



NOMURA

Article 29 Report – Fiscal year 2021

Nomura Alternative Investment Management France

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1. Introduction

1.1. Scope

This report is prepared by Nomura Alternative Investment Management France (“NAIM”) for its financial year ending on December 31, 2021, pursuant to article 29 of the Energy Climate law and in accordance with article L. 533-22-1 of the Monetary and Financial Code.

NAIM is a wholly owned subsidiary of Nomura Europe Holdings (“NEHS”), which is itself owned by Nomura Holdings Inc.

1.2. Definitions

- “**SFDR**” means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
- “**Article 6 Fund**” means a Fund, which does not meet the criteria to qualify as either an Article 8 Fund pursuant to Article 8 of SFDR or an Article 9 Fund pursuant to Article 9 of SFDR.
- “**Article 8 Fund**” means a Fund that, in accordance with the criteria outlined in Article 8 of SFDR, promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics and provided that the companies that the Fund invests in follow good governance practices.
- “**Article 9 Fund**” means a Fund that, in accordance with the criteria outlined in Article 9 of SFDR has Sustainable Investment as its objective.
- “**Sustainability Risks**” means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment, including but not limited to, risks stemming from climate change, natural resource depletion, environmental degradation, human rights abuses, bribery, corruption and social and employee matters.

2. General approach of the entity on the consideration of environmental, social and governance (“ESG”) criteria

2.1. Consideration of ESG criteria In the Investment policy of managed products

The opportunity to consider environmental, social and quality of governance criteria in the Investment policy is systematically considered in the design of new products, taking into account notably:

- The Investment strategy;
- The Asset class and the nature of the financial instrument used to implement the Investment Strategy;
- The Product Distribution Strategy and client ESG appetite;
- The Fund promoter requirements;
- The availability of relevant ESG data.

2.1.1. Funds that do not integrate ESG criteria In the Investment policy

NAIM currently manages Quantitative Investment Strategy Funds that generally employ a synthetic or derivatives based approach to portfolio management. Consequently, the assets held by NAIM managed funds are not actively selected physical assets. These funds employ investment strategies gaining exposure to sophisticated financial indices on diversified asset class types (such as but not limited to: Rates, Credit, Forex, etc.).

As such, due to the nature of such investment strategies, NAIM does not consider environmental, social and quality of governance criteria (“ESG”) and Sustainability risk as a specific part of its investment strategy other than as part of the general range of factors that might be considered in appraising any potential investment decision.

Similarly, NAIM does not expect that Sustainability Risk will have a materially greater effect on the expected risk or return characteristics of these Funds than any other relevant investment consideration.

Accordingly, NAIM funds are classified as Article 6 Funds for the purposes of the EU Sustainable Finance Disclosure Regulation (“SFDR”), meaning that these Funds do not attempt to promote environmental or social characteristics in a way that meets the specific criteria contained in SFDR.

2.1.2. Funds that integrate ESG criteria In the Investment policy

As of report date, NAIM does not manage funds that integrate ESG Criteria in their investment policy.

2.2. Consideration of ESG criteria at the Management Company Level

As such, Nomura constantly works to enhance its products and services, further expand its business globally and strengthen its corporate governance framework.

As a direct Parent of Nomura Europe Holdings and Nomura Holdings Inc., NAIM considers environmental, social and quality of governance at a Management Company level and in particular through the following actions and initiatives.

2.2.1. Environment

As a direct Parent of Nomura Europe Holdings and Nomura Holdings Inc., NAIM is making every efforts to help resolve climate change issues through its business activities and to reduce the impact of its business activities on the natural environment.

Nomura Group is committed to achieve net zero greenhouse gas emissions globally by 2030 has set medium and long-term CO2 Emission Reduction target:

Area	Target Type	Base Year	Target year	Reduction
Global	Absolute	FY2012/13	Medium-term	FY2030/31 32%
			Long-term	FY2050/51 65%

Nomura Group monitors and measures its carbon emissions from buildings energy use, travel, water and waste to provide a basis on its contribution towards a greener company, to protect the environment and to assist develop a sustainable society for our future generations.

As of the date of this document, the following actions have been taken to achieve energy consumption reduction across Nomura EMEA offices:

- Put emphasis on energy efficient projects (charging points for electric vehicles installation, meal offer with 100% recyclable packaging...);
- Consider ESG criteria when selecting new utilities' providers for offices;
- Select green alternative where possible (Green electricity, bike courier);
- Agile working strategy to reduce office energy demand and space;
- Reduce business travel with a stricter travel policy and increased awareness of the ability to use video conferencing;
- Effective environmental management system with separate recycling units and specialist recycling units for batteries;
- Ban on plastic cups and plastic cutlery.

