

ESG Statement

We formulated our ESG Statement in March 2019. This statement shares with our stakeholders the direction of our ESG-related activities and how we will respond to environmental and social risks, while the statement also aims to show how we will strive to realize a sustainable environment and society. We recognize that efforts to solve ESG issues are important in order to support a virtuous cycle in the investment chain. As a responsible investor, we encourage our portfolio companies to operate with an emphasis on good ESG practices, and we ourselves will also conduct operations with a focus on ESG.





Climate Change

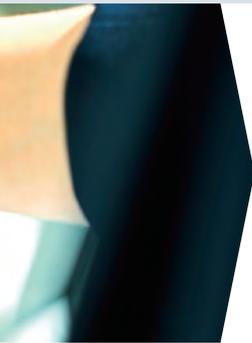
We will request portfolio companies that operate in businesses that could have a negative climate change impact to properly manage transitional and physical risks related to greenhouse gas emissions, etc. and incorporate their response to climate change in their management strategy.

At the same time, we will hold continued dialogue with the companies in our portfolios to encourage the transition of industrial structures towards a decarbonized society, so that problems can be addressed through technological innovation.



Natural Resources

We will hold ongoing dialogue with portfolio companies engaged in business activities that have potential to negatively impact natural capital and biodiversity, and we will encourage them to establish and implement measures to limit their impact on the environment, as well as appropriately incorporate their responses to business issues into their management strategies.



Social Responsibility

If a portfolio company has a potential negative effect on human rights, including society, child labor and forced labor, in addition to applicable laws and regulations, we encourage the portfolio company to respect international human rights standards such as the UN OHCHR's "Guiding Principles on Business and Human Rights." We also encourage portfolio companies to appropriately disclose information so that their policies are available externally.



Governance

We urge our investees to establish appropriate corporate governance structures, so they are able to address ESG issues that may lead to enhancing their corporate values in a sustainable manner.



SDGs

Solutions to the various ESG issues presented in the SDGs can be viewed positively as new business opportunities, and may encourage portfolio companies to appropriately reflect these in their management strategies. We also request appropriate information disclosure so that companies' policies and activities are clearly understood by external parties.

Responsible Investment Report 2019

Related ESG Issues

Related Initiatives to which Nomura Asset Management is a signatory



Climate Change

- Decarbonization
- Mitigation/Adaptation
- Innovation



CDP

Signature Timing June 2015

Established in 2000. This is a global project in which institutional investors around the world encourage companies to disclose their strategies to combat climate change as well as their specific greenhouse gas emissions. Current areas of focus include climate change, water and forests.



The Task Force on Climate-related Financial Disclosures TCFD

Signature Timing March 2019

A private-sector led task force launched in December 2015 by the Financial Stability Board (FSB) that encourages enhanced information disclosure related to climate change.



Climate Action100+

Signature Timing December 2019

An investor initiative in which institutional investors collaborate (group engagement) to encourage the world's largest corporate greenhouse gas emitters to disclose information related to climate change. The initiative was established in December 2017, and the action period was set at five years.



Natural Resources

- Water/forests
- Biodiversity
- Livestock/breeding



Farm Animal Investment Risk and Return FAIRR

Signature Timing June 2019

A livestock industry-related institutional investor initiative launched in 2015 by Jeremy Coller, the founder of Coller Capital (U.K.). The initiative educates people about livestock industry risks, including the impact on the environment, as well as food safety (antibiotics) issues.



Sustainable Blue Economy Finance Principles SBEFP

Signature Timing July 2019

These are financial principles for realizing a sustainable marine economy formulated by the European Commission in March 2018. The principles promote investment activities to protect marine ecosystems and solve marine problems such as marine plastics.



Social Responsibility

- Human rights
- Diversity
- Access to healthcare



Access to Medicine Foundation Access to Medicine Index

Signature Timing July 2019

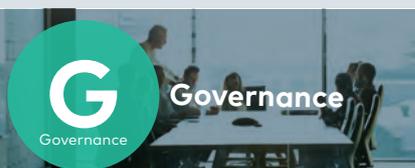
Founded in 2003 by Dutch entrepreneur Wim Leereveld. The organization encourages the pharmaceutical industry to do more to help low- and middle-income countries who have limited access to medicine. Signatories support the foundation's index.



30% Club Japan (Investor Group)

Signature Timing December 2019

A group of asset owners and asset managers that engages in constructive dialogue with the boards of directors and senior management of portfolio companies, with the aim of highlighting the importance of gender diversity within senior management and realizing such gender diversity.



Governance

- Independent officers
- Executive compensation
- Successor planning



The International Corporate Governance Network ICGN

Signature Timing December 2018

Established in 1995 to promote effective corporate governance standards and foster responsible investment to advance efficient markets and sustainable economies worldwide.



The Asian Corporate Governance Association ACGA

Signature Timing December 2018

Established in 1999 to engage in research and provide corporate support and education related to corporate governance in order to promote corporate governance in Asia.



Japan Stewardship Initiative JSI

Signature Timing November 2019

Aims to identify practical issues between asset owners and asset managers and to support efficient transmission of information aimed at advancing and deepening stewardship activities.



As the successor to the Millennium Development Goals (MDGs) established in 2001, the Sustainable Development Goals (SDGs) are international goals that aim for a sustainable and better world by 2030, and are part of the "2030 Agenda for Sustainable Development" which was adopted at the UN Summit in September 2015. There are 169 targets for the 17 goals, and the SDGs pledge to "Leave No One Behind." The SDGs are universal and do not apply only to developing countries. Japan is also proactively working towards these goals.

