

4Q 2025

Nomura Asset Management U.K. Limited  
Nomura Asset Management Co., Ltd.  
Nomura Asset Management Singapore Limited  
Nomura Asset Management Malaysia Sdn. Bhd.  
Nomura Islamic Asset Management Malaysia Sdn. Bhd.

# Responsible Investing Report

# Introduction

Nomura Asset Management is committed to Responsible Investment, being a signatory to the United Nations Principles for Responsible Investment (“UNPRI”) since 2011, and has sought to act in a manner that enhances both the experiences of our clients and the other stakeholders impacted by our investments.

Nomura Asset Management U.K. Limited (“NAM UK”) has been integrating Environmental, Social and Governance (“ESG”) research (both proprietary internal research and external data providers) into all individual global equity investment committee reviews since 2013. Our engagement activity and ESG research has been published publicly online since 2Q16 in an effort to promote transparency and increase the influence of our activity. Whereas, Nomura Asset Management Malaysia SDN BHD (“NAMM”) and Nomura Islamic Asset Management SDN BHD (“NIAM”), as member entities within the NAM group in Malaysia, are also committed to standards encouraged by the UNPRI through its commitment to observe the Malaysian Code of Institutional Investors (“MCII”). Both NAMM and NIAM became signatories of the MCII on 25 April 2017.

The research and engagement processes of Nomura Asset Management Singapore Limited (“NAM SG”) and NAMM have been included within this report since 2Q19. Since 1Q20 the Responsible Investment team of Nomura Asset Management Co., Ltd (“NAM Tokyo”) have also been contributing a selection of engagements with Japanese companies to the report. Through the collaboration of research efforts across offices and asset classes, we seek to maximise the influence of engagement activity and achieve meaningful outcomes for all stakeholders.

It is our view that Responsible Investment is best undertaken by taking into consideration the various impact of a corporation’s existence and the associated investment decisions on all stakeholders, not just ourselves as shareholders. As responsible investors, we must take into account the broader influence of our investment decisions and it is our duty to engage with the businesses we own and even those we don’t, to push for better practices where necessary. Targets for engagement are identified through our ongoing sustainability research programme, which takes into consideration the sustainability risks within our client portfolios and ongoing evaluation of the positive and negative impact that our investee companies have on all stakeholders. An assessment is made as to the severity of the engagement topic and the engagement itself is carried out at the appropriate level. Where we feel our engagement activity is not having the desired effect, we will escalate our concerns to more senior management or directly to the board. We are proactive with regard to proxy voting as a means to express our views and we actively seek to collaborate with other investors to further enhance the influence of our activity. This report describes the Responsible Investment activities mainly conducted by global (ex. Japan) equity teams across Nomura Asset Management. We also included some activities in Japan conducted by Nomura Asset Management Co., Ltd.

## About Nomura Asset Management

The Nomura Asset Management Group is a leading global investment. Headquartered in Tokyo, Nomura has additional investment offices throughout the world including London, Singapore, Malaysia, Hong Kong, Shanghai, Taipei, Frankfurt and New York. Today Nomura Asset Management provides its clients with a wide range of innovative investment strategies including global, regional and single country equities, high yield bonds, alternative investments and global fixed income strategies.

US\$ **630** bn

assets under  
management globally

**1,344**

staff employed  
across **14** offices

**233**

portfolio managers located  
strategically around the world

**119**

dedicated professionals committed to  
fundamental and quantitative research

**1959**

Our investment management capability was  
established in Japan over 50 years ago

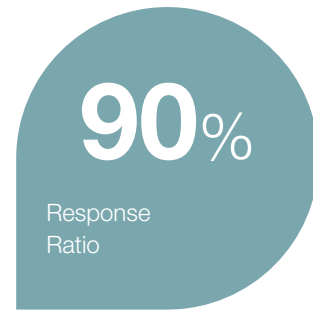
**30** years

Operating in Europe  
for over 30 years

Source: Nomura Asset Management as at 31<sup>st</sup> December 2025

# Contents

# Engagement in Numbers



### Companies reviewed

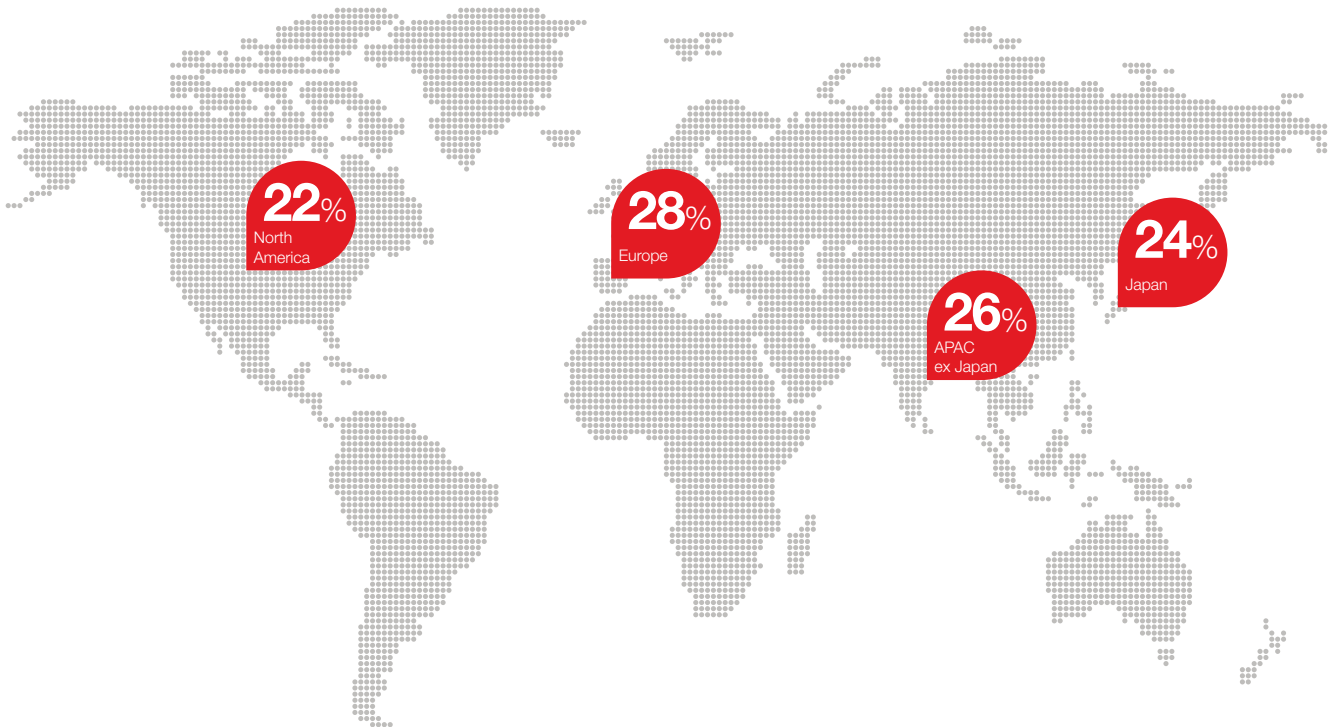
Issues (improving)	18
Issues (not Improving)	6
No Issues	5
Uninvestible	0
<b>Total</b>	<b>29</b>

