



**NOMURA**

# Nomura Green Issuance Framework

Nomura Holdings, Inc.

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## Table of contents

<b>1.</b>	<b>Nomura and Sustainability</b> .....	<b>1</b>
1.1	<i>Overview of Nomura</i> .....	1
1.2	<i>Sustainability Governance</i> .....	1
1.3	<i>Nomura's Sustainability Strategy</i> .....	2
<b>2.</b>	<b>Nomura's Green Issuance Framework</b> .....	<b>3</b>
2.1	<i>Use of Proceeds</i> .....	3
2.2	<i>Process for Project Evaluation and Selection</i> .....	7
2.3	<i>Management of Proceeds</i> .....	8
2.4	<i>Reporting</i> .....	9
2.5	<i>Alignment with United Nations' Sustainable Development Goals (UN SDGs) and EU Environmental Objectives</i> .....	9
2.6	<i>External Review</i> .....	10

# 1. Nomura and Sustainability

## 1.1 Overview of Nomura

As a global financial services group with an integrated network spanning Europe, Americas and Asia, Nomura Holdings Inc. (“Nomura” / “Nomura Group” / “Group”) bridges the gap between investors and issuers by playing an active role in the global capital markets. We provide liquidity by facilitating the flow of capital, an essential component of ensuring a sound economy that contributes to business development and to improving society.

Nomura Group services the needs of a diverse set of customer segments, including institutional investors, financial institutions, governments, corporations, various organizations and individual investors, and serves as their most trusted partner.

The Group provides a wide range of products and services through its Wealth Management Division, Investment Management Division and Wholesale Division. The Group’s product offerings across the different divisions include:

- Wealth Management Division
  - 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
- Investment Management Division
  - Investment Trust
  - Investment Corporation
  - Investment Partnership
  - Discretionary Investments, Advisory
- Wholesale Division (Global Markets/Investment Banking/International Wealth Management)
  - Underwriting of Equities and Debts
  - Advisory Services for Mergers and Acquisitions
  - Risk Solutions
  - Sales and Trading in Equities Rates, Credit and Foreign Exchange
  - Investment Advisory and Portfolio Solutions
  - Wealth Planning and Trust Solutions
  - Discretionary Portfolio Management
  - Managed Products and Alternative Investments

## 1.2 Sustainability Governance

Nomura has established the Sustainability Committee, chaired by the Group CEO, and comprising other executives designated by the Group CEO that includes the Executive Management Board members, to deliberate and make decisions on strategies to achieve sustainability objectives. The Chief Sustainability Officer leads discussions in the Sustainability Committee to consolidate the company’s sustainability activity and accelerate the formulation and promotion of strategies. The Committee also examines the operations of specific businesses that contribute to Sustainable Development Goals (SDGs) set by the United Nations. The activities of the Sustainability Committee are reported to the Board of Directors as necessary.

### 1.3 Nomura's Sustainability Strategy

Looking to the next one hundred years, Nomura announced its new purpose “We aspire to create a better world by harnessing the power of financial markets” (“Purpose”) on April 1, 2024. This Purpose underpins group management while continuing its Founder's Principles and Corporate Philosophy. Contributing to the creation of a truly prosperous society through the financial and capital markets has been the mission of Nomura Group since its establishment in 1925. Nomura is dedicated to servicing a diverse range of clients globally, including individual investors and institutional investors, financial institutions, corporates, financial sponsors and government entities. We offer financial services that help clients achieve their sustainability activities and contribute to addressing climate change and social issues. We believe that green debt issuance offers a way to create more opportunities to fund climate change mitigation and other environmentally beneficial uses. Nomura recognizes that climate change is an important global issue and announced a target to align its commercial activities with the objectives agreed in the Paris Agreement, aiming to limit global temperature increases to well below 2°C, and striving for 1.5°C, above pre-industrial levels. To support the transition towards a decarbonized economy, we also announced our target to achieve net zero greenhouse gas (GHG) emissions for our own operations by 2030, and to transition attributable GHG emissions from our lending and investment portfolios to align with pathways achieving net zero by 2050. Nomura is a member of the Net-Zero Banking Alliance (NZBA), convened by the United Nations Environment Program Finance Initiative (UNEP FI).

