



## **PUBLIC TRANSPARENCY REPORT**

**2024**

**Nomura Asset Management Co., Ltd.**

Generated 25-11-2024

# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2024 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2024 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented. The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

As a responsible institutional investor, Nomura Asset Management aims to contribute to the realization of a sustainable and prosperous society by helping our clients build wealth. Today, more than ever, investors have the opportunity to encourage companies to generate not only economic value but also social value through their business activities, as symbolized by the SDGs. In addition to our asset management business, we support the creation of social value by the companies held in our portfolios, through engagement and other efforts. Our aim is to establish a virtuous cycle of investment in order to promote sustainable economic growth and a prosperous society, which will ultimately lead to better lives for our clients. In March 2019, we formulated our ESG statement, which we revised in Dec. 2021 and Dec. 2022, to identify the important ESG issues that matter to us. Based on this statement, we are committed to conducting our business with due attention to these ESG issues. We believe it is our responsibility as an asset manager to fulfill our commitment to our clients while paying heed to these issues, and we will reflect them in our stewardship activities, investment decisions, and research efforts.

#### Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

In recent years, international collaborative engagement has become increasingly important. In particular, there has been a growing trend for Japanese companies to be the target of such engagement, and the role of Japanese institutional investors and their responsibilities have also grown in importance. Japanese asset management firms are becoming indispensable in acting as a bridge between global investors and Japanese companies, improving corporate disclosure and solving ESG issues, leading to increased corporate value. As a Japanese asset manager, Nomura Asset Management is an advisory member for two PRI initiatives: Advance, PRI's human rights collaborative engagement; and Spring, PRI's collaborative engagement on natural capital just launched in 2023, and we are playing a central role in both programs. We also participated in Triple I for GH, which aims to promote impact investing in the field of global health, and we have bolstered international collaboration, especially in order to solve medical problems in developing countries. We have worked to strengthen our initiative-based efforts, because demonstrating the impact of those initiatives in the international community is important to enhancing our competitiveness as an asset management firm.

#### Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Responsible investment is now at the very heart of Nomura Asset Management's investment business. In particular, our investment assets have become increasingly passive in recent years, and the sustainable growth of portfolio companies has become essential to our business. Stewardship activities targeting portfolio companies are becoming more and more important. In addition, Nomura Asset Management operates a global asset management business, so it is impossible for us to do business without addressing individual countries' increasingly stringent ESG-related regulations, as well as the demands from our customers. Also, our vantage point has been shifting from Japan to overseas. In recent years, in response to these changes in the business environment, we have focused on enhancing our own ESG product governance, expanding the ESG domains we address, and we have been endeavoring to play a central role in global ESG initiatives. Responsible investment and ESG have no national borders, and we are now in an era where only globally competitive asset management firms can be successful in Japan. We will continue to evolve our efforts to become an asset management firm that is trusted by investors and portfolio companies around the world.

#### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Hiroyasu Koike

Position

President and CEO

Organisation's Name

Nomura Asset Management Co., Ltd.

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**'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.**

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# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2023

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

# ASSETS UNDER MANAGEMENT

## ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

### USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 534,826,104,333.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

### Additional information on the exchange rate used: (Voluntary)

1USD=143.99 JPY

## ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	>50-75%	>0-10%
(B) Fixed income	>10-50%	>0-10%
(C) Private equity	0%	>0-10%
(D) Real estate	0%	>0-10%
(E) Infrastructure	0%	>0-10%
(F) Hedge funds	>0-10%	>0-10%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	>10-50%	>0-10%
(J) Off-balance sheet	0%	0%

**(I) Other - (1) Percentage of Internally managed AUM - Specify:**

Cash, Multi asset

**(I) Other - (2) Percentage of Externally managed AUM - Specify:**

Multi asset, Cash, Commodity



## ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.1	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a further breakdown of your organisation's externally managed listed equity and/or fixed income AUM.

	(1) Listed equity	(2) Fixed income - SSA	(3) Fixed income - corporate	(4) Fixed income - securitised	(5) Fixed income - private debt
(A) Active	>75%	>50-75%	>10-50%	>10-50%	>0-10%
(B) Passive	0%	>0-10%	0%		

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2	CORE	OO 5, OO 5.1	SAM 3, SAM 8	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a breakdown of your organisation's externally managed AUM between segregated mandates and pooled funds or investments.

	(1) Segregated mandate(s)	(2) Pooled fund(s) or pooled investment(s)
(A) Listed equity - active	>10-50%	>75%
(C) Fixed income - active	0%	>75%
(D) Fixed income - passive	>75%	0%
(E) Private equity	>50-75%	>10-50%
(F) Real estate	0%	>75%
(G) Infrastructure	>75%	>0-10%
(H) Hedge funds	>0-10%	>75%

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

**Provide a further breakdown of your internally managed listed equity AUM.**

(A) Passive equity >75%

(B) Active – quantitative >0-10%

(C) Active – fundamental >10-50%

(D) Other strategies 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed fixed income	GENERAL

**Provide a further breakdown of your internally managed fixed income AUM.**

(A) Passive – SSA >50-75%

(B) Passive – corporate >0-10%

(C) Active – SSA >10-50%

(D) Active – corporate >10-50%

(E) Securitised 0%

(F) Private debt 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED HEDGE FUND

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 HF	CORE	OO 5	OO 11	PUBLIC	Asset breakdown: Internally managed hedge fund	GENERAL

**Provide a further breakdown of your internally managed hedge fund assets.**

(A) Multi-strategy 0%

(B) Long/short equity 0%

(C) Long/short credit >75%

(D) Distressed, special situations  
and event-driven fundamental 0%

(E) Structured credit 0%

(F) Global macro 0%

(G) Commodity trading advisor 0%

(H) Other strategies 0%

## MANAGEMENT BY PRI SIGNATORIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6	CORE	OO 5	N/A	PUBLIC	Management by PRI signatories	GENERAL

**What percentage of your organisation's externally managed assets are managed by PRI signatories?**

>75%

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

**How much of your AUM in each asset class is invested in emerging markets and developing economies?**

### AUM in Emerging Markets and Developing Economies

(A) Listed equity	(2) >0 to 10%
(B) Fixed income – SSA	(2) >0 to 10%
(C) Fixed income – corporate	(4) >20 to 30%
(D) Fixed income – securitised	(1) 0%
(E) Fixed income – private debt	(2) >0 to 10%
(F) Private equity	(2) >0 to 10%
(G) Real estate	(2) >0 to 10%
(H) Infrastructure	(2) >0 to 10%
(I) Hedge funds	(3) >10 to 20%

# STEWARDSHIP

## STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

	(1) Listed equity - active	(2) Listed equity - passive	(3) Fixed income - active	(4) Fixed income - passive	(5) Private equity
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) Yes, through service providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

  

	(6) Real estate	(7) Infrastructure	(8) Hedge funds	(11) Other
(A) Yes, through internal staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 HF	CORE	OO 5	OO 9	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation have direct investments in listed equity across your hedge fund strategies?

- (A) Yes
- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

	(1) Listed equity - active	(2) Listed equity - passive
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, through external managers	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

	Percentage of your listed equity holdings over which you have the discretion to vote
(A) Listed equity – active	(9) >70 to 80%
(B) Listed equity - passive	(12) 100%

# ESG INCORPORATION

## INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors, to some extent, into your investment decisions?

	(1) Yes, we incorporate ESG factors into our investment decisions	(2) No, we do not incorporate ESG factors into our investment decisions
(A) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - active - quantitative	<input checked="" type="radio"/>	<input type="radio"/>
(C) Listed equity - active - fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(E) Fixed income - SSA	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income - corporate	<input checked="" type="radio"/>	<input type="radio"/>
(N) Hedge funds - Long/short credit	<input type="radio"/>	<input checked="" type="radio"/>
(V) Other: Cash, Multi asset	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER SELECTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager selection	1

For each externally managed asset class, does your organisation incorporate ESG factors, to some extent, when selecting external investment managers?

	(1) Yes, we incorporate ESG factors when selecting external investment managers	(2) No, we do not incorporate ESG factors when selecting external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(H) Hedge funds	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: Multi asset, Cash, Commodity	<input checked="" type="radio"/>	<input type="radio"/>



## EXTERNAL MANAGER APPOINTMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager appointment	1

For each externally managed asset class, does your organisation incorporate ESG factors, to some extent, when appointing external investment managers?

	(1) Yes, we incorporate ESG factors when appointing external investment managers	(2) No, we do not incorporate ESG factors when appointing external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(H) Hedge funds	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: Multi asset, Cash, Commodity	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager monitoring	1

For each externally managed asset class, does your organisation incorporate ESG factors, to some extent, when monitoring external investment managers?

	(1) Yes, we incorporate ESG factors when monitoring external investment managers	(2) No, we do not incorporate ESG factors when monitoring external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(H) Hedge funds	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: Multi asset, Cash, Commodity	<input checked="" type="radio"/>	<input type="radio"/>

## ESG IN OTHER ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 15	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG in other asset classes	1

Describe how your organisation incorporates ESG factors into the following asset classes.

Internally managed  
(C) Other

For multi-asset assets, we conduct ESG integration in line with the strategy of each underlining asset.

Externally managed  
(F) Other

We carry out ESG integration similar to other externally managed assets.

## ESG NOT INCORPORATED

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG not incorporated	1

**Describe why your organisation does not currently incorporate ESG factors into your investment decisions and/or in the selection, appointment and/or monitoring of external investment managers.**

Internally managed  
(L) Hedge funds

The relevant strategy is subject to NAM's overall Responsible Investment policy. However, given the unconstrained investment mandate, the relevant investment team has so far chosen to not integrate ESG in an explicit and fund strategy-specific manner. This stance is subject to review and may change in the future.

## ESG STRATEGIES

### LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?**

**Percentage out of total internally managed active listed equity**

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	0%
(D) Screening and integration	>75%
(E) Thematic and integration	0%
(F) Screening and thematic	0%

(G) All three approaches combined 0%

(H) None 0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

**What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?**

**Percentage coverage out of your total listed equity assets where a screening approach is applied**

(A) Positive/best-in-class screening only 0%

(B) Negative screening only 0%

(C) A combination of screening approaches >75%

## FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PUBLIC	Fixed income	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?**

**(1) Fixed income - SSA**

**(2) Fixed income - corporate**

(A) Screening alone 0%

0%

(B) Thematic alone 0%

0%

(C) Integration alone >75%

>75%

(D) Screening and integration >0-10%

>0-10%

(E) Thematic and integration	0%	0%
(F) Screening and thematic	0%	0%
(G) All three approaches combined	>0-10%	>0-10%
(H) None	0%	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 FI	CORE	OO 17 FI	N/A	PUBLIC	Fixed income	1

**What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?**

	(1) Fixed income - SSA	(2) Fixed income - corporate
(A) Positive/best-in-class screening only	0%	0%
(B) Negative screening only	0%	0%
(C) A combination of screening approaches	>75%	>75%

## ESG/SUSTAINABILITY FUNDS AND PRODUCTS

### LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

**Do you explicitly market any of your products and/or funds as ESG and/or sustainable?**

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>0-10%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?

- (A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications
- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

## PASSIVE INVESTMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 19	CORE	OO 5.3 FI, OO 11	LE 8, FI 10	PUBLIC	Passive investments	1

What percentage of your total internally managed passive listed equity and/or fixed income passive AUM utilise an ESG index or benchmark?

Percentage of AUM that utilise an ESG index or benchmark

(A) Listed equity - passive >0-10%

(B) Fixed income - passive 0%

## THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 17 FI	FI 15, FI 17	PUBLIC	Thematic bonds	1

What percentage of your total environmental and/or social thematic bonds are labelled by the issuers in accordance with industry-recognised standards?

