

Third-party Evaluations

Dow Jones Sustainability World Indexes Member 2011/12

The Dow Jones Sustainability World Index (DJSI World) is a stock index of companies with sustainable practices selected by Dow Jones & Company, Inc. of the United States and Sustainable Asset Management (SAM) of Switzerland. Daiwa Securities Group Inc. has been included in DJSI World for 13 consecutive years.



FTSE4Good Index

FTSE is a subsidiary of the UK's Financial Times and the London Stock Exchange. It develops global indexes and provides data for investment. Daiwa Securities Group Inc. has been included in the FTSE4Good, an index of socially responsible companies compiled by FTSE, for six consecutive periods since September 2006.



Certified Family-friendly Employer

Shown at right is the certification symbol for family-friendly employers provided by Japan's Ministry of Health, Labour and Welfare's based on the Act on Advancement of Measures to Support Raising the Next Generation of Children. In addition to Daiwa Securities Group Inc. obtaining certification as a family-friendly employer on June 9, 2008. Daiwa Securities, Daiwa Securities Capital Markets, Daiwa Institute of Research Holdings, Daiwa Institute of Research, Daiwa Institute of Research Business Innovation and Daiwa Securities Business Center also received this certification.



Work-Life Balance

The Daiwa Securities Group has earned high praise from a range of external organizations for its initiatives to provide employees with a more supportive work environment that is conducive to worklife balance. In fiscal 2009, the Group won the Ministry of Health, Labor and Welfare Award in the category of corporate promotion of equality and work-life opportunity, as well as the excellence award in the organizational activity category for the Third Work-Life Balance Grand Award, the 2009 Nikkei Childcare Support Award, and the Third Diversity Management Prize in the WLB category. We were ranked 3rd at a category and 7th at overall in The Nikkei WOMAN "BEST 100 company in which women play an active role" in Fiscal year 2011.

G3.1 GRI/ISO26000 Content Index

GRI Application Levels

In compiling the Daiwa Securities Group Sustainability Report 2012, reference was made to Global Reporting Initiative (GRI) Guidelines (3.1 Edition) and the Financial Services Sector Supplement (2008). The guidelines set out a series of standard levels (GRI application levels) based on regulations outlined therein

that companies compiling reports may apply to ensure that their reports are compliant with GRI guidelines. We believe that the Daiwa Securities Group Sustainability Report 2012 meets the reporting standards for GRI Report Application Level B.

G3.1 GRI/ISO26000 Content Index

Item	Indicator	Link	ISO26000	
			Core Social Responsibility Subjects & Themes	Clauses
1 Strategy and Analysis				
1.1	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	Message from the President and CEO/ Message From the Chairman	Organizational governance	6.2
1.2	Description of key impacts, risks, and opportunities.	Message from the President and CEO/ Message From the Chairman Social Responsibilities of the Financial Industry CSR Issues: Performance and Targets		

2 Organizational Profile

2.1	Name of the organization.	Daiwa Securities Group Profile		
2.2	Primary brands, products, and/or services.	Daiwa Securities Group Profile Social Responsibilities of the Financial Industry		
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Daiwa Securities Group Profile	Organizational governance	6.2
2.4	Location of organization's headquarters.	Daiwa Securities Group Profile		
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Daiwa Securities Group Profile		
2.6	Nature of ownership and legal form.	Daiwa Securities Group Profile		
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Daiwa Securities Group Profile		
2.8	Scale of the reporting organization, including: <ul style="list-style-type: none"> • Number of employees; • Number of operations; • Net sales (for private sector organizations) or net revenues (for public sector organizations); • Total capitalization broken down in terms of debt and equity (for private sector organizations); and • Quantity of products or services provided. 	Daiwa Securities Group Profile		
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: <ul style="list-style-type: none"> • The location of, or changes in operations, including facility openings, closings, and expansions; and • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations). 	Daiwa Securities Group Profile		
2.10	Awards received in the reporting period.	Third-party Evaluations		