To further strengthen and promote this initiative, we set a target in 2021 to deploy US\$125 billion in sustainable financing over five years by March 2026. This target includes public and private equity, bonds, and mezzanine debt financing, as well as infrastructure project financing.

To support our financing activities for the US\$125bn commitment, we designed this Green Issuance Framework (the “**Framework**”), which aims to help our funding from debt capital markets (“**Green Debt**”). Green Debt includes debt instruments in the form of bonds, including deposits, loans, commercial paper, bonds (including structured notes), green project bonds, secured green collateral bonds and secured standard bonds, which will be used to fund the eligible use of proceeds to achieve climate change mitigation and adaptation, energy transition and other environmental objectives, based on a single robust methodology contained herein. If multi-tranche facilities are used, only the tranches with defined green use will be labelled as green.

Instruments issued under this Framework may be of any ranking in terms of seniority, but in any case shall rank *pari passu* with any other conventional (i.e. non-green) instrument of similar status and subordination rank. Green Debt will be issued by either Nomura Holdings, Inc. or by any wholly-owned subsidiary of Nomura Holdings, Inc. within the Nomura Group as well as through secured SPV issuances from its SPV entity population.

This document sets out the basis for the identification, selection, verification and reporting of the sustainable financing that is eligible for being directly or indirectly financed by the proceeds of the Green Debt issued by Nomura, and the management of any such proceeds. This Framework is based on the latest version of the Green Bond Principles (the “**ICMA GBPs**”) as published by the International Capital Markets Association (“ICMA”) (2021 version with June 2022 Appendix) and the latest version of the Green Loan Principles (“**LMA GLPs**”) (February 2023 version).

The Framework shall undergo a yearly review and be updated and expanded as the ICMA GBPs, LMA GLPs and market practices evolve, as considered necessary. We are committed to supporting the growth, transparency and integrity of the market for sustainable financing.



## 2. Nomura’s Green Issuance Framework

The Framework is aligned with ICMA GBPs and LMA GLPs and consists of the following components:

- Use of proceeds
- Process for project evaluation and selection
- Management of proceeds
- Reporting
- Alignment with United Nations’ Sustainable Development Goals (UN SDGs)
- External review

### 2.1 Use of Proceeds




Net proceeds of each of Nomura’s Green Debt issuance will be allocated exclusively to finance or refinance, in whole or in part, eligible green assets (“Eligible Green Assets”), which refer to loans and/or investments made by Nomura with respect to assets or projects that meet Nomura’s Green Issuance eligibility criteria as defined below (the “Eligibility Criteria”):

Area	Activity types	Eligible activity	Exclusion criteria
Renewable Energy  	Includes: <ul style="list-style-type: none"> <li>■ Production</li> <li>■ Transmission</li> <li>■ Products and technologies that are wholly dedicated to renewable energy generation and storage</li> </ul>	<ul style="list-style-type: none"> <li>■ Renewable energy:               <ul style="list-style-type: none"> <li>– Solar photovoltaic</li> <li>– CSP or solar thermal plants with a large majority of electricity (&gt;85%) generated from the facility is derived from solar energy sources</li> <li>– Wind (onshore and offshore)</li> <li>– Ocean energy (wave and tidal power; ocean thermal energy conversion<sup>1</sup>)</li> <li>– Hydropower<sup>2</sup>: (1) run-of river hydro projects without artificial reservoir or low storage capacity; (2) for hydropower facilities that became operational before the end of 2020, lifecycle carbon intensity is less than 100 gCO<sub>2</sub>/kWh or power density is more than 5W/m<sup>2</sup>; (3) for new hydropower facilities (after 2020), lifecycle carbon intensity is less than 50 gCO<sub>2</sub>/kWh or power density is more than 10 W/m<sup>2</sup></li> <li>– Geothermal with direct emissions threshold of less than 100 gCO<sub>2</sub>/kWh</li> </ul> </li> <li>■ Bioenergy from non-waste biomass with feedstock such as soybean oil, sugar cane, corn, wheat, wood pellets that is certified to be from sustainable sources<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>■ Large hydropower (&gt;25MW) dam or reservoir-based, or run-of river hydro projects with pondage</li> <li>■ Bioenergy production that competes with food production or decreases forestation, biodiversity, or carbon pools in soil</li> <li>■ Biomass or biogas from palm, peat and non-sustainably produced crops</li> <li>■ Any coal, oil or natural gas power generation</li> <li>■ Application of renewable energy technology in processes for the fossil fuel industry</li> <li>■ Transmission lines directly connected or dedicated to fossil fuel power</li> </ul>