Percentage of your total environmental and/or social thematic bonds labelled by the issuers

(A) Green or climate bonds >75%

(B) Social bonds 0%

(C) Sustainability bonds >0-10%

(D) Sustainability-linked bonds	>10-50%
(E) SDG or SDG-linked bonds	0%
(F) Other	0%
(G) Bonds not labelled by the issuer	0%

## SUMMARY OF REPORTING REQUIREMENTS

### SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(A) Listed equity – passive	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) Listed equity – active – quantitative	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

(T) External manager selection, appointment and monitoring (SAM) – listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(V) External manager selection, appointment and monitoring (SAM) – fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(W) External manager selection, appointment and monitoring (SAM) – fixed income - passive	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(X) External manager selection, appointment and monitoring (SAM) – private equity	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(Y) External manager selection, appointment and monitoring (SAM) – real estate	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(Z) External manager selection, appointment and monitoring (SAM) – infrastructure	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(AA) External manager selection, appointment and monitoring (SAM) – hedge funds	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges



# POLICY, GOVERNANCE AND STRATEGY (PGS)

## POLICY

### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here

Specify:

Managing conflicts of interest related to responsible investment

- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues

Specify:

Specific guidelines on governance factors

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

**Which elements of your formal responsible investment policy(ies) are publicly available?**

**(A) Overall approach to responsible investment**

Add link:

[https://global.nomura-am.co.jp/responsibility-investment/pdf/ri\\_report\\_2023.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2023.pdf)

**(B) Guidelines on environmental factors**

Add link:

[https://global.nomura-am.co.jp/responsibility-investment/pdf/ri\\_report\\_2023.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2023.pdf)

**(C) Guidelines on social factors**

Add link:

[https://global.nomura-am.co.jp/responsibility-investment/pdf/ri\\_report\\_2023.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2023.pdf)

**(D) Guidelines on governance factors**

Add link:

[https://global.nomura-am.co.jp/responsibility-investment/pdf/ri\\_report\\_2023.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2023.pdf)

**(E) Guidelines on sustainability outcomes**

Add link:

[https://global.nomura-am.co.jp/responsibility-investment/pdf/ri\\_report\\_2023.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2023.pdf)

**(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

[https://global.nomura-am.co.jp/responsibility-investment/pdf/ri\\_report\\_2023.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2023.pdf)

**(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

[https://global.nomura-am.co.jp/responsibility-investment/pdf/ri\\_report\\_2023.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2023.pdf)

**(H) Specific guidelines on other systematic sustainability issues**

Add link:

[https://global.nomura-am.co.jp/responsibility-investment/pdf/ri\\_report\\_2023.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2023.pdf)

**(I) Guidelines tailored to the specific asset class(es) we hold**

Add link:

[https://global.nomura-am.co.jp/responsibility-investment/pdf/ri\\_report\\_2023.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2023.pdf)

**(J) Guidelines on exclusions**

**(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

[https://global.nomura-am.co.jp/responsibility-investment/pdf/ri\\_report\\_2023.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2023.pdf)

**(L) Stewardship: Guidelines on engagement with investees**

Add link:

[https://global.nomura-am.co.jp/responsibility-investment/pdf/ri\\_report\\_2023.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2023.pdf)

(O) Stewardship: Guidelines on (proxy) voting

Add link:

[https://global.nomura-am.co.jp/responsibility-investment/pdf/ri\\_report\\_2023.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2023.pdf)

(P) Other responsible investment aspects not listed here

(Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

(A) Yes

Elaborate:

The mission of NOMURA ASSET MANAGEMENT ("NAM" or "we" hereafter) is to continuously offer our clients high-quality asset management services to meet the needs of our clients, thereby contributing to the development of society and gaining strong trust through the asset management business. Based on its fiduciary duties (i.e., the duty of an investment manager to give highest priority to customer's interests) as a fiduciary asset manager, NAM is committed to act at all times in the best interest of our clients based on our expertise with care required to carry out the duties. We ensure that conflicts of interest are handled ensuring independency and in such a manner so that client interests will never be damaged. We have been entrusted with our clients' proxy rights and other rights on securities investment, as well as with securities transactions. We must properly exercise these rights in an effort to maximize the interests of our clients. We cannot achieve the growth of our clients' assets over the medium to long term unless investee companies achieve sustainable growth and create corporate value. To this end, we are committed to performing stewardship-related activities, including purposeful dialogue with investees (engagement) and proxy voting, to assume the important responsibility as a fiduciary asset manager.

(B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?**

(A) Overall stewardship objectives

(B) Prioritisation of specific ESG factors to be advanced via stewardship activities

(C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts

(D) How different stewardship tools and activities are used across the organisation

(E) Approach to escalation in stewardship

(F) Approach to collaboration in stewardship

(G) Conflicts of interest related to stewardship

(H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa

(I) Other

(J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme

Add link(s):

[https://global.nomura-am.co.jp/responsibility-investment/pdf/vote\\_policy\\_g.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/vote_policy_g.pdf)

- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment

(B) Guidelines on environmental factors

(C) Guidelines on social factors

(D) Guidelines on governance factors

(7) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

### AUM coverage

(A) Specific guidelines on climate change

(1) for all of our AUM

(B) Specific guidelines on human rights

(1) for all of our AUM

(C) Specific guidelines on other systematic sustainability issues

(1) for all of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

(A) Listed equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(B) Fixed income

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(C) Private equity

(D) Real estate

(E) Infrastructure

(F) Hedge funds

(I) Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?

(A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%

- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(B) Passively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

## GOVERNANCE

### ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- (A) Board members, trustees, or equivalent
- (B) Senior executive-level staff, or equivalent

Specify:

Chief Investment Officer (CIO) , Senior Investment Officer (SIO) and Chief Compliance Officer (CCO)

- (C) Investment committee, or equivalent

Specify:

Responsible Investment Committee, Responsible Investment Council

- (D) Head of department, or equivalent

Specify department:

Head of Investment / Research Division

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

**Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?**

	(1) Board members, trustees, or equivalent	(2) Senior executive-level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

(A) Yes

Describe how you do this:

Our policy activities are reported regularly to the Responsible Investment Committee which is the highest decision-making body and composed solely of those responsible for decision-making in management and research. Responsible Investment Committee oversees these activities and efforts, at the same time Responsible Investment Council, which is composed of a majority of highly independent outside directors and outside experts, monitors discussions at the Responsible Investment Committee in real time, makes recommendations for improvement to the Executive Committee or the Responsible Investment Committee as necessary, and reports the results to the Board of Directors and the Audit Committee.

(B) No

(C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

(A) Internal role(s)

Specify:

Board, Chief level staff, Investment committee, Head of department, Portfolio manager, Investment analysts, dedicated responsible investment staff

(B) External investment managers, service providers, or other external partners or suppliers

(C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

(A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Describe: (Voluntary)

Our Responsible Investment Committee is in charge of determining the company policy on ESG issues as well as promoting value creation among investee companies, and also supervising the ESG related activities of the investment and research department. It is the highest decision making entity focused on stewardship related activities including proxy voting and engagement. In order to further enhance its stewardship activities, we conduct a self-assessment every year, mainly by the members of the Responsible Investment Committee.

Specific KPIs are as follows (1) Was the review/decision process by the Responsible Investment Committee appropriate for the revision of the basic policy for responsible investment? (2) Whether the composition and operation of the Responsible Investment Committee members were appropriate; (3) Whether the Responsible Investment Committee identified and managed cases that could cause conflicts of interest; (4) Whether the composition of the members of the Responsible Investment Council and its operation during the evaluation period (verification of the appropriateness of the formulation of voting guidelines and engagement policies aimed at preventing conflicts of interest) appropriate?; (5) Management's efforts to strengthen governance and manage conflicts of interest; (6) Appropriate understanding of portfolio companies for the fulfillment of its stewardship responsibilities.(7) Appropriate selection of target companies for engagement and engagement activities (8) Engagement activities during the evaluation period (9)Follow-up, including milestone management, to ensure continuous engagement (10) Appropriate process and content of the revision of the basic policy and standards for the exercise of voting rights (11) Appropriate exercise of voting rights(12) Publication of the basic policy and standards for the exercise of voting rights, and aggregation and individual disclosure of the results of the exercise of voting rights and (13) Regular reporting and disclosure to customers and beneficiaries regarding engagement and the exercise of voting rights.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicate whether these responsible investment KPIs are linked to compensation

- (1) KPIs are linked to compensation

- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?

	(1) Board members, trustees or equivalent	(2) Senior executive-level staff, investment committee, head of department or equivalent
(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="radio"/>	<input type="radio"/>

## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
- (B) Yes, including all strategy-related recommended disclosures
- (C) Yes, including all risk management-related recommended disclosures
- (D) Yes, including all applicable metrics and targets-related recommended disclosures
- (E) None of the above

Add link(s):

[https://global.nomura-am.co.jp/responsibility-investment/pdf/ri\\_report\\_2023.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2023.pdf)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?

- (A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)

Link to example of public disclosures

<https://www.nomura-asset.co.uk/responsible-investment-asset-management/esg-sustainable-investment/>

- (B) Disclosures against the European Union's Taxonomy
- (C) Disclosures against the CFA's ESG Disclosures Standard
- (D) Disclosures against other international standards, frameworks or regulations

Specify:

TCFD report

Link to example of public disclosures

[https://www.nomura-am.co.jp/special/esg/responsibility\\_investment/tcfid/analysis.html](https://www.nomura-am.co.jp/special/esg/responsibility_investment/tcfid/analysis.html)

- (E) Disclosures against other international standards, frameworks or regulations

Specify:

TNFD report

Link to example of public disclosures

[https://global.nomura-am.co.jp/responsibility-investment/pdf/ri\\_report\\_2023.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2023.pdf)

- (F) Disclosures against other international standards, frameworks or regulations
- (G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

<https://www.keidanren.or.jp/policy/woman/ap09069.html>

- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

## STRATEGY

### CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

How does your responsible investment approach influence your strategic asset allocation process?

(A) We incorporate ESG factors into our assessment of expected asset class risks and returns

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation
- (2) for a majority of our AUM subject to strategic asset allocation

- (3) for a minority of our AUM subject to strategic asset allocation

**(B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns**

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation**
- (2) for a majority of our AUM subject to strategic asset allocation
- (3) for a minority of our AUM subject to strategic asset allocation

**(C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns**

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation**
- (2) for a majority of our AUM subject to strategic asset allocation
- (3) for a minority of our AUM subject to strategic asset allocation

**(D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns**

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation**
- (2) for a majority of our AUM subject to strategic asset allocation
- (3) for a minority of our AUM subject to strategic asset allocation

Specify: (Voluntary)

governance-related risks and opportunities

- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

## STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?**

	(1) Listed equity	(2) Fixed income	(3) Private equity	(4) Real estate	(5) Infrastructure	(6) Hedge funds
(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?**

The Responsible Investment Committee determines the basic policy for responsible investment in investment and key themes for engagement based on the basic policy. Prioritize companies with high holdings amount, high holding ratios, ESG issue companies, companies that desire dialogue with shareholders, etc., and narrow down the companies to be engaged.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.

We collaborate with peers to engage with investee companies in order to address ESG issues, to achieve outcomes in line with the SDGs, impact the economic cycle through investment outcomes and create a virtuous cycle of investment capital. Collaboration allows us to pool knowledge, time and resources and influence investee companies in a unified voice on areas of common concern so that the success rate of the engagement become higher. Collaboration is therefore central to better practice regarding stewardship.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Rank the channels that are most important for your organisation in achieving its stewardship objectives.

- (A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff  
Select from the list:  
 1
- (B) External investment managers, third-party operators and/or external property managers, if applicable  
Select from the list:  
 4
- (C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers  
Select from the list:  
 3
- (D) Informal or unstructured collaborations with investors or other entities  
Select from the list:  
 5



(E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar

Select from the list:

2

(F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 26	PLUS	OO 8, OO 9, PGS 1	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation ensure that its policy on stewardship is implemented by the external service providers to which you have delegated stewardship activities?**

(A) Example(s) of measures taken when selecting external service providers:

The following factors shall be comprehensively taken into consideration when selecting an external providers.

- (1) The technical level to execute the outsourced work
- (2) Ability to manage deadlines, etc.
- (3) Appropriateness of the quoted price
- (4) Track record of delivery of the consigned work and similar systems, and evaluation by the client
- (5) Organizational structure
- (6) Status of information security measures
- (7) Status of safety management system for personal information and confidential information
- (8) Management situation
- (9) Knowledge of the business to be outsourced
- (10) Knowledge of the system to be outsourced

(B) Example(s) of measures taken when designing engagement mandates and/or consultancy agreements for external service providers:

We conduct collaborative engagement meetings with an external engagement provider. We have introduced a system whereby we work with the engagement provider to narrow the scope of engagement to particular topics, set specific time frames (they have milestone management system similar to that of NAM to manage the progress of engagement) , and engage in a focused manner. Currently, in addition to the topic of the compliance with international norms, we are promoting, engagement related to corporate governance, climate change, responsible cleantech, modern slavery, human rights accelerator and feeding in the future. We also have bespoke corporate governance cases engagement where we set engagement objectives by ourselves (before the meeting, our team member and an external engagement provider discuss which company/topics would be engaged.).

