



CLIMATE TRANSPARENCY REPORT 2020

Nomura Corporate Research and Asset Management Inc.

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-BD92196A-A2C9-4629-84A6-023F8FE054CE/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	-	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	-	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	-	Public				
SG 13.4 CC	-					
SG 13.5 CC	-					
SG 13.6 CC	-					
SG 13.7 CC	-					
SG 13.8 CC	-					
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	-	Private				
SG 14.7 CC	-	Private				
SG 14.8 CC	✓	Private				
SG 14.9 CC	✓	Private				
SG 15.1	✓	Private				
SG 15.2	-	Private				
SG 15.3	-	Private				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Nomura Corporate Research and Asset Management Inc.
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 10 - 29.99 billion AUM
Main Asset Class	>50% Fixed Income CNF Internally Managed
Signed PRI Initiative	2013
Region	North America
Country	United States
Disclosure of Voluntary Indicators	73% from 38 Voluntary indicators

Nomura Corporate Research and Asset Management Inc.

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1	Indicate if you have an investment policy that covers your responsible investment approach.
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SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.
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- Yes
 No

	Describe why your organisation has not yet gone through a process to identify transition and physical climate-related risks and opportunities.
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NCRAM benefits from the resources of the broader Nomura Group of companies, which has undertaken comprehensive actions to combat climate change and reduce our overall environmental footprint.

The Nomura group is committed to lowering its overall environmental impact and has established an environmental management system to drive our efforts to reduce our environmental footprint globally. In 2009, Nomura created an Environmental Policy and an Environmental Activities Working Group to coordinate our environmental initiatives between our global affiliates. The key tenants of our environmental policy include encouraging engagement in environmentally friendly goods and services, assessing environmental risks and striving to minimize pollution, complying with relevant laws and regulations, engaging external stakeholders on environmental issues, reducing waste, conserving energy and resources, and communicating about the policy to all employees to improve awareness of environmental issues.

In addition, our affiliate Nomura Asset Management Co., Ltd. (NAM Tokyo) has established an environmental management system (EMS), and the Environmental Activities Working Group meets monthly to monitor the progress of our activities. Internal Environmental audits are conducted periodically, and there is a Head of Environmental Affairs who reviews existing initiatives and seeks ongoing improvements. This group reports to NAM Tokyo's ESG Committee, which is separate from NCRAM's ESG Committee. Our office in Japan has also promoted its "Principles for Financial Action towards a Sustainable Society" which is a set of principles for financial institutions seeking to take responsibility for a more sustainable society.

NCRAM believes that there is significant human capacity to innovate in order to solve the problems created by climate change, and companies that can innovate and adapt to the changing environment will grow faster and take share from those that cannot. As investors, we are seeking to identify companies that are in a position to thrive through the coming changes and have management teams that proactively seek to address the problems brought on by climate change, while avoiding companies that refuse to acknowledge both the risks and opportunities of a changing climate on social norms and economic demand.

Estimating the costs of climate change is inherently difficult given the uncertainty over the exact path that climate change is going to take. We believe that there will be significant costs arising from direct losses (climate change related events or disasters) as well as costs of adaptation (investment in new technology or infrastructure plus the cost of stranded assets). From an investment standpoint, our focus is mainly on companies' costs to adapt to any changes that might occur related to climate change. We look at the risks to potential different climate change scenarios and balance those risks against the company's ability to invest in adapting to changes. As a result, companies that have substantial risks related to climate change must have the financial flexibility to invest in new technologies while minimizing the cost of stranded assets in order to prepare for an uncertain future.

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

- Yes
- No

Explain the rationale

NCRAM supports the TCFD in principle, although we have not yet signed on as a public supporter. We are actively reviewing the initiative and related requirements. Our ultimate parent company in Japan, Nomura Holdings, Inc., and our asset management affiliate, Nomura Asset Management Co., Ltd. (NAM Tokyo), as well as 2 other Nomura Group Companies, are TCFD supporters.

**SG 01.9
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

- Yes
- No

Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities.

The Nomura Group (of which NCRAM is a part) has established global emission reduction targets of approximately 30% by 2030 and 65% by 2050. Nomura offices around the world are designed to be friendlier to our planet. Our office in New York is LEED Platinum certified, while our London office has maintained ISO 14001 certification since 2007 and obtained ISO 50001 certification in 2015. The Nomura Group is also committed to fulfilling our social responsibility through Supplier CSR Guidelines for external vendors and partners. The company's effort to address climate change include reducing power consumption, expanding the use of green energy, reducing CO2 emissions from employee travel, reducing paper and plastic use, promoting recycling, and many other initiatives to target global warming. The company views reducing our impact on the environment as a key tool for alleviating social challenges and maintaining our long-term value.

Globally, the Nomura Group of companies is a signatory to the UN Global Compact, the UN PRI, the Principles for Responsible Institutional Investors (prepared by Japan's Financial Services Agency, the TCFD, and CDP). It has pursued inclusion in key ESG indices and received an overall ESG score of 4.7 out of 5 from FTSE Russell. We have won "Sustainable City" and "Clean City" wards in London, have been recognized as "Britain's Healthiest Large Workplace," and as one of the 100 Most Sustainable Companies in Asia, as well as numerous other awards and recognitions over the past several years. We have also been recognized for efforts toward greater diversity and inclusion, including our affiliate in the Americas being acknowledged as a "Best Place to Work for LGBTQ Equality" by the Human Rights Campaign in 2020.

NCRAM supports and encourages all of these initiatives, and our goal is to continually improve our ESG integration, social responsibility, and impact on our environment.

**SG 1.10
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC

Mandatory to Report Voluntary to Disclose

Public

Descriptive

General

**SG 07.5
CC**

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investor relations

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**SG 07.7
CC**

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

NCRAM believes that consideration of sustainability is congruent with our Strong Horse investment philosophy and that ESG analysis helps us to invest in stronger companies, identify improving credits, and avoid defaults. We consider climate change and carbon emissions as part of our environmental risk analysis, and we incorporate a company's environmental record into our assessment of the issuer. NCRAM's CEO and CIO supervises our investment process, including the consideration of ESG factors.

NCRAM's CEO and CIO, who sits on our Board of Directors, has oversight over climate-related issues for NCRAM, as well as NCRAM's investment process, including consideration of ESG factors.

In addition, our affiliate Nomura Asset Management Co., Ltd. (NAM Tokyo) has established an environmental management system (EMS), and the Environmental Activities Working Group meets monthly to monitor the progress of our activities. Internal Environmental audits are conducted periodically, and there is a Head of Environmental Affairs who reviews existing initiatives and seeks ongoing improvements. This group reports to NAM Tokyo's ESG Committee, which is separate from NCRAM's ESG Committee. Our office in Japan has also promoted its "Principles for Financial Action towards a Sustainable Society" which is a set of principles for financial institutions seeking to take responsibility for a more sustainable society.

ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 14

**Mandatory to Report
Voluntary to Disclose**

Public

Additional Assessed

PRI 1

SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

- governance trends
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

We consider climate change and carbon emissions as part of our environmental risk analysis, and we incorporate a company's environmental record into our analysis.

- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above