<sup>1</sup> For ocean thermal projects, fossil fuel backup will be limited to power monitoring, operation and maintenance equipment, as well as resilience or protection measures and restart capabilities.

<sup>2</sup> For all new hydropower projects regardless of size, an environmental and social impact assessment by a credible, third-party body is required per project. There should be no significant risk, controversies or expected negative impact identified by the assessment.

<sup>3</sup> For biofuel feedstock production, credible sustainable certification schemes include the Roundtable on Sustainable Biomaterials (RSB); ISCC Plus; Bonsucro (for sugarcane); Round Table on Responsible Soy (RTRS); Forest Stewardship Council (FSC) or Programme for the Endorsement for Forest Certification (PEFC) (for wood and wood pellets).

Area	Activity types	Eligible activity	Exclusion criteria
		<p>and has (1) lifecycle emissions of at least 65%<sup>4</sup> lower than the fossil-fuel baseline<sup>5</sup> or (2) lifecycle emissions intensity below 100 gCO<sub>2</sub>/kWh</p> <ul style="list-style-type: none"> <li>■ Bioenergy from waste sources, such as forestry and agricultural residues , including wood chips, sawdust trash, sugarcane bagasse, corn cobs and similar.</li> <li>■ Development, construction and maintenance of renewable energy transmission and distribution systems that is: (1) dedicated to connecting renewables to the power grid; or (2) facilitating the integration of at least 90% electricity from renewable sources into the grid<sup>6</sup>, or (3) distributed assets such as fuses, transformers, circuit breakers intended to reduce curtailment of renewable energy into the grid.</li> <li>■ The manufacture and operation of energy storage technologies that is connected to renewables or grid,<sup>7</sup> including battery storage</li> <li>■ Green hydrogen storage<sup>8</sup></li> </ul>	
<p>Energy efficiency</p>   	<p>In new and refurbished buildings</p> <p>Transmission and distribution systems</p>	<ul style="list-style-type: none"> <li>■ Development, manufacture and/or installation of energy efficiency technologies, products and systems, including energy efficient household appliances that belong to the highest two populated classes of the relevant EU Energy Label, electric heat pumps or absorption heat pumps driven by solar-heated water<sup>9</sup>, electricity smart meters, LED lighting, energy-efficient HVAC systems, high efficiency windows and doors (low U-value), building management systems.</li> <li>■ Development, manufacture and/or installation of technologies aimed at energy efficient transmission and distribution, including smart meters, monitoring and control automation devices, peak demand management</li> <li>■ District heating distribution networks where these are primarily (more than 50%) powered by renewables, waste heat or both</li> </ul>	<ul style="list-style-type: none"> <li>■ Energy-efficient technologies designed or intended for processes that are inherently carbon intensive, primarily driven or powered by fossil fuels</li> <li>■ Heatpumps with refrigerants with high global warming potential (GWP&gt;675)</li> <li>■ Waste heat from fossil fuel production or operations</li> <li>■ Energy efficiency improvements to transmission lines directly connected or dedicated to fossil fuel power</li> <li>■ Improvement activities that result in the lock-in of fossil fuel technologies</li> </ul>

<sup>4</sup> Pre-2021 installations: 60% reduction below baseline and pre-2015 installations: 50% reduction below baseline





<sup>5</sup> Fossil fuel baselines for biofuel production facilities: (1) Biofuels (for transportation) - 94 gCO<sub>2</sub>e/MJ; (2) Bioliqids (production of electricity) - 183 CO<sub>2</sub>e/MJ; and (3) Bioliqids (production of heat) - 80 CO<sub>2</sub>e/MJ as per EU RED II.