(C) Example(s) of measures taken when monitoring the stewardship activities of external service providers:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How are your organisation's stewardship activities linked to your investment decision making, and vice versa?**

We regard engagement as one of the most powerful means to fulfil our stewardship responsibilities and ESG considerations are integral to our investment stewardship. Therefore, ESG specialist, ESG investment manager, analysts, country specialist and portfolio managers collaborate to hold constructive dialogue with investee companies to identify how they respond to ESG issues and to encourage them to address these challenges through stewardship-related activities. The content of engagement with target company issues by the person in charge is monitored using a milestone management tool, which facilitates smooth information sharing. We regard the exercise of voting rights as a part of our engagement, and we align ESG research and engagement into proxy voting decision. The Responsible Investment Committee, which in principle consists solely of those responsible for decision-making in investment research, makes decisions on proposals of all portfolio companies in accordance with our own guidelines for the exercise of voting rights.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**If relevant, provide any further details on your organisation's overall stewardship strategy.**

Our mission is to offer our clients consistently high-quality asset management services that meet their investment needs. We thereby contribute to social development whilst maintaining client and public confidence in the asset management business.

As an asset manager fulfilling its fiduciary responsibilities, we are committed to act in the best interest of our clients. We ensure that conflicts of interest are handled based on independent judgment and in such a manner so that client interests are always upheld. We have been entrusted with our clients' proxy voting rights and other rights relating to securities investment. We must properly exercise these rights in an effort to maximize the interests of our clients. We cannot achieve growth in our clients' assets over the medium to long term unless investee companies achieve sustainable growth and create corporate value. To this end, we are committed to stewardship-related activities, including purposeful dialogue with investees (engagement) and proxy voting, to execute the important responsibilities as a fiduciary asset manager.

ESG (Environmental, Social and Governance) issues are basic concerns to be addressed by companies, requiring them to engage in business activities as a member of society and to generate corporate value. ESG considerations are integral to our investment stewardship. Therefore, we hold constructive dialogue with investee companies to identify how they respond to ESG issues and to encourage them to address these challenges through stewardship-related activities.

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?**

**(A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes**

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases

**(B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear**

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases
- (D) We do not review external service providers' voting recommendations
- (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How is voting addressed in your securities lending programme?**

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting**

Provide details on these criteria:

We have a public policy to address voting in our securities lending programme. When securities are offered for loan as of the record date of exercising a proxy vote, they need to be collected before exercising the vote. We may not exercise a proxy vote after considering the practical implications of such an exercise and the cost incurred for collecting such securities.

[https://global.nomura-am.co.jp/responsibility-investment/pdf/vote\\_policy\\_g.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/vote_policy_g.pdf)

- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

- (A) Yes, for all (proxy) votes
- (B) Yes, for the majority of (proxy) votes  
Add link(s):  
<https://www.nomura-am.co.jp/special/esg/vote/>
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?**

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?**

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(2) for a majority of votes	(2) for a majority of votes
(B) Yes, we privately communicated the rationale to the company		
(C) We did not publicly or privately communicate the rationale, or we did not track this information	<input type="radio"/>	<input type="radio"/>
(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year	<input type="radio"/>	<input type="radio"/>

**(A) Yes, we publicly disclosed the rationale - Add link(s):**

<https://www.nomura-am.co.jp/special/esg/vote/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?**

Regarding external service providers regarding the exercise of voting rights, we receive audit reports issued by independent auditors, review the contents, and confirm the control status of information systems. In addition, we conduct due diligence (DD) at our US base, and through documents submitted to the US SEC, conflict of interest management policy, code of ethics, audit reports, etc., We have also confirmed the conflict of interest management system. For customers who do not use external service providers, we have moved all possible voting rights exercise to an electronic voting system and have established a system to confirm that voting rights have been exercised.

## STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9 HF, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

**For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

**(1) Listed equity**

(A) Joining or broadening an existing collaborative engagement or creating a new one	<input checked="" type="checkbox"/>
(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal	<input checked="" type="checkbox"/>
(C) Publicly engaging the entity, e.g. signing an open letter	<input checked="" type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input checked="" type="checkbox"/>
(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director	<input checked="" type="checkbox"/>
(F) Divesting	<input checked="" type="checkbox"/>
(G) Litigation	<input type="checkbox"/>

(H) Other

(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

**For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

- (A) Joining or broadening an existing collaborative engagement or creating a new one
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) Not investing
- (D) Reducing exposure to the investee entity
- (E) Divesting
- (F) Litigation
- (G) Other
- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

**Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?**

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations
- (C) We provided technical input via government- or regulator-backed working groups

Describe:

We provided technical input as a Chair, Constructive Dialogue Promotion Working group, Committee on Financial and Capital Markets (Keidanren). Also we are a member of Industry Advisory Panel and Working Group on the ASEAN Taxonomy established by ASEAN regulatory authority, and a Committee member of Impact Investing Roundtable co-hosted by GSG and FSA.

- (D) We engaged policy makers on our own initiative

Describe:

We conducted direct engagement with around 20 supra-nationals and government agencies that visited Japan.

- (E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- (A) We publicly disclosed all our policy positions

Add link(s):

[https://global.nomura-am.co.jp/responsibility-investment/pdf/ri\\_report\\_2023.pdf](https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2023.pdf)

- (B) We publicly disclosed details of our engagements with policy makers

Add link(s):

<https://www.keidanren.or.jp/policy/woman/ap09069.html>

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year



## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

**Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.**

(A) Example 1:

Title of stewardship activity:

Performing human rights due diligence

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

As the retail industry increasingly utilizes foreign workers, issues with the working environment have been identified. The company in question is a large retailer that operates a chain of convenience stores both domestically and internationally, but we could not confirm the status of their consideration of human rights risks in their integrated reports and other disclosures, so we began engaging with the company. When we asked the company about the status of its management of human rights risks for foreign workers, we found that while the company has established a foundation that contributes to supporting the lives of foreign workers in Japan, the company told us that it may not be able to grasp the actual situation at its overseas franchise stores. We encouraged the company to conduct human rights due diligence to ascertain human rights risks throughout its supply chain. We have subsequently had multiple conversations with the company. The company disclosed the results of its supplier human rights due diligence and risk mitigation policies in its 2023 integrated report.

(B) Example 2:

Title of stewardship activity:

Create effective  
Nomination  
Committee and  
Compensation  
Committee

(1) Led by

- (1) Internally led

- (2) External service provider led
  - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
- (1) Environmental factors
  - (2) Social factors
  - (3) **Governance factors**
- (3) Asset class(es)
- (1) **Listed equity**
  - (2) Fixed income
  - (3) Private equity
  - (4) Real estate
  - (5) Infrastructure
  - (6) Hedge funds
  - (7) Forestry
  - (8) Farmland
  - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

[As above]

The company had an advisory committee that nominated directors and auditors and discussed compensation, but the committee was chaired by the president, and there were issues with its effectiveness.

The role and responsibility of the board of directors of this company is to supervise the senior management team. When we expressed concern that the company's president, as the chairman of the board, is leading the considerations of nominations and compensation, which are the core decisions of the board of directors, the company's only comment was that the majority of the board members are outside directors and there were no problems with the board's effectiveness.

Subsequently, we held two interviews with outside directors of the company, and expressed concerns about this structure in which the president self-evaluates nominations and compensation, and we discussed the importance of the nominating function when formulating a succession plan for the president.

In April 2023, the company established a new Nomination and Compensation Committee. The Committee comprises the director in charge of general affairs and five outside directors, with an outside director serving as the Committee chair.

(C) Example 3:

Title of stewardship activity:

Realizing a diverse and effective board of directors

- (1) Led by
- (1) **Internally led**
  - (2) External service provider led
  - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
- (1) Environmental factors
  - (2) Social factors
  - (3) **Governance factors**
- (3) Asset class(es)
- (1) **Listed equity**
  - (2) Fixed income
  - (3) Private equity
  - (4) Real estate
  - (5) Infrastructure
  - (6) Hedge funds
  - (7) Forestry
  - (8) Farmland
  - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

The company is a semiconductor manufacturer that operates globally, but there were issues with the diversity of its board of directors, including the absence of any female directors and only one outside director. In addition, as the company expands its overseas business going forward, we believe that it needs a director who has expertise in this business, so we began engaging with the company. We informed the company that we believe there is an issue with the diversity of the board of directors, and that as it expands its overseas business going forward, it may need people suited for overseeing the business, such as non-Japanese directors, and the company commented positively that it wants to consider personnel selection in order to improve diversity and effectiveness. In 2022, the company appointed a female director and a non-Japanese director with management experience at a foreign-capital semiconductor manufacturer. The following year, in 2023, the number of female directors was increased to two, and the diversity and effectiveness of the board of directors has greatly improved.

(D) Example 4:

Title of stewardship activity:

Engagement on SBT (Science Based Targets)

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

We believed that SBT certification is desirable in order to both educate investors and other stakeholders the Japanese utility company's low-carbon and decarbonisation efforts, and to increase its corporate value, and since 2021 we have been encouraging the company to obtain SBT certification at IR and ESG meetings. There were not many cases around the world of SBT certification being obtained by electric power companies, and it was initially believed that obtaining SBT certification would be very challenging, but in March 2023, the company's GHG emissions reduction target became the first among a major Japanese energy company to receive SBT certification. We think that our encouragement was one of the factors that led to the company receiving its SBT certification.

(E) Example 5:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds

- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

### Has your organisation identified climate-related risks and opportunities affecting your investments?

(A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

We recognize a wide range of short-, medium- and long-term climate-related risks and opportunities. In terms of transition risks, we are closely watching carbon pricing, the stranding of assets, and changes in consumer behaviour and preferences. For physical risks, we are focusing on abnormal weather, which is increasing in recent years. Meanwhile, with respect to opportunities, we are paying close attention to products and services related to renewable energy and energy efficiency and conservation, electricity storage, hydrogen, ammonia, CCUS, carbon recycling, as well as disaster prevention and mitigation. In addition, in line with our long-term strategy aiming to realize a decarbonized society, we are focusing on transition finance to support companies that are working to reduce GHG emissions. In principle, we do not divest from (and thereby lose the chance for engagement with) portfolio companies with high levels of GHG emissions. Instead, by continuing to hold on to such companies, we use engagement as a means to encourage these portfolio companies to take measures to combat climate change.

In addition to Institutional Shareholder Services' (ISS) analysis methodology for climate-related risk and opportunities, we are carefully analyzing the impact that climate-related risks and opportunities have on our business, strategy, financial plans, and portfolio. This includes our financial analysis and transition risk analysis using internal carbon price in our ESG scores for Japanese equities.

(B) Yes, beyond our standard planning horizon

(C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

### Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?

(A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

We submitted our 2050 Net Zero Goal and 2030 Interim Target to the Net Zero Asset Managers initiative (NZAM) and both were approved. In setting our 2030 Interim Target, we used the Science Based Targets initiative for Financial Institutions, which is a financial institution version of the Science Based Targets (SBT) and one of the methodologies recommended by NZAM, and established an SBT portfolio coverage ratio of 55% as our 2030 Interim Target. A 55% SBT portfolio coverage ratio refers to 55% (by weight) of the portfolio companies in our investment portfolio having attained SBT approval. We monitor the ratio of portfolio companies whose targets have been approved by SBTi (SBT portfolio coverage ratio) as well as the temperature ratings developed by the CDP and the WWF. We are utilizing ISS's analytical tools to monitor GHG reduction targets of portfolio companies in the investment portfolio (including SBT approval)

(B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

**Which sectors are covered by your organisation’s strategy addressing high-emitting sectors?**

**(A) Coal**

Describe your strategy:

In line with our long-term strategy aiming to realize a decarbonized society, we are focusing on transition finance to support companies that are working to reduce GHG emissions. In principle, we do not divest from (and thereby lose the chance for engagement with) portfolio companies with high levels of GHG emissions. Instead, by continuing to hold on to such companies, we use engagement as a means to encourage these portfolio companies to take measures to combat climate change.

**(B) Gas**

Describe your strategy:

In line with our long-term strategy aiming to realize a decarbonized society, we are focusing on transition finance to support companies that are working to reduce GHG emissions. In principle, we do not divest from (and thereby lose the chance for engagement with) portfolio companies with high levels of GHG emissions. Instead, by continuing to hold on to such companies, we use engagement as a means to encourage these portfolio companies to take measures to combat climate change.

**(C) Oil**

Describe your strategy:

In line with our long-term strategy aiming to realize a decarbonized society, we are focusing on transition finance to support companies that are working to reduce GHG emissions. In principle, we do not divest from (and thereby lose the chance for engagement with) portfolio companies with high levels of GHG emissions. Instead, by continuing to hold on to such companies, we use engagement as a means to encourage these portfolio companies to take measures to combat climate change.

