

## **Nomura Group ESG Statement**

### **1. Our approach**

#### **Nomura Group's social mission since its foundation**

As a leading company in Japan's financial industry, since its foundation in 1925 the Nomura Group (hereinafter referred to as "we") has contributed to economic growth and social value creation by supporting the development of capital markets and promoting the circulation of money. At the core of these efforts is our social mission to help enrich society through our expertise in capital markets, based on "Our Founder's Principles", a set of guiding principles laid out by the Group's founder, Tokushichi Nomura, and ingrained in the Group's Corporate Philosophy.

A rich natural environment and healthy social environment are the foundation of economic and business development and people's lives. Without such a foundation, it is not possible to fulfill Nomura Group's social mission of helping to enrich society. We are expanding our products and services, and strengthening our global expansion and corporate governance structures based on the recognition that the protection of the global environment and the promotion of various initiatives are essential for the maintenance and development of both the economy and society. We strive to fulfill our mission in line with our long-term vision called "Vision C&C" to create a robust operating platform capable of delivering consistent growth under all conditions.

#### **Global environmental problems and current trends**

The Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015 set goals to achieve a better and more sustainable future for all, including the eradication of poverty, elimination of inequality and the protection of the Earth and the conservation of its natural resources. The Paris Agreement adopted in December 2015 reaffirms and strengthens the 2°C target\* agreed in Copenhagen in 2009, and provides a guide towards decarbonization of the global economy. As a result, it is essential for economic growth to incorporate environmental and social considerations. Furthermore, climate change, large-scale natural disasters, epidemics and educational inequalities pose significant risks to robust global economic growth.

In response to these trends, companies are taking initiative to address environmental and social issues, anticipating further strengthening of regulatory framework, responding to changes in the energy situation, and developing new markets, for example, in support of a decarbonized society. ESG (Environmental, Social, and Governance) investment, which factor into consideration companies' ESG performance have become increasingly popular with hope that they will contribute to sustainable corporate value. In financial markets, new initiatives such as for example the Task Force on Climate-related Financial Disclosures (TCFD) are emerging to promote climate change-related financial disclosures by companies.

## **The purpose of this statement**

The purpose of this statement is to further promote the realization of a sustainable environment and society by informing stakeholders of our approach to ESG-related activities and our envisaged response to environmental and social risks.

The financial system - the driving force of the economy - enables financial flows that help to prevent environmental and social damage. We recognize that we play an important role as a leading global financial institution conducting securities and investment banking business. Through our core business, we create a better future by addressing ESG-related issues, including combatting climate change, promoting innovation, and supporting regional revitalization. These initiatives are in line with our social mission and contribute to the sustainable development of society, our clients, and are important for maintaining and increasing overall corporate value. In light of this, in 2014 we reviewed ESG material issues to the Nomura Group, which our CSR Committee affirmed. Following the identification of these material issues, we have and will continue to utilize our financial industry experience and knowledge in cooperation with our stakeholders to further promote relevant initiatives and realize a more sustainable and truly prosperous society.

\* 2°C target: A goal set by an international agreement on climate change adopted at the 15th Session of the Conference of the Parties (COP15) of the United Nations Framework Convention on Climate Change in Copenhagen, Denmark in December 2009 and strengthened in the Paris Agreement in 2015. It is a long-term goal shared globally to keep the global average temperature increase sufficiently below 2°C and make further efforts to limit it to 1.5°C compared to pre-industrial levels in the Paris Agreement.

## **2. Governance and management systems**

Strengthening of the corporate governance system is one of our top priorities with various initiatives already implemented.

<https://www.nomuraholdings.com/company/cg/measures.html>

In the 2018 fiscal year we reorganized the CSR Committee into the ESG Committee, which is chaired by the Group CEO to enable a more strategic response to ESG related issues. The ESG Committee is required to meet at a minimum of two times a year. Members of the ESG Committee are company executives and it has oversight responsibility for formulating, approving and, making decisions regarding group level ESG risks and opportunities, related policies and activities. The ESG Committee reports about its activities to the Board of Directors and the Executive Management Board as necessary. The ESG Committee approved this statement.