<sup>6</sup> If the grid is less than 90% but the percentage of renewables is expected to increase, a pro-rata approach will be applied to determine the green allocation to grid development or maintenance.

<sup>7</sup> Where grid aligns with criteria outlined for transmission and distribution



<sup>8</sup> Where production is by electrolysis powered by renewable energy, where renewable energy is as defined by this Framework.

<sup>9</sup> The requirement for heat pumps is to promote robust refrigerant leak control, detection and monitoring while ensuring recovery, reclamation, recycling or destruction of refrigerants at the end of life

Area	Activity types	Eligible activity	Exclusion criteria
		<ul style="list-style-type: none"> <li>Electric powered cooling and heating systems</li> </ul>	<ul style="list-style-type: none"> <li>Production processes in heavy industries such as steel, cement or aluminium</li> </ul>
	Industrial processes		
<p>Pollution prevention and control</p>  	Includes reduction of air emissions, greenhouse gas control, soil remediation, waste prevention, waste reduction, waste recycling and energy- and emission-efficient waste to energy	<p>Activities with capex which are designed to achieve the following:</p> <ul style="list-style-type: none"> <li>reduce air emissions, including through the installation of smokestack scrubbers or process upgrades</li> <li>mitigate GHG emissions, including through installation of sensors to monitor or test emissions control or compliance</li> <li>soil remediation</li> <li>waste prevention, recycling, waste sorting projects and selected waste processing projects (energy- and emission-efficient), including recycling of end-of-life batteries supported by a strong waste management process to mitigate associated risks</li> <li>waste to energy from municipal solid waste where majority of recyclables are segregated before energy conversion</li> <li>anaerobic digestion of sewage, sludge and bio-waste (e.g. biodegradable food and garden waste)</li> <li>Processing of recyclable waste fractions into secondary raw materials including steel, aluminium, glass</li> <li>Recycling of e-waste or waste from electrical or electronic equipment</li> </ul>	<ul style="list-style-type: none"> <li>Assets, systems or processes that are inherently reliant on fossil fuels as energy source or create a fossil fuel lock-in</li> <li>Activities applied to production processes in carbon intensive or heavy industries such as steel, cement and aluminium</li> <li>Soil remediation associated with the contamination or negative environmental externality from the Bank or borrowers' own activities</li> <li>Chemical recycling of plastic</li> <li>Recycling of electronic waste without robust waste management processes to mitigate associated risks</li> </ul>
<p>Environmentally sustainable management of living natural resources and land use</p>  	Includes environmentally sustainable agriculture; environmentally sustainable livestock management as part of integrated cropland-livestock-agroforestry systems; climate smart farm inputs such as biological crop protection or drip-irrigation; environmentally sustainable fishery and aquaculture; environmentally-sustainable forestry, including	<ul style="list-style-type: none"> <li>Crops growing processes certified under a credible scheme such as Rainforest Alliance (incl. UTZ), Soil Association Certification organic standards, USDA Organic, EU Organic, RTRS, Bonsucro, Cotton made in Africa (CmiA), and Better Cotton Initiative (BCI)</li> <li>Livestock management part of integrated cropland-livestock-agroforestry systems targeted at smallholder farmers<sup>10</sup>.</li> <li>Sustainable fishery and aquaculture certified under a credible scheme such as Aquaculture Stewardship Council, Marine Stewardship Council Fisheries Standard and Best Aquaculture Practice (2 stars or more)</li> <li>Implementation of techniques that promote sustainable crop agriculture and forestry<sup>11</sup>: no-till farming systems, crop rotation, drip irrigation, interventions that</li> </ul>	<ul style="list-style-type: none"> <li>Agricultural practices not compliant with Nomura Wholesale ESG Sectoral appetite statement</li> <li>Agricultural units that include industrial livestock production units</li> <li>Livestock management projects for industrial-scale meat processors or producers</li> <li>Genetically modified organisms and crops</li> <li>Manufacture, purchase or distribution of inorganic, synthetic fertilizers, pesticides or herbicides</li> <li>Equipment that run directly on fossil fuels</li> </ul>

