Product review sessions (Retail Division) at the time of introduction of new fund
- Nomura Sustainability Research Center sessions

In Japan, sustainability training is held once a year for all executive officers and employees, and in the fiscal year 2022 it covered general issues, including diversity, equity, and inclusion. In addition, executive officers and employees from many departments in Japan and overseas voluntarily participate in internal study sessions on sustainability. The Wholesale Division provides training on sustainable finance for executive officers and employees on a global basis. Topics covered include Nomura's approach to sustainability and business initiatives to achieve the SDGs; sustainable financing trends; political, economic, and regulatory trends in sustainability; and climate change and ESG risks. More than 2,500 employees have participated in the training since December 2020.

Page 14 of the Nomura TCFD Report 2023 contains further details on capability building through sustainability training.^[3]

Sustainability Experts

Members of the Business Sustainability Forum, Corporate Sustainability Forum as well as various working groups establish expertise on various sustainability themes and business.^[4]

Communication and Dialogue on Sustainability

Code of Conduct", p049-050

- [2] [Nomura Holdings Website](#), "Compensation Policies and Practices for Nomura Group's Talent"
- [3] [Nomura TCFD Report 2023](#), "Capability building through Sustainability Training", p.014
- [4] [Nomura Holdings Website](#), "Promoting Sustainability"
- [5] [Nomura Holdings Website](#), "Investor Day Presentation, Group CEO", p.017
- [6] [Nomura TCFD Report 2023](#), "CEO Message", p. 001
- [7] [Nomura Annual Report 2023](#), "Sustainability", p.039
- [8] [Nomura Connects](#), "Sustainability"
- [9] [Nomura Greentech Website](#), "Sustainable Heroes Magazine"
- [10] [Nomura Holdings Website](#), "Reference Guidelines"
- [11] [Nomura TCFD Report 2023](#), "Environment Policy", p. 003
- [12] [Nomura TCFD Report 2023](#), "Initiatives to Reduce Environmental Impacts and Achieve Sustainable Growth", p. 013
- [13] [Nomura Holdings Website](#), "Environmental Management"

- At the Investor Day Presentation held on May 18th, 2023, Group CEO covered Nomura’s key sustainability initiatives with a focus on addressing financial wellbeing in society.^[5]
- Nomura held its third annual Sustainability Day. Refer to sections 1 and 4 for details.
- Our TCFD Report 2023 contains a climate focused message from our Group CEO.^[6]
- The Nomura Report 2023 contains a dedicated sustainability section including a message from our Chief Sustainability Officer.^[7]

As detailed earlier, Nomura maintains several other forms of communication by leadership on sustainability. For example, thought leadership and news via the Nomura Connects platform, the Nomura Sustainable Finance Newsletter and the Nomura Greentech Sustainable Heroes Magazine. We also hosted events and conferences such as the ESG NOW! Conference and the Nomura Greentech Sustainable Leaders’ Summit.^{[8][9]}

In order to adhere to and promote sustainability standards, our annual reporting and external website are IIRC, GRI and SASB compliant.^[10]

In 2022, we revised our environmental policy to reflect advances in our initiatives on the environment and changes in the social environment.^[11]

In Japan, we have established an environmental management system to promote environmental impact reduction by setting environmental targets and implementing a PDCA cycle. Initiatives and status of achievement of targets are regularly reported to the Chief Sustainability Officer and are also disclosed on the company’s website. In 2022, we revised our environmental manuals in line with the 2015 version of ISO 14001 to develop and implement a more appropriate environmental management system.^[12]

Nomura London has maintained ISO 14001 certification since 2007 under the supervision of a local certification organization. In 2018, we received ISO 14001 certification, which had been revised in 2015. In 2015, we acquired ISO 50001 certification for our energy management system.^[13] We also use the ICMA and CBI labels in the bond transactions we execute.

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Response

As part of its governance policies, Nomura has formulated the Group Sustainability Statement, Wholesale Division ESG Sectoral Appetite Statement and Risk Appetite Statement which are reflected in its business activities. For further detail refer to Section 1 and Section 3.1.

We are also building expertise within our credit and business committees on understanding and assessing ESG impacts and risks. Nomura has developed a methodology to incorporate ESG factors into credit ratings and credit

Links and references:

- [1] [Nomura TCFD Report 2023](#), "Assessment of Climate Risk", p. 018; "Portfolio-Wide Approach: Credit Exposure Analysis", p.019; "Portfolio-Wide Approach: Scenario Analysis", p.020

assessments. Climate risk scenarios have been developed to assess the potential impact of various climate change or transition pathways on the firm's portfolio. Training sessions have been provided to educate staff on the framework enhancements such as Scenario Analysis, ESG Screening in the New Transaction process & Climate Risk Assessments.

A set of sectoral and country heatmaps have been developed as tools for the initial stage of risk identification for ESG risks (including physical and transition climate risks). These risk identification tools are used within risk management processes as a top-down approach to identify the vulnerabilities to ESG factors at country and sector levels, as described in a number of processes below. They can be used for identifying ESG risks for on-balance sheet and off-balance sheet exposures, credit and market, and for scenario analysis.

Sector heatmaps have been developed using data primarily sourced from the United Nations Environment Programme - Finance Initiative (UNEP-FI) heatmaps for climate risks, and from other heatmaps sourced from external providers. This external data is aligned to Nomura's internal sector classification and evaluated.