**(D) Utilities**

Describe your strategy:

In line with our long-term strategy aiming to realize a decarbonized society, we are focusing on transition finance to support companies that are working to reduce GHG emissions. In principle, we do not divest from (and thereby lose the chance for engagement with) portfolio companies with high levels of GHG emissions. Instead, by continuing to hold on to such companies, we use engagement as a means to encourage these portfolio companies to take measures to combat climate change.

**(E) Cement**

Describe your strategy:

In line with our long-term strategy aiming to realize a decarbonized society, we are focusing on transition finance to support companies that are working to reduce GHG emissions. In principle, we do not divest from (and thereby lose the chance for engagement with) portfolio companies with high levels of GHG emissions. Instead, by continuing to hold on to such companies, we use engagement as a means to encourage these portfolio companies to take measures to combat climate change.

**(F) Steel**

Describe your strategy:

In line with our long-term strategy aiming to realize a decarbonized society, we are focusing on transition finance to support companies that are working to reduce GHG emissions. In principle, we do not divest from (and thereby lose the chance for engagement with) portfolio companies with high levels of GHG emissions. Instead, by continuing to hold on to such companies, we use engagement as a means to encourage these portfolio companies to take measures to combat climate change.

**(G) Aviation**

Describe your strategy:

In line with our long-term strategy aiming to realize a decarbonized society, we are focusing on transition finance to support companies that are working to reduce GHG emissions. In principle, we do not divest from (and thereby lose the chance for engagement with) portfolio companies with high levels of GHG emissions. Instead, by continuing to hold on to such companies, we use engagement as a means to encourage these portfolio companies to take measures to combat climate change.

**(H) Heavy duty road**

Describe your strategy:

In line with our long-term strategy aiming to realize a decarbonized society, we are focusing on transition finance to support companies that are working to reduce GHG emissions. In principle, we do not divest from (and thereby lose the chance for engagement with) portfolio companies with high levels of GHG emissions. Instead, by continuing to hold on to such companies, we use engagement as a means to encourage these portfolio companies to take measures to combat climate change.

**(I) Light duty road**

Describe your strategy:

In line with our long-term strategy aiming to realize a decarbonized society, we are focusing on transition finance to support companies that are working to reduce GHG emissions. In principle, we do not divest from (and thereby lose the chance for engagement with) portfolio companies with high levels of GHG emissions. Instead, by continuing to hold on to such companies, we use engagement as a means to encourage these portfolio companies to take measures to combat climate change.

**(J) Shipping**

Describe your strategy:

In line with our long-term strategy aiming to realize a decarbonized society, we are focusing on transition finance to support companies that are working to reduce GHG emissions. In principle, we do not divest from (and thereby lose the chance for engagement with) portfolio companies with high levels of GHG emissions. Instead, by continuing to hold on to such companies, we use engagement as a means to encourage these portfolio companies to take measures to combat climate change.

**(K) Aluminium**

Describe your strategy:

In line with our long-term strategy aiming to realize a decarbonized society, we are focusing on transition finance to support companies that are working to reduce GHG emissions. In principle, we do not divest from (and thereby lose the chance for engagement with) portfolio companies with high levels of GHG emissions. Instead, by continuing to hold on to such companies, we use engagement as a means to encourage these portfolio companies to take measures to combat climate change.

**(L) Agriculture, forestry, fishery**

Describe your strategy:

In line with our long-term strategy aiming to realize a decarbonized society, we are focusing on transition finance to support companies that are working to reduce GHG emissions. In principle, we do not divest from (and thereby lose the chance for engagement with) portfolio companies with high levels of GHG emissions. Instead, by continuing to hold on to such companies, we use engagement as a means to encourage these portfolio companies to take measures to combat climate change.

**(M) Chemicals**

Describe your strategy:

In line with our long-term strategy aiming to realize a decarbonized society, we are focusing on transition finance to support companies that are working to reduce GHG emissions. In principle, we do not divest from (and thereby lose the chance for engagement with) portfolio companies with high levels of GHG emissions. Instead, by continuing to hold on to such companies, we use engagement as a means to encourage these portfolio companies to take measures to combat climate change.

**(N) Construction and buildings**

Describe your strategy:

In line with our long-term strategy aiming to realize a decarbonized society, we are focusing on transition finance to support companies that are working to reduce GHG emissions. In principle, we do not divest from (and thereby lose the chance for engagement with) portfolio companies with high levels of GHG emissions. Instead, by continuing to hold on to such companies, we use engagement as a means to encourage these portfolio companies to take measures to combat climate change.

**(O) Textile and leather**

Describe your strategy:

In line with our long-term strategy aiming to realize a decarbonized society, we are focusing on transition finance to support companies that are working to reduce GHG emissions. In principle, we do not divest from (and thereby lose the chance for engagement with) portfolio companies with high levels of GHG emissions. Instead, by continuing to hold on to such companies, we use engagement as a means to encourage these portfolio companies to take measures to combat climate change.

(P) Water

Describe your strategy:

In line with our long-term strategy aiming to realize a decarbonized society, we are focusing on transition finance to support companies that are working to reduce GHG emissions. In principle, we do not divest from (and thereby lose the chance for engagement with) portfolio companies with high levels of GHG emissions. Instead, by continuing to hold on to such companies, we use engagement as a means to encourage these portfolio companies to take measures to combat climate change.

(Q) Other

- (R) We do not have a strategy addressing high-emitting sectors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios
- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

(A) Yes, we have a process to identify and assess climate-related risks

(1) Describe your process

In addition to Institutional Shareholder Services' (ISS) analysis methodology for climate-related risk and opportunities, we are carefully analyzing the impact that climate-related risks and opportunities have on our business, strategy, financial plans, and portfolio. This includes our financial analysis and transition risk analysis using internal carbon price in our ESG scores for Japanese equities.

(2) Describe how this process is integrated into your overall risk management

The results of climate risk analysis are integrated into the overall risk management process, including being shared within the investment & research unit, monitored by the Responsible Investment Committee, and reported to the executive committee and board of directors.

(B) Yes, we have a process to manage climate-related risks

(1) Describe your process

When it comes to a portfolio company's climate-related risks, instead of looking only at carbon metrics for the company alone, we believe it is important to discern and analyze carbon metrics throughout the entire life cycle of a company's products and services as well as throughout the supply chain. Furthermore, we refer to GHG removal and avoided emissions, etc. in our analysis of climate-related risks.

We manage portfolio risk using ISS's analysis methods for transition risk and physical risk. In addition, we identify and manage portfolio companies' transition risks and physical risks using our own corporate analysis and ESG scores, as well as through engagement. Such risk management analysis outcomes are integrated into the comprehensive risk management process. As such, they are shared within the Investment and Research Unit, and are reported to both the Executive Management Committee and the Board of Directors after being monitored by the Responsible Investment Committee.

(2) Describe how this process is integrated into your overall risk management

We have established a 2050 Net Zero Goal as well as a 2030 Interim Target. Under the 2050 Net Zero Goal, we will work to achieve net-zero GHG emissions both from our own business operations as well as for assets under management (our investment portfolio). Under the 2030 Interim Target, we will work to ensure that, by 2030, 55% of our investment portfolio assets are approved by SBTi. We will verify and report on our track record with regard to these targets in accordance with the methodology recognized and endorsed by NZAM.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and publicly disclose?**

**(A) Exposure to physical risk**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://www.nomura-am.co.jp/special/esg/responsibility\\_investment/tcf/analysis.html](https://www.nomura-am.co.jp/special/esg/responsibility_investment/tcf/analysis.html)

**(B) Exposure to transition risk**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://www.nomura-am.co.jp/special/esg/responsibility\\_investment/tcf/analysis.html](https://www.nomura-am.co.jp/special/esg/responsibility_investment/tcf/analysis.html)

(C) Internal carbon price

**(D) Total carbon emissions**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://www.nomura-am.co.jp/special/esg/responsibility\\_investment/tcf/analysis.html](https://www.nomura-am.co.jp/special/esg/responsibility_investment/tcf/analysis.html)

**(E) Weighted average carbon intensity**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - **(3) Metric or variable used and disclosed, including methodology**



(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://www.nomura-am.co.jp/special/esg/responsibility\\_investment/tcfd/analysis.html](https://www.nomura-am.co.jp/special/esg/responsibility_investment/tcfd/analysis.html)

**(F) Avoided emissions**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

**(3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://www.nomura-am.co.jp/special/esg/responsibility\\_investment/tcfd/analysis.html](https://www.nomura-am.co.jp/special/esg/responsibility_investment/tcfd/analysis.html)

**(G) Implied Temperature Rise (ITR)**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

**(3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://www.nomura-am.co.jp/special/esg/responsibility\\_investment/tcfd/analysis.html](https://www.nomura-am.co.jp/special/esg/responsibility_investment/tcfd/analysis.html)

(H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals

(I) Proportion of assets or other business activities aligned with climate-related opportunities

(J) Other metrics or variables

○ (K) Our organisation did not use or publicly disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, did your organisation publicly disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?**

**(A) Scope 1 emissions**

(1) Indicate whether this metric was disclosed, including the methodology

- (1) Metric disclosed

**(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

[https://www.nomura-am.co.jp/special/esg/responsibility\\_investment/tcfd/analysis.html](https://www.nomura-am.co.jp/special/esg/responsibility_investment/tcfd/analysis.html)

**(B) Scope 2 emissions**

(1) Indicate whether this metric was disclosed, including the methodology

- (1) Metric disclosed

**(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

[https://www.nomura-am.co.jp/special/esg/responsibility\\_investment/tcfd/analysis.html](https://www.nomura-am.co.jp/special/esg/responsibility_investment/tcfd/analysis.html)

**(C) Scope 3 emissions (including financed emissions)**

(1) Indicate whether this metric was disclosed, including the methodology

- (1) Metric disclosed

**(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

[https://www.nomura-am.co.jp/special/esg/responsibility\\_investment/tcfd/analysis.html](https://www.nomura-am.co.jp/special/esg/responsibility_investment/tcfd/analysis.html)

○ (D) Our organisation did not publicly disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

**Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The UNFCCC Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)
- (K) Other regional framework(s)
- (L) Other sectoral/issue-specific framework(s)
- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

**What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives

- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?**

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

**Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?**

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

## HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

**During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?**

- (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes
- Explain how these activities were conducted:

When the company set up a factory in the U.S., it received backlash from local construction unions who accused it of sending construction experts from Asia to the U.S. and taking jobs away from Americans. Since stagnation in negotiations between the two sides would lead to delays in factory construction, we discussed ways to resolve the issue.

- (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm
- (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts
- (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities
- (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?**

- (A) Workers**
  - Sector(s) for which each stakeholder group was included
    - (1) Energy
    - (2) Materials
    - (3) Industrials
    - (4) Consumer discretionary
    - (5) Consumer staples
    - (6) Healthcare
    - (7) Finance
    - (8) Information technology**
    - (9) Communication services
    - (10) Utilities
    - (11) Real estate
- (B) Communities
- (C) Customers and end-users
- (D) Other stakeholder groups

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?**

- (A) Corporate disclosures**
  - Provide further detail on how your organisation used these information sources:
- (B) Media reports**
  - Provide further detail on how your organisation used these information sources:
- (C) Reports and other information from NGOs and human rights institutions
- (D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank
- (E) Data provider scores or benchmarks
- (F) Human rights violation alerts
- (G) Sell-side research
- (H) Investor networks or other investors

- (I) Information provided directly by affected stakeholders or their representatives
- (J) Social media analysis
- (K) Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?**

- (A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities

Describe:

We engaged with the company to demand fair treatment of the labor union. The company believes that advanced semiconductor fabrications (fab) require special skill sets but due to a skills shortage in the U.S. the company is sending construction experts with experience in state-of-the-art fab construction to train U.S. workers. These experts will be in the U.S. temporarily and local employees would be responsible for the operation of the factory over the long term.

In December 2023, the company and union issued a joint statement pledging that a committee made up of representatives from both sides would meet quarterly to develop employee training programs, maintain transparency on safety issues and announced that both sides had agreed to resolve the dispute.

- (B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities
  - (C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year

# MANAGER SELECTION, APPOINTMENT AND MONITORING (SAM)

## OVERALL APPROACH

### EXTERNAL INVESTMENT MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 1	CORE	OO 21	N/A	PUBLIC	External investment managers	4

For the majority of your externally managed AUM in each asset class, which responsible investment aspects does your organisation consider important in the assessment of external investment managers?

