

Nomura Sustainability Day

Nomura Asset Management Sustainability Initiatives

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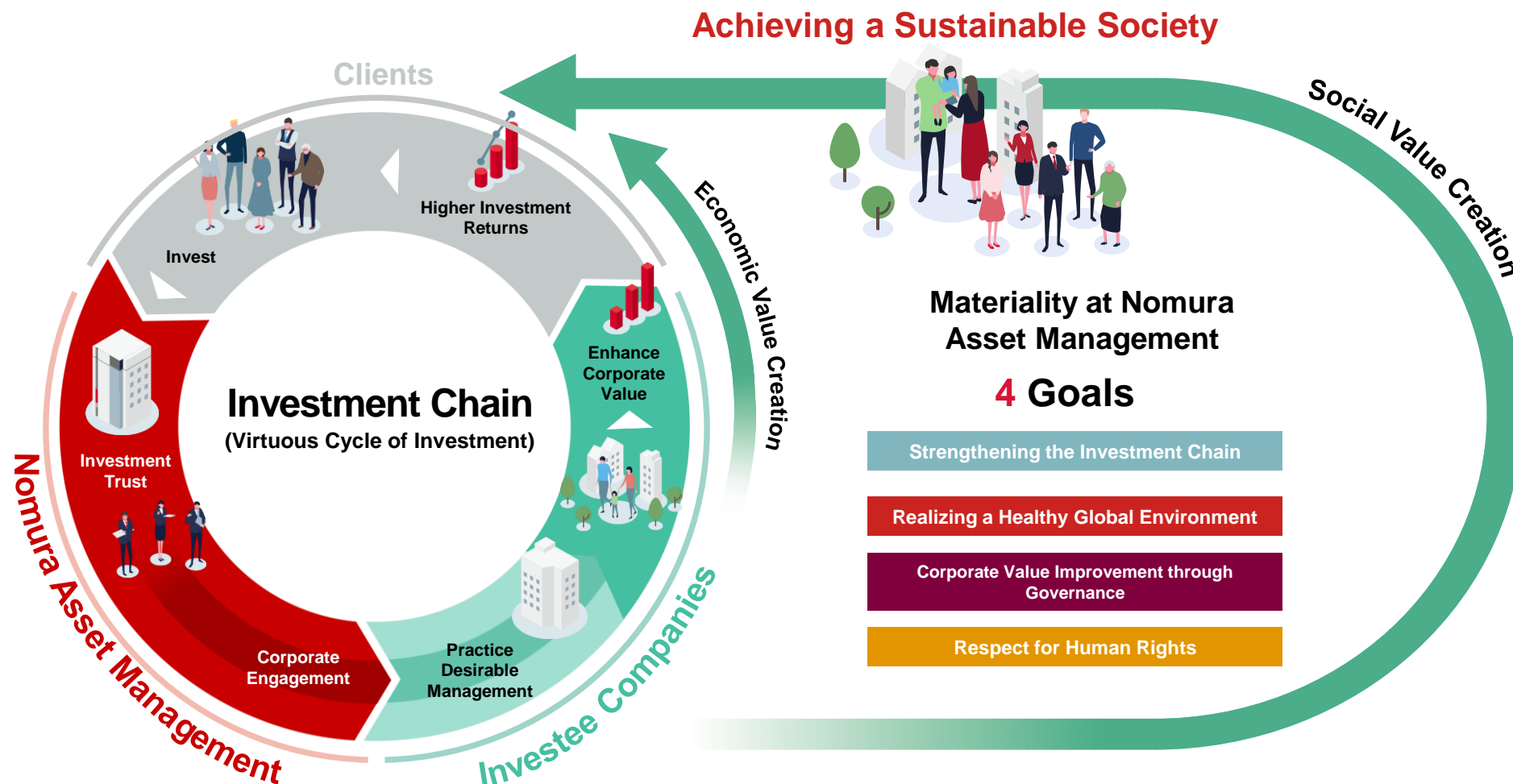


