

ESG Statement

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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.

Related Initiatives to which Nomura Asset Management is a signatory



Climate Change

Environment

Decarbonation

Palliation and Adaptation

Innovation

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.



CDP

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.

Signature Timing
June 2015



Farm Animal Investment Risk and Return FAIRR

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.

Signature Timing
March 2019



Climate Action100+

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.

Signature Timing
December 2019

 Signed as Nomura Group



Natural Resources

Environment

- Water and Forest
- Biodiversity
- Livestock and Aquaculture

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

Social

- Human Rights
- Hiversity
- Medical Access

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.



Farm Animal Investment Risk and Return FAIRR

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

Signature Timing
June 2019



Access to Medicine Foundation/ Access to Medicine Index

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.

Signature Timing
June 2019



Sustainable Blue Economy Finance Principles SBEFP

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.

Signature Timing
June 2019



30% Club Japan (Investor Group)

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.

Signature Timing
December 2019



 Signed as Nomura Group



G



SDGs

Governance

Governance

SDGs

Sustainable Development Goals

- Independent Director
- Officer's compensation
- succession planning

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.



The International Corporate Governance Network

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

Signature Timing
December 2018



The Asian Corporate Governance Association

ACGA
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.

Signature Timing
December 2018



Japan Stewardship Initiative

JSI
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.

Signature Timing
November 2019

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.



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.

Nomura Asset Management supports the Sustainable Development Goals (SDGs)

Other Related Initiatives that Nomura Asset Management has Joined



Signature Timing June 2015 

The United Nations Global Compact

UNGC
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.



Signature Timing January 2012

The financial principles toward the formation of a sustainable society

(Principles for Financial Action for the 21st Century)
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.



Signature Timing March 2011

Principles for Responsible Investment

PRI
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.



Signature Timing January 2019 

The United Nations Environment Programme – Finance Initiative

UNEP FI
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.



**Nomura Asset Management's Role
in ESG Issues**



**Role as
an institutional investor**

Impact on economic cycle as
institutional investor

Create a virtuous cycle of
investment funds, and realize
sustainable economic growth and
a prosperous society

Investment Chain ▶ P11 - P12



**Role as
an operating company**

Directly impact society
as an operating company

Solve social issues through asset
formation
(poverty, health and welfare,
active participation of women,
education)

Materiality ▶ P13 - P14



**Solving ESG issues
Creating social impact**

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Signature Timing March 2021

GRESB

Measures the environmental, social, and governance (ESG) of individual companies and investment funds in the real estate sector. GRESB was launched in 2009, mainly by European pension funds, as a source of information to use when selecting investments and during dialogue with portfolio companies and investment funds.

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