<sup>10</sup> Smallholders for the purpose of this document are small-scale farmers, pastoralists, forest keepers, fishers who manage areas varying from less than one hectare to 10 hectares

<sup>11</sup> Provided that agroforestry projects have a sustainable forest management plan for smallholders in place

Area	Activity types	Eligible activity	Exclusion criteria
	<p>afforestation or reforestation, and preservation or restoration of natural landscapes</p>	<p>eliminate the use of synthetic fertilizers and pesticides and vertical farming hydroponics<sup>12</sup></p> <ul style="list-style-type: none"> <li>■ Technologies dedicated to promoting sustainable forest management and crop agriculture by efficient energy and resource management: precision agriculture satellite farming enabling data-driven agriculture management, remote sensing and GIS equipment, infrared and thermal cameras.</li> <li>■ Alternative proteins:               <ul style="list-style-type: none"> <li>– Research &amp; development towards cultured meat</li> <li>– R&amp;D and production of fermented meat with significantly lower GHG emissions compared to plant and animal production</li> <li>– R&amp;D and production of plant-based protein with i) evidence of life-cycle GHG emissions being significantly lower than meat counterparts and ii) production that procures raw materials from certified sustainable sources<sup>13</sup></li> </ul> </li> <li>■ Sustainable management of natural resources:               <ul style="list-style-type: none"> <li>– Certified forests (FSC, PEFC, American Tree Farm System, China Forest Certification and Sustainable Forestry Initiative)</li> <li>– Afforestation and reforestation using tree species that are well-adapted to site conditions and with sustainable management plan in place</li> </ul> </li> </ul>	<p>such as those powered by diesel</p> <ul style="list-style-type: none"> <li>■ Techniques and technologies implemented on industrial scale livestock production units</li> </ul>
<p>Clean transportation</p>  	<p>Electric, hybrid, public, rail, non-motorised, multi-modal transportation, infrastructure for clean energy vehicles and reduction of harmful emissions</p>	<ul style="list-style-type: none"> <li>■ Zero-direct emission vehicles<sup>14</sup> (cars, buses, trucks<sup>15</sup>, trains<sup>16</sup>, helicopters<sup>17</sup>): fully electric including battery electric, hydrogen and fuel cell powered</li> <li>■ Development, operation and upgrade of low carbon transportation<sup>18</sup> infrastructure such as electric vehicles charging infrastructure</li> <li>■ Specialized parts for low-carbon transportation<sup>19</sup>, such as EV batteries and components for Low carbon transportation ,</li> </ul>	<ul style="list-style-type: none"> <li>■ Freight trucks or tank containers dedicated to the transportation of fossil fuels or fossil fuels blended with alternative fuels</li> <li>■ Rail lines and operations where fossil fuels account for more than 50% of freight (by tonne-km)</li> <li>■ New construction and existing road</li> </ul>

<sup>12</sup> Hydroponics will be coupled with the implementation of strong energy efficiency measures and renewable energy procurement

<sup>13</sup> Rainforest Alliance (incl. UTZ), USDA Organic, Soil Association Certification organic standards, EU Organic and RTRS

<sup>14</sup> In case hybrid vehicles are considered, such vehicles will be at or below the threshold of 75 gCO<sub>2</sub>/km based on WLTP lab testing