### Engagements by Subject

Environment	42
Social	23
Dialogue/Disclosure	21
Governance	19
Business Strategy	4
Financial Strategy	1

### Engagements

Number of contacts	58
Engaged & responded	52
Engaged with no response	6
<b>Response Ratio</b>	<b>90%</b>



Please note 'Engagement by Subject' does not add up to total number of engagements as company engagements can typically include the covering of multiple topics.

# NAM UK Global Equity Team's 6 Impact Goals

This quarter we continued to work on progressing towards our 6 Impact Goals (as below) focused around the most pressing issues facing our world and where we as investors believe we can have a positive impact across various stakeholders. In 4Q25, 28 of our total engagements were directly aligned to our 6 Impact Goals outlined below.

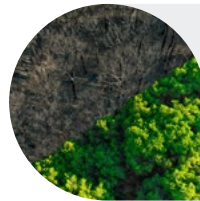
The Impact Goals are closely aligned with the United Nations Sustainable Development Goals (UN SDGs), and NAM's ESG Statement. As part of our commitment to deeply integrate our 6 Impact Goals into our processes we strive to further increase our engagements with companies on the selected goals and work together towards achieving progress.

## Environment



**89%**

Mitigate Climate Change



**3%**

Mitigate Natural Capital Depletion

## Society



**0%**

Mitigate Obesity Epidemic



**4%**

Eliminate Communicable Disease



**4%**

Global Access to Basic Financial Services



**0%**

Global Access to Clean Drinking Water

*The percentage numbers above represent the engagements conducted during the quarter for each impact goal.*

# Engagements Milestone Progress Tracking

Within the area of engagement, we are shifting more of our focus from what we have done to what we have actually influenced, hence as part of our process we classify our engagement work as either one-off or ongoing. For all the engagements that the teams across the different offices initiate and classify as ongoing, we establish a milestone goal and track the progress of over time. In 4Q25, 50 of the engagements carried out were classified as milestone engagements summarised in our 5 step milestone tracking categories below.

## Ongoing Milestone Tracking – 5 Steps



During the quarter we concluded 8 engagements due to lack of success.



# Responsible Investment Case Studies

## NAM contributing to a report on Global Health Equity

### Key takeaways

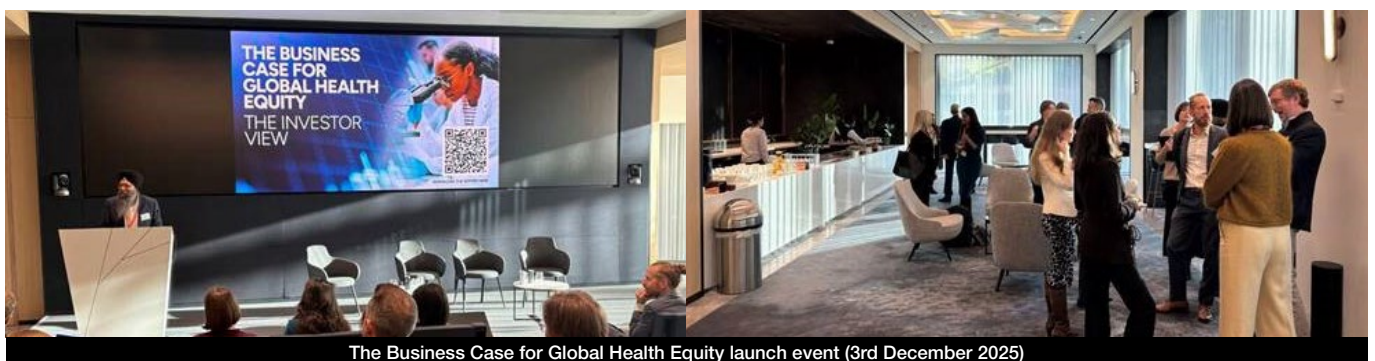
- Nomura Asset Management UK contributed to a report on Global Health Equity written by SLR Consulting and funded by the Gates Foundation as part of a broader group of investors.
- We continue to advocate for expanding access to pharmaceuticals in emerging economies and discuss in the report some ways to accelerate this change.
- Going forward, we will continue to discuss these issues with our portfolio companies and prospective investments. We think the expansion of access is interesting both from an investment perspective as well as being very important to measure the impact profile of these businesses.