October 5, 2021

Achieving sustainability via the investment chain

- Engage with portfolio companies to enhance corporate value and support SDG initiatives

Balancing economic value and social value



■ Define materiality and work to resolve issues to realize investment chain

Four goals and materiality

Strengthening the Investment Chain

- **Provide excellent products and services that help clients build wealth**
- **Promote responsible investment**
 - Improve ESG integration of non-financial factors into investment process
 - Promote ESG engagement based on important themes and perspectives
- **Enhance investment capabilities and client convenience through digitalization**
- **Promote financial literacy education**
 - Enhance education/training to promote wealth-building
- **Support regional revitalization**
 - Partner with regional financial institutions to launch corporate version of hometown tax system

Corporate Value Improvement through Governance

- **Sufficient display of corporate governance functions**
 - Engage with portfolio companies to enhance corporate governance
- **Enhance internal control systems**
- **Strengthen and enhance system for managing conflicts of interest**
 - Ensure independence of decision-making and personnel in investing and research

Realizing a Healthy Global Environment

- **Achieve a decarbonized society**
 - Enhance level of investment with respect to climate change risks/opportunities
 - Engage with portfolio companies to encourage incorporation of climate change initiatives into management strategies
- **Preserve natural capital**
 - Engage with portfolio companies to encourage incorporation of initiatives promoting coexistence of business and natural capital into management strategies

Respect for Human Rights

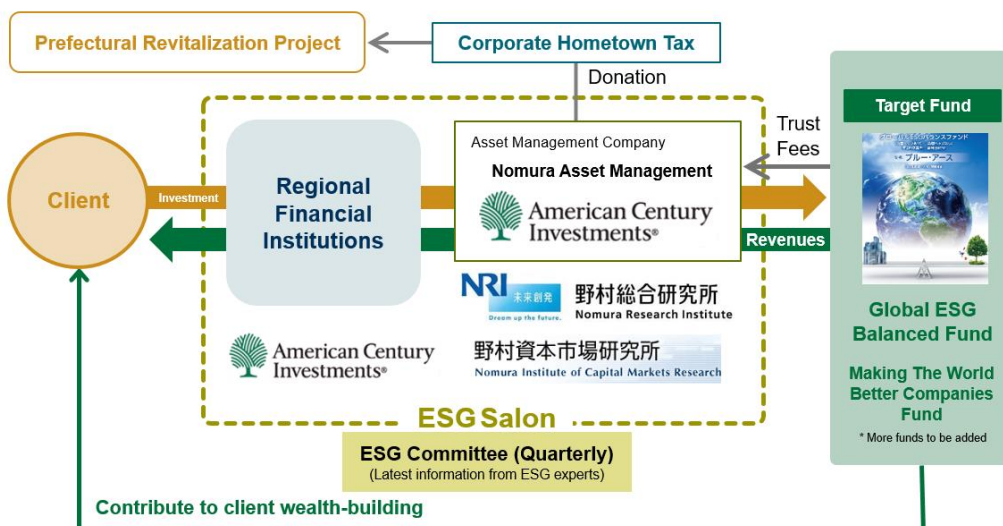
- **Promote diversity and inclusion**
 - Promote diversity and inclusion through engagement with portfolio companies
- **Improve working environment**
 - Develop and manage investment strategies focusing on the performance of companies that provide good working environments
- **Realize a healthy and long-lived society**
 - Contribute to medical research through the creation and provision of investment funds in collaboration with strategic partner ACI

Regional Revitalization “Kokorozashi” Project

■ The “Kokorozashi” Project promotes investing in regional revitalization via investment trusts

(NAM has branded this project with the kanji character “Kokorozashi” in order to convey the deep sense of purpose that drives the initiative.)

