

# Investment Chain

Nomura Asset Management's investment chain and materiality



# & Materiality

Nomura Asset Management aims to be the Japanese asset management firm of choice for clients around the world. In accordance with our corporate principles, we will continue to proactively work to solve key issues (materiality) in order to realize a virtuous cycle of investment (investment chain).

## Goals

### Realizing a Healthy Global Environment

- Achieving a decarbonized society
- Preservation of natural capital

### Realization of a Society in which Human Rights are Respected

- Promotion of diversity and inclusion
- Creation of environments in which employees are excited to work
- Realization of a healthy and long-lived society



# Materiality

## Strengthening the Investment Chain

	Important issue	Goal	Key initiatives	Main related SDGs
	<b>Provision of excellent products and services that help clients build wealth.</b>	We will respond to clients' various asset management needs, and provide excellent investment performance.	In addition to traditional assets, expand investment in areas such as ESG and alternative investments, and further improve asset allocation capabilities	
	<b>Promotion of responsible investment</b>	Through stewardship activities, we will continue to support portfolio companies' corporate value enhancement and social value creation	Enhancement of ESG integration to incorporate non-financial information into the investment process Proactive promotion of ESG engagement based on ESG perspectives and important topics	
	<b>Enhancement of investment capabilities and client convenience through digitalization</b>	We will utilize cutting-edge technologies to the maximum extent possible and provide clients with even more investment opportunities and added value	Enhancement of UI/UX for digital content and utilization of DX to cultivate new business domains Development of investment methods utilizing AI, alternative data, and other means	
	<b>Promotion of financial literacy education</b>	In order to get clients familiar with investment trusts, we will promote financial literacy education and work to broaden the range of investors	Enhancement of education/training that will lead to the promotion of wealth-building	
	<b>Support for regional revitalization</b>	We will work with regional financial institutions to create strong movement for regional revitalization originating from regional financial institutions	Partner with regional financial institutions to launch donation schemes utilizing the corporate version of the hometown tax system Holding ESG forums with regional financial institutions to discuss regional revitalization and consider ESG	

## Realizing a Healthy Global Environment

	Important issue	Goal	Key initiatives	Main related SDGs
	<b>Achieving a decarbonized society</b>	Targeting the shift to a sustainable decarbonized society, we will use engagement and other means to encourage portfolio companies to combat climate change, and aim to achieve carbon neutrality for Nomura Asset Management as well	Enhancement of the level of investment with respect to climate change risks and opportunities Use of engagement with portfolio companies to have them incorporate climate change initiatives into their management strategies	
	<b>Preservation of Natural Capital</b>	We will demand that portfolio companies have management strategies that take the sustainability of natural capital into account, and promote initiatives within Nomura Asset Management to preserve natural capital	Use of engagement with portfolio companies to have them incorporate initiatives aimed at the coexistence of natural capital and their business into their management strategies  Utilization of environmentally-friendly and socially-friendly products	



As an institutional investor



As an operating company

## Realization of a Society in Which Human Rights are Respected

Important issue	Goal	Key initiatives	Main related SDGs
 	<b>Promotion of diversity and inclusion</b>  We will promote diversity and inclusion in portfolio companies as well as within Nomura Asset Management, in order to continuously create added value by allowing diverse human resources to display their abilities and individuality	Promotion of diversity and inclusion through engagement with portfolio companies Establishment and management of Japan Empowering Women Select Index ETF	  
		Introduction of job-grade personnel system Development and appointment of diverse professional human resources Support for balancing work and raising children	
 	<b>Creation of environments in which employees are excited to work</b>  Our portfolio companies as well as Nomura Asset Management itself will improve productivity and create high value-added services by creating a high-quality work environment.	Developing and managing investment strategies that focus on the performance of companies that are good places to work. Realization of decent work through engagement with portfolio companies	
		Correction of long working hours Strengthen communication with management to promote flexible work styles and increase employee engagement (willingness to contribute to the company)	
 	<b>Realization of a healthy and long-lived society</b>  In advance of the era of 100-year lifespans, we aim not only to help clients extend the longevity of their assets, but also realize a society in which people live long, healthy lives	Contribution to medical research through the creation and provision of investment funds in collaboration with strategic partner ACI Joint engagement with initiatives aiming to improve access to healthcare	 
		Education targeting improvements in health literacy Understanding employees' health status and conduct mental health checks Implementation of measures to prevent communicable diseases	

## Corporate Value Improvement through Governance

Important issue	Goal	Key initiatives	Main related SDGs
 	<b>Sufficient display of corporate governance functions</b>  We will promote the sufficient functioning of corporate governance in order for portfolio companies, as well as Nomura Asset Management itself, to achieve the corporate philosophies and management targets established by each	Engagement with portfolio companies with the aim of enhancing corporate governance Disciplined proxy voting in accordance with the proxy voting guidelines	
		Adoption of a monitoring model as a Company with Audit & Supervisory Committee Appointments of independent outside directors possessing expertise in specialized fields Creation of various committees	
	<b>Enhancement of internal control system</b>  We will work to strengthen and enhance our internal control system and conflict of interest management framework in order to protect our clients' assets and earn their unwavering trust	Construction of an internal control system based on three lines of defense Monitoring of market risk, credit risk, operational risk, etc., by various committees Enhancement of the conduct risk management system Construction of a robust crisis management system	 
	<b>Strengthen and enhance the system for managing conflicts of interest</b>  We will work to strengthen and enhance our internal control system and conflict of interest management framework in order to protect our clients' assets and earn their unwavering trust	Creation of the Fund Management Council and the Responsible Investment Council, and appointment of independent outside experts as members of both councils Ensure independence of decision-making and personnel in investing and research	