In 4Q, we contributed to “The Business Case for Global Health Equity: The Investor View”, a **report**\* published on 18<sup>th</sup> November 2025 by SLR Consulting, calling on pharmaceutical companies to rethink their growth strategy in low- and middle-income markets. The report, commissioned by the Gates Foundation, explores how improving access to medicines in low- and middle-income countries can drive commercial success for innovation-based pharmaceutical companies while progressing global health equity. We were part of a group of investors from across our sector who contributed and shared views on the topic. We hope that this acts as a catalyst for a step-change in how emerging markets are considered by fellow investors and companies alike. The report was launched with an event in December 2025 hosted by M&G Investments that we attended.

When we examine our own portfolio, the pharmaceutical companies that we hold still generate the vast majority of revenue from the largest 10-15 high-income countries. Over time, the economic growth expected to take place outside of these advanced economies should generate a significant opportunity for these businesses as economic development fosters greater willingness and ability to spend on healthcare. IQVIA coined the term ‘pharmerging market’ in 2006 for 21 countries that were experiencing rapid growth in pharmaceuticals; these include Turkey, Indonesia, Mexico, South Africa, Brazil, India and China. We think the opportunities for our pharmaceutical holdings to take greater advantage of this growth factor will be significant.

The conclusion of this report sets out clear ideas on how different stakeholders can work to improve the status quo. In capital markets, we think investors should begin to focus on these markets more clearly – particularly in the outer years of the models – and companies similarly should try to help investors understand the potential growth drivers here. Governments must try to ease the regulatory burden by adopting similar regulations (making market entry easier) as well as working to make markets economically attractive to pharmaceutical companies. Meanwhile, we think partner organisations such as NGOs also have a huge (and growing) role to offer sufficient incentives for pharmaceutical companies to enter more nascent markets at the lower end of the development scale. Going forward, we look to take these learnings into our own investment discussions with portfolio companies and other investors.

\* <https://www.slrconsulting.com/insights/global-health-equity/>



The Business Case for Global Health Equity launch event (3rd December 2025)



# Responsible Investment Case Studies

## Activities within PRI Advance

### Key takeaways

- We actively participate in PRI Advance's collaborative engagement on human rights and social issues.
- The target company has expanded its human rights due diligence and related disclosures. We confirmed their commitment to continue strengthening supply-chain human rights management and expanding safety disclosures.

Three years have passed since PRI's collaborative initiative Advance on human rights and social issues was launched. As an Advisory Committee member, we provide guidance on the initiative's development and support PRI's decision-making, and serve as a co-lead investor in a collaborative engagement with a Japanese steel company.

In December 2025, during our fifth dialogue with the company, we exchanged views on the fact that the company's latest integrated report has expanded its initiatives and disclosures related to human rights due diligence, including in its supply chain. In particular, we view positively the company's identification and disclosure of its negative impacts on human rights, which the investor group had been urging the company to address in previous dialogues. The investor group emphasised the importance of global-level human rights responses and risk management, the need for monitoring systems in high-risk areas, and transparency around processes for identifying human rights risks. We also shared good-practice examples from other companies on disclosures related to safety and health across the supply chain. In addition, we shared updates to the methodology of the World Benchmarking Alliance's corporate sustainability benchmarks and discussed which actions are likely to improve benchmark performance.

The company acknowledged the importance of global risk management and monitoring systems and explained that it will continue efforts to promote human rights due diligence in its supply chain and to further enhance safety disclosures. We were able to confirm their intention to strengthen these efforts going forward.



# Responsible Investment Case Studies

## Institutional Stewardship and ESG Engagement in Malaysia

### Key takeaways

- Nomura Asset Management (NAM) and Nomura Islamic Asset Management (NIAM) in Malaysia are signatories to the Malaysian Code of Institutional Investors (MCII) and members of the Institutional Investors Council (IIC).
- The IIC provides a platform through which members such as NAM and NIAM participate in structured dialogues with public listed companies on ESG-related issues.

The Malaysian Code of Institutional Investors (MCII) sets out 7 principles that encourage investors to engage constructively with investee companies to exercise effective stewardship and advocate for good governance and sustainability. Following the launch of the MCII in 2014, the Institutional Investors Council Malaysia (IIC) was established to represent the common interests of institutional investors in Malaysia. The IIC is widely regarded as an industry-led initiative aimed at strengthening corporate governance culture through, among others, the effective adoption of the MCII. It provides a collective platform for institutional investors to engage with Malaysian listed companies on ESG topics. These engagements commonly focus on board oversight of sustainability, management of ESG risks and opportunities and the quality of sustainability disclosures.

Over the past two years, we have participated in multiple engagement sessions together with the IIC, including engagements with Bursa Malaysia Berhad (26<sup>th</sup> August 2024), IHH Healthcare Berhad (27<sup>th</sup> November 2024), MISC Berhad (30<sup>th</sup> June 2025), and Axiata Berhad (2<sup>nd</sup> December 2025). Engaging through a single and systematic collective voice provides stronger leverage for investors, as company management tends to take discussions more seriously when they represent a larger combined assets under management (AUM). As a result, it is relatively easier to drive ESG-related changes at a higher level. To ensure consistent progress over the long term, fund managers and asset owners need to collectively and continuously engage with senior management and boards of directors on long-term issues. In addition, on 24<sup>th</sup> November 2025, we participated in a joint roundtable organised by the Asian Corporate Governance Association (ACGA) and the IIC, involving independent directors from Malaysian listed companies. ACGA, which is based in Hong Kong, co-hosted the session with the IIC to discuss board effectiveness and the role of non-executive and independent directors (NEDs/INEDs). The discussion covered, among other topics, the effectiveness of NEDs/INEDs in family-owned or controlled companies, as well as the challenges faced by ESG service providers and fund managers with smaller AUM in gaining access to NEDs/INEDs for stewardship engagement. The session also explored how these challenges could be addressed, noting Malaysia's advantage of having large asset owners that can develop stronger ESG teams and leverage platforms such as the IIC to spearhead stewardship and ESG initiatives within the Malaysian capital market.

