

Nomura Principles for Responsible Banking Report FY2022/23

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

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/ Link(s) to bank's full response/ relevant information
<p>1. Alignment</p> <p>We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>As a global financial services group with an integrated network that spans over 30 countries in Europe, Americas and Asia, Nomura Holdings Inc. ("Nomura" / "Nomura Group" / "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.</p> <p>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.</p> <p>Nomura provides a wide range of products and services through its Wholesale Division (Global Markets and Investment Banking), Retail Division and Investment Management Division.</p> <p>Our product offerings across our different divisions include:</p> <ul style="list-style-type: none"> ▪ Retail^[2] <ul style="list-style-type: none"> • 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)^[3] <ul style="list-style-type: none"> • Underwriting of Equities and Debts • Advisory Services for Mergers and Acquisitions • Risk Solutions, trading and structuring • Sales in Trading in Equities Rates, Credit, Foreign Exchange and Derivatives. 	<p>[1] Nomura Holdings Website, "About Nomura Group"</p> <p>[2] Nomura Holdings Website, "Retail"</p> <p>[3] Nomura Holdings Website, "Wholesale"</p>

▪ Investment Management:^[4]

- Publicly offered investment trusts
- Private placement investment trusts
- ETFs
- Discretionary Investments

The Financial Review Section of the Nomura Report 2022 provides the business outline, review of the last fiscal year and business performance details for each of our three business divisions.^[5]

Detailed information on Nomura's Management Vision up to FY2024/25 including strategic themes, KPI and KGI Business Targets can be found in the Group CEO's Investor Day Presentation^[6]. Investor Day Presentations of Nomura's Head of Retail^[7], Head of Wholesale^[8] and Head of Investment Management^[9] contain Division specific strategic information.

The Key Financial Data section of the Nomura Report 2022 provides disclosures of our revenue segmentation by business.^[10]

[4] [Nomura Annual Report 2022](#), "Investment Management Division", p.086

[5] [Nomura Annual Report 2022](#), "Financial Review", p.083-088

[6] [Investor Day Presentation](#), "Group CEO"

[7] [Investor Day Presentation](#), "Head of Retail"

[8] [Investor Day Presentation](#), "Head of Wholesale"

[9] [Investor Day Presentation](#), "Head of Investment Management"

[10] [Nomura Annual Report 2022](#), "Key Financial Data", p. 089-090

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

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

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

Our sustainability efforts are underpinned by two main pillars. The first pillar is to be "For Our Clients," which means to support the sustainability efforts of our clients and various stakeholders through our core business activities. The second pillar is to be "For Our Society," which involves advancing our own efforts in order to continue being a sustainable corporate group, and we are working to deepen and enhance our efforts by linking these two pillars as necessary.^[2]

Nomura's Materiality assessment identifies the highest priority social issues that the firm seeks to address, in line with UN SDGs. We review the Materiality every year based on the environment and Nomura's business developments. We will use related items to monitor the progress of our efforts on each issue, and make steady progress on these initiatives. Our established material issues for our 2022 Materiality assessment are in line with the following nine. Sustainable Development Goals:^[3]

- SDG 4 – Quality Education
- 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, Priority Social Issues and Metrics can be found in the Nomura Report 2022.^[3]

Nomura Asset Management (NAM), in line with its role as an institutional investor and operating company, also details its key material issues in its Responsible Investment Report 2021.^[4]

Nomura's Group Sustainability Statement 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.^[5]

The Group contributes to international goals by participating in the following major domestic and international initiatives and signing guidelines:^{[1][5][6]}

- Net-Zero Banking Alliance (NZBA)^[7]
- Partnership for Carbon Accounting Financials (PCAF)^[8]

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

[2] [Nomura Annual Report 2022](#), "Sustainability", p.51

[3] [Nomura Annual Report 2022](#), "Materiality", p.047-048

[4] [NAM Responsible Investment Report 2021](#), "Materiality", p. 013

[5] [Nomura Holdings Website](#), "Nomura Group Sustainability Statement"

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

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

[8] [Nomura Holdings Website](#), "Nomura Joins the Partnership for Carbon Accounting Financials"

- 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 the Carbon Disclosure Project)
- The Principles for Financial Action towards a Sustainable Society
- ISO26000
- 30% Club Japan
- Charter of Corporate Behavior of Keidanren
- UN Guiding Principles on Business and Human Rights
- OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises
- Net Zero Asset Managers Initiative (NZAM)*
- UN PRI (The United Nations Principles for Responsible Investment) *

[9] [Nomura TCFD Report 2022](#), “CEO Message, Views on Climate Change”, p. 001,002

* Initiatives which only Nomura Asset Management participates in.

