

Nomura Asset Management U.K. Ltd.

**Nomura Asset Management U.K. Limited (“NAM UK,” the “Firm” “we, us, our” etc.)**

**No consideration of adverse impacts of investment decisions on sustainability factors**

**December 2022**

Article 4 of the EU Sustainable Finance Disclosure Regulation (“**SFDR**”) requires the Firm to make a “comply or explain” decision on whether to consider principal adverse impacts (“**PAIs**”) of our investment decisions on sustainability factors. As permitted under Article 4 of SFDR, the Firm has decided not to consider PAIs at present. The Firm is therefore required to publish and maintain on our website a statement to explain our reasons for not considering PAIs, and information as to whether and when we intend to consider PAIs.

The Firm has carefully evaluated the requirements of Article 4 SFDR, and the Level 2 Regulatory Technical Standards issued via Commission Delegated Regulation (EU) 2022/1288 (collectively, the “**PAI regime**”).

The Firm is supportive of the policy aims of the PAI regime, to improve transparency to clients, investors and the market, as to how asset managers integrate consideration of adverse impacts of their investment decisions on sustainability factors. However, we have chosen not to consider PAIs at entity level for the time being on the basis that the Firm is not a financial market participant that is required to do so given that NAM UK does not have an average number of employees exceeding 500 during the financial year. Instead, we will focus on reporting relevant PAI data, as far as possible, at product level for certain financial products that have a sustainable investment objective and/or promote environmental and/or social characteristics.

For certain financial products, it is difficult to consider principal adverse impacts of investment decisions on sustainability factors due to the nature of strategies such as passively managed or index-tracking strategies, and segregated mandates. Furthermore, at present, it is uncertain that there will be sufficient data available from investee companies of our financial products including those for which we do not consider PAIs at product level.

We will continue to monitor the availability of relevant data from our investee companies, in order to re-evaluate the decision on whether or not to consider PAIs at entity level, each year.

Version history:

- 1<sup>st</sup> version: March 2021
- 2<sup>nd</sup> version: December 2022