Other Related Initiatives that Nomura Asset Management has Joined

Nomura Asset Management's Role in ESG Issues



The United Nations Global Compact UNGC

Signature Timing June 2015 ^N

Non-binding action principles advocated by then UN Secretary-General, Kofi Annan, at the Davos Forum in 1999. It encourages businesses and groups worldwide to take actions in the areas of human rights, labor, the environment and preventing corruption.

PRI Principles for Responsible Investment

Signature Timing March 2011

The UN PRI (United Nations' Principles for Responsible Investment) are a set of principles formulated in April 2006 that require investors to incorporate ESG into actual investment analysis and decision-making processes.



The financial principles toward the formation of a sustainable society (Principles for Financial Action for the 21st Century)

Signature Timing January 2012

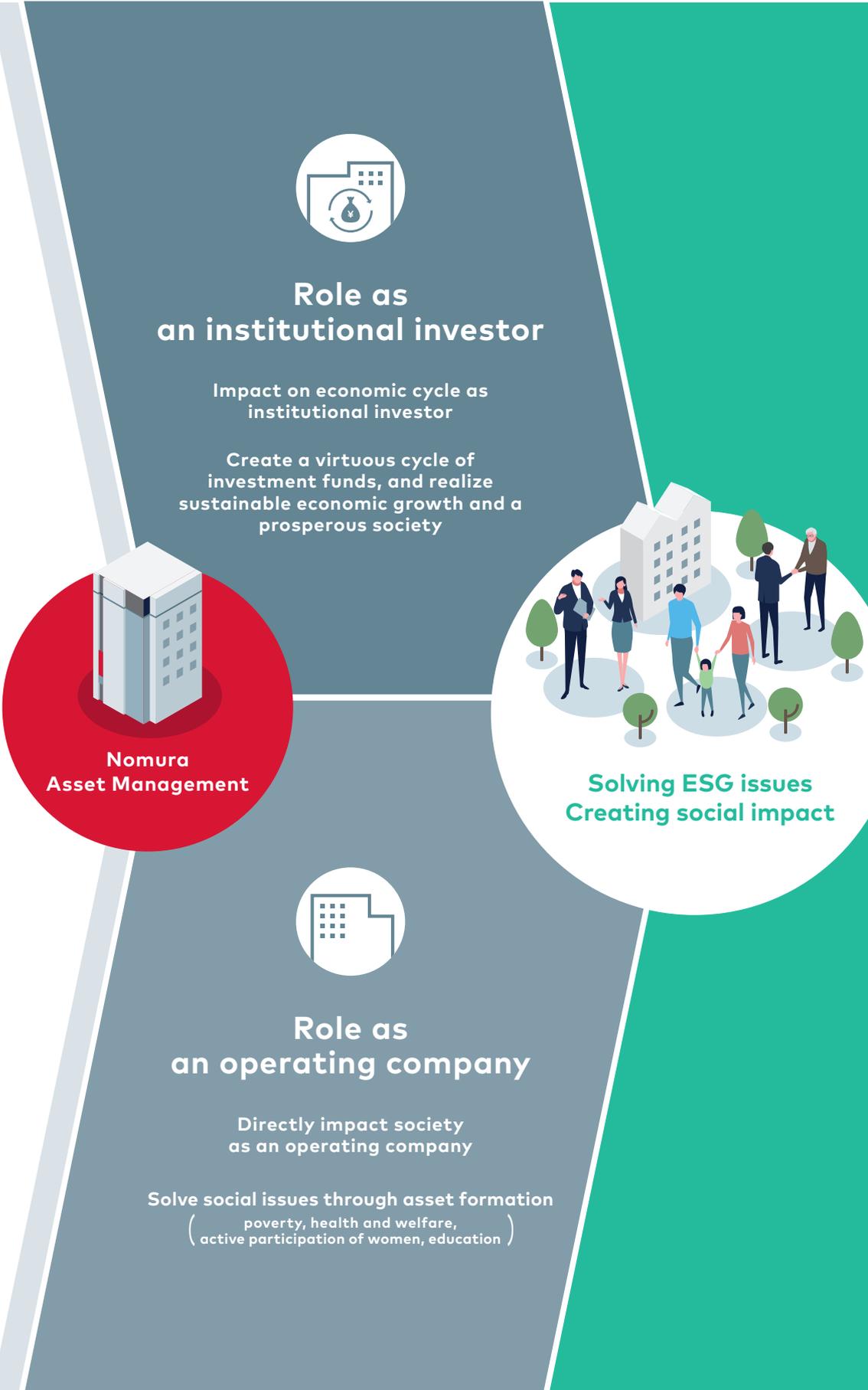
Formulated in October 2011 based on a proposal by the Ministry of the Environment's Central Environmental Council as action guidelines for financial institutions that wish to fulfill their responsibilities and roles as required for the formation of a sustainable society.



The United Nations Environment Programme - Finance Initiative UNEP FI

Signature Timing January 2019 ^N

UNEP FI is a partnership established between the United Nations Environment Program (UNEP) and financial institutions worldwide. Since its establishment in 1992, UNEP FI has been cooperating with financial institutions and regulatory authorities to promote a shift to a financial system that integrates economic development with ESG considerations.



^N Signed as Nomura Group