In September 2021, we announced our target to align our 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.^[9]

Nomura is actively working towards integrating sustainability in its business strategy. We announced our Net Zero 2050 commitment^[7] and \$125 billion sustainable financing target^[7].

We facilitated ground-breaking transactions such as EU SURE €17 billion social bond, EU €12 billion green bond, the first sovereign green bond in Samurai format (issued by Hungary), Woven Planet bonds issued by Toyota Motor Corporation among others.

Additionally, Nomura Asset Management’s Responsible Investment report contains its ESG Statement and Basic Policy for Responsible Investment demonstrating its commitment to Sustainability^[4]

The Wholesale Division: ESG Sectoral Appetite Statement summarizes our approach to Wholesale business activities with specific sectors.^[5] The 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 Wholesale ESG Sectoral Appetite Statement on a regular basis.

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.^[10]

In September 2022, Nomura has established a Sustainable Finance Department in Japan to further strengthen initiatives for sustainability-related businesses, including sustainable financing and non-financial information disclosure.

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.

Nomura acted as joint lead arranger for a US\$1bn financing mandate for the development of an LNG facility in Louisiana and \$490m refinancing for the Potomac Energy Center, a 802MW CCGT (Combined Cycle Gas Turbine) in Virginia. The transactions won IJGlobal Deal of the Year awards and LNG Oil & Gas Deal of the Year 2021 and Refinancing Deal of the Year 2021, respectively.^[11]

Page 54 of Nomura Report 2022 details Nomura's ESG research Initiatives.^[2]

We recognize that regular engagement with our stakeholders is necessary to achieve the goals established in these statements. We believe that dialogue with various stakeholders will help identify priorities, minimize Sustainability related risks and enable early identification of problem-solving opportunities. To this effect we organize events and participate in working groups on the theme of sustainability, in addition to regular Investor Relations activities and shareholders' meetings.^[5] The Group Sustainability Officer guides our efforts to raise awareness across the Group, step up our activities and increase communication to external stakeholders.^[12]

"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.^[13]

At the Nomura Sustainability Day held on 6th October 2022, we introduced Nomura's sustainability initiatives to a wide range of stakeholders. The Group Sustainability Officer's presentation connected our initiatives to our management vision to achieve sustainable growth by solving social issues. Nomura's sustainability initiatives are segmented as those serving our clients and those serving society. Through its initiatives, we are working on issues such as Climate Change, Aging Population, Financial Wellbeing, Agriculture and Healthcare, Diversity and Human Rights.^[14]

At the same event, details on Nomura's sustainability focused Investment Banking activities, including the formation of the Global Greentech Industrials and Infrastructure team, was covered by our Global co-Head of Investment Banking. Nomura Asset Management sustainability initiatives can be found in their Presentation.^{[15][16]}

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

[11] [Nomura TCFD Report 2022](#), "Major Achievements in recent years", p.012

[12] [Nomura Holdings Website](#), "Sustainability Day 2022, Group Sustainability Officer", p.012

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

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

[15] [Nomura Holdings Website](#), "Nomura Sustainability Day, Global Co-Head of Investment Banking Nomura Securities International, Inc."

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

[17] [Nomura Annual Report 2022](#), "Financial Well-being" p.057-058

[18] [Nomura Annual Report 2022](#), "Diversity, Equity and Inclusion", p.059-060

Page 57-58 of the Nomura Report 2022 details Nomura's initiatives on Financial Well-being^[17]. On Page 59-60 details on the Diversity, Equity and Inclusion initiatives at Nomura can be found.^[18]

2. Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis:

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

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

Impact Analysis Process

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 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.