<sup>15</sup> In case of buses, such vehicles will be at or below the threshold of 75 gCO<sub>2</sub>/km based on WLTP lab testing; in case of trucks such vehicles will be at or below the threshold of 25 gCO<sub>2</sub>/km based on WLTP lab testing



<sup>16</sup> Passenger rail that meets a universal direct emissions threshold of <50 gCO<sub>2</sub>e/pkm; freight rail that meets the threshold <25 gCO<sub>2</sub>e/tkm<sup>17</sup> Excluding military helicopters and excluding freight helicopters where fossil fuels account for more than 25% of the freight

<sup>17</sup> Excluding military helicopters and excluding freight helicopters where fossil fuels account for more than 25% of the freight

<sup>18</sup> Low carbon transportation as is defined in the Framework

<sup>19</sup> Low carbon transportation as is defined in the Framework



Area	Activity types	Eligible activity	Exclusion criteria
			infrastructure retrofits, such as roads, road bridges and parking facilities
Green buildings  	Green buildings (commercial or residential) which meet regional, national or internationally recognised standards or certifications	Development of new buildings and/or retrofit of existing buildings to the following levels: <ul style="list-style-type: none"> <li>Buildings certified to an acceptable level under an internationally recognised green building certification scheme such as: LEED - Gold or above, BREEAM - Very Good or above<sup>20</sup>, EDGE Certified, NABERS Energy - 5 stars or above, BELS (2016 criteria) - 4 stars or above, CASBEE - A or S, DBJ Green Building - 4 stars and above; ZEB, nearly ZEB and Zero Emission House (ZEH)</li> <li>Buildings that over the life of the loan/financing achieve a minimum 30% improvement in energy efficiency<sup>21</sup>, emissions savings or Primary Energy Demand</li> </ul>	

For the avoidance of doubt, the Eligible Green Assets shall exclude the assets that are involved in the following sectors or activities:

- Fossil fuel related assets
- Nuclear and nuclear related assets
- Biomass/feedstock that:
  - will be derived from sources that compete with food production, or
  - will be grown in areas with currently or previously high in biodiversity, or
  - will decrease carbon pools in soil

## 2.2 Process for Project Evaluation and Selection

Projects potentially being Eligible Green Assets are subject to two levels of review under the Framework:

### 1. ESG and Climate Risk Screening

We established the [Nomura Group Sustainability Statement](#) outlining our approach to sustainability-related activities and our response to environmental and social risks.

As the annex to the Nomura Group Sustainability Statement, the [Wholesale ESG Sectoral Appetite Statement](#) summarizes our approach to Wholesale business activities within specific sectors. This Statement identifies areas where Nomura will not provide or restrict financing from an ESG perspective, and outlines the ESG screening and due diligence process to assess transactions. We review the Nomura Group Sustainability Statement and the Wholesale ESG Sectoral Appetite Statement on a regular basis.

### 2. Project evaluation

Nomura has set up a dedicated Green Issuance Committee (the “GIC”) to manage the process for project evaluation and selection. The GIC will consider and identify projects financed and/or refinanced through the Green Debt issuance proceeds against Nomura’s Green Issuance Eligibility Criteria.

<sup>20</sup> The building has to achieve a minimum of 70% in the Energy category in addition to achieving BREEAM Very Good.

<sup>21</sup> Only the cost of energy efficiency measures would be considered the eligible use of proceeds

The GIC is an expert group on the Green Issuance Framework, and advises, approves and oversees the management of the Framework. The GIC is accountable to the Sustainability Committee and Chief Financial Officer (“CFO”).

The GIC is composed of:

- Representatives from Nomura’s Corporate Treasury function
- Representatives from Nomura’s Group Sustainability function
- Representatives from Nomura’s Wholesale division.

Representatives from Nomura’s Treasury and Group Sustainability function will also act as Secretariat for GIC. The GIC composition may evolve to include in particular representatives from other entities within Nomura contributing Eligible Green Assets in accordance with this Framework.

