



## Material Issues of the Daiwa Securities Group

### In the goal of achieving a sustainable society

Modern society faces a wide range of issues that threaten its sustainability. These include global-scale environmental issues that threaten the survival of the human species, most well known among them being global warming; the increasing disparity of prosperity between the northern and southern hemispheres; and in Japan, the aging society and low childbirth. It will not be possible to overcome these issues without the responsible action of every sector of society, including the public sector, the private sector, and communities.

Companies with the power to influence society as a whole are key players, greatly affecting whether it will be possible to achieve a sustainable society. The financial institutions that handle society's money have a particularly important duty to society through their main business: finance. This duty includes maintaining and developing fair, active financial markets, as well as a commitment to finance from a social perspective, and the creation of monetary flows that will help achieve a sustainable society. We believe that our Group has a large role to play in this effort.

### Material issues of the Daiwa Securities Group

The purpose of this report is to focus on topics, indicators and issues that we believe will greatly influence the decisions of the stakeholders of the Daiwa Securities Group. For this reason, we

studied the economic, environmental and social impact of the various activities of the Daiwa Securities Group, and identified material issues that should be reported.

#### 1. Adding a Social Perspective to Investment (pages 9–12)

Signing to the United Nations Environment Programme Finance Initiative (UNEP FI)\*<sup>1</sup>, Principles of Responsible Investment (PRI)\*<sup>2</sup>, and the Carbon Disclosure Project (CDP)\*<sup>3</sup>, the Daiwa Securities Group will fulfill our social roles as a financial institution. In our efforts to achieve a sustainable society, it is vital that we incorporate initiatives to invest from a social perspective into our securities business.

#### 2. Commitment to the Development of a Sound Securities Market (pages 13–16)

In order to fulfill our responsibility as a company in the securities industry to maintain and develop a sound and reliable securities market, we recognize that we must have thorough compliance that lives up to the confidence of society and does not stop at mere statutory compliance.

#### 3. Contribution to Global Environment (pages 17–19)

Recognizing global environmental issues as challenges that must be met by all companies and individuals, we thus strive to reduce the environmental impact of our businesses, while remaining fully committed to collaborating in and promoting efforts to resolve environmental issues.

#### 4. Publishing Information for a Sustainable Society (pages 20–24)

We continue to take advantage of our characteristics as a company that handles information, including giving back the knowledge and expertise we have cultivated in the securities industry through financial and economic education, collaboration with academia, and providing the latest information on sustainability.

We also focus on initiatives to build a company worth working for, as one of the key management policies of the Daiwa Securities Group. More information on this topic can be found in the Message from the President (pages 1–2) and Human Values and Human Resource Utilization (pages 37–40).

\*1 UNEP FI: A partnership between the United Nations Environment Programme and financial institutions from around the world.

\*2 PRI: A guideline indicating environmental, social, and governance (ESG) considerations for investment to institutional investors.

\*3 CDP: With the support of institutional investors concerned about climate change, the Carbon Disclosure Project asks investors and corporate executives to disclose information relating to their initiatives and approaches to environmental problems.

▶ **WEB** UNEP FI, PRI and CDP

## The material issue identification process

In order to identify key issues, we first analyzed the feedback we have received from our stakeholders in the form of employee surveys, customer satisfaction surveys, our Sustainability Report questionnaires, shareholder surveys, stakeholder comments and dialogs, and the views of opinion leaders from outside the Daiwa Securities Group. To this feedback we added considerations for international trends in CSR, the GRI Guideline, and other societal

demands, and identified issues that the Daiwa Securities Group should consider in its CSR activities. At the same time, we verified the importance of issues recognized within the Group and externally, giving consideration to such factors as the frequency of occurrence and the impact on society. Through this process, four material issues were recognized as highly important to the Daiwa Securities Group.

### Stakeholders in the Daiwa Securities Group