Overall, NAM's participation in both the MCII and the IIC demonstrates a clear link between stewardship commitments and active engagement. This combined approach helps promote better governance practices, stronger sustainability management and more consistent ESG disclosures among Malaysian listed companies.



# Responsible Investment Case Studies

## Engagement activities within the PRI Nature Stewardship Initiative

### Key takeaways

- Nomura Asset Management (NAM) continues to actively participate in collaborative engagements on deforestation and land degradation challenges under the PRI Nature Stewardship Initiative (Spring\*).
- We confirmed a clear development of companies' efforts towards halting and reversing biodiversity loss, such as an expansion of nature-related analysis of their business operations and supply chains towards TNFD disclosure in the near future.

Forest loss and land degradation have been identified as an important driver of nature and biodiversity loss through wiping out of habitats and reducing species diversity. As most businesses both depend on and impact nature and biodiversity through their operations and supply chains, they are easily exposed to nature-related physical and transition risk, which can pose financial risks to investors through its investment value chain.

In this context, the PRI launched its Nature Stewardship Initiative (Spring) in October 2023 to contribute to the global goal of halting and reversing biodiversity loss by 2030, firstly prioritising forest loss and land degradation, and thus to protect the long-term interests of investors.

Under Spring, NAM plays the key role as a lead investor for the engagement with two Japanese automobile companies. NAM also serves as a signatory advisory committee member – providing strategic advice to the PRI with strong experience in stewardship and nature.

In October and November 2025, we held engagement meetings with these companies and discussed developments of their analysis for nature-related dependencies, impacts, risks and opportunities, supply chain management and assurance for high risk commodities, and status of nature-related political engagement.

During recent dialogues, we could see key progress, including that the companies were aware of the need for better risk management both in their operations and supply chain, and that the companies considered expanding their nature-related analysis towards TNFD disclosure in the near future. On the other hand, it seems it's still a little far from disclosure of nature-related political engagement, lagging publication of their climate public policies in recent years. We will further encourage their proactive actions towards nature-positive society and disclosure to their stakeholders.

\*Spring is a PRI stewardship initiative for nature, addressing the systemic risks of biodiversity loss to protect the long-term interests of investors. Through this, the initiative aims to contribute to the global goal of halting and reversing biodiversity loss by 2030. Spring seeks to enhance corporate practices, ultimately generating positive, real-world outcomes, while protecting and enhancing investment returns.

<https://public.unpri.org/investment-tools/stewardship/spring>



# Responsible Investment Case Studies

## Expansion of the World's First Recycling Technology of Used Disposable Diapers

### Key takeaways

- The engagement has confirmed that the company continued to progress well on the diaper recycling program and is on the right path to further expand it with more partnerships.
- While the program remains to expand further in Japan, there have been multiple overseas interest with inquiries about the program.

More than four years ago, we first engaged with a leading personal care company, renowned for its various well-known brands in adult care, baby care, feminine care and pet care, on the world's first recycling technology for used disposable diapers. While we have not been directly involved in initiating or executing the program, we actively participated in a discussion with the company to keep track on the progress and to encourage the company to consider expanding the diaper recycling program to a broader geographic coverage scope with more ambitious targets set in place.

In the fourth quarter of 2025, the company held a tour of its used diaper recycling facility to help better share the history of and mechanisms for the company's diaper recycling program. We learned that the business has been progressing well with its commercialisation plan to sell not only directly to nursing care homes but also to sell through major retail channels despite not yet it being profitable. The company said it aims to achieve complete horizontal recycling of disposable diapers including super absorbent polymer and plastic materials by around 2028 from only recycling the pulp that make up of 50% of the diaper. The company claims to be reducing carbon emissions by 60% through this recycling program. Lastly, the company also aims for a higher target to expand the program to 150 municipalities from 100 by FY2030.

We further followed up with the company on this initiative and learned that they have received numerous interests from abroad regarding the program. Albeit no interest on outsourcing the technology and at a very early stage where the company would like to focus on expanding the program in Japan, we are encouraged to learn that overseas interest could turn into reality in the future were the impact of the diaper recycling program could potentially extend to a global scale. We look forward for much more to come in the program development.



# Responsible Investment Case Studies

## Engagement with a European Software Developer

### Key takeaways

- Over the course of 4Q25, the team met a couple of times with a software developer company that is broadly held across portfolios including our sustainability offerings.
- One of the key areas discussed was the company's sustainability solutions and the impact they have on client's own operations despite the difficulty to attribute and report on aggregate impact.
- Later in the quarter we did a follow up deep dive of the company's own sustainability performance and assessment of key risk areas and how they tackle those issues. We used the opportunity to engage on the topics of responsible use of AI and effect of AI development and adoption on carbon neutrality goals.

### Sustainability Solutions offering

In November 2025, a member of the team met with a leading European software company at a conference, broadly held across our strategies, to discuss a variety of specific sustainability topics and the overall sustainability profile of the business. As part of their software offerings, the company provides sustainability solutions that assists their clients with ESG regulatory reporting and management, carbon accounting by enabling communication with and between suppliers, circular economy and health and safety monitoring. The company discussed with the investor group some of the specific customers' benefits they deliver such as reduced time to compliance with sustainability regulations, supply chain insights used for the reduction of footprints through either using more renewables, change in the materials mix, etc., as well as avoidance and reduction of waste and the corresponding fees, which is particularly important in geographies where there is taxation on plastics (e.g. UK, Italy).