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.

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

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 Sustainability Development Department.

Most Significant Impact Areas

As the Wholesale Division does not have an extensive corporate lending business, and that the Group itself owns and uses only a limited number of facilities with high environmental and social impacts, we believe that the core of the Group's sustainability efforts is to support customers and stakeholders in addressing environmental and social issues. Among environmental and social concerns, we recognize climate as a particularly important issue, based on the depth of the climate

environmental impacts resulting from the bank's activities and provision of products and services.

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

Show that building on this analysis, the bank has

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

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.

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

[1] [Nomura TCFD Report 2022](#), "Strategies for climate change", p. 011-015

- Increasing M&A advisory opportunity by supporting clients' decarbonisation 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.

[2] [Nomura TCFD Report 2022](#), "Assessment of Climate Risk", p. 018; "Portfolio-Wide Approach: Credit Exposure Analysis", p.018; "Portfolio-Wide Approach: Scenario Analysis", p.020

Further detailed information can be found in "Section 3.2- Strategies for Climate Change" of the Nomura TCFD Report 2022.

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 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.^[2]

We have also conducted an initial assessment of our loan book using the "PACTA for Banks" tool developed by 2° Investing Initiative, which can be used to measure the alignment of Nomura's loan portfolio with benchmark scenarios developed by independent organizations (such as IEA World Energy Model).

The current fuel mix results demonstrate a good alignment of Nomura's loan portfolio with the IEA Net Zero 2050 pathway, reflecting Nomura's commitment to financing sustainable projects.^[2]

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.^[2]

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.

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 3.36m in FY2021/22 to 3.66m by FY2024/25.^[3]

Nomura is enhancing services for SME's given aging management and lack of successors. In July 2022, Nomura launched the Trynibus platform to support SMEs. 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.^[4]

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.^[5]

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.^[6] The Diversity, Equity & Inclusion Working Group was established

[3] [Nomura Holdings Website](#), “Investor Day Presentation, Head of Retail”

[4] [Nomura Holdings Website](#), “Sustainability Day, Head of Content Company, Group Sustainability Officer and Financial Education Nomura Holdings, Inc.”

[5] [Nomura Annual Report 2022](#), “Financial Well-being”, p. 057-058

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.

For example, a key initiative by Nomura Securities is their aim to increase the ratio of females in manager roles to 20% by 2025 (13.9% in 2022) and the ratio of females in general manager equivalent roles to 10% by 2025(5.9% in 2022).^[7]

Nomura discloses diversity ratios among its employees. Notably, Nomura has a Female Director ratio of 25% as of 30th June 2022 and the ratio of female employees at 40% as of FY2021/22. Nomura has a ratio of 97% of locally hired managers in overseas offices for their Americas, Europe and Asia Oceania regions.^[8]

We will also work to incorporate DEI and human rights considerations and perspectives in our screening and due diligence processes for our business.

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.

[6] [Nomura Holdings Website](#), "Nomura Updates Group Diversity, Equity and Inclusion Statement"

[7] [Nomura Annual Report 2022](#), "Diversity Equity and Inclusion", p. 059-060

[8] [Nomura Annual Report 2022](#), "ESG Data", p. 093-096

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

Nomura piloted the UNEP FI impact analysis tool for its Wholesale business in the first year of assessment and has now expanded the scope to include the Retail business using the Investment Portfolio Impact Analysis Tool. Results from the analysis were used to arrive at the chosen Impact Areas. Over the course of the next year, we will focus on improvement of methodology and broadening of scope, along with constructive engagement with relevant stakeholders.

