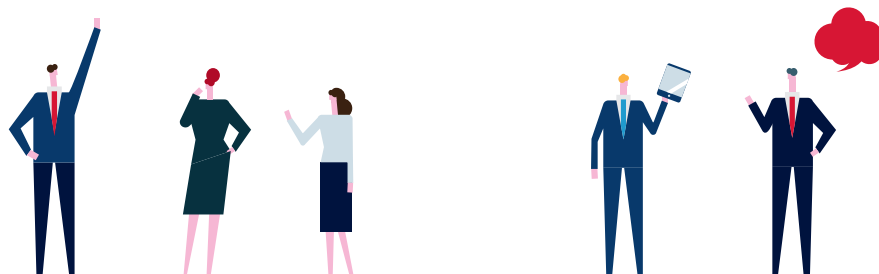




Responsible Investment Report

2023



We create economic and social value through the asset management business

This is the philosophy of Nomura Asset Management

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Our Strengths in Responsible Investment

1

Long-term commitment to responsible investment

Our company's first strength is our long history of engaging in responsible investment. The roots of the current Responsible Investment Committee lie in the Proxy Voting Committee established in 2001. Subsequently, the ESG Committee was established in 2011. The ESG Committee became the Responsible Investment Committee as part of a reorganization and an integration from 2014 to 2015. Based on many discussions over the years, and always remaining conscious of our mandate from clients, we have fostered a culture that is supportive of responsible investment, respects diverse opinions from a large number of professionals, and values lively discussion.

History of Responsible Investment

2001

Proxy Voting Committee established

2004

Management of SRI Index Fund commenced
Management of governance fund commenced

2010

UK Stewardship Code adopted

2011

ESG Committee (now the Responsible Investment Committee) established
United Nations-supported Principles for Responsible Investment (UN PRI) signed

2014

Japanese version of the Stewardship Code adopted
ESG Committee reorganized into Responsible Investment Committee
Proxy Voting Committee reorganized into Stewardship Committee

2015

Responsible Investment Group and ESG specialists established
Stewardship Committee integrated into Responsible Investment Committee

2016

Responsible Investment Department established
Conflict of Interest Management Policy formulated and Responsible Investment Council established
Stewardship Codes in Singapore, Hong Kong and Taiwan adopted
UK Office acquired Tier1 evaluation from UK FRC*

2017

Proxy voting results disclosed individually
Malaysian Stewardship Code adopted

2023

Corporate Sustainability Report 2023 published

2022

Sustainability Development Department and Net Zero Strategy Department established
Revised ESG Statement

2021

Established NAM's materiality Joined Net Zero Asset Managers initiative (NZAM)
Revised ESG Statement

2020

Established Asset Management Research Institute to promote ESG

2019

Support for TCFD. Strengthening our company-wide efforts to tackle climate change.
Formulated our ESG Statement

2018

Self-evaluation disclosed

2

Systematic and Continuous ESG-related Initiatives

Our company's second strength is our systematic and ongoing effort to address ESG-related issues in anticipation of the needs and dynamics of the times. Examples of our efforts include the establishment of the Responsible Investment Committee as the highest decision-making body for responsible investment and the Responsible Investment Council which supervises the Committee, the establishment of policies including the ESG Statement, engagement and proxy voting in order to realize ideal form of business management of investee companies, as well as providing information to stakeholders through disclosure materials such as the Responsible Investment Report and the TCFD Report.

Furthermore, we have established a Sustainability Development Department to accelerate our business operations with an emphasis on sustainability, and in 2023 we newly issued a Corporate Sustainability Report. We are also working to strengthen our organizational structure with respect to ESG, including establishing an Engagement Department to bolster our engagement with portfolio companies and a Net Zero Strategy Department that is working to enhance our efforts to address climate change.

Organizational Structure for Responsible Investment



Main activities

Dialogue with portfolio companies (engagement)

Proxy Voting

Integration into investment decisions (ESG integration)

Collaborative/public activities

3

Global Approach and Diversity

Our company's third strength is our global and highly-diverse investment and research framework. Based on our global platform for responsible investment, we have built an ESG investment and research framework made up of portfolio managers, corporate analysts and country specialists who manage ESG products in our overseas offices. Our team includes a large number of portfolio managers, ESG investment managers, corporate analysts, credit analysts and ESG specialists working in one of the largest active management institutions in Japan, all of whom are committed to applying their analytical abilities and insights to responsible investment.



