



RESPONSIBLE INVESTMENT REPORT 2024

Nomura Asset Management

We create
economic and social value
through the asset
management business.

This is the philosophy of Nomura Asset Management.

RESPONSIBLE
INVESTMENT
REPORT **2024**
CONTENTS



03	Our Strengths in Responsible Investment	19	Basic Policy for RESPONSIBLE INVESTMENT
05	Cooperation with Our Overseas Offices	23	Well-being
07	CEO Message	27	Utilizing Human Capital
09	NAM's vision for the Investment Chain	31	Initiatives on Human Rights
10	NAM's materiality	37	TCFD/TNFD
11	ESG Statement	49	NATURE & BIODIVERSITY
17	NAM's initiatives on PRI	55	Our Product Governance Initiatives
		61	Responsible Investment: Our New Chapter in the Private Market





- 63 Basic stance on engagement
- 64 Summary
- 65 Engagement Process
- 66 Escalation Process
- 67 Deep Engagement
- 69 Initiatives for Enhancing Dialogue with Small- and Medium-Sized Enterprises
- 70 Measuring the Effects of Engagement Activities

- 71 Engagement with the Food Industry
- 73 Fixed Income Engagement
- 74 Reorganization of Priority Topics
- 75 Global Equity Engagement
- 78 Engagement by Morningstar Sustainalytics
- 79 Cooperation with Global ESG Initiatives



- 81 Features of Proxy Voting
- 82 Basic Philosophy
- 85 Structure of Proxy Voting
- 88 Overview of Proxy Voting Standards for Japanese Companies
- 93 Disclosure: High Level of Accountability



- 97 Features of Integration
- 98 Equity Integration
- 99 Efforts to Advance ESG Integration
- 101 Impact Investing
- 107 ESG Scores for Japanese Equities
- 109 Changes in International Politics and the Direction of Sustainable Investment

- III Transition Finance and Transition Plan Assessments
- 112 Japan's Growing market for Green Municipal Bonds
- 113 Sustainability as an Alpha Source
- 114 Utilization of ESG in Japanese Bond Credit Management