2.2 Target Setting:

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

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

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

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

Climate:

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

- ❑ Own operations by 2030
 - For own operations, we have raised the target to net zero greenhouse gas emissions, (from the previous target of 65% gross emissions reduction by FY2050) (FY2020/21: 41,477 t-CO₂; 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 Target: Over 50%; FY2025/26 Target: Over 70%; 2030 Target: 100%).
- ❑ Financed Emissions in Lending and Investment Portfolios
 - 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 scenario¹ assumes for 2030. Our emissions intensity in FY2030/31 shall be lower than that of this scenario. Refer to section 2.4 for details.
 - Nomura will meet the commitment through:
 - Providing products and services to clients to assist with transition to a decarbonized economy.
 - Supporting corporates, industries and public institutions in their transition journey, in line with science and giving consideration to associated social impacts.
 - Supporting innovation, deployment of technologies and climate solutions.

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

Inclusive and Healthy Economies

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

¹ International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario (NZE). Refer to section 2.4 for details.

- ❑ 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.
 - Nomura facilitated approximately \$23.4 billion of financing in FY2020/21 (For the debt capital markets element, total bond amount over the full bond period is divided evenly by the number of Mandated Lead Arrangers (MLAs)).⁽²⁾

[2] [Nomura Annual Report 2022](#), "ESG Data", p. 093-094

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

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.

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

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

2.3 Plans for Target Implementation and Monitoring

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

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

Nomura 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.
 - In order to meet our Net Zero 2050 target, we have established a Net Zero Steering Committee, a Group-wide forum reporting into the Group Sustainability Council.
 - Our milestones include adopting a GHG accounting methodology, analyzing our current emissions and preparing a trajectory pathway for 2050.
 - For details on Net Zero financed emissions, refer to section 2.4

- ❑ \$125 billion in Sustainable Financing for five fiscal years ending March 2026.
 - We have developed a reporting framework for internal review of revenue earned and financing raised in relation to climate and other ESG issues. In designing the methodology, Nomura used for guidance, frameworks such as the UN PRB, Green, Social, Sustainability and Sustainability-Linked Bond Principles from ICMA, Green, Social and Sustainability-linked Loan Principles from LMA, EU Taxonomy Regulation and its delegated acts, UN SDGs, among others. The framework developed by Nomura details eligibility parameters for classifying transactions as sustainable finance.

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

[2] [Nomura Holdings Website](#), “Assurance Report”

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

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

2.4 Progress on Implementing Targets

For each target separately:

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

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

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

Nomura has significant progress on its targets.

- Own Operations: 33,634 t-CO₂ for FY2021/22, with a ~19% reduction over FY2020/21.^[1]

- Financed Emissions:

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.

80% of Nomura's power generation sector portfolio is currently in renewable energy. This is a higher proportion compared to 61% which is the target ratio for 2030 under the IEA NZE scenario. 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.

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

[2] [Nomura Annual Report 2022](#), "Financial Well-being", p.057-058

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	Scope1,2,3: 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. ²
Reference scenario	International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario (NZE) ³
Target scope	
Value chain in scope	Power generation business
Emission scope counted	Scope 1, 2, 3
Target assets	Investments and loans (excluding unused commitments)

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.

- \$21.4 billion facilitated in sustainable financing for FY 2021/22. In H1 FY2022/23 (April-September 2022) we have facilitated approximately \$11.2 billion taking our total up to approximately \$32.5 billion out of \$125 billion in sustainable financing.

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

Nomura is working towards achieving its targets and has achieved considerable progress in the reporting period. We will continue to strive to improve upon our good performance.

² 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. Nomura's renewable energy ratio as of FY2020/21 is 80%.

³ 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.

3. Clients and Customers

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

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

In line with our philosophy of placing our clients at the heart of everything we do, Nomura 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 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

[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 2022](#), "Corporate Philosophy, Code of Conduct, Management Vision, Sustainability Statement, Environmental Statement and Environmental Policy", p.002

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

initiatives. The Retail Division also conducts client satisfaction surveys for clients who visit sales branches.^{[7][8]}

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

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

Nomura Asset Management undertakes due diligence and analysis of potential investee companies. 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 76 of the Responsible Investment Report 2021.^[9]

Detailed information on Nomura Asset Management's ESG integration initiatives can be found in the ESG integration section, pages 71-88 of the Responsible Investment Report 2021.^[12]