4

Inclusive Discussions based on a Strong Organizational Platform

Our company's fourth strength is our emphasis on having "exhaustive discussions" that incorporate diverse opinions under a strong organizational platform. The Responsible Investment Council was established as a body to oversee discussions of the Responsible Investment Committee in real time. The majority of the Council consists of highly independent outside directors and outside experts in order to manage conflict of interest. It manages conflicts of interest with highly-independent outside directors and outside experts accounting for a majority of its members. In addition, the Responsible Investment Committee comprises members possessing abundant investment and research experience. The Committee held a total of 14 meetings in 2023. The discussion at the Committee often heats up over the decision on proxy voting and ESG related issues. The members of the Council observe the Committee meetings not only to monitor the conflicts of interest but also to actively join the discussion.

Responsible Investment Committee Meetings January – December 2023



Responsible Investment Committee

14
times

Regular 4 times

Ad hoc 10 times



Responsible Investment Council

7
times

Regular 4 times

Ad hoc 3 times

Cooperation with Our Overseas Offices

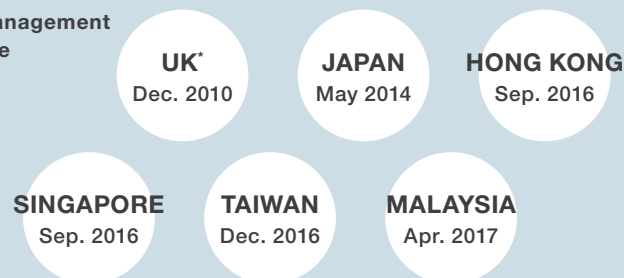
Cooperation With Overseas Offices

At Nomura Asset Management, we work globally to strengthen our ESG initiatives based on our global platform for responsible investment.

By utilizing this common platform, we are not only able to promote ESG initiatives at each office, but offices can also share detailed information with one another.

Our ESG Statement is shared globally, and allows for a common understanding of the goals behind our ESG-related activities as well as ESG-related issues (refer to Pages 11-16).

Nomura Asset Management
Stewardship Code
Signing Status



* In March 2022, Nomura Asset Management UK was approved by the Financial Reporting Council (FRC) as a signatory to the UK Stewardship Code 2020.

ENGAGEMENT

We engage in constructive dialogue with companies about important financial and non-financial risks and opportunities in accordance with our basic policy for engagement (refer to Pages 59-70). Specifically, our ESG specialists, ESG investment manager, engagement managers, company analysts and country specialists based in Japan and overseas offices collaborate to engage with portfolio companies.

We monitor the details of the engagement of managers in each country with target companies using common milestone management tools, which allows information to be easily shared among our offices. With respect to climate change, which is one of our key engagement themes, we urge portfolio companies to receive SBT approval, and by monitoring the status of these efforts on a global level we are able to check how much progress companies are making. Furthermore, ESG officers in overseas offices can now easily hold discussions with our ESG specialists in Tokyo about engagement details. (Refer to Pages 71-76)

PROXY VOTING

For proxy voting (excluding Japanese equities), we generally decide to vote in favor of or opposition to an issue in accordance with our Global Basic Policy on Proxy Voting. However, if the portfolio managers and analysts possessing a deep understanding of local conditions determine it to be necessary, we may, upon deliberation, make a decision that differs from the basic policy on proxy voting. The final decision is then shared with all offices, and proxy voting is then carried out uniformly on a global basis (refer to Page 79).

ESG INTEGRATION

In terms of integration, climate change analysis tools are used to evaluate the climate change risks and opportunities for portfolio companies and for each fund (refer to Pages 29-39), and in addition to sharing our ESG scores among all offices, ESG data from external sources and other data are incorporated and used to make investment decisions. The details of engagement with companies whose stocks our funds hold are shared with portfolio managers and utilized in discussions about whether to continue holding the stocks in question (refer to Pages 89-106).

TOKYO

Tokyo



Frankfurt



London



UK/EU

ENGAGEMENT

Responsible
Investment Global
Platform

PROXY
VOTING

ESG INTEGRATION

ASIA



Singapore



Hong Kong/Malaysia/Shanghai



New York

USA

PM

Portfolio Manager

AN

Research professional (company analyst, credit analyst) Quant analyst (quant analyst, financial engineer)

ESG

ESG specialist, ESG investment manager, Engagement manager