115 Message from the Chairperson of the Responsible Investment Council

116 Message from the Chairperson of the Board of Directors

117 Results of Self-Evaluation of 2024 Stewardship Activities

119 Nomura Asset Management's ESG Communication Activities

120 Review of 2024, 2025 and Beyond

Our Strengths in Responsible Investment

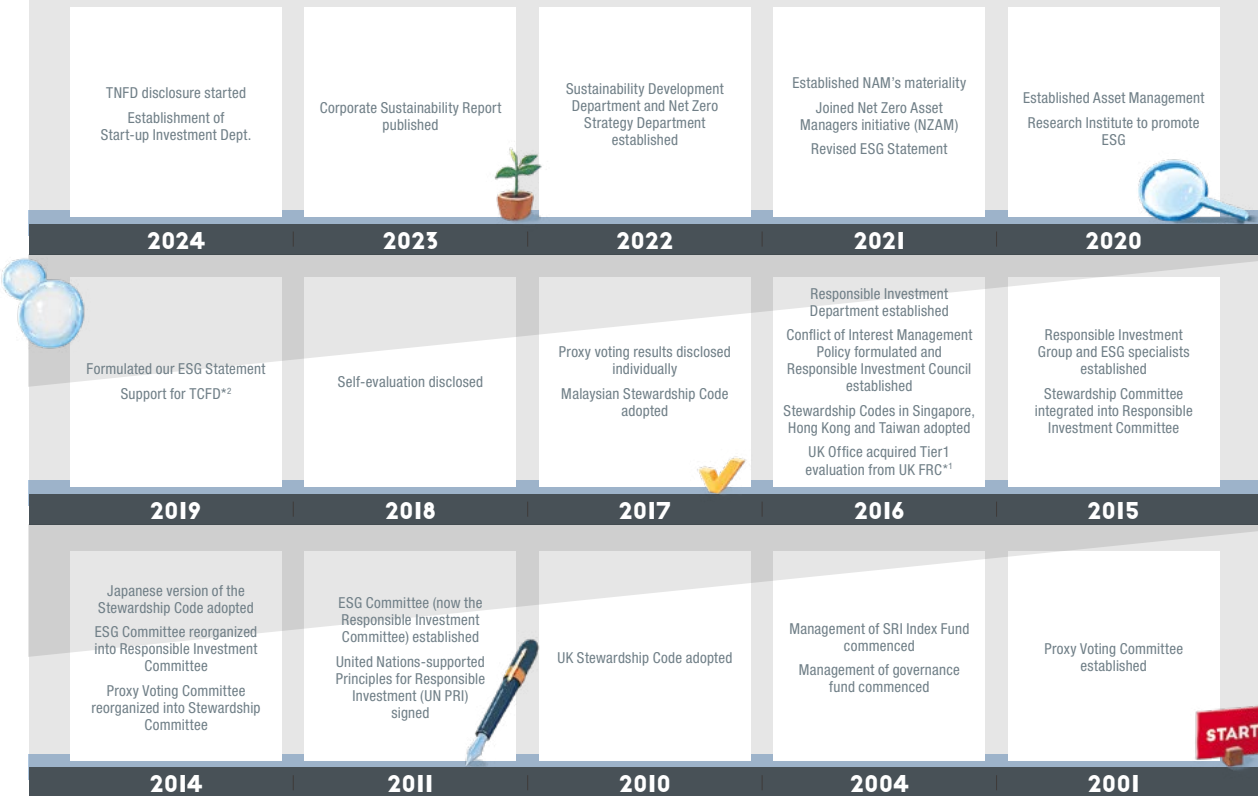
STRENGTH

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



STRENGTH

2

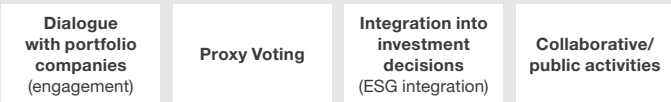
Systematic and Continuous ESG-related Initiatives

Our company's second strength is our systematic and ongoing effort to address ESG(Environment, Social and Governance)-related issues in anticipation of the needs and changes 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 appropriate management, as well as providing information to stakeholders through disclosure materials such as the Responsible Investment Report, the TCFD Report and TNFD Report. In formulating engagement strategies for individual companies, we have established a system to comprehensively discuss efforts related to climate change issues alongside other management challenges. This aims to realize more efficient and effective engagement, leading to the establishment of the Sustainable Investment Strategy Department (an evolved integration of the Engagement Department and the Net Zero Strategy Department), thereby continuously strengthening our ESG-related organization. Furthermore, the Startup Investment Department has initiated efforts to expand both social and financial value through crossover impact investing in unlisted companies that create impact.