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

[8] [Nomura Annual Report 2022](#), "ESG Data", p.093

[9] [Responsible Investment Report 2021](#), "ESG Scores for Japanese Equities", p.075-076; "Climate-related Risk and Opportunity Evaluation in our ESG Score" p.031

[10] [Responsible Investment Report 2021](#), "Impact Investing", p.077-078

[11] [Responsible Investment Report 2021](#), "Nomura Asset Management's Initiatives on Human Rights", p.035-038

[12] [Responsible Investment Report 2021](#), "ESG Integration", p.071-088

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

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

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

- In April 2020, Nomura acquired Greentech Capital Advisors, a U.S. M&A boutique with strengths in sustainability, including renewable energy. 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. Nomura Greentech 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, Greentech advises established players as well as innovative companies on low carbon, digital and efficiency initiatives. Nomura Greentech acted as sole financial advisor to Mitsui&Co. on its investment in Mainstream Renewable Power Limited, Mitsui&Co. acquired 27.5% of the shares for a total of 575 million euros (approximately 77 billion yen).
- In 2021, we acted as Book Runner and green bond structuring agent for the issuance of the world's largest yen denominated green bonds with a total value of 300 billion yen and euro-denominated green bonds with a value of 200 billion yen by NTT Finance, and contributed to the smooth execution of the projects.
- In April 2022, we established Greentech Industrials & Infrastructure (GII), a team of approximately 150 bankers, through realigning our existing energy, industrials and sustainability focused sectors, and hiring in focus areas. We are strengthening and promoting M&A advisory services in the sustainability field on a global basis, including support for decarbonization through the restructuring of our clients' business portfolios.^[5]
- 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.
- Nomura's Infrastructure and Power Financing business (IPF) is focused on sourcing, structuring, executing and distributing financings of green projects and other assets globally. The IPF team was involved in financing deals worth US\$3 billion between April 2021 and January 2022. As of February 22, 2022, IPF ranked first in renewable energy in Japan, third in North American Data Centers, and ninth in North America Power in the IJGlobal league table and was nominated as MLA of the Year for three consecutive years.

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

[2] [Nomura TCFD Report 2022](#), "Reference: Major achievements in recent years", p.012

[3] [Nomura TCFD Report 2022](#), "Expansion of Sustainable Finance Initiatives" p.011

[4] [Nomura Annual Report 2022](#), "Contribution to the realization of a sustainable society through our core business" p.032

[5] [Nomura Holdings Website](#), "Nomura Sustainability Day, Global Co-Head of Investment Banking Nomura Securities International, Inc."

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 March 31, 2022, our ESG product lineup had a net asset balance of over ¥740 billion. We also offer sustainable bonds for individual investors and investment trusts, and we are working to expand ESG investment opportunities in Japan.^[6]

[6] [Nomura TCFD Report 2022](#), “Expansion of ESG/SDGs investment products” p.014

Asset Management services

- NAM integrates ESG in its products by way of - Global Sustainable Equity Strategy, Japan Sustainable Equity Strategy, Global Investment Grade Corporate Bond Strategy, Japan Credit Strategy, and Environmental Leaders Bond Strategy^[7].
- As an institutional investor, NAM is committed to its continuous engagement with portfolio companies and providing proxy voting services to clients. There is engagement to understand management of ESG issues in the portfolio companies and their level of disclosure on ESG^[8]
- Index development
- NAM has partnered with Sustainalytics for collaborative engagement for global equities, and with ISS on climate risk analysis data^[8]

[7] [Responsible Investment Report 2021](#), “ESG Integration”, p.071-088

[8] [Responsible Investment Report 2021](#), “Engagement”, p.042-057

[9] [Nomura Holdings Website](#), “Nomura to Acquire Stake in Australian Nature-Based Real Assets and Natural Capital Manager New Forests”

[10] [Nomura Holdings Website](#), “Financial Literacy”

Investment Management services

- On 20 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. The acquisition will enable the firm to offer new asset classes of products to clients through its global platform, including wholly owned subsidiary Nomura Asset Management. Nomura will also acquire industry knowledge and expertise in the fields of forest resources and carbon credits, and will focus on creating related businesses globally to take advantage of growth opportunities.^[9]

[11] [Nomura Annual Report 2022](#), “Financial Well-being”, p.057-058

Promotion of financial literacy and social contribution activities

^{[10][11]}

Nomura has been providing financial education programs for people of all ages, ranging from children to adults for more than 20 years, commencing in 1989.