	(1) Listed equity (active)	(3) Fixed income (active)
<b>Organisation</b>		
(A) Commitment to and experience in responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Responsible investment policy(ies)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Governance structure and senior-level oversight and accountability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>People and Culture</b>		
(D) Adequate resourcing and incentives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Staff competencies and experience in responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Investment Process</b>		
(F) Incorporation of material ESG factors in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(G) Incorporation of risks connected to systematic sustainability issues in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Stewardship</b>		
(I) Policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Policy(ies) or guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Use of stewardship tools and activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Incorporation of risks connected to systematic sustainability issues in stewardship practices	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Involvement in collaborative engagement and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(N) Engagement with policy makers and other non-investee stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(O) Results of stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Performance and Reporting</b>		
(P) ESG disclosure in regular client reporting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(Q) Inclusion of ESG factors in contractual agreements	<input type="checkbox"/>	<input type="checkbox"/>
(R) We do not consider any of the above responsible investment aspects important in the assessment of external investment managers	<input type="radio"/>	<input type="radio"/>

## SERVICE PROVIDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 2	CORE	OO 21	N/A	PUBLIC	Service providers	4

Which responsible investment aspects does your organisation consider important when assessing all service providers that advise you in the selection, appointment and/or monitoring of external investment managers?

- (A) Incorporation of their responsible investment policy into advisory services
- (B) Ability to accommodate our responsible investment policy
- (C) Level of staff's responsible investment expertise
- (D) Use of data and analytical tools to assess the external investment manager's responsible investment performance
- (E) Other
- (F) We do not consider any of the above responsible investment aspects important when assessing service providers that advise us in the selection, appointment and/or monitoring of external investment managers
- (G) Not applicable; we do not engage service providers in the selection, appointment or monitoring of external investment managers

## SELECTION

### RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 4	CORE	OO 12, OO 21	SAM 5, SAM 6, SAM 7	PUBLIC	Responsible investment practices	General

During the reporting year, did your organisation select new external investment managers or allocate new mandates to existing investment managers?

- (A) Yes, we selected external investment managers or allocated new mandates to existing investment managers during the reporting year
- (B) No, we did not select new external investment managers or allocate new mandates to existing investment managers during the reporting year
- (C) Not applicable; our organisation is in a captive relationship with external investment managers, which applies to 90% or more of our AUM



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 5	CORE	SAM 4	N/A	PUBLIC	Responsible investment practices	4

During the reporting year, what responsible investment aspects did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

**Organisation**

**(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(B) Responsible investment policy(ies) (e.g. the alignment of their responsible investment policy with the investment mandate)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(C) Governance structure and senior-level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**People and Culture**

**(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**Investment Process**

**(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

- (H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**Performance and Reporting**

- (I) ESG disclosure in regular client reporting

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

- (J) Inclusion of ESG factors in contractual agreements

- (K) We did not review and evaluate any of the above responsible investment aspects when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

## STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 6	CORE	OO 8, OO 21, SAM 4	N/A	PUBLIC	Stewardship	4

During the reporting year, which aspects of the stewardship approach did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

- (A) The alignment of their policy(ies) or guidelines on stewardship with the investment mandate

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

- (B) Evidence of how they implemented their stewardship objectives, including the effectiveness of their activities

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

- (C) Their participation in collaborative engagements and stewardship initiatives

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

- (D) Details of their engagements with companies or issuers on risks connected to systematic sustainability issues

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

- (E) Details of their engagement activities with policy makers

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

- (F) Their escalation process and the escalation tools included in their policy on stewardship

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

- (G) We did not review and evaluate any of the above aspects of the stewardship approach when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 7	CORE	OO 9, OO 21, SAM 4	N/A	PUBLIC	Stewardship	4

During the reporting year, which aspects of (proxy) voting did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

- (A) The alignment of their policy(ies) or guidelines on (proxy) voting with the investment mandate**  
Select from dropdown list
  - (1) for all of our mandates**
  - (2) for a majority of our mandates
  - (3) for a minority of our mandates
- (B) Historical information on the number or percentage of general meetings at which they voted**  
Select from dropdown list
  - (1) for all of our mandates**
  - (2) for a majority of our mandates
  - (3) for a minority of our mandates
- (C) Analysis of votes cast for and against**  
Select from dropdown list
  - (1) for all of our mandates**
  - (2) for a majority of our mandates
  - (3) for a minority of our mandates
- (D) Analysis of votes cast for and against resolutions related to risks connected to systematic sustainability issues**  
Select from dropdown list
  - (1) for all of our mandates
  - (2) for a majority of our mandates**
  - (3) for a minority of our mandates
- (E) Details of their position on any controversial and high-profile votes**  
Select from dropdown list
  - (1) for all of our mandates
  - (2) for a majority of our mandates
  - (3) for a minority of our mandates**
- (F) Historical information of any resolutions on which they voted contrary to their own voting policy and the reasons why**  
Select from dropdown list
  - (1) for all of our mandates
  - (2) for a majority of our mandates**
  - (3) for a minority of our mandates
- (G) Details of all votes involving companies where the external investment manager or an affiliate has a contractual relationship or another potential conflict of interest
  - (H) We did not review and evaluate any of the above aspects of (proxy) voting when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year
  - (I) Not applicable; our organisation did not select new external investment managers or allocated new mandates to existing investment managers for listed equity and/or hedge funds that hold equity.

# APPOINTMENT

## SEGREGATED MANDATES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 8	CORE	OO 5.2, OO 13, OO 21	N/A	PUBLIC	Segregated mandates	4

Which responsible investment aspects do your organisation, or the service provider acting on your behalf, explicitly include in clauses within your contractual agreements with your external investment managers for segregated mandates?

- (A) Their commitment to following our responsible investment strategy in the management of our assets**
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates**
    - (3) for a minority of our segregated mandates
- (B) Their commitment to incorporating material ESG factors into their investment activities**
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates**
    - (3) for a minority of our segregated mandates
- (C) Their commitment to incorporating material ESG factors into their stewardship activities**
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates**
    - (3) for a minority of our segregated mandates
- (D) Their commitment to incorporating risks connected to systematic sustainability issues into their investment activities**
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates**
    - (3) for a minority of our segregated mandates
- (E) Their commitment to incorporating risks connected to systematic sustainability issues into their stewardship activities**
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates**
    - (3) for a minority of our segregated mandates
- (F) Exclusion list(s) or criteria
- (G) Responsible investment communications and reporting obligations, including stewardship activities and results**
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates**
    - (3) for a minority of our segregated mandates
- (H) Incentives and controls to ensure alignment of interests
- (I) Commitments on climate-related disclosure in line with internationally-recognised frameworks such as the TCFD**
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates
    - (3) for a minority of our segregated mandates**
- (J) Commitment to respect human rights as defined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights**
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates**

- (3) for a minority of our segregated mandates
- (K) Their acknowledgement that their appointment is conditional on the fulfilment of their agreed responsible investment commitments
  - Select from dropdown list
  - (1) for all of our segregated mandates
  - (2) for a majority of our segregated mandates
  - (3) for a minority of our segregated mandates
- (L) Other
  - (M) We do not include responsible investment aspects in clauses within our contractual agreements with external investment managers for segregated mandates

## MONITORING

### RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 9	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	4

**For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' responsible investment practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?**

	(1) Listed equity (active)	(3) Fixed income (active)
<b>Organisation</b>		
(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Responsible investment policy(ies) (e.g. the continued alignment of their responsible investment policy with the investment mandate)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Governance structure and senior level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>People and Culture</b>		

(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)

(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)

### Investment Process

(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)

(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)

(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks, their response to ESG incidents)

### Performance and Reporting

(I) ESG disclosure in regular client reporting (e.g. any changes in their regular client reporting)

(J) Inclusion of ESG factors in contractual agreements

(K) We did not monitor any of the above aspects of our external investment managers' responsible investment practices during the reporting year

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 12	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

For the majority of your externally managed AUM in each asset class, how often does your organisation, or the service provider acting on your behalf, monitor your external investment managers' responsible investment practices?

(1) Listed equity (active)

(3) Fixed income (active)

(A) At least annually

(B) Less than once a year

(C) On an ad hoc basis

## STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 13	CORE	OO 8, OO 21	N/A	PUBLIC	Stewardship	1, 2

For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' stewardship practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?

(1) Listed equity (active)

(3) Fixed income (active)

(A) Any changes in their policy(ies) or guidelines on stewardship

(B) The degree of implementation of their policy(ies) or guidelines on stewardship

(C) How they prioritise material ESG factors

(D) How they prioritise risks connected to systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Their investment team's level of involvement in stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Whether the results of stewardship actions were fed back into the investment process and decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Whether they used a variety of stewardship tools and activities to advance their stewardship priorities	<input type="checkbox"/>	<input type="checkbox"/>
(H) The deployment of their escalation process in cases where initial stewardship efforts were unsuccessful	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Whether they participated in collaborative engagements and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Whether they had an active role in collaborative engagements and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Other	<input type="checkbox"/>	<input type="checkbox"/>
(L) We did not monitor our external investment managers' stewardship practices during the reporting year	<input type="radio"/>	<input type="radio"/>



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 14	CORE	OO 9, OO 21	N/A	PUBLIC	Stewardship	1, 2

**For the majority of your AUM in each asset class where (proxy) voting is delegated to external investment managers, which aspects of your external investment managers' (proxy) voting practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?**

**(1) Listed equity (active)**

(A) Any changes in their policy(ies) or guidelines on (proxy) voting	<input checked="" type="checkbox"/>
(B) Whether their (proxy) voting decisions were consistent with their stewardship priorities as stated in their policy and with their voting policy, principles and/or guidelines	<input checked="" type="checkbox"/>
(C) Whether their (proxy) voting decisions were consistent with their stated approach on the prioritisation of risks connected to systematic sustainability issues	<input checked="" type="checkbox"/>
(D) Whether their (proxy) voting track record was aligned with our stewardship approach and expectations	<input checked="" type="checkbox"/>
(E) The application of their policy on securities lending and any implications for implementing their policy(ies) or guidelines on (proxy) voting (where applicable)	<input type="checkbox"/>
(F) Other	<input type="checkbox"/>
(G) We did not monitor our external investment managers' (proxy) voting practices during the reporting year	<input type="radio"/>

## ENGAGEMENT AND ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 16	CORE	OO 14, OO 21	N/A	PUBLIC	Engagement and escalation	4

**What actions does your organisation, or the service provider acting on your behalf, include in its formal escalation process to address concerns raised during monitoring of your external investment managers' responsible investment practices?**

	(1) Listed equity (active)	(3) Fixed income (active)
(A) Engagement with their investment professionals, investment committee or other representatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Notification about their placement on a watch list or relationship coming under review	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Reduction of capital allocation to the external investment managers until any concerns have been rectified	<input type="checkbox"/>	<input type="checkbox"/>
(D) Termination of the contract if failings persist over a (notified) period, including an explanation of the reasons for termination	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Holding off selecting the external investment managers for new mandates or allocating additional capital until any concerns have been rectified	<input type="checkbox"/>	<input type="checkbox"/>
(F) Other	<input type="checkbox"/>	<input type="checkbox"/>
(G) Our organisation does not have a formal escalation process to address concerns raised during monitoring	<input type="radio"/>	<input type="radio"/>

## VERIFICATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 17	CORE	OO 14, OO 21	N/A	PUBLIC	Verification	1

**For the majority of your externally managed AUM in each asset class, how did your organisation, or the service provider acting on your behalf, verify that the information reported by external investment managers on their responsible investment practices was correct during the reporting year?**

	(1) Listed equity (active)	(3) Fixed income (active)
(A) We checked that the information reported was verified through a third-party assurance process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We checked that the information reported was verified by an independent third party	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We checked for evidence of internal monitoring or compliance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Other	<input type="checkbox"/>	<input type="checkbox"/>
(E) We did not verify the information reported by external investment managers on their responsible investment practices during the reporting year	<input type="radio"/>	<input type="radio"/>

# LISTED EQUITY (LE)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion	○	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○	○

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) Yes, we have a formal process that includes scenario analyses	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, we have a formal process, but it does not include scenario analyses			
(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion	○	○	○
(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies	○	○	○

**(A) Yes, we have a formal process that includes scenario analysis - Specify: (Voluntary)**

The Responsible Investment Committee, the highest decision-making body for responsible investment, reviews the status of ESG initiatives of investee companies, including Japan, and global ESG trends, and periodically reviews the engagement policies and voting standards for investee companies. In recent years, we have recognized a wide range of ESG issues, including not only climate change issues and corporate governance, but also natural capital, biodiversity, human rights, human capital, diversity and wellbeing, as key issues, and have reflected them in our basic policy on responsible investment and our engagement policy.