“Kokorozashi” Project Overview



“Global ESG Balance Fund” Distributors

THE TOTTORI BANK
The Kiyo Bank
The Tajima Bank
The Hiroshima Bank
Hirogin Securities
The Senshu Ikeda Bank
Bank of Kyoto
THE FUKUOKA CHUO BANK
THE NISHI-NIPPON CITY BANK
THE BANK OF NAGASAKI
THE BANK OF SAGA

The Juroku Bank
The Fukui Bank
The Nagano Bank
Daishi Hokuetsu Securities
The Hokuriku Bank
The Bank of Toyama

North Pacific Bank
North Pacific Securities
THE MICHINOKU BANK
The Yamagata Bank
The Toho Bank
Toho Securities
Fukushima Bank
The Gunma Bank
Gungin Securities
Tsukuba Bank
The Joyo Bank
The Ashikaga Bank
The Chiba Bank
The Musashino Bank
The Kanagawa Bank
SHIZUGIN TM SECURITIES
Bank of Nagoya
Chukyo Bank
Shikoku Alliance Securities
The Iyo Bank

Bank of the Ryukyus

NAM Asset Management Research Center

- Research center established to disseminate various information to solve issues surrounding asset management

Research center activities



100-year Lifespan Project

Handling money with 100-year lifespans



Goal Based Project

“Goal Based” thinking in the asset management business



“Tsumitate” Project

The path of “Gradual investment”



Investment Education Project

“Cultivating wealth” for all audiences



ESG Project

Standardizing ESG investment



Digital Project

Digital surveys of investors and financial markets



Capital Market Project

Research and promotion of a more active Japanese capital market



Asset Management Research Center Open Research Seminar

- The Asset Management Research Center holds an online “Open Research Seminar” in cooperation with Nomura Institute of Capital Markets Research
- Sessions examine the role of investors in shaping the future and feature panelists who are active in forward-looking initiatives

□ Session #1: Jan. 26, 2021

- **“Social Duty of Institutional Investors in Shaping the Future”**



□ Session #2: Feb. 12, 2021

- **“Tech Innovation Shaping the Flow of Capital and New Challenges for Addressing Social Issues”**



□ Session #3: Mar. 9, 2021

- **“Approaches to Assessing Portfolio Companies”**



□ Session #4: Mar. 16, 2021

- **“New Developments in Addressing Social Issues through ESG/Impact Investing”**



□ Session #5: Apr. 6, 2021

- **“Social Duty of Institutional Investors in Shaping the Future and New Challenges”**

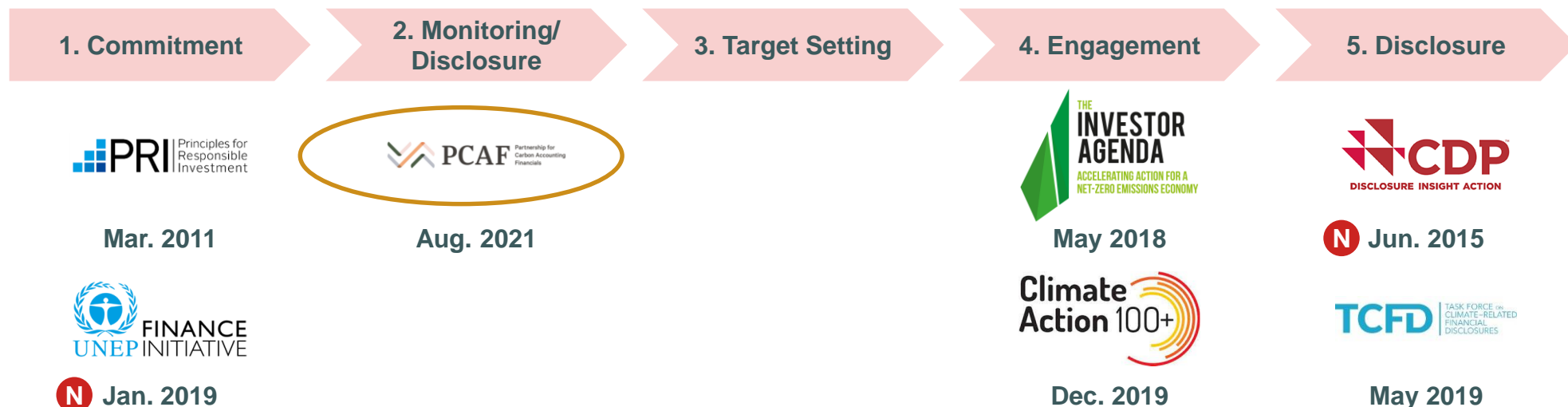


Note: videos are available in Japanese only.