Key initiatives and highlights include

- 948,000 cumulative total recipients of financial education as of March 2022
- 1,075,000 cumulative total original teaching materials distributed as of March 2022
- On site classes in the form of active learning
- Distribution of teaching materials

- Nikkei Stock League
- Support through donations
- Cooperation with NPOs and NGOs

[12] [Nomura TCFD Report 2022](#), “Strengthening information provision to individual investors”, p. 014

Communication with Clients on Sustainability

We have actively engaged with clients on sustainability related topics by way of conferences, seminars, ESG pitch-books and newsletters. 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.^[12]

[13] [Nomura Greentech Website](#), “Sustainable Heroes”

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

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

- In June 2022, Nomura Greentech hosted the Sustainable Leaders’ Summit 2022 bringing together over 50 senior executives from innovative sustainable technology and infrastructure companies and focused venture capital and private equity investors. The purpose of the Summit is to find to accelerate the transformation of our energy, transportation, food, water and waste industries to be lower carbon, more digitized and more efficient.
- On 8 December 2021, Nomura hosted ESG NOW! - a global sustainable finance conference dedicated to our clients.
- Nomura Greentech’s “Sustainable Heroes” Magazine features global leaders and entrepreneurs with a passion for sustainability.^[13]
- 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.
- We hosted the Nomura Investment Forum Asia with two dedicated ESG sessions. In Asia, an inaugural ESG conference in a virtual format was held in 2020 and the ESG Corporate Day in 2021.^[14]
- In 2021, we rolled out an ESG Survey to our Wholesale clients in Asia to understand their sustainability considerations and challenges
- 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.^[15]

4. Stakeholders

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

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

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

- Society and Environment (Community and Governments and Regulatory Authorities)
 - 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.
- 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.

[1] [Nomura Annual Report 2022](#), "Stakeholder Engagement", p.045-046

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

- 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

[3] [Nomura Asset Management Responsible Invest Report 2021](#), "Review of Priority Topics", p.050

Additionally, Nomura Asset Management engages with portfolio companies on the below 10 priority topics:^[3]

- Rational Explanation of financial strategy
- Redefine Board of Directors

- Reduction of cross-shareholdings
- Natural Capital
- Human rights risks
- Integrate business strategy and sustainability
- Strengthen commitment to capital efficiency
- Climate change
- Diversity
- Disclosure of Materiality and Risk Information

[4] [Nomura TCFD Report 2022](#), “Proposals, Participation in Rulemaking Process”, p.012

[5] [Expert Panel on Sustainable Finance, FSA – The Second Report](#), “Members of Expert Panel on Sustainable Finance”, p.03

Further detailed information on NAM’s engagement efforts and examples of engagement can be found on pages 42-57 of their Responsible Investment Report 2021.

[6] [Nomura Annual Report 2021](#), “Digital Transformation”, p.038

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.

[7] [Nomura Holdings Website](#), “Investor Relations, Presentations, Nomura Sustainability Day”

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]

[8] [ICMA Group Website](#), “Advisory Council 2022/2023 – Green Bond and Social Bond Principles”

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

- At Nomura’s Sustainability Day, senior leaders including Group Sustainability Officer presented to a wide range on stakeholders on the key sustainability initiatives at Nomura. We heard how transition finance is crucial to achieving decarbonization and Japan in particular has seen a sharp rise in transition bonds this year. Another highlight was Nomura’s support for Spread, a vertical farming company, in its \$30mn funding round, the biggest ever AgTech fundraising 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.^[8]
- Nomura participates in the International Capital Markets Association (ICMA) Climate Transition Finance Working Group, the Social Bond Sustainability Link Bond Working Group and the Global Financial Markets Association (GFMA) Climate Data Working Group.
- 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.