We wanted to better understand how broad the adoption of these products is and how they have performed in the context of the overall business as well as get some concrete impact data and examples of how those products help accelerate transition towards a low-carbon and circular economy. Given the company doesn't breakdown their sustainability solutions as a separate business segment for the purpose of financial reporting it was difficult to get more granular information in order to assess the overall contribution from and adoption of the product. In addition, the company explained it doesn't measure and report on the overall impact achieved by clients through their solutions and stated client confidentiality constraints.

Despite this they were able to give the investor group a few concrete case by case examples of how their software solutions have improved supply chain and product footprint management for the underlying client. Two particular sectors that we highlighted were chemicals and the automotive industry. One point highlighted, however was that the type of efficiencies derived from measurement and reporting through their software solution would not necessarily drive client absolute carbon footprint down as productivity might actually increase. In a sense, in some of those cases we could expect even if absolute emissions increase that carbon intensity (emissions per revenues) of those firms adopting their solutions would improve. Overall, the challenge in terms of impact measurement is clearly there despite the huge potential of the software and it ultimately drills down to how it is being used by the end client.

## Benchmarking Sustainability Performance

In addition to that, in December the investor group held a follow up call with a representative of the corporate sustainability team within the Software developer company to do a deep dive of their impact benchmarking and how they analyse and approach some of the most material to the business areas within sustainability.

Based on the company's own assessment of materiality of sustainability areas for the business there were several topics that investors wanted to flag and expand on in the discussion. One of those was exposure to potential human rights violations such as forced labour or child labour. The company explained that in general through the extended supply chain there is no company that is ultimately protected from such risks. Hence why the company has put an emphasis on fully mapping and engaging beyond direct suppliers to trace any vulnerabilities. Within this category also falls the focus on living wage on which the company noted they have recently refreshed their supplier conduct policy to reflect that as well. Within own operations, the most material exposure would be to water consumption and water stress, linking to multiple things but more importantly cloud and artificial intelligence (AI).

We used this opportunity to express our concerns in the most recent years regarding the effect of AI development and adoption on carbon neutrality goals especially for some of the hyperscalers that invest a significant amount of capital to develop the necessary infrastructure to serve those rising needs. The particular company we engaged with does not develop AI software and train models, however implements AI in its operations to increase efficiencies. As a result the footprint is significantly smaller and more indirect. The way the company explained to us they manage these arising risks is through a commitment of all data centres to use a CO<sub>2</sub> neutral cloud (they have a footprint of 90 data centres across the globe) with high quality renewable energy certificates, thus fully neutralising the effect of AI.

Another top of mind topic of concern for investors currently, which we engaged on is the responsible use of AI, for which the company explained that the immediate impact is on water consumption and water use requirements for large language models (LLMs) and that the impact of AI on their solutions is covered by a specific policy. Another significant avenue to consider is customers' data protection.



# Responsible Investment Case Studies

## NAM stepping out of the Zero Deforestation Collaborative engagement

### Key takeaways

- In 4Q25, we held our final engagement with Unilever as lead investor on behalf of the wider investor group.
- Overall, since joining the initiative in late 2020, we participated in 38 engagements with companies involved in the programme and numerous discussions with both the investor group and our data partner Satelligence.
- NAM is grateful for the opportunity to have participated in such an innovative and successful engagement programme, which has helped us immensely expand our knowledge within the field of deforestation and biodiversity.

We concluded our participation in the collaborative engagement and held one final investor dialogue on transparent and deforestation-free supply chains with Unilever in November 2025. Overall, we believe this was a very successful engagement effort and are grateful for Cardano's original invitation to participate in the project, however with time applicability for our sustainable strategies diminished as we exited some of the Consumer Staples names covered within the programme. In addition, both engagements where NAM served as lead investor naturally came to conclusion.

We participated in a total of 38 engagements with 13 companies, across the Food Products, Consumer Staples Distribution, Personal Care Products, Household Products, Beverages and Chemicals industries. Out of the 13 milestone engagements we closed 6 at milestone progress '5' or successful conclusion and 7 were closed unsuccessfully. That being said, despite the explicitly stated milestone goals not being reached for all we have had some very productive calls with those corporates.

NAM was the lead investor for two of the companies covered in this programme, Nestlé and Unilever, and we are pleased to report that both of those were concluded successfully with milestone goals ultimately reached. Across the five years of participation, we had 8 engagement entries with Nestlé with five deep dive calls held with the company and representatives of various departments, where we continuously presented deforestation alerts picked up by our data partner Satelligence based on companies' publicly disclosed supply chains information. Similarly, for Unilever, we had 7 engagement entries throughout the years with three calls held with the company and representatives of various departments.



# Responsible Investment Case Studies

## Panel discussion at the High-Level Forum on the Silver Economy

### Key takeaways

- The UK Global Equity team participated in a panel discussion on aging at the High-Level Forum of the Silver Economy in November 2025.
- Whilst aging carries inherent market risks, the increased demand for aging-related services and products may well present opportunities for business growth.

Aging has accelerated with advances in medical technology as well as improvements in dietary habits and nutritional status. According to **World Bank data**<sup>\*</sup>, the proportion of the global population aged 65 and over rose from 6.4% in 1994 to 10.2% in 2024. This aging trend exerts significant impacts across our labour markets, pension systems, shifts in disease patterns (such as lifestyle-related diseases and multiple co-morbidities), and social infrastructure. Moreover, given that the elderly are more vulnerable to emerging and re-emerging communicable diseases due to weakened immune systems, addressing these challenges remains an urgent priority for the global community.