Country heatmaps have been developed for each of the ESG drivers, including physical & transition climate risks, using country level indicators for each ESG driver. The indicator is used to rank the country, and the relative ranking of the country is used to determine the country's risk rating.

Further detailed information on our Climate Risk strategy can be found in the "Assessment of Climate Risk", "Portfolio-Wide Approach: Credit Exposure Analysis" and "Portfolio-Wide Approach: Scenario Analysis" from Page 18 of the Nomura TCFD Report 2022.^[1]

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes In progress No

Principle 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 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes Partially No

If applicable, please include the link or description of the assurance statement.

Response:

Nomura obtains limited assurance on certain metrics of its ESG Data section by Ernst and Young Shinhon LLC.^[1]

Links and references:

[1] [Nomura Holdings Website](#), "ESG Data"

The metrics having third party limited assurance include:

- Sustainable Finance, Capital Raised
- Total Scope 1, 2 (market-based) emissions
- Renewable electricity purchased, Percentage of renewable electricity

We will be obtaining limited assurance for our Scope 3 Category 15 GHG emissions disclosures in the future.

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other: *Listed below*

Response:

We have been enhancing our sustainability reporting and transparency. The Nomura Website and Nomura Annual Report are prepared in accordance with Global Reporting Initiative's (GRI) standards. We publish an annual GRI disclosure referring to the locations of our website, Nomura Report 2022 and other references that correspond to required disclosure categories under the GRI Sustainability Reporting Standards and the Sector Disclosures for Financial Services. We refer to the following guidelines: ^[1]

Links and references:

- [1] [Nomura Holdings Website](#), "GRI Standards"
- [2] [Nomura TCFD Report 2023](#), "Updates since 2022 TCFD Report", p.004
- [3] [Nomura TCFD Report 2023](#), "Credit Exposure Analysis", p.019

- IIRC (International Integrated Reporting Council) The International Integrated Reporting Framework
- GRI Sustainability Reporting Standards (GRI Standards) 2016
- SASB (Sustainability Accounting Standards Board) Financials standards
- Guidance for Collaborative Value Creation of Japan's Ministry of Economy, Trade, and Industry
- The United Nations Global Compact
- Environmental Reporting Guidelines (2018 Version) of Japan's Ministry of the Environment
- Charter of Corporate Behavior of Keidanren

[4] [Responsible Investment Report 2022](#), "TCFD and Net Zero Goal by 2050", p.027-040

The UN Principles for Responsible Banking Report is integrated with the Nomura Website and can be found in the Annual Reports section, alongside the Nomura Annual Report and Nomura TCFD Report.

We have made progress in implementing the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations. In 2022 we disclosed approaches for identifying and measuring various physical and transition risks, and climate-related business opportunities, governance and strategy. In 2023, we have updated the scenarios used in scenario analysis and launched operations. We have also developed a metric to monitor the percentage of counterparty exposures with counterparties aligned to Net Zero.^[2]

Internal Climate Risk measures, including Carbon Related Assets and High Transition Risk metrics, ^[3] are now established and regularly monitored.

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.^[4]

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.

Response:

Nomura 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.

Our efforts have yielded us the following awards and recognition:^{[1][2][3][4]}

- Nomura is the only firm to have received Investment Bank of the Year Award in Sustainable categories by The Banker in all four years that these awards have been made.
 - Investment Bank of the Year for Private Placements Award in 2023 by The Banker
 - Investment Bank of the Year for Sustainable SSA Financing Award in 2022 by The Banker
 - 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

Links and references:

- [1] [Nomura Holdings Website](#), "Awards and Recognition"
- [2] [Responsible Investment Report 2022](#), "Results of 2021 PRI Assessment", p. 18
- [3] [Nomura Holdings Website](#), "Nomura Included in 2023 Bloomberg Gender-Equality Index"
- [4] [Nomura Holdings Website](#), "Nomura Sustainability Day"
- [5] [Nomura Holdings Website](#), "Nomura Sustainability Day, President and CEO,

- Nomura has been included in ESG indices such as Dow Jones Sustainability Indices, MSCI World ESG Leaders Index, FTSE4Good Index, S&P/JPX Carbon Efficient Index among others.
- In 2023, Nomura has been included in the Bloomberg Gender-Equality Index (GEI) for the fourth consecutive time since 2020.
- Overall CDP ranking of "A-" at the Leadership level
- Tokyo Metropolitan Government's 2021 Tokyo Financial Award in the ESG Investment Category
- In the PRI Assessment of 2021, Nomura Asset Management received four stars or more in 14 out of 15 modules including a highest rating of five stars in 6 modules.
- Nomura ranked number 3rd in International Finance Corporation's 2022 ESG Dealer Survey.
- We were awarded Lead Manager of the Year by Environmental Finance for two straight years:
 - 2022: Social Bond
 - 2023: Transition Bond

Nomura Asset Management Co., Ltd.”
 [6] [Nomura Holdings Website](#), “Nomura Sustainability Day, Global Head of Infrastructure and Power Finance Nomura Securities International”

Detailed descriptions of our sustainability initiatives and direction for the future can be found in our Sustainability Day presentations. Refer to sections 1 and 4 for details.^{[4][5][6]}

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|--|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="checkbox"/> Data availability |
| <input type="checkbox"/> Conducting an impact analysis | <input checked="" type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input checked="" type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Reporting |
| <input type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:



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