3 Report Parameters

Report Profile				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Contents/Editorial Policy		
3.2	Date of most recent previous report (if any).	Contents/Editorial Policy		
3.3	Reporting cycle (annual, biennial, etc.)	Contents/Editorial Policy		
3.4	Contact point for questions regarding the report or its contents.	Contents/Editorial Policy		
Report Scope and Boundary				
3.5	Process for defining report content, including: <ul style="list-style-type: none"> • Determining materiality; • Prioritizing topics within the report; and • Identifying stakeholders the organization expects to use the report. 	Daiwa Securities Group Corporate Principles and Key Issues		
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Contents/Editorial Policy		
3.7	State any specific limitations on the scope or boundary of the report.	Contents/Editorial Policy		
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Relationship with Executives and Employees Environmental Initiatives		
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Relationship with Executives and Employees Environmental Initiatives		
3.10	Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	Not applicable		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Not applicable, because there have been no significant changes since the previous report		
GRI content index				
3.12	Table identifying the location of the Standard Disclosures in the report.	This table references GRI content		
Assurance				
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider (s).	Third-party Opinion	Verification	7.5.3

4 Governance, Commitments, and Engagement

Governance				
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Corporate Governance	Organizational governance	6.2
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	Corporate Governance		
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Corporate Governance		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Relationship with Shareholders and Other Investors Relationship with Executives and Employees (Communication)		
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Corporate Governance		

4.6		Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Corporate Governance	Organizational governance	6.2
4.7		Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Corporate Governance		
4.8		Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Daiwa Securities Group Corporate Principles and Key Issues		
4.9		Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	CSR Management (CSR Promotion System)		
4.10		Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Corporate Governance		
Commitments to External Initiatives					
4.11		Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Risk Management IT Governance, Disclosure, and Information Security Compliance		
4.12		Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Social Responsibilities of the Financial Industry		
4.13		Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> • Has positions in governance bodies; • Participates in projects or committees; • Provides substantive funding beyond routine membership dues; or • Views membership as strategic. 	Principal Member Qualifications <ul style="list-style-type: none"> - Nippon Keidanren - Japan Securities Dealers Association - Work-Life Balance Promotion Model Project by the Ministry of Health, Labour and Welfare - The Multi-stakeholder Forum on Social Responsibility for a Sustainable Future - UNEP-FI - PRI - CDP - Global Compact Japan Network 		
Stakeholder Engagement					
4.14		List of stakeholder groups engaged by the organization. <ul style="list-style-type: none"> • Civil society; • Customers; • Employees, other workers, and their trade unions; • Local communities; • Shareholders and providers of capital; and • Suppliers. 	Daiwa Securities Group Corporate Principles and Key Issues		
4.15		Basis for identification and selection of stakeholders with whom to engage.	Daiwa Securities Group Corporate Principles and Key Issues		
4.16		Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Daiwa Securities Group Corporate Principles and Key Issues Relationship with Customers Relationship with Shareholders and Other Investors Relationship with Executives and Employees Relationship with Society		
4.17		Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Relationship with Customers Relationship with Shareholders and Other Investors Relationship with Executives and Employees Relationship with Society		

5 Management Approach and Performance Indicators

Economic

Disclosure on Management Approach			Message from the President and CEO/ Message From the Chairman Delivering Economic Value to Stakeholders	Organizational governance Community involvement and development	6.2 6.8
Performance Indicators					
Economic Performance					
EC1.	CORE	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Relationship with Society (Corporate Citizenship Initiatives and Expenditures) Delivering Economic Value to Stakeholders	Community involvement and development Community involvement Wealth and income creation Social investment	6.8 6.8.3 6.8.7 6.8.9
EC2.	CORE	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Social Responsibilities of the Financial Industry	Climate change mitigation and action	6.5.5
EC3.	CORE	Coverage of the organization's defined benefit plan obligations.	Annual Report 2012		
EC4.	CORE	Significant financial assistance received from government.	Impact is insignificant		
Market Presence					
EC5.	ADD	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Impact is insignificant, due to the nature of our business	Discrimination and vulnerable groups Conditions of work and social protection Community involvement and development	6.3.7 6.4.4 6.8
EC6.	CORE	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Impact is insignificant, due to the nature of our business	Promoting social responsibility in the value chain Community involvement and development Employment creation and skills development Wealth and income creation	6.6.6 6.8 6.8.5 6.8.7
EC7.	CORE	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Not reported	Community involvement and development Employment creation and skills development Wealth and income creation	6.8 6.8.5 6.8.7

Indirect Economic Impacts					
EC8.	CORE	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Social Responsibilities of the Financial Industry Relationship with Society (2.Encouraging ESG issues and Volunteerism among Executives and Employees)	Economic, social and cultural rights Community involvement and development Community involvement Education and culture Employment creation and skills development Technology development and access Wealth and income creation Social investment	6.3.9 6.8 6.8.3 6.8.4 6.8.5 6.8.6 6.8.7 6.8.9
EC9.	ADD	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Not applicable	Economic, social and cultural rights Promoting social responsibility in the value chain Respect for property rights Access to essential services Community involvement and development Employment creation and skills development Technology development and access Wealth and income creation Social investment	6.3.9 6.6.6 6.6.7 6.7.8 6.8 6.8.5 6.8.6 6.8.7 6.8.9