The Process for Evaluation and Selection of proceeds is as follows:

- The potential Eligible Green Assets are submitted by the relevant Nomura Group entities/business lines to the GIC.
- The GIC verifies the alignment of the pre-selected assets with the relevant Nomura Green Issuance Eligibility Criteria and selects the Eligible Green Assets. The decision is reported to the Sustainability Committee and CFO on quarterly basis.
- Once screened, Eligible Green Assets will be tagged and added to a pool of diversified eligible green assets (the “Green Issuance Asset Portfolio”).
- Additionally, the GIC will be responsible for ensuring that any financing and/or refinancing of activities and projects that are not eligible is excluded from the Green Issuance Asset Portfolio.

When identifying eligible projects and their non-financial impacts, Nomura may rely on external consultants and/or external data sources.

### *2.3 Management of Proceeds*

Nomura intends to accrue over time a pool of the Green Issuance Asset Portfolio, subject to internal selection and verification by independent third parties.

The GIC is responsible for overseeing the Green Issuance Asset Portfolio and the total aggregate amount issued in Nomura Green Debt.

The GIC will receive monthly reports on assets allocation and will review the Green Issuance Asset Portfolio on quarterly basis.

Nomura will strive, over time, to achieve a level of allocation for the Green Issuance Asset Portfolio that matches or exceeds the balance of net proceeds from its outstanding Green Debt. Nomura intends to allocate all proceeds within 24 months of issuance. For each issuance under this Framework, refinanced Eligible Green Assets will be selected from a period up to 24 months prior to the date of the relevant Green Debt issuance. Where a green loan takes the form of one or more tranches of a loan facility, Nomura will clearly designate each green tranche(s) and track the proceeds of the green tranche(s) in an appropriate manner.

The assets will not be segregated into a separate sub-portfolio, but allocation of proceeds will be assigned to Eligible Green Assets on a portfolio basis.

In order to do so, the GIC, or its delegates, will be tagging both the pool of diversified Eligible Green Assets as “eligible” and such assets as earmarked against the liabilities under outstanding Green Debt.

If, for any reason, the aggregate amount in the Green Issuance Asset Portfolio is less than the total outstanding amount of Green Debt issued, Nomura will hold the balance equal to the unallocated amount in cash, cash-equivalents and/or other liquid marketable instruments (including, but not limited to, U.S. Treasury securities) in Nomura’s liquidity portfolio in line with Nomura’s liquidity portfolio investment policy until any such amount may be allocated towards the Green Issuance Asset Portfolio.

It is Nomura’s intention to use its best efforts to substitute any redeemed loans or any other form of financing that are no longer financed or refinanced out of the net proceeds of its Green Debt instruments and/or if any

such loans or any other form of financing cease to be an Eligible Green Asset, for new Eligible Green Assets, as soon as practicable once an appropriate substitution option has been identified, during the period that any Green Debt issues are outstanding.

## 2.4 Reporting

As long as any Green Debt is outstanding, Nomura will publish a Green Issuance Report on its website within a year from issuance and will renew it annually until full redemption, including:

- (i) the Eligible Green Assets financed or refinanced by the net proceeds and their relevant environmental impact indicators;
- (ii) the allocation of the net proceeds from the Green Debt to Eligible Green Assets detailing the aggregate amount dedicated to each of the eligible project categories; and
- (iii) the balance of unallocated cash and/or cash equivalent and/or other liquid marketable instruments still held by Nomura

The annual reporting is intended to follow the guidelines of the ICMA GBPs and LMA GLPs, as amended from time to time, ICMA's reference framework "Harmonised Framework for Impact Reporting" dated June 2023 and "Suggested Impact Reporting Metrics for Energy Efficiency and Renewable Energy Projects". In particular, Nomura intends to report on the impact of the Eligible Green Assets where applicable:

ICMA GBPs category	Example of impact measurement
1. Renewable energy	<ul style="list-style-type: none"> <li>■ Installed renewable energy production capacity (MW)</li> <li>■ Estimated GHG emissions avoided per year</li> </ul>
2. Energy efficiency	<ul style="list-style-type: none"> <li>■ Estimated GHG emissions avoided per year</li> <li>■ Amount of energy saved</li> </ul>
3. Pollution prevention and control	<ul style="list-style-type: none"> <li>■ For water and wastewater management - water withdrawals or treatment capacity (m<sup>3</sup>/day or t/day)</li> <li>■ For waste to energy production capacity MW and estimated GHG emissions avoided per year</li> </ul>
4. Environmentally sustainable management of living natural resources and land use	<ul style="list-style-type: none"> <li>■ Area of sustainable managed forest (hectares)</li> <li>■ GHG emissions sequestered per year</li> </ul>
5. Clean transportation	<ul style="list-style-type: none"> <li>■ Estimated GHG emissions avoided</li> </ul>
6. Green buildings	<ul style="list-style-type: none"> <li>■ Number of units financed</li> <li>■ Estimated GHG emissions avoided per year</li> <li>■ Amount of energy saved</li> </ul>

## 2.5 Alignment with United Nations' Sustainable Development Goals (UN SDGs) and EU Environmental Objectives

In 2015, countries adopted the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs). Nomura's Group Materiality assessment identifies the highest priority issues that the firm seeks to address, in line with UN SDGs.

In addition to UN SDGs, eligible activities include economic activities which also contribute to one or more of the six EU environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy, waste prevention and recycling
5. Pollution prevention and control
6. Protection of healthy ecosystems

This Framework advances the following SDG goals and targets (non-exhaustive list) and EU environmental objectives:

Use of proceeds	UN SDGs	EU Environmental Objectives
1. Renewable energy	7 (Affordable and Clean Energy), 11 (Sustainable Cities and Communities), 13 (Climate Action)	i1. Climate change mitigation
2. Energy efficiency	7 (Affordable and Clean Energy), 11 (Sustainable Cities and Communities), 13 (Climate Action)	i1. Climate change mitigation ii2. Climate change adaptation
3. Pollution prevention and control	3 (Good Health and Well-Being), 6 (Clean Water and Sanitation), 11 (Sustainable Cities and Communities), 13 (Climate Action)	i1. Climate change mitigation v5. Pollution prevention and control
4. Environmentally sustainable management of living natural resources and land use	11 (Sustainable Cities and Communities), 12 (Responsible consumption and production), 13 (Climate Action)	i1. Climate change mitigation vi. The protection and restoration of biodiversity and ecosystems
5. Clean transportation	3 (Good Health and Well-Being), 9 (Industry Innovation and Infrastructure), 11 (Sustainable Cities and Communities), 13 (Climate Action)	i1. Climate change mitigation ii. Climate change adaptation
6. Green buildings	11 (Sustainable Cities and Communities), 13 (Climate Action)	i1. Climate change mitigation

## 2.6 External Review

The Nomura Green Issuance Eligibility Criteria will be further reviewed by external third parties appointed by Nomura to assess the sustainability and relevance of the criteria identified and the resulting Eligible Green Assets. External third parties can be, amongst others, independent second party opinion providers, external independent auditors and/or any other third parties deemed to be appropriate as per the ICMA GBPs/LMA GLPs.

### Second party opinion

This Framework has been reviewed by Sustainalytics who has issued an independent Second Party Opinion to confirm the Framework's alignment the ICMA GBPs and LMA GLPs.

The Second Party Opinion as well as the Framework is available publicly on Nomura's webpage: <https://www.nomuraholdings.com/sustainability/group/approach.html>.

**Verification**

To ensure sustained compliance of all issued Green Debt with the methodology set out in this Framework, Nomura may request on an annual basis, starting one year after issuance and until maturity (or until full allocation) of the relevant Green Debt, a limited assurance report of the allocation of the relevant net bond proceeds towards Eligible Green Assets, provided by an external independent assurance provider.

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