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?**

	(1) Active - quantitative	(2) Active - fundamental
(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes	o	o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors	(1) in all cases	(1) in all cases	(1) in all cases
(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors	(1) in all cases	(1) in all cases	(1) in all cases
(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability	(1) in all cases	(1) in all cases	(1) in all cases
(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors	(1) in all cases	(1) in all cases	(1) in all cases
(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process	o	o	o

## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

### Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.

We utilize proprietary ESG evaluations of portfolio companies when making investment decisions. In order to effectively incorporate ESG considerations and other non-financial information into the investment process to supplement the analysis of a company's fundamentals, we conduct our own ESG assessment for both equity investing and fixed income investing.

Our analysts and ESG specialists collaborate to independently calculate and utilize the ESG Score, which evaluates the ESG capabilities of Japanese companies. By researching, analyzing, and scoring the non-financial information of investee companies, we are able to measure corporate value in consideration of ESG, which we believe will lead to the improvement of added value in investment management.

Our ESG score is composed of environmental, social, governance, and SDGs. There are a total of approximately 100 evaluation items, with a good balance between risks and opportunities. In addition, in order to take into account the characteristics of each company's industry, materiality (important management issues) has been introduced to reflect differences in industry characteristics. Furthermore, the evaluation axes of "opportunities" and "risks" have been clearly defined. The "opportunities" category evaluates the management's vision and commitment with respect to ESG issues (ability to explain, plan, and execute initiatives, as well as past achievement), along with the future growth potential of companies that contribute to the achievement of SDGs, as well as the management resources that contribute to this. Meanwhile, for risks, our evaluations emphasize items that can be quantitatively analysed, such as whether or not a company has provided disclosure and/or obtained certification, as well as the data disclosed and trends for such data. Furthermore, in order to take unique sector characteristics and other factors into consideration, we use materiality to reflect the differences in the unique characteristics of each sector into our evaluations.

As for contents by each major item, in the "environment" category, we look at whether a company is managing transition risks and physical risks related to climate change and incorporating such risks into its business strategy. We also look at whether the company's management has expressed a commitment to the environment. With respect to matters such as the TCFD, we analyze and evaluate based on a company's integrated report and materials posted on its website. With respect to evaluating natural capital and other environmental assessments, we evaluate items such as those related to waste management, conservation of river and marine resources, and biodiversity (including preventing marine pollution). In the 2024 revision of ESG score, we added evaluations of companies' efforts to respond to the TNFD.

The "society" category is divided into internal and external risks and responses. The former relates to the evaluation of human rights of employees and the utilization of human capital, while the latter relates to issues surrounding the quality of products and services as well as supply chain management. Recently, much attention around the world has been given to human rights initiatives. For Japanese companies in particular, we emphasize the evaluation of supply chain management at business sites both in Japan and overseas. In the area of governance, there are several evaluation items to check the formality, such as the composition of the board of directors, the independence of outside directors, and the establishment of committees for nomination and compensation. On the other hand, there are also qualitative evaluation items such as dialogue with top management and succession planning, which reflect the strengths of our analysts who have been deeply researching and analyzing companies for many years. For SDGs, we proactively evaluate whether companies are appropriately incorporating solutions to the issues identified in the SDGs into their management strategies, viewing them as business opportunities. In doing so, the evaluation is not simply based on the existence of businesses that can contribute to the achievement of each goal, but also on the existence of superior human and technological resources that can differentiate the company from its competitors, as well as the projected sales mix of businesses that can contribute to achieving the SDG goals.



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process			
(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors	o	o	o

## PASSIVE INVESTMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 7	PLUS	OO 21	N/A	PUBLIC	Passive investments	1

### Provide an example of how material ESG factors influenced weightings and tilts in the design of your passively managed funds.

[ESG Product Governance for Index Funds] We are working to expand ESG investment solutions by providing individual and institutional investors with funds that track ESG indices. We are also endeavouring to improve the quality of these ESG index funds by reviewing the ESG profiles of the adopted benchmark indices and bolstering communication with index providers.

[Reasons for Selecting ESG indices] In selecting ESG indices, we examine whether an index' methodology aligns with solving the particular ESG issues that index seeks to address, whether the index will provide an effective solution for beneficiaries, as well as compare it to similar indices to determine if it is superior to them. In addition to qualitative considerations, we also look at quantitative assessments of the ESG profiles of ESG indices prior to selecting them.

[Due Diligence on ESG Index Providers] We regularly interview index providers to check on matters including the status of their efforts to ensure index quality and secure the transparency of ESG evaluations. Based on the results of these interviews, we evaluate index providers in cooperation with the Investment Department, the Responsible Investment Department and other relevant departments, and report the results to the ESG Committee. Through the evaluation of ESG providers, we learn about the relative strengths and issues for each provider. Also, we consult with the index providers and request improvements, as necessary. In 2023, we received responses from all providers of ESG indices that we use, and we confirmed that all providers, as providers of ESG indices, have frameworks in place to appropriately explain how they ensure quality, develop specialized personnel, maintain independence, manage conflicts of interest, and ensure transparency.

[Communication with ESG index Providers] We regularly communicate with ESG index providers regarding matters such as whether their ESG indices are maintaining methodologies aligned with addressing ESG issues, as well as whether they are appropriately reflecting market structural changes in their indices. In addition, in response to consultations about ESG indices, we communicate our opinions, request improvements, or urge them to enhance index quality, as needed.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 8	PLUS	OO 19, OO 21	N/A	PUBLIC	Passive investments	1

### How does your organisation select the ESG index(es) or benchmark(s) for your passive listed equity assets?

**(A) We commission customised indexes**

Explain:

**(B) We compare the methodology amongst the index providers available**

Explain:

We regularly interview index providers to check on matters including the status of their efforts to ensure index quality and secure the transparency of ESG evaluations. Based on the results of these interviews, we evaluate index providers in cooperation with the Investment Department, the Responsible Investment Department and other relevant departments, and report the results to the ESG Committee.

**(C) We compare the costs of different options available in the market**

Explain:

Through the evaluation of ESG providers, we learn about the relative strengths and issues for each provider. Also, we consult with the index providers and request improvements, as necessary.

(D) Other

## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

**What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?**

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

	(1) Active - quantitative	(2) Active - fundamental
(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion	<input type="radio"/>	<input type="radio"/>

(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

**For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?**

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our listed equity assets subject to ESG screens

# FIXED INCOME (FI)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your fixed income assets?**

	(1) SSA	(2) Corporate
(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors depending on different investment time horizons	(1) for all of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your fixed income assets?**

	(1) SSA	(2) Corporate
(A) Yes, we have a formal process that includes scenario analyses	(2) for a majority of our AUM	(1) for all of our AUM
(B) Yes, we have a formal process, but does it not include scenario analyses		
(C) We do not have a formal process for our fixed income assets; our investment professionals monitor how ESG trends vary over time at their discretion	○	○
(D) We do not monitor and review the implications of changing ESG trends on our fixed income assets	○	○

**(A) Yes, we have a formal process that includes scenario analyses - Specify: (Voluntary)**

Three scenarios in the World Energy Outlook 2021 issued by the International Energy Agency (IEA):

- (1) Sustainable Development Scenario (SDS)
- (2) Announced Pledges Scenario (APS)
- (3) Stated Policies Scenario (STEPS)

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**For the majority of your fixed income investments, does your organisation incorporate material ESG factors when assessing their credit quality?**

	(1) SSA	(2) Corporate
(A) We incorporate material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We incorporate material governance-related factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We do not incorporate material ESG factors for the majority of our fixed income investments	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**Does your organisation have a framework that differentiates ESG risks by issuer country, region and/or sector?**

	(1) SSA	(2) Corporate
(A) Yes, we have a framework that differentiates ESG risks by country and/or region (e.g. local governance and labour practices)	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, we have a framework that differentiates ESG risks by sector	(1) for all of our AUM	(1) for all of our AUM
(C) No, we do not have a framework that differentiates ESG risks by issuer country, region and/or sector	<input type="checkbox"/>	<input type="checkbox"/>



(D) Not applicable; we are not able to differentiate ESG risks by issuer country, region and/or sector due to the limited universe of our issuers

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How do you incorporate significant changes in material ESG factors over time into your fixed income asset valuation process?**

**(1) SSA**

**(2) Corporate**

(A) We incorporate it into the forecast of financial metrics or other quantitative assessments

(1) for all of our AUM

(1) for all of our AUM

(B) We make a qualitative assessment of how material ESG factors may evolve

(1) for all of our AUM

(1) for all of our AUM

(C) We do not incorporate significant changes in material ESG factors

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## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your security selection, portfolio construction and/or benchmark selection process?**

	(1) SSA	(2) Corporate
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM
(B) Material ESG factors contribute to determining the holding period of individual assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM
(C) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM
(D) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM
(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways		
(F) Our security selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors	o	o

## PASSIVE INVESTMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9	PLUS	OO 5.3 FI, OO 21	N/A	PUBLIC	Passive investments	1

**Provide an example of how material ESG factors influenced weightings and tilts in the design of your passively managed funds.**

With regard to investment in corporate and emerging market sovereign issuers, our investment policy is not to overweight issuers that we assesses to be very low both from quantitative and qualitative ESG perspective, as long as tracking errors are kept within a certain predetermined range.

We also have a policy not to overweight issuers that face serious issues in light of international norms under the condition that tracking errors are maintained within a certain range.

In addition, in the area of SSA issuers (Sovereign, Supranational organizations and Agencies), we focus on creating environmental and social impacts through investment in ESG labeled bonds such as green, social and sustainable bonds.

Major MNDBs have established "Sustainable Financing Frameworks" that cover most of their lending activities to reflect their policy obligations. The use of disclosure data makes it possible for us to analyze impact at the portfolio level by impact category and project type. We believe that we can also allocate capital to our preferred set of impact areas with portfolio aggregate impact data.

# POST-INVESTMENT

## ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**How are material ESG factors incorporated into your portfolio risk management process?**

	(1) SSA	(2) Corporate
(A) Investment committee members, or the equivalent function or group, can veto investment decisions based on ESG considerations	(1) for all of our AUM	(1) for all of our AUM
(B) Companies, sectors, countries and/or currencies are monitored for changes in exposure to material ESG factors and any breaches of risk limits	(1) for all of our AUM	(1) for all of our AUM
(C) Overall exposure to specific material ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on the individual issuer or issue sensitivity to these factors	(1) for all of our AUM	(1) for all of our AUM
(D) We use another method of incorporating material ESG factors into our portfolio's risk management process		
(E) We do not have a process to incorporate material ESG factors into our portfolio's risk management process	o	o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your fixed income assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

	(1) SSA	(2) Corporate
(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual fixed income holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for other fixed income holdings exposed to similar risks and/or incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for our stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We do not have a formal process to identify and incorporate ESG risks and ESG incidents; our investment professionals identify and incorporate ESG risks and ESG incidents at their discretion	<input type="radio"/>	<input type="radio"/>
(F) We do not have a formal process to identify and incorporate ESG risks and ESG incidents into our risk management process	<input type="radio"/>	<input type="radio"/>

## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	PLUS	OO 5.3 FI, OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of environmental and/or social factors in your fixed income valuation or portfolio construction affected the realised returns of those assets.**

The NAM FI Corporate Credit ESG Score system includes a quantitative measure of Accounting Quality as part of the "Governance Quality" Sustainability Issue within the "Governance" Key Issue. ESG weights are calculated by a formula based on our fixed-income specific industry subsector specific materiality mapping. For the "Data and Transaction Processing" subsector, "Governance Quality" is determined to have the highest relative weight in the model based on this process. At the same time, certain ESG-integrated portfolios may not hold issuers with NAM FI ESG scores below a certain numerical threshold, based on our internal analysis of the long term (20+ years) relationship between NAM FI ESG scores and risk adjusted credit returns. A European issuer in the Financial Transaction and Processing sub-sector was at one point considered for inclusion in the ESG credit portfolio. At the time the issuer credit rating was investment grade with a BBB ESG rating from a major ratings provider. However based on the NAM FI Corporate Credit ESG Score model, this issuer was identified as having extremely poor accounting quality, leading to a model score that placed it outside of the allowable range for the portfolio, based on pre-determined investment guidelines. The issuer was thus rejected for inclusion in the portfolio. In 2020 the issuer defaulted and the bond lost 90% of its value. With zero holdings, the ESG portfolio value was not affected.