In November 2025, the High-Level Forum on the Silver Economy, organised by the Global Coalition on Aging (GCOA), was held in Manchester, UK. Dr. Dai Yamawaki, Vice President (Equities) at NAM UK, contributed to a fascinating panel discussion on *'The Economics and Social Aspects of Aging'*, where he identified an overview of the impacts of aging on financial markets and referred to current policy trends in Japan – a country with one of the highest ratios of elderly to working-age population in the world.

The impact of aging on financial markets is multifaceted. Given the risk-averse characteristics and preference for stable income among the elderly to compensate their pension income, especially in this inflationary environment, ageing may heighten the importance of dividends within capital policies of companies and increase demand for bond investments as well. In addition, ageing is likely to have a positive impact on sectors such as medical care, nursing care, and healthcare. Products and services with high demand among the elderly (such as artificial dialysis and cardiac valves) may see robust demand with aging. Aging is also a multi-disciplinary challenge. The impacts of climate change are unevenly distributed across generations, with the elderly being the most affected. Products and services addressing climate change mitigation and adaptation (such as smart housing) are also anticipated as solutions to the challenge of an aging society from the cross-cutting perspective.

Japan formulated its *'Policy Plan for Promoting Japan as a Leading Asset Management Centre'* in December 2023. This strategy aims to shift household assets from a deposit-centric approach towards investment. Asset managers are also encouraged to provide growth capital and diversify their investment products.

\* <https://databank.worldbank.org/source/world-development-indicators>



# Responsible Investment Case Studies

## Engagement with an Indian Retail Company

### Key takeaways

- Reinforced ESG expectations by urging company to articulate a formal sustainability strategy in the near to medium term, integrating non-financial factors into business planning.
- Highlighted governance concerns around director attendance, signalling a governance risk and need for stronger board practices.
- Shared sector relevant regional/global peers sustainability reports to support senior management in initiating a structured process towards enhanced sustainability and climate governance with the ultimate objective that the company works towards formulating a carbon emission reduction strategy and setting a science-based emission reduction target.

Nomura Asset Management considers stewardship activity and proactive engagements with portfolio companies as a core element of its ESG integration approach. Within this framework of its stewardship initiative, NAM Singapore (NAM SG) recently engaged with an Indian offline retail company (listed in December 2024) to encourage the formalisation of its ESG and sustainability strategy.

As part of our stewardship efforts, in December 2025 NAM SG met the Managing Director/CEO and CFO of a recently listed offline India retail company that primarily caters to middle- and lower-middle income class customers. The engagement was part of the company's Non-Deal Roadshow in Singapore with initial discussions focused on the business strategy and financial performance since listing. NAM Singapore broadened the discussion to cover ESG expectations from long term institutional investors. We drew attention to one board member's attendance rate (less than 75% for FY25) as a potential red flag from a governance perspective and an area for improvement. Building on this, we urged the company to go beyond the minimum Business Responsibility and Sustainability Reporting requirement set by the Indian regulator – Securities and Exchange Board of India (SEBI) - and work towards a more comprehensive sustainability and ESG reporting framework with the recommendation that the company develops an appropriate science-based carbon emission reduction target in due course. Following our 1-1 meeting, we shared select regional/global retail peers sustainability reports as a concrete reference point for management. We believe these reports will provide an initial reference to the leadership team which should potentially enable them to initiate the process towards a robust sustainability framework.

Management was appreciative of our observation and shared the reason for the low attendance rate while acknowledging that the board is aligned to adopting the highest corporate governance standards. We intend to follow up with management during CY2026 on their progress in its journey towards sustainability.



# ISS Climate Impact Assessment – Aggregate Global Equities Holdings

Nomura Asset Management has contracted Institutional Shareholder Services (ISS) to provide climate related analysis of our portfolios, based on the stock holdings. This section provides key elements of the analysis done on the aggregated holdings of the portfolios managed by the Global Equity team. It is based on a 99.9% coverage of the underlying holdings by ISS. As of 3Q21, we started using ISS's Fixed Income/Multi Asset model to better align our approach to climate reporting internally, as well as to reflect a more comprehensive carbon emissions ownership structure that incorporates both equity and debt stakeholders.

## Portfolio Overview

Comparison of aggregate Global Equity holdings Climate performance relative to the MSCI All Country World Index benchmark as defined by the ISS Climate Impact Assessment.

Disclosure Number/Weight	Share of Disclosing Holdings	Emission Exposure		Relative Emission Exposure			Climate Performance Weighted Avg
		tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e/Invested	tCO <sub>2</sub> e/Revenue	Weighted Avg Carbon Intensity	Carbon Risk Rating <sup>1</sup>
		Scope 1&2	Incl. Scope 3	Relative Carbon Footprint	Carbon Intensity		
Portfolio	91.4% / 95.4%	195,152	4,875,861	15.76	61.90	57.31	61
Benchmark	88.6% / 90.8%	437,252	5,140,596	35.31	134.37	108.07	60
Net Performance	2.8 p.p. / 4.6 p.p.	55.4%	5.1%	55.4%	53.9%	47%	–

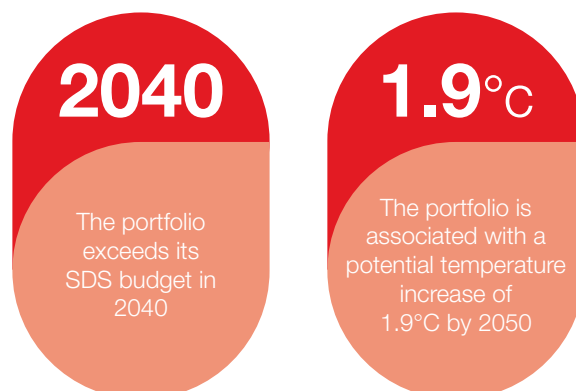
Source: ISS ESG. Note: 1. Carbon Risk Rating data is current as of the date of report generation.  
Note: 2. Relative emission exposures only take into account Scope 1 and 2.