- Our Group Sustainability Officer is a member of the Japanese Financial Services Agency expert panel on Sustainable Finance.
- Nomura contributed to the issuance of Japan Exchange Group's digitally tracked Green Bonds. The first digital green bonds in Japan.

[9] [Nomura Holdings Website](#), "Financial Literacy"

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.^[9]

5. Governance & Culture

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

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

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 2021, outside directors gave a lecture on the importance of sustainability initiatives at a Sustainability Training Program for Group executive officers.^[2]

Chaired by the Group CEO and composed of Executive Management Board members, the Sustainability Committee is a decision-making body at the management level that plays a central role in promoting ESG and sustainability initiatives across the Group. The committee also receives reports on the implementation status of PRB principles as appropriate, and has a structure in place that enables management to properly ascertain the status of implementation.^[3] In April 2021, a Group Sustainability Officer was appointed to consolidate the company’s sustainability knowledge and accelerate the formulation and promotion of strategies. The Group 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.^[4]

In 2021, a Sustainability Council was established as an advisory body to the Sustainability Committee. The Council conducts in-depth discussions across divisions and regions, and shares this information with the Sustainability Committee.

Nomura has created a framework for swift decision making on matters of sustainability. Five sub-committees are established under the Sustainability Committee and Council.^[5]

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.^{[6][7][8]}

The Governance section of the Nomura TCFD 2022 report contains further details on Nomura’s governance structure, Board of Directors’ skill matrix, topics of discussions of sustainability committee meetings, sustainability council meetings, board meetings and overview of each working group.^[9]

The Responsible Investment Council in the NAM business consists of independent directors and external experts, making up the majority of the Council. The Council supervises, finalizes and recommends policies to the Responsible Investment Committee.^[10]

[1] [Nomura Holdings Website](#), “Nomura Group Sustainability Statement”

[2] [Nomura TCFD Report 2022](#), “Board of Directors”, p.005

[3] [Nomura Holdings Website](#), “Promoting Sustainability”

[4] [Nomura TCFD Report 2022](#), “Group Sustainability Officer”, p. 008

[5] [Nomura TCFD Report 2022](#), “Sustainability Committee”, p. 007

[6] [Wholesale ESG Sectoral Appetite Statement](#), “Introduction”, p.001

[7] [Nomura Group Sustainability Statement](#), “Our Approach”, p.001

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

[9] [Nomura TCFD Report 2022](#), “Governance”, p. 003

[10] [Nomura Asset Management Responsible Investment Report 2021](#), “Our Strengths in Responsible Investment”, p.005

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

Section 18 of the Code of Conduct relates to contribution to a sustainable society and details Nomura's view on ESG and steps each of us can 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 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. In fiscal 2021, more than 15,000 employees participated in sustainability training, focusing on the environment, diversity and inclusion. 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 1,700 employees have participated in the training since December 2020.

Page 15 of the Nomura TCFD Report 2022 contains further details on capability building through sustainability training.^[2]

[1] [Nomura Holdings Website](#), "Nomura Group Code of Conduct", p049-050

[2] [Nomura Holdings Website](#), "Basic Nomura Group Compensation Policy"

[3] [Nomura TCFD Report 2022](#), "Capability building through Sustainability Training", p.015

Sustainability Experts

The five sustainability sub-working groups help establish expertise on various sustainability themes and business.^[4]

Communication and Dialogue on Sustainability

- At the Investor Day Presentation held on May 17th 2022, Group CEO covered Nomura's key contributions to building a sustainable society through its core business.^[5]
- Nomura held its second annual Sustainability Day. Refer to sections 1.2, 4.1 for details.
- Nomura TCFD Report 2022 contains a climate focused message from our Group CEO.^[6]
- The Nomura Report 2022 contains a dedicated sustainability section including a message from our Group 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 or 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] 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.^[11] We also use the ICMA and CBI labels in the bond transactions we execute.