Additionally, in the case for EM sovereigns, qualitative ESG consideration is also a key factor built into our portfolio construction. We place strong emphasis on evolving governance risks of sovereigns, which was the case with Russia. Observing the aggressive behavior by Russia growing during 2021, we concluded that the country was uninvestable due to what we perceived as the rapidly deteriorating governance control of the country, Hence we sold off our positions in the country by late 2021, successfully avoiding Russia prior to the invasion, protecting the portfolio from the devastating effects and providing alpha from the event risk that surfaced.

## THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 15	PLUS	OO 20, OO 21	N/A	PUBLIC	Thematic bonds	3

**What percentage of environmental, social and/or other labelled thematic bonds held by your organisation has been verified?**

**As a percentage of your total labelled bonds:**

(A) Third-party assurance	(5) >75%
(B) Second-party opinion	(5) >75%
(C) Approved verifiers or external reviewers (e.g. via CBI or ICMA)	(5) >75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 16	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Thematic bonds	1

**What pre-determined criteria does your organisation use to identify which non-labelled thematic bonds to invest in?**

- (A) The bond's use of proceeds
- (B) The issuers' targets
- (C) The issuers' progress towards achieving their targets
- (D) The issuer profile and how it contributes to their targets
- (E) We do not use pre-determined criteria to identify which non-labelled thematic bonds to invest in
- (F) Not applicable; we do not invest in non-labelled thematic bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 17	CORE	Multiple, see guidance	N/A	PUBLIC	Thematic bonds	1, 2, 6

**During the reporting year, what action did you take in the majority of cases when you felt that the proceeds of a thematic bond were not allocated appropriately or in accordance with the terms of the bond deal or prospectus?**

- (A) We engaged with the issuer
- (B) We alerted thematic bond certification agencies
- (C) We sold the security
- (D) We blacklisted the issuer
- (E) Other action
- (F) We did not take any specific actions when the proceeds of a thematic bond were not allocated according to the terms of the bond deal during the reporting year

- (G) Not applicable; in the majority of cases, the proceeds of thematic bonds were allocated according to the terms of the bond deal during the reporting year

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

**For all your fixed income assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?**

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as any deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our fixed income assets subject to ESG screens



# SUSTAINABILITY OUTCOMES (SO)

## SETTING TARGETS AND TRACKING PROGRESS

### SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

(A) Sustainability outcome #1

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

(2) The UNFCCC Paris Agreement

(3) The UN Guiding Principles on Business and Human Rights (UNGPs)

(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

(8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(9) The Convention on Biological Diversity

(10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

(1) Environmental

(2) Social

(3) Governance-related

(4) Other

(3) Sustainability outcome name

2050 net zero target

(4) Number of targets set for this outcome

(1) No target

(2) One target

(3) Two or more targets

(B) Sustainability outcome #2

(C) Sustainability outcome #3

(D) Sustainability outcome #4

(E) Sustainability outcome #5

(F) Sustainability outcome #6

(G) Sustainability outcome #7

(H) Sustainability outcome #8

(I) Sustainability outcome #9

(J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	2050 net zero target
(1) Target name	2030 interim target
(2) Baseline year	2020
(3) Target to be met by	2030
(4) Methodology	<p>Science Based Target initiative for Financial Institutions  Portfolio Coverage Approach : Financial institutions' targets to drive the adoption of science-based emissions reduction targets by their borrowers and/or investees are considered acceptable when the following conditions are met:</p> <ul style="list-style-type: none"> <li>•Boundary: Financial institutions shall set engagement targets on corporate instruments as specified in the Required Activities and Methods.</li> <li>•Target Level of Ambition: Financial institutions shall commit to having a portion of their borrowers or investees set their own approved science-based targets such that the financial institution is on a linear path to 100 percent portfolio coverage by 2040 (using a weighting approach in the SBT Finance Tool).</li> <li>•Target Formulation: Financial institutions shall provide information in the disclosed target language on what percentage of the corporate equity and debt portfolio is covered by the target, using a weighting approach in the SBTi Finance Tool consistently throughout the target period.</li> </ul>
(5) Metric used (if relevant)	SBT Portfolio Coverage
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	15%
(8) Target level or amount (if relevant)	55%
(9) Percentage of total AUM covered in your baseline year for target setting	53%

(10) Do you also have a longer-term target for this?

(1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your long-term targets.

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(A1) Sustainability Outcome #1: 2050 net zero target	2030 interim target	2050	Achieve net zero greenhouse gas emissions from assets under management by 2050

## FOCUS: SETTING NET-ZERO TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
- (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
- (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
NZAM 1	PLUS	NZAM, SO 3	SO 3.1, SO 3.2	PUBLIC	Focus: Setting net-zero targets	General

Select the relevant asset class breakdown for your organisation to report on your net-zero targets.

- (A) PRI's standard asset class breakdown
- (B) Asset class breakdown as per the NZAOA's Target Setting Protocol

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.1	PLUS	SO 3	N/A	PUBLIC	Focus: Setting net-zero targets	General

**Provide details of your nearest-term net zero targets per asset class.**

(A) PRI asset class breakdown

**Listed equity**

**Target details**

**(A) PRI asset class breakdown: Listed equity**

(1) Baseline year	2020				
(2) Target to be met by	2050				
(3) Emissions included in target				(1) Scope 1 (2) Scope 2 (3) Scope 3	
(4) Methodology	<p>Science Based Target initiative for Financial Institutions            Portfolio Coverage Approach : Financial institutions' targets to drive the adoption of science-based emissions reduction targets by their borrowers and/or investees are considered acceptable when the following conditions are met:</p> <ul style="list-style-type: none"> <li>•Boundary: Financial institutions shall set engagement targets on corporate instruments as specified in the Required Activities and Methods.</li> <li>•Target Level of Ambition: Financial institutions shall commit to having a portion of their borrowers or investees set their own approved science-based targets such that the financial institution is on a linear path to 100 percent portfolio coverage by 2040 (using a weighting approach in the SBT Finance Tool).</li> <li>•Target Formulation: Financial institutions shall provide information in the disclosed target language on what percentage of the corporate equity and debt portfolio is covered by the target, using a weighting approach in the SBTi Finance Tool consistently throughout the target period.</li> </ul>				
(5) Metric used				(9) Other	
(6) Baseline amount	15% in 2020				
(7) Current amount (if different from baseline amount)	43.6 %				
(8) Targeted reduction with respect to baseline	85%				

(9) Percentage of total AUM covered in your baseline year for target setting 53%

(10) If coverage is below 100% for this asset class, explain why

All listed equities and corporate bonds of which Nomura Asset Management can obtain AUM data except for long-short funds are included in the proportion of AUM to be managed in line with net zero. Assets other than listed equities and corporate bonds are not included in this proportion because of the low data availability and no measurement standards of financed emissions for those excluded assets. In order to increase the proportion over time, we will make efforts to increase the data availability through engagement with investees and collaboration with ESG data providers, while we joined the Partnership for Carbon Accounting Financials (PCAF) last year and continue to follow new measurement standards of financed emissions for those excluded assets.

**Fixed income**

**Target details**

**(A) PRI asset class breakdown: Fixed income**

(1) Baseline year 2020

(2) Target to be met by 2050

(3) Emissions included in target

(4) Methodology

Science Based Target initiative for Financial Institutions  
 Portfolio Coverage Approach : Financial institutions' targets to drive the adoption of science-based emissions reduction targets by their borrowers and/or investees are considered acceptable when the following conditions are met:

- Boundary: Financial institutions shall set engagement targets on corporate instruments as specified in the Required Activities and Methods.
- Target Level of Ambition: Financial institutions shall commit to having a portion of their borrowers or investees set their own approved science-based targets such that the financial institution is on a linear path to 100 percent portfolio coverage by 2040 (using a weighting approach in the SBT Finance Tool).
- Target Formulation: Financial institutions shall provide information in the disclosed target language on what percentage of the corporate equity and debt portfolio is covered by the target, using a weighting approach in the SBTi Finance Tool consistently throughout the target period.

(5) Metric used

(9) Other

(6) Baseline amount 15% in 2020

(7) Current amount (if different from baseline amount) 43.6 %

(8) Targeted reduction with respect to baseline 85%

(9) Percentage of total AUM covered in your baseline year for target setting 53%

(10) If coverage is below 100% for this asset class, explain why

All listed equities and corporate bonds of which Nomura Asset Management can obtain AUM data except for long-short funds are included in the proportion of AUM to be managed in line with net zero. Assets other than listed equities and corporate bonds are not included in this proportion because of the low data availability and no measurement standards of financed emissions for those excluded assets. In order to increase the proportion over time, we will make efforts to increase the data availability through engagement with investees and collaboration with ESG data providers, while we joined the Partnership for Carbon Accounting Financials (PCAF) last year and continue to follow new measurement standards of financed emissions for those excluded assets.

- Private equity
- Real estate
- Infrastructure
- Hedge funds
- Forestry
- Farmland
- Other

## TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

**Does your organisation track progress against your nearest-term sustainability outcomes targets?**

**(A1) Sustainability outcome #1:**

(A1) Sustainability outcome #1: 2050 net zero target

Target name: 2030 interim target

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	2050 net zero target
(1) Target name	2030 interim target
(2) Target to be met by	2030
(3) Metric used (if relevant)	SBT Portfolio Coverage
(4) Current level or amount (if relevant)	43.6%
(5) Other qualitative or quantitative progress	
(6) Methodology for tracking progress	Science Based Target initiative for Financial Institutions Portfolio Coverage Approach

## INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

### LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets
  - Select from drop down list:
    - (1) Individually

- (2) With other investors or stakeholders
- (B) Stewardship: engagement with external investment managers
  - Select from drop down list:
    - (1) Individually
    - (2) With other investors or stakeholders
- (C) Stewardship: engagement with policy makers
  - Select from drop down list:
    - (1) Individually
    - (2) With other investors or stakeholders
- (D) Stewardship: engagement with other key stakeholders
  - Select from drop down list:
    - (1) Individually
    - (2) With other investors or stakeholders
- (E) Capital allocation
  - (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

## CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 7	PLUS	OO 17 FI, SO 1	N/A	PUBLIC	Capital allocation	1

During the reporting year, did you use thematic bonds to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

### Thematic bond(s) label

(A) Sustainability Outcome #1:  
2050 net zero target

(A) Green/climate bonds  
(C) Sustainability bonds  
(D) Sustainability-linked bonds



## STEWARDSHIP WITH INVESTEEES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Describe your approach	We analyze carbon indicators in investment portfolios, monitor the GHG reduction status of investee companies, and encourage investee companies to work towards a decarbonized society through stewardship activities such as engagement and the exercise of voting rights.
(2) Stewardship tools or activities used	(1) Engagement (2) (Proxy) voting at shareholder meetings (3) Filing of shareholder resolutions or proposals
(3) Example	We believed that SBT certification is desirable in order to both educate investors and other stakeholders the Japanese utility company's low-carbon and decarbonisation efforts, and to increase its corporate value, and since 2021 we have been encouraging the company to obtain SBT certification at IR and ESG meetings. There were not many cases around the world of SBT certification being obtained by electric power companies, and it was initially believed that obtaining SBT certification would be very challenging, but in March 2023, the company's GHG emissions reduction target became the first among a major Japanese energy company to receive SBT certification. We think that our encouragement was one of the factors that led to the company receiving its SBT certification

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	2050 net zero target
(1) Describe your approach	We analyze carbon indicators in investment portfolios, monitor the GHG reduction status of investee companies, and encourage investee companies to work towards a decarbonized society through stewardship activities such as engagement and the exercise of voting rights.
(2) Stewardship tools or activities used	(1) Engagement (2) (Proxy) voting at shareholder meetings (3) Filing of shareholder resolutions or proposals

(3) Example

We believed that SBT certification is desirable in order to both educate investors and other stakeholders the Japanese utility company's low-carbon and decarbonisation efforts, and to increase its corporate value, and since 2021 we have been encouraging the company to obtain SBT certification at IR and ESG meetings.