2.2.2. Social

As a direct Parent of Nomura Europe Holdings and Nomura Holdings Inc., NAIM participates to the Group initiatives fostering Diversity, Equity and Inclusion and delivering better tomorrow for the society.

To promote Diversity, Equity & Inclusion within the Company, Nomura invites its employees to join any of its four Inclusion Networks: Pride, Embrace (diversity), Life (parents, families & carers) and Gender Balance. The Company also aims to develop employees' awareness and engagement across Diversity, Equity & Inclusion through a range of events, activities, resources and volunteering.

In addition, the Nomura Group's purpose is to 'Deliver a Better Tomorrow'. Nomura's organizational mission is to enrich and contribute to society, placing at our core Nomura's vision to act as a trusted partner for stakeholders through our values of entrepreneurial leadership, teamwork and integrity.

To this end, Nomura encourages employees to share their skills, expertise and time in support of worthwhile causes in the communities in which we operate. Volunteering provides an impactful outlet through which our employees can have a positive impact and we recognize the benefit of providing paid time to enable employees to volunteer in support of charitable causes.

Through volunteering, individuals benefit by developing their own personal and professional skills and effectiveness, widening their networks internally and externally, whilst also positively contributing to the communities in which we operate.

Nomura employees may use up to 2 working days to volunteer.

2.3. Means used to inform clients about the criteria relating to ESG objectives taken into account in the investment policy

NAIM informs its clients about the criteria relating to the environmental, social and quality of governance objectives taken into account in the investment policy and strategy via:

- The prospectus and annual reports of the managed funds
- The NAIM website:
<https://www.nomuranow.com/naim/naimdisclaimer/?site=en>

2.4. List of financial products classified article 8 and article 9 according to regulation (EU) 2019/2088

NAIM does not manage funds and discretionary funds and mandates classified art. 8 or s. 9 according to SFDR.

The share of assets under management taking into account environmental, social and quality of governance criteria in the total amount of assets managed by the entity is therefore nil.

2.5. Adherence to initiatives on the consideration of environmental, social and governance quality criteria¹

NAIM, through its parent Nomura Holdings Inc., supports active collaboration through its various memberships and affiliations such as:

- **United Nations Principles for Responsible Investment (“UNPRI”):** NAIM became a signatory of the United Nations Principles for Responsible Investment (“UNPRI”) on July 24, 2015. Founded in 2005, the UNPRI is a United Nations-supported network that encourages asset managers and other institutional investors to engage with corporations on environmental, social and governance (ESG) issues to create a more sustainable global financial system and support long-term investment value.
- **Task Force on Climate-related Financial Disclosures (“TCFD”):** Nomura Group committed to support the TCFD in 2018 in recognition of the importance of disclosing information on the financial impacts of climate change, and as part of its commitment to creating a sustainable society by helping solve climate change related issues.
- **United Nations Global Compact:** In 2015, Nomura Holdings Inc. became a signatory to the UN Global Compact, a principle-based framework for businesses, set out in 10 principles covering human rights, labour, the environment, and anti-corruption. Nomura will continue to support the UN Global Compact to contribute to the sustainable development of society.
- **Net Zero Banking Alliance:** Amongst environmental issues, climate change is becoming increasingly important. As a step toward the realization of a sustainable society, Nomura Holdings Inc. announced, in September 2021, a commitment to align its commercial activities with the objectives agreed in the Paris Agreement, and that it has joined the "Net-Zero Banking Alliance"

¹ For further details on Nomura Holdings Inc. adherence to sustainable initiatives please refer to <https://www.nomuraholdings.com/sustainability/>

convened by the United Nations Environment Programme Finance Initiative. To support the transition towards a decarbonized economy, Nomura commits to achieve net zero greenhouse gas (GHG) emissions for its own operations by 2030.

3. Objective of balanced representation of women and men among the teams, bodies and managers responsible for making investment decisions.

Within the framework of the specific provisions incorporated by the so-called “RIXAIN” law in article L-533-22-2-4 of the Monetary and Financial Code, NAIM has set itself the objective of a balanced representation of women and men among teams, bodies and managers responsible for making investment decisions, while nevertheless taking into account:

- The current composition of the teams concerned;
- Constraints related to the size of the company or that of the teams concerned;
- The possible absence of job creation in the functions concerned;
- Any observed under-representation of a gender in the applications received during the recruitment process for the positions concerned.