Environmental

Disclosure on Management Approach	Environmental Initiatives (Approach and Basic Stance) Environmental Initiatives (Environmental Management)	Organizational governance The Environment	6.2 6.5
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Performance Indicators							
Materials							
EN1.	CORE	Materials used by weight or volume.	Not applicable	The Environment Sustainable resource use	6.5 6.5.4		
EN2.	CORE	Percentage of materials used that are recycled input materials.	Not applicable				
Energy							
EN3.	CORE	Direct energy consumption by primary energy source.	Environmental Initiatives (CO ₂ Emissions)				
EN4.	CORE	Indirect energy consumption by primary source.	Environmental Initiatives (CO ₂ Emissions)				
EN5.	ADD	Energy saved due to conservation and efficiency improvements.	Environmental Initiatives (CO ₂ Emissions)				
EN6.	ADD	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Environmental Initiatives (Initiatives to Reduce Environmental Impact)				
EN7.	ADD	Initiatives to reduce indirect energy consumption and reductions achieved.	Environmental Initiatives (Initiatives to Reduce Environmental Impact)				
Water							
EN8.	CORE	Total water withdrawal by source.	Environmental Initiatives (Other Environmental Impacts)				
EN9.	ADD	Water sources significantly affected by withdrawal of water.	Impact is insignificant				
EN10.	ADD	Percentage and total volume of water recycled and reused.	Not reported				
Biodiversity							
EN11.	CORE	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not applicable	The Environment Protection of the environment & biodiversity, and restoration of natural habitats	6.5 6.5.6		
EN12.	CORE	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not applicable				
EN13.	ADD	Habitats protected or restored.	Not applicable				
EN14.	ADD	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not reported	The Environment Protection of the environment & biodiversity, and restoration of natural habitats Community involvement	6.5 6.5.6 6.8.3		
EN15.	ADD	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not applicable	The Environment Protection of the environment & biodiversity, and restoration of natural habitats	6.5 6.5.6		
Emissions, Effluents, and Waste							
EN16.	CORE	Total direct and indirect greenhouse gas emissions by weight.	Environmental Initiatives (CO ₂ Emissions)	The Environment Climate change mitigation and action	6.5 6.5.5		
EN17.	CORE	Other relevant indirect greenhouse gas emissions by weight.	Environmental Initiatives (CO ₂ Emissions)				
EN18.	ADD	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Environmental Initiatives (CO ₂ Emissions)				
EN19.	CORE	Emissions of ozone-depleting substances by weight.	Impact is insignificant	The Environment Prevention of pollution	6.5 6.5.3		
EN20.	CORE	NO _x , SO _x , and other significant air emissions by type and weight.	Impact is insignificant				
EN21.	CORE	Total water discharge by quality and destination.	Impact is insignificant				
EN22.	CORE	Total weight of waste by type and disposal method.	Environmental Initiatives (Changes in Waste Generated and Recycling Volume)				
EN23.	CORE	Total number and volume of significant spills.	Not applicable				
EN24.	ADD	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not applicable				
EN25.	ADD	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not applicable			The Environment Prevention of pollution Sustainable resource use Protection of the environment & biodiversity, and restoration of natural habitats	6.5 6.5.3 6.5.4 6.5.6

Products and Services					
EN26.	CORE	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Environmental Initiatives (Initiatives to Reduce Environmental Impact)	The Environment Sustainable resource use Promoting social responsibility in the value chain Sustainable consumption	6.5 6.5.4 6.6.6 6.7.5
EN27.	CORE	Percentage of products sold and their packaging materials that are reclaimed by category.	Not applicable	The Environment Prevention of pollution Sustainable resource use Sustainable consumption	6.5 6.5.3 6.5.4 6.7.5
Compliance					
EN28.	ADD	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	Not applicable	The Environment	6.5
Transport					
EN29.	ADD	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Not reported	The Environment Sustainable resource use Promoting social responsibility in the value chain	6.5 6.5.4 6.6.6
Overall					
EN30.	ADD	Total environmental protection expenditures and investments by type.	Not reported	The Environment	6.5