Organizational Structure for Responsible Investment



Main activities

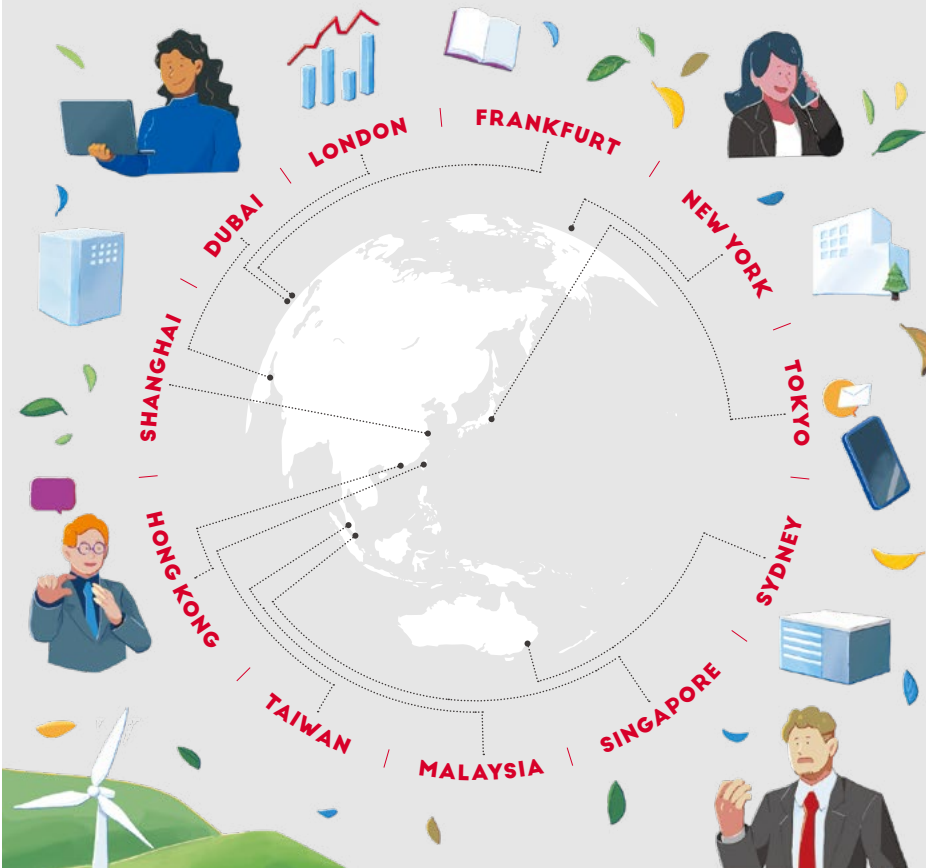


*1 UK FRC (Financial Reporting Council)
*2 Although the TCFD has already dissolved, we included this information because we explicitly commenced our efforts to address climate change.

STRENGTH
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.



STRENGTH
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 10 meetings in 2024. 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 2024

Responsible Investment Committee

10 times

Regular

4 times

Ad hoc

6 times

Responsible Investment Council

7 times

Regular

4 times

Ad hoc

3 times

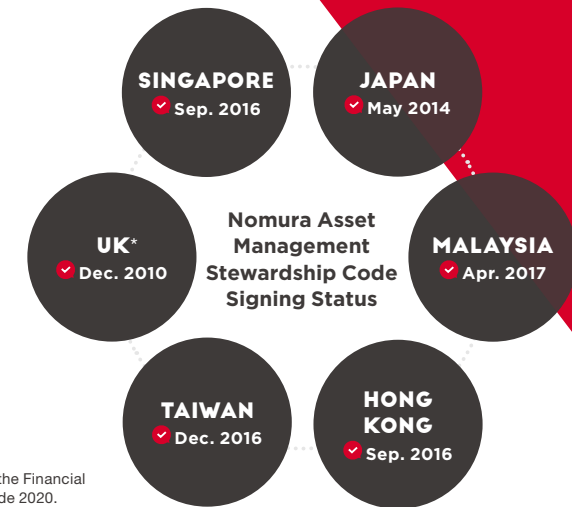


COOPERATION WITH OUR OVERSEAS OFFICES

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 [P11-16](#) ➡).



* 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 [P63-74](#) ➡). 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 [P75-80](#) ➡).

• 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 (refer to [P86](#) ➡).

• ESG INTEGRATION •

In terms of integration, the details of engagement with investee companies are shared with the portfolio managers, and if necessary, additional engagement is carried out, and the information gained is used in deciding whether to continue holding these companies (see [P98-100](#) ➡). By using external analytical tools, we assess the climate change and natural capital-related risks and opportunities associated with the investee companies, and we also conduct ESG evaluations of these companies (see [P37-54](#) ➡ [P107-108](#) ➡). Additionally, we share our ESG scores across our offices and incorporate external ESG information to support our investment decision-making.

JAPAN



TOKYO

ASIA



SINGAPORE



HONG KONG/MALAYSIA/SHANGHAI

UK/EU



FRANKFURT

LONDON

USA



NEW YORK

Responsible
Investment
Global
Platform



Portfolio Manager



Research professional
company analyst
credit analyst

Quant analyst
quant analyst
financial engineer



ESG specialist
ESG investment
manager
Engagement manager