

Nomura Asset Management Sets 2050 Net Zero Goal and 2030 Interim Target for Greenhouse Gas Emissions from Investments

Tokyo, October 25, 2021—Nomura Asset Management Co., Ltd. (NAM), the core company within the Investment Management Division of Nomura Group, today announced that it has set a 2050 net zero goal and 2030 interim target for greenhouse gas (GHG) emissions from its investment portfolio.

To contribute to the realization of a healthy global environment, which NAM recognizes as a key issue (materiality), NAM also aims to achieve carbon neutrality for its own operations.

NAM is a signatory to initiatives aiming to achieve a decarbonized society. NAM will work to achieve net zero GHG emissions for assets under management by 2050. NAM has also set a 2030 interim target of 55% of assets under management¹ to be managed in alignment with achieving net zero emissions by 2050 or sooner. The interim target was determined based on the ratio of individual companies among NAM's holdings that have set decarbonization targets and represents 37 trillion yen of the total 67.3 trillion yen in assets under management as of the end of June 2021.

NAM is engaged in a number of strategic initiatives to achieve net zero GHG emissions by 2050, including measuring the level of GHG emissions and absorption in its investment portfolio, strengthening stewardship activities and collaboration with stakeholders, and developing innovative financial products aligned with net zero emissions by 2050.

NAM measures and discloses the GHG emissions associated with stocks and bonds in its investment portfolio. In setting the ambitious target of 55% by 2030, NAM has employed an incremental approach to weighting individual companies in its portfolio in consideration of the SBT commitments and approval², scenario analysis, the Institutional Shareholder Services (ISS)³ temperature scores of NAM's portfolios, as well as the policy goals of various countries. NAM is also conducting ongoing examination of portfolio companies' management commitments to achieving net zero and specific target details to reach its 2030 interim target.

To reduce the impact of climate change, the Paris Agreement sets a shared long-term goal of limiting the global average temperature increase to well below 2°C, and striving for 1.5°C, above pre-industrial levels. Based on scientific evidence, NAM believes it is necessary to reach net zero GHG emissions globally by 2050 or sooner to realize this goal. NAM is working to support a decarbonized society through the investment chain by engaging with portfolio companies to promote initiatives that address climate change.

¹ Limited to assets for which GHG emissions can be measured as of 2030.

² SBT, or Science Based Targets, refers to GHG reduction goals that scientifically conform to the Paris Agreement goals. Corporations participating in the SBT initiative publish their commitments to SBTs and obtain approval.

³ An ESG rating agency that provides services such as proxy voting advocacy, as well as tools for institutional investors to analyze portfolio climate-related risks and opportunities.

As a responsible institutional investor, NAM will continue to address ESG issues while working to secure its place as the Japanese asset manager preferred by clients globally.

NAM initiatives toward achieving its 2050 Net Zero Goal and 2030 Interim Target

Initiative	Details
Measurement of Portfolio GHG Emissions	In addition to Scope 1 and Scope 2 GHG emissions, NAM measures Scope 3 emissions to the extent possible, which are highly material in the context of portfolio companies. Estimates of ESG rating agencies are used in cases where a portfolio company does not disclose GHG emissions. Portfolio emission measurements are conducted in accordance with the standard published by the PCAF ⁴ , which NAM joined in August 2021.
Measurement of Portfolio GHG Absorption	Measurements of portfolio GHG absorption include direct absorption of residual emissions remaining after reduction measures, such as afforestation and Carbon dioxide Capture, Utilization and Storage (CCUS) ⁵ , as well as carbon offsetting ⁶ , avoided emissions, REDD+ ⁷ , and other measures.
Financial Product Development	NAM is developing financial products that contribute to the realization of a decarbonized society in accordance with the 2050 net zero goal and 2030 interim target.
Partnership with Asset Owners	NAM shares its 2050 net zero goal, 2030 interim target, and results of portfolio climate risk/opportunity analyses with asset owners in order to coordinate efforts toward realizing net zero emissions by 2050 or sooner.
Strengthening Stewardship Activities and Collaboration with Stakeholders	NAM is enhancing its stewardship strategies including engagement and proxy voting that is consistent with its 2050 net zero ambition. Additionally, NAM is strengthening collaboration with stakeholders and offering government policy proposals in support of these efforts.
High Transparency Disclosure	NAM is working to increase the transparency of disclosures, including regular disclosure of portfolio climate-related risk/opportunities analyses and progress toward its 2050 net zero goal and 2030 interim target within our Responsible Investment Report.

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Nomura

Nomura is a global financial services group with an integrated network spanning over 30 countries. By connecting markets East & West, Nomura services the needs of individuals, institutions, corporates and governments through its three business divisions: Retail, Wholesale (Global Markets and Investment Banking), and Investment Management. Founded in 1925, the firm is built on a tradition of disciplined entrepreneurship, serving clients with creative solutions and considered thought leadership. For further information about Nomura, visit www.nomura.com.

⁴ The PCAF, or Partnership for Carbon Accounting Financials, is a global partnership launched by primarily European financial institutions in 2015. It develops standards of measurement and disclosure for portfolio GHG emissions.

⁵ CCUS, or Carbon dioxide Capture, Utilization and Storage, refers to technology that segregates/captures CO2 emissions from power plants, etc., to be used in agricultural and chemical manufacturing or stably stored underground.

⁶ Schemes for offsetting GHG emissions which cannot be reduced in daily/economic activities.

⁷ Climate change initiative aimed at reducing emissions and increasing absorption by addressing deforestation in developing countries.