Society

Labor Practices and Decent Work					
Disclosure on Management Approach			Relationship with Executives and Employees	Organizational governance Labour Practices Fundamental principles and rights at work Relationship with Customers (Approach and Basic Stance)	6.2 6.4 6.3.10
Performance Indicators					
Employment					
LA1.	CORE	Total workforce by employment type, employment contract, and region, broken down by gender.	Daiwa Securities Group Profile Relationship with Executives and Employees	Labour Practices	6.4
LA2.	CORE	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Relationship with Executives and Employees (Employees at the Daiwa Securities Group (Consolidated)) (Hiring Initiatives)	Employment and employment relationships	6.4.3
LA3.	ADD	Benefits provided to full-time employees that are not provided to temporary or parttime employees, by significant locations of operation.	Relationship with Executives and Employees (Creating a Workplace Supportive of Work-life Balance)	Labour Practices Employment and employment relationships Conditions of work and social protection	6.4 6.4.3 6.4.4
LA15.	CORE	Return to work and retention rates after parental leave, by gender.	Relationship with Executives and Employees (Creating a Workplace Supportive of Work-life Balance)	Labour Practices Conditions of work and social protection	6.4 6.4.4
Labor/Management Relations					
LA4.	CORE	Percentage of employees covered by collective bargaining agreements.	Relationship with Executives and Employees (Communication with Employees' Union)	Labour Practices Employment and employment relationships Conditions of work and social protection Social dialogue Fundamental principles and rights at work	6.4 6.4.3 6.4.4 6.4.5 6.3.10
LA5.	CORE	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Not reported	Labour Practices Employment and employment relationships Conditions of work and social protection Social dialogue	6.4 6.4.3 6.4.4 6.4.5
Occupational Health and Safety					
LA6.	ADD	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Not reported	Labour Practices Health and safety at work	6.4 6.4.6
LA7.	CORE	Rates of injury, occupational diseases, lost days, and absenteeism, and number of workrelated fatalities, by region and by gender.	Not reported		
LA8.	CORE	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Relationship with Executives and Employees (Creating a Workplace Supportive of Work-life Balance)	Labour Practices Health and safety at work Community involvement and development Community involvement Education and culture Health	6.4 6.4.6 6.8 6.8.3 6.8.4 6.8.8
LA9.	ADD	Health and safety topics covered in formal agreements with trade unions.	Not reported	Labour Practices Health and safety at work	6.4 6.4.6
Training and Education					
LA10.	CORE	Average hours of training per year per employee by gender, and by employee category.	Not reported	Labour Practices Human development and training in the workplace	6.4 6.4.7
LA11.	ADD	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Relationship with Executives and Employees (Human Resources Development and Skill Development)	Labour Practices Human development and training in the workplace Employment creation and skills development	6.4 6.4.7 6.8.5
LA12.	ADD	Percentage of employees receiving regular performance and career development reviews, by gender.	Relationship with Executives and Employees (Human Resources Development and Skill Development)	Labour Practices Human development and training in the workplace	6.4 6.4.7
Diversity and Equal Opportunity					
LA13.	CORE	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Relationship with Executives and Employees (Hiring Initiatives)	Discrimination and vulnerable groups Fundamental principles and rights at work Labour Practices Employment and employment relationships	6.3.7 6.3.10 6.4 6.4.3

Equal Remuneration for Women and Men					
LA14.	CORE	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Not reported	Discrimination and vulnerable groups Fundamental principles and rights at work Labour Practices Employment and employment relationships Conditions of work and social protection	6.3.7 6.3.10 6.4 6.4.3 6.4.4

Human Rights

Disclosure on Management Approach	Relationship with Executives and Employees (Human Rights Awareness)	Organizational governance Human Rights Due Diligence Human rights risk situations Resolving grievances Promoting social responsibility in the value chain	6.2 6.3 6.3.3 6.3.4 6.3.6 6.6.6
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Performance Indicators