## Climate Scenario Analysis

### Portfolio and Benchmark Comparison to SDS Budget (Red=Overshoot)

	2025	2030	2040	2050
Portfolio	-37.1%	-28.78%	+4.52%	+73.03%
Benchmark	+21.67%	+43.37%	+142.53%	+355.16%

Source: ISS ESG

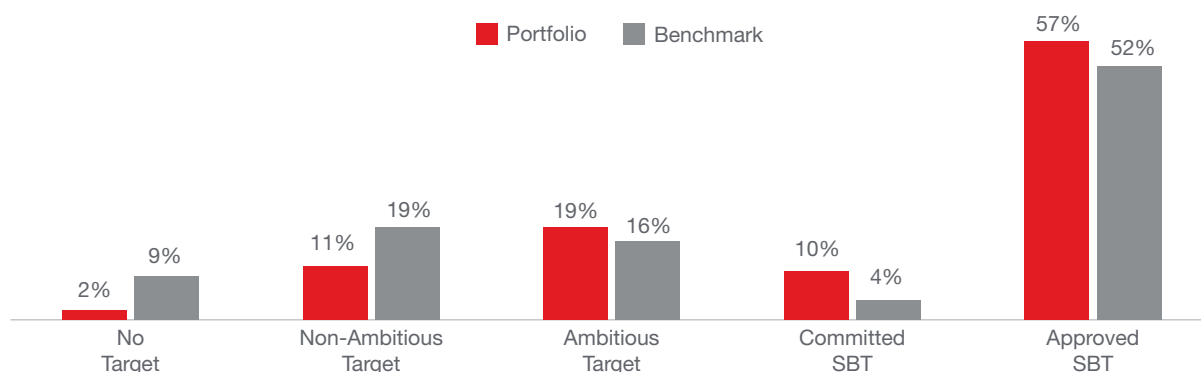


The climate transition will require companies to align themselves with international climate goals and progress on those in the future. The International Energy Agency's (IEA) Sustainable Development Scenario (SDS) is Paris Agreement-aligned and uses 1.8°C with a 66% probability, 1.65°C with a 50% probability and no reliance on global net-negative CO<sub>2</sub> emissions. Currently our aggregate portfolio's holdings are aligned with a SDS budget until 2036. To improve the climate profile of our holdings is a key objective for our engagement programme, hence why we included "Mitigate Climate Change" as one of our six Impact Goals and a focus area for ongoing engagement.

# ISS Climate Impact Assessment – Aggregate Global Equities Holdings

## Climate Targets Assessment (% Portfolio Weight)

Currently 87% of our aggregate holdings are committed to align with international climate goals versus 72% for MSCI All Country World Index. Out of our holdings 57% have Approved Science Based Targets (SBT), 10% have Committed SBTs, 19% have set ambitious targets, while the remaining 13% have either non-ambitious or no targets at all (ambitious and non ambitious targets are based on ISS definitions).



Source: ISS ESG.

In order to transition, holdings need to commit to alignment with international climate goals and demonstrate future progress. This includes ambitious targets set by the companies as well as committed and approved Science Based Targets (SBT). While commitments are not a guarantee to reach a goal, the 2% of the portfolio without a goal is unlikely to transition and should receive special attention from a climate risk conscious investor.

# Proxy Voting Record 4Q25

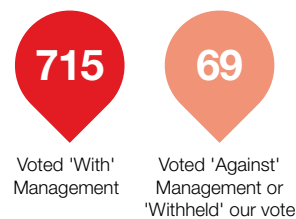
NAM seeks to act in a manner most likely to enhance the economic value of the underlying companies owned on our clients' behalf. We engage with companies based on our "Ideal Form of Business Management of Investee Companies" in order to enhance our mutual understanding and to seek changes in their company practices. NAM employs the services of Institutional Shareholder Services (ISS) to efficiently apply our proxy voting policy to individual proposals. ISS are provided with comprehensive and proprietary guidelines set out in our proxy voting policy. NAM will closely consider the voting agenda of a company that meets certain conditions (including, but not limited to, the violation of any applicable laws, inadequate board composition, and financial strategies that are not deemed to be in the best interests of shareholders and other stakeholders). Where we believe that a specific agenda item is not in the best interests of shareholders, NAM will decide either to vote against or to abstain from voting on the item. Please see the Nomura Asset Management Proxy Voting Policy for full details.

## Voting Data

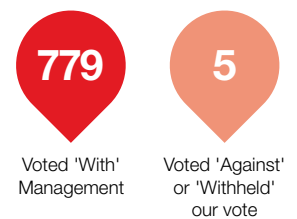
### Proxy Voting in Numbers



### Voting Record vs. Management in Q4 2025



### Voting Record vs. ISS in Q4 2025



### Proposals Voted on in 4Q25

Proposal subject	Count	Proportion of Total Votes
Directorships	301	38.4%
Compensation	167	21.3%
Capitalisation	121	15.4%
Audit	77	9.8%
Routine Business	65	8.3%
Other (Company Articles, Miscellaneous)	38	4.8%
Health/Environment/Social	12	1.5%
Strategic	3	0.4%
<b>Total</b>	<b>784</b>	<b>100.0%</b>

### Proposals Voted 'Against' Management in 4Q25

Proposal subject	Count	Proportion of Total Votes
Directorships	21	30.4%
Compensation	20	29.0%
Other (Audit, Company Articles, Miscellaneous)	14	20.3%
Health/Environment/Social	8	11.6%
Capitalisation	2	2.9%
Routine Business	2	2.9%
Strategic	2	2.9%
Audit	0	0.0%
<b>Total</b>	<b>69</b>	<b>100.0%</b>

Note: The above voting data relates to activities for Nomura Asset Management U.K. Limited, Nomura Asset Management Singapore Limited and Nomura Asset Management Malaysia SDN BHD.