## **3. Climate change**

We recognize that a healthy environment provides the foundation of a stable economy and society for both current and future generations. In accordance with our "Environmental Statement" and

"Environmental Policy" established in 2009, we are always striving to fulfill our duty to protect the environment when possible.

<https://www.nomuraholdings.com/csr/environment/management.html>

Among environmental issues, climate change is becoming increasingly important, and there is urgent need for transformation of the industrial structure to move towards a decarbonized society and solving problems through technological innovation. As a global financial services group, we contribute to solving climate change-related issues in collaboration with our stakeholders by proactively developing suitable financial products and providing finance for the realization of a decarbonized society. Furthermore, we recognize and appropriately manage transactions which could potentially have an adverse climate change impact.

#### **4. Natural capital**

We recognize that the conservation of natural capital along with climate change are fundamental issues. Natural resources on Earth such as living organisms, water, air, soil and forests are finite and are dangerously at risk of decrease and depletion due to industrialization and increases in the global population. We contribute to the realization of a sustainable environment and society by conserving natural capital throughout our business activities.

#### **5. Human rights and other social issues**

We recognize that not only our own business activities, but also the activities of our stakeholders have potential to negatively impact human rights and other social issues. To mitigate such impacts we will strive to respond responsibly and respect not only the laws and regulations of each country concerned, but also international human rights standards. In particular, we will for example avoid providing finance to business activities related to cluster bombs, due to concerns over their characterization as inhumane, and business activities utilizing child and forced labor.

#### **6. ESG initiatives**

We will contribute to the realization of a sustainable society by resolving the aforementioned environmental and social issues. To this end, we believe it is important to not only encourage the financing of new business activities that contribute to solving ESG issues, but also to engage with the businesses that we are already providing investments and loans to, in order to encourage them to participate in the realization and further advance towards a more sustainable society. We promote, and will continue to take, various initiatives, including offering advice and support regarding the structuring and issuance of green, social and sustainable bonds, and engaging in dialogue with portfolio companies to promote and encourage ESG-related actions in the Asset Management Business, in the belief that it is important to further raise awareness about the materiality of ESG and explain how financing can contribute to the solving of related issues.

## **7. Participation in international initiatives**

We endorse and participate in the following environmental and social initiatives in order to fulfill our social responsibilities as a corporate citizen.

- UN Global Compact (The United Nations Global Compact)
- UNEP Financial Initiative (The United Nations Environment Programme Finance Initiative)
- PRI (The United Nations Principles for Responsible Investment)
- TCFD (Task Force on Climate-related Financial Disclosures)
- CDP (formerly the Carbon Disclosure Project)
- The Principles for Financial Action towards a Sustainable Society

Furthermore, “Nomura Group Code of Conduct” demonstrates our determination to respect human rights and endorses the following human rights standards:

- The Universal Declaration of Human Rights
- The OECD Guidelines for Multinational Enterprises
- The ILO’s International Labor Standards
- The United Nations Guiding Principles on Business and Human Rights

## **8. Stakeholders engagement**

We recognize that regular engagement with our respective stakeholders (e.g. shareholders, investors, clients, employees and NGOs) is necessary to achieve the goals established in this Statement. We believe that dialogue with various stakeholders will help minimize ESG-related risks and enable early identification of problem-solving opportunities. To this effect we organize events and participate in working groups on the theme of sustainability, in addition to regular IR activities and shareholders' meetings.

## **9. Revision**

To reflect changes in the external environment and stakeholder engagement we will review this statement at least annually or, if appropriate, on a more frequent basis.

End of the document

(Established on January 25, 2019)

(Revised on February 17, 2020)