There were not many cases around the world of SBT certification being obtained by electric power companies, and it was initially believed that obtaining SBT certification would be very challenging, but in March 2023, the company's GHG emissions reduction target became the first among a major Japanese energy company to receive SBT certification. We think that our encouragement was one of the factors that led to the company receiving its SBT certification.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

**(A) We prioritise the most strategically important companies in our portfolio.**

Describe how you do this:

Select from the list:

- 2
- 4

**(B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.**

Describe how you do this:

Select from the list:

- 1
- 4

**(C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.**

Describe how you do this:

Select from the list:

- 3
- 4

(D) Other

## STEWARDSHIP WITH EXTERNAL INVESTMENT MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 10	PLUS	OO 5, SO 5	N/A	PUBLIC	Stewardship with external investment managers	2

**During the reporting year, how did your organisation, or the external service providers acting on your behalf, engage with external investment managers to ensure that they take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

#### (1) Describe your approach

In 2018, we added questions about ESG (responsible investment) to our annual qualitative evaluations of third-party funds, and began monitoring ESG, including engagement activities and proxy voting processes. From 2021 onwards, with the aim of confirming the extent of ESG integration into the investment process, we have added questions about ESG research systems, specific investment processes, and other related matters as a part of enhancing assessments. In addition, based on the importance of ESG issues as well as our fiduciary duty, in 2021 we began monitoring the funds that fall under our definition of “ESG funds” under a framework separate from our annual qualitative assessments of third-party funds.

We define ESG funds as funds that actively utilize ESG integration, engagement/proxy voting, and other sustainable strategies.

We conduct ESG-specific qualitative evaluations of ESG funds. If an evaluation reveals a serious issue in the management of an ESG fund, we will ask the third-party asset management firm to improve its management in the same way as we would for any other third-party funds.

Qualitative evaluations of ESG funds are led by the Advisory Fund Management Department, which is responsible for managing third party funds, and starting from 2022 the Advisory Fund Management Department has been strengthening collaboration with the Responsible Investment Department and other ESG-related departments as part of an effort to build a framework under which a wide range of relevant internal parties participate in evaluating third-party funds, as part of our progress on bolstering our evaluation system.

The evaluations are performed based on the seven investment styles identified by the Global Sustainable Investment Alliance (GSIA).

From 2022, among the ESG efforts subject to evaluation, we added third-party asset managers’ response to climate change and other ESG issues as well as cooperation with various initiatives. In 2023, rules in countries around the world were enhanced, including the strengthening of disclosure rules related to ESG investment. Amid this, we determined it was necessary to further improve our qualitative evaluation by having it assessed from a third-party perspective, and we consulted with an outside organization to enhance our evaluations, including by adding new evaluation items such as initiatives to address human rights and biodiversity issues, as well as ESG risks.

## (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1: 2050 net zero target

(1) Describe your approach

In 2018, we added questions about ESG (responsible investment) to our annual qualitative evaluations of third-party funds, and began monitoring ESG, including engagement activities and proxy voting processes. From 2021 onwards, with the aim of confirming the extent of ESG integration into the investment process, we have added questions about ESG research systems, specific investment processes, and other related matters as a part of enhancing assessments.

In addition, based on the importance of ESG issues as well as our fiduciary duty, in 2021 we began monitoring the funds that fall under our definition of “ESG funds” under a framework separate from our annual qualitative assessments of third-party funds. We define ESG funds as funds that actively utilize ESG integration, engagement/proxy voting, and other sustainable strategies.

We conduct ESG-specific qualitative evaluations of ESG funds. If an evaluation reveals a serious issue in the management of an ESG fund, we will ask the

third-party asset management firm to improve its management in the same way as we would for any other third-party funds. Qualitative evaluations of ESG funds are led by the Advisory Fund Management Department, which is responsible for managing third party funds, and starting from 2022 the Advisory Fund Management Department has been strengthening collaboration with the Responsible Investment Department and other ESG-related departments as part of an effort to build a framework under which a wide range of relevant internal parties participate in evaluating third-party funds, as part of our progress on bolstering our evaluation system.

The evaluations are performed based on the seven investment styles identified by the Global Sustainable Investment Alliance (GSIA). From 2022, among the ESG efforts subject to evaluation, we added third-party asset managers’ response to climate change and other ESG issues as well as cooperation with various initiatives. In 2023, rules in countries around the world were enhanced, including the strengthening of disclosure rules related to ESG investment. Amid this, we determined it was necessary to further improve our qualitative evaluation by having it assessed from a third-party perspective, and we consulted with an outside organization to enhance our evaluations, including by adding new evaluation items such as initiatives to address human rights and biodiversity issues, as well as ESG risks.

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Describe your approach	In addition to holding discussions on ESG in collaboration with initiatives and public institutions, we also actively participate in panel discussions hosted by them, and communicate our ESG knowledge to various stakeholders in an easy-to-understand manner. Through these activities, we support public institutions in achieving sustainability outcomes.
(2) Engagement tools or activities used	<ul style="list-style-type: none"> <li>(1) We participated in 'sign-on' letters</li> <li>(2) We responded to policy consultations</li> <li>(3) We provided technical input via government- or regulator-backed working groups</li> </ul>
(3) Example(s) of policies engaged on	We partnered with climate-related initiatives and public institutions. Within the PCAF Japan Coalition, which aims to promote the measurement and disclosure of sovereign bond financed emissions and to popularize and expand the use of avoided emissions, in FY2023 we played a central role in two subcommittees related to the measurement and disclosure of sovereign bond financed emissions and avoided emissions, where we shared knowledge. In addition, we participated as a committee member and advanced discussions in both the "Japan Public and Private Working Group on Financed Emissions to Promote Transition Finance" launched by the Financial Services Agency, the Ministry of Economy, Trade and Industry, and the Ministry of the Environment, as well as the Ministry of the Environment's "Working Group on the Green List," both of which aim to grow transition finance and green finance. At COP28 held in Dubai, United Arab Emirates (UAE) at the end of 2023, we took the stage as a panelist in the panel discussion for the seminar titled "Appropriate Evaluation of Avoided Emissions Towards Net Zero Society" held at the Japan Pavilion. In addition to introducing our methodology for assessing avoided emissions, we actively discussed the future use of avoided emissions by financial institutions.

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	2050 net zero target
(1) Describe your approach	In addition to holding discussions on ESG in collaboration with initiatives and public institutions, we also actively participate in panel discussions hosted by them, and communicate our ESG knowledge to various stakeholders in an easy-to-understand manner. Through these activities, we support public institutions in achieving sustainability outcomes.

(2) Engagement tools or activities used

- (1) We participated in 'sign-on' letters
  - (2) We responded to policy consultations
  - (3) We provided technical input via government- or regulator-backed working groups
- 

(3) Example(s) of policies engaged on

We partnered with climate-related initiatives and public institutions. Within the PCAF Japan Coalition, which aims to promote the measurement and disclosure of sovereign bond financed emissions and to popularize and expand the use of avoided emissions, in FY2023 we played a central role in two subcommittees related to the measurement and disclosure of sovereign bond financed emissions and avoided emissions, where we shared knowledge. In addition, we participated as a committee member and advanced discussions in both the "Japan Public and Private Working Group on Financed Emissions to Promote Transition Finance" launched by the Financial Services Agency, the Ministry of Economy, Trade and Industry, and the Ministry of the Environment, as well as the Ministry of the Environment's "Working Group on the Green List," both of which aim to grow transition finance and green finance. At COP28 held in Dubai, United Arab Emirates (UAE) at the end of 2023, we took the stage as a panelist in the panel discussion for the seminar titled "Appropriate Evaluation of Avoided Emissions Towards Net Zero Society" held at the Japan Pavilion. In addition to introducing our methodology for assessing avoided emissions, we actively discussed the future use of avoided emissions by financial institutions.

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## STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with other key stakeholders	2, 5

**Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?**

### (A) Across all sustainability outcomes

(1) Key stakeholders engaged

(1) Standard setters  
(2) Reporting bodies

(2) Provide further detail on your engagement

Nomura Holdings was appointed as the chair of the GX Business Working Group as part of the GX League\*, and Nomura Asset Management also participated as a key member. This working group has developed the “Basic Guidelines for Disclosure and Evaluation of Climate related Opportunities” (issued in March 2023) and released “Leveraging Avoided Emissions: Financial Institution Case Studies (published in December 2023), thereby contributing to the effort to have more companies use avoided emissions.

\* The GX League aims to achieve Japan's 2050 carbon neutrality goal and further contribute to achieving carbon neutrality worldwide. In the challenge of quickly transitioning to carbon neutrality, a transformation of the entire economic and social system (GX: Green Transformation) is required. To this end, the GX League is a venue for a group of companies actively working on GX, together with government, academic, and financial players who are taking on the challenge of GX, to work together to discuss the transformation of the entire economic and social system and the creation of new markets.

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:

2050 net zero target

(1) Key stakeholders engaged

(1) Standard setters  
(2) Reporting bodies

Nomura Holdings was appointed as the chair of the GX Business Working Group as part of the GX League\*, and Nomura Asset Management also participated as a key member. This working group has developed the “Basic Guidelines for Disclosure and Evaluation of Climate related Opportunities” (issued in March 2023) and released “Leveraging Avoided Emissions: Financial Institution Case Studies (published in December 2023), thereby contributing to the effort to have more companies use avoided emissions.

(2) Provide further detail on your engagement

\* The GX League aims to achieve Japan’s 2050 carbon neutrality goal and further contribute to achieving carbon neutrality worldwide. In the challenge of quickly transitioning to carbon neutrality, a transformation of the entire economic and social system (GX: Green Transformation) is required. To this end, the GX League is a venue for a group of companies actively working on GX, together with government, academic, and financial players who are taking on the challenge of GX, to work together to discuss the transformation of the entire economic and social system and the creation of new markets.



## STEWARDSHIP: COLLABORATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

**During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Initiative #1

(1) Name of the initiative      GX Business Working Group as part of the GX League

(2) Indicate how your organisation contributed to this collaborative initiative      (G) We were part of an advisory committee or similar

(3) Provide further detail on your participation in this collaborative initiative

Nomura Holdings was appointed as the chair of the GX Business Working Group as part of the GX League\*, and Nomura Asset Management also participated as a key member. This working group has developed the “Basic Guidelines for Disclosure and Evaluation of Climate related Opportunities” (issued in March 2023) and released “Leveraging Avoided Emissions: Financial Institution Case Studies (published in December 2023), thereby contributing to the effort to have more companies use avoided emissions.

\* The GX League aims to achieve Japan’s 2050 carbon neutrality goal and further contribute to achieving carbon neutrality worldwide. In the challenge of quickly transitioning to carbon neutrality, a transformation of the entire economic and social system (GX: Green Transformation) is required. To this end, the GX League is a venue for a group of companies actively working on GX, together with government, academic, and financial players who are taking on the challenge of GX, to work together to discuss the transformation of the entire economic and social system and the creation of new markets.

### (B) Initiative #2

(1) Name of the initiative      CDP SBT Campaign

(2) Indicate how your organisation contributed to this collaborative initiative      (C) We publicly endorsed the initiative

(3) Provide further detail on your participation in this collaborative initiative

Participated in the SBT campaign sponsored by CDP (June 2023) and published comments on the campaign press release.

**(C) Initiative #3**

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(1) Name of the initiative	CDP Non Disclosure Campaign
(2) Indicate how your organisation contributed to this collaborative initiative	(A) We were a lead investor in one or more focus entities (e.g. investee companies) (C) We publicly endorsed the initiative
(3) Provide further detail on your participation in this collaborative initiative	Participated in the Non disclosure campaign sponsored by CDP (March 2023) and published comments on the campaign press release. We took on the role of lead investor in an engagement with one Japanese company.

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**(D) Initiative #4**

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(1) Name of the initiative	
(2) Indicate how your organisation contributed to this collaborative initiative	
(3) Provide further detail on your participation in this collaborative initiative	

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# CONFIDENCE-BUILDING MEASURES (CBM)

## CONFIDENCE-BUILDING MEASURES

### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
  - (H) We did not verify the information submitted in our PRI report this reporting year

### THIRD-PARTY EXTERNAL ASSURANCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 2	CORE	OO 21, CBM 1	N/A	PUBLIC	Third-party external assurance	6

For which responsible investment processes and/or data did your organisation conduct third-party external assurance?

- (A) Policy, governance and strategy
- (B) Manager selection, appointment and monitoring
- (C) Listed equity
  - Select from dropdown list:
    - (1) Data assured
    - (2) Processes assured
    - (3) Processes and data assured
- (D) Fixed income
  - Select from dropdown list:
    - (1) Data assured
    - (2) Processes assured
    - (3) Processes and data assured

## INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
- (B) Senior executive-level staff, investment committee, head of department, or equivalent**
  - Sections of PRI report reviewed
    - (1) the entire report**
    - (2) selected sections of the report
  - (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year