## Voting Data

Examples of where we voted against management\*, or elected to withhold our sector vote included:



This quarter, we applied a vote against management's recommendations regarding a shareholder proposal asking a large US Information Technology company to enact a report on AI Data Usage Oversight. We voted in favour of this resolution because the company had exposure to risks from unethical and unmonitored AI usage and implementation. We support enhanced disclosure of governance measures being used to minimise potential risks and support proper risk management and internal corporate responsibility.



We also voted against management on a shareholder resolution for the adoption of an assessment of a large US Information Technology company's human rights risk. The vote in favour was warranted due to recent controversies around the company's cloud software technology and its application in areas of potential human rights breaches. In light of this, a report assessing internal human rights due diligence processes is warranted to ensure sufficient risk management to safeguard against future misuses of this technology.

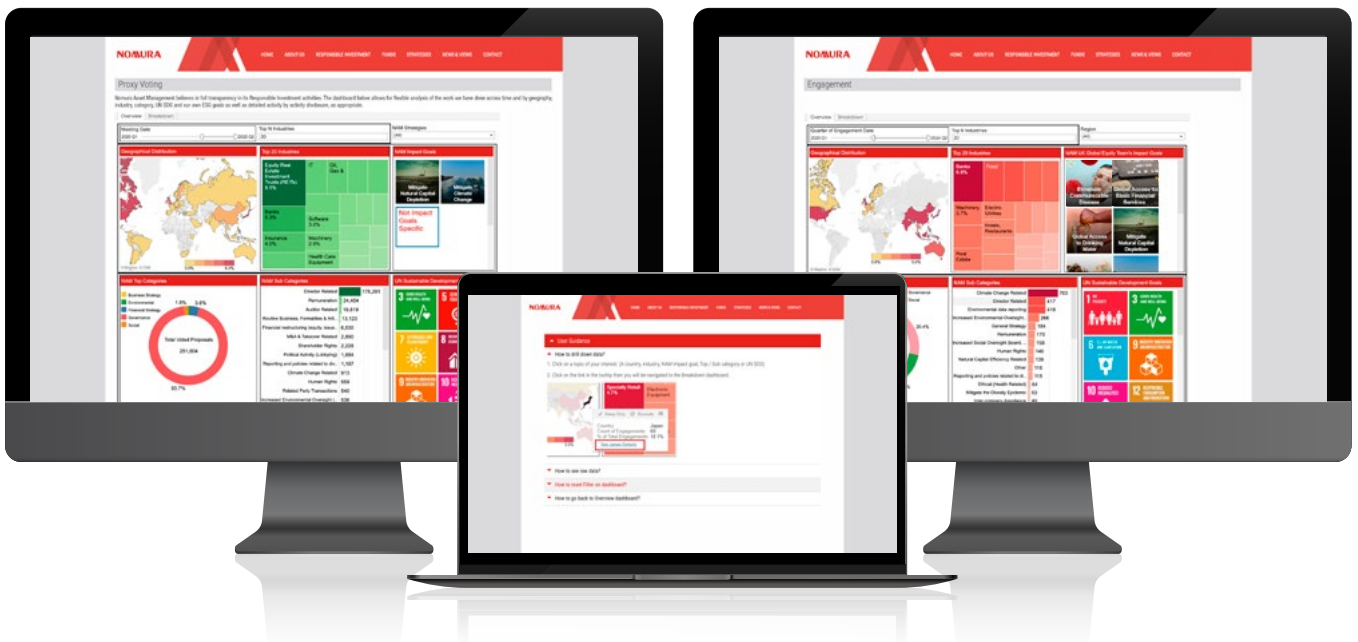
*Note: \*refers to those example companies that we vote for or against.*

# Proxy Voting & Engagement Data – Interactive Dashboards

Nomura Asset Management believes in full transparency in its Responsible Investment activities, hence why from 1Q21 we started reporting all proxy voting and engagements data on our website, and no longer in the appendices section of this report. The interactive dashboards on our website allow for flexible analysis of the work we have done across time and by geography, industry, category, UN SDG, our own ESG goals and more.

The full record of Proxy Voting entries can be found here:  
<https://www.nomura-asset.co.uk/responsible-investment/proxy-voting/>

For historical Engagement entries, please refer to:  
<https://www.nomura-asset.co.uk/responsible-investment/engagement/>



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Both NAMM and NIAM are signatories of the Malaysian Code of Institutional Investors (MCI), which was jointly launched by the Securities Commission Malaysia and the Minority Shareholders Watch Group on 27 June 2014.

For more information with regards to NAMM and NIAM's Responsible Investment policies and its responsible investment activities carried in Malaysia, please visit:

1. **NAMM:** <https://www.nomura-asset.com.my/nomura-asset-management-malaysia/namm-s-investment-solutions/responsible-investment>
2. **NIAM:** <https://www.nomura-asset.com.my/nomura-islamic-asset-management/niam-s-investment-solutions/responsible-investment>

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Nomura Asset Management Co., Ltd. is regulated by Financial Services Agency

Director of Kanto Local Finance Bureau (Financial Instruments Firms) No.373

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### SFDR Disclosure

The EU Sustainable Finance Disclosure Regulation ("SFDR") entered into force on 10 March 2021. SFDR requires firms to better inform end-investors with regard to the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics, and sustainable investment, as applicable.

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