NAM climate change initiatives

- NAM is involved in many major climate change initiatives, including PCAF, NZAM, CA100+, CDP, and TCFD
- Responsible Investment Report includes detailed TCFD disclosure of NAM's total portfolio (equities, bonds)

Climate Change Initiatives (Dates indicate start of signatory status. **N** indicates Nomura Group as signatory.)



Appraisal of NAM's Climate Change Disclosure



Nomura Asset Management has already calculated and disclosed its scope 3 emissions, category 15 (Investments)



NAM's TCFD disclosure was featured in TCFD Consortium's "TCFD Guidance 2.0"

“Decarbonization Japan” investment trust initiative

- “Decarbonization Japan”, a trust investing in corporates that contribute to decarbonization
- Investing in companies that achieve growth by contributing to efforts to address social issues

The fund “Decarbonization Japan”

1. Selective investment in Japanese equities
 - ❑ Identify and invest in companies that contribute to the realization of a decarbonized society
2. Invest in companies contributing to decarbonization
 - ❑ Companies with decarbonization-related business
 - ❑ Companies engaged in decarbonization initiatives
3. Quantifiable contributions to decarbonization
 - ❑ Greenhouse gas emissions are measured for portfolio companies
 - ❑ Engagement conducted for companies lagging in decarbonization initiatives

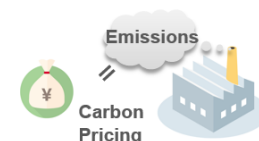
Measuring and quantifying greenhouse gas emissions

Analysis

Risk analysis using carbon pricing

Incorporate **carbon pricing** in corporate analysis

Analysis including carbon pricing in addition to degree of emissions



Dialogue

Dialogue on climate change

Promote decarbonization initiatives via engagement with companies based on leading climate change data



Solutions

Improve corporate value while achieving decarbonization

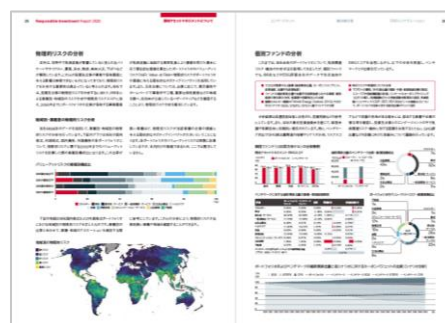
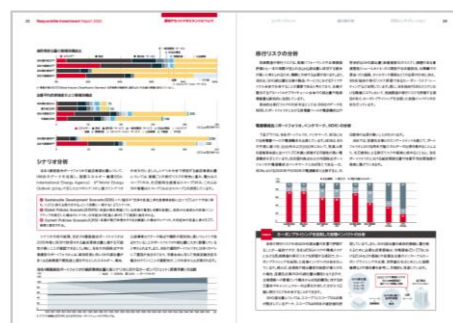
Long-term engagement with companies
Support corporate initiatives toward decarbonization

Generate returns from improved corporate value while achieving a more sustainable society

Responsible Investment Report

- Nomura Asset Management publishes the Responsible Investment Report, our company's stewardship report, annually.

Responsible Investment Report 2020



Nomura Asset Management publishes the Responsible Investment Report

English: <https://global.nomura-am.co.jp/responsibility-investment/>

Japanese: <https://www.nomura-am.co.jp/special/esg/library/ri-report.html>

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