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

[5] [Nomura Holdings Website](#), "Investor Day Presentation, Group CEO", p.017

[6] [Nomura TCFD Report 2022](#), "CEO Message", p. 001

[7] [Nomura Annual Report 2022](#), "Sustainability", p.051

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

[9] [Nomura Greentech Website](#), "Sustainable Heroes Magazine"

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

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

5.3 Governance Structure for Implementation of the Principles

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

a) target-setting and actions to achieve targets set

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

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

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

The PRB Report 2021 was discussed at two Sustainability Council meetings as well as one Sustainability Committee meeting.^[2]

The PRB Report 2022/2023 was discussed at 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.

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

[2] [Nomura TCFD Report 2022](#), "Discussions by the Sustainability Committee, Discussions at the Sustainability Council", p. 07,08

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

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

6. Transparency & Accountability

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

6.1 Progress on Implementing the Principles for Responsible Banking

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

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

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

Nomura views sustainability initiatives as an important management issue. We promote sustainability initiatives and risk management through discussions at the management level. We formulate and implement sustainability strategies based on our management vision of achieving sustainable growth by helping resolve social issues. Our efforts are aimed at achieving two goals: "For Our Clients: supporting the sustainability efforts of our clients and various stakeholders through our business" and "For Our Society: as a member of society, we promote environmental impact of our operations as a corporate citizen".^[1]

The Sustainability Committee, an executive committee responsible for approving strategies related to sustainability, also reports on the implementation status of PRB principles as appropriate, and has a structure in place that enables management to properly ascertain the status of implementation. The committee is chaired by the Group CEO and is composed of Executive Management Board members.^[2]

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 are already aligned with the international frameworks and good practices such as UN PRI, UN Global Compact, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, Universal Declaration of Human Rights, the ILO's international labor standards, CDP, and The Principles for Financial Action towards a Sustainable Society. Nomura continues to monitor its operations to ensure compliance with these guidelines.^[3]

The firm has been engaging with stakeholders on sustainability initiatives such as identifying material issues, incorporating sustainability considerations in internal transaction screening, credit ratings and credit risk assessments among others. 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.^[4]^[5]

[1] [Nomura TCFD Report 2022](#), "Postscript", p. 024

[2] [Nomura TCFD Report 2022](#), "Sustainability Committee", p.007

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

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

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

Nomura facilitated \$21.4 billion in sustainable financing in FY2021/22 (showing only transaction values where Nomura had a lead role, and data is apportioned by the number of Mandated Lead Arrangers). We also had a Sustainable Investment Ratio of 79% in FY2021/22.^[6] Responsible investing is fully embedded in our Asset Management business by way of portfolio construction and engagement.

[6] [Nomura Annual Report 2022](#), "ESG Data", p. 093-096

[7] [Nomura Holdings Website](#), "GRI Standards"

We have selected "Climate" and "Inclusive and Healthy Economies" as areas that will have the most significant impacts, and we are working to address them by announcing commitment to achieve net zero greenhouse gas emissions and setting targets for sustainable financing.

[8] [Nomura TCFD Report 2022](#), "Credit Exposure Analysis", p.018

We have also 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: ^[7]

[9] [Responsible Investment Report 2021](#), "TCFD and Net Zero Goal by 2050", p.023-032

- 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

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.

Internal Climate Risk measures, including Carbon Related Assets and High Transition Risk metrics, ^[8] 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.^[9]

Our efforts have yielded us the following awards and recognition:^{[10][11]}

- Nomura is the only firm to have received Investment Bank of the Year Award in Sustainable categories by The Banker in all three years that these awards have been made.
 - 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
- 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.^[12]
- Overall ranking of "A" at the Leadership level in the CDP Climate Change Report 2021
- Tokyo Metropolitan Government's 2021 Tokyo Financial Award in the ESG Investment Category
- A+ on major PRI scores in the UN PRI assessment of 2020. (PRI evaluation for 2021 has been delayed)
- Nomura ranked number 3rd in International Finance Corporation's 2022 ESG Dealer Survey.

[10] [Nomura Holdings Website](#), "Awards and Recognition"

[11] [Responsible Investment Report 2021](#), "2022 and Beyond", p. 094

[12] [Nomura Holdings Website](#), "Nomura Included in 2023 Bloomberg Gender-Equality Index"

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. These two pillars are our means to achieve the realization of sustainability.

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

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

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