Investment and Procurement Practices					
HR1.	CORE	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	We have no operations in areas where there are special concerns about protection of human rights	Human Rights Due diligence Avoidance of complicity Promoting social responsibility in the value chain	6.3 6.3.3 6.3.5 6.6.6
HR2.	CORE	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	We have no operations in areas where there are special concerns about protection of human rights	Human Rights Due diligence Avoidance of complicity Employment and employment relationships Promoting social responsibility in the value chain	6.3 6.3.3 6.3.5 6.4.3 6.6.6
HR3.	CORE	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Relationship with Executives and Employees (Human Rights Awareness)	Human Rights Avoidance of complicity	6.3 6.3.5
Non-Discrimination					
HR4.	CORE	Total number of incidents of discrimination and corrective actions taken.	Not applicable	Human Rights Resolving grievances Discrimination and vulnerable groups Fundamental principles and rights at work Employment and employment relationships	6.3 6.3.6 6.3.7 6.3.10 6.4.3
Freedom of Association and Collective Bargaining					
HR5.	CORE	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Not applicable, due to the nature of our business	Human Rights Due diligence Human rights risk situations Avoidance of complicity Civil and political rights Fundamental principles and rights at work Employment and employment relationships Social dialogue	6.3 6.3.3 6.3.4 6.3.5 6.3.8 6.3.10 6.4.3 6.4.5
Child Labor					
HR6.	CORE	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Our business entails no risk of using child labor	Human Rights Due diligence Human rights risk situations Avoidance of complicity	6.3 6.3.3 6.3.4 6.3.5
Forced and Compulsory Labor					
HR7.	CORE	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Our business entails no risk of using forced labor	Discrimination and vulnerable groups Fundamental principles and rights at work Promoting social responsibility in the value chain	6.3.7 6.3.10 6.6.6
Security Practices					
HR8.	ADD	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Impact is insignificant, due to the nature of our business	Human Rights Avoidance of complicity Employment and employment relationships Promoting social responsibility in the value chain	6.3 6.3.5 6.4.3 6.6.6
Indigenous Rights					
HR9.	ADD	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not applicable	Human Rights Resolving grievances Discrimination and vulnerable groups Civil and political rights Respect for property rights	6.3 6.3.6 6.3.7 6.3.8 6.6.7
Assessment					
HR10.	CORE	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Not reported	Human Rights Due Diligence Human rights risk situations Avoidance of complicity	6.3 6.3.3 6.3.4 6.3.5
Remediation					
HR11.	CORE	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Not reported	Human Rights Resolving grievances	6.3 6.3.6

Society					
Disclosure on Management Approach			Relationship with Society (Approach and Basic Stance) Compliance	Organizational governance Fair Operating Practices Community involvement and development	6.2 6.6 6.8
Performance Indicators					
Local Communities					
SO1.	CORE	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Impact is insignificant, due to the nature of our business	Economic, social and cultural rights Community involvement and development Community involvement Social Investment	6.3.9 6.8 6.8.3 6.8.9
SO9.	CORE	Operations with significant potential or actual negative impacts on local communities.	Not applicable	Economic, social and cultural rights Prevention of pollution	6.3.9 6.5.3
SO10.	CORE	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Not applicable	Protection of the environment, biodiversity and restoration of natural habitats Community Involvement and development	6.5.6 6.8
Corruption					
SO2.	CORE	Percentage and total number of business units analyzed for risks related to corruption.	IT Governance, Disclosure, and Information Security Risk Management	Fair Operating Practices Anti-corruption	6.6 6.6.3
SO3.	CORE	Percentage of employees trained in organization's anti-corruption policies and procedures.	Compliance		
SO4.	CORE	Actions taken in response to incidents of corruption.	Not applicable		
Public Policy					
SO5.	CORE	Public policy positions and participation in public policy development and lobbying.	Not reported	Fair Operating Practices Responsible political involvement	6.6 6.6.4
SO6.	ADD	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Not reported	Community involvement	6.8.3
Anti-Competitive Behavior					
SO7.	ADD	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	Not applicable	Fair Operating Practices Fair competition Respect for property rights	6.6 6.6.5 6.6.7
Compliance					
SO8.	CORE	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Not applicable	Fair Operating Practices Anti-Corruption Respect for property rights Wealth and income creation	6.6 6.6.3 6.6.7 6.8.7

Product Responsibility					
Disclosure on Management Approach			IT Governance, Disclosure, and Information Security Relationship with Customers (Approach and Basic Stance)	Organizational governance Fair Operating Practices Consumer Issues	6.2 6.6 6.7
Performance Indicators					
Customer Health and Safety					
PR1.	CORE	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not applicable, due to the nature of our business	Economic, social and cultural rights Promoting social responsibility in the value chain Consumer Issues	6.3.9 6.6.6 6.7
PR2.	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not applicable, due to the nature of our business	Protecting consumers' health & safety Sustainable consumption	6.7.4 6.7.5
Product and Service Labeling					
PR3.	CORE	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Relationship with Customers (Accountability to customers)	Consumer Issues Fair marketing, factual and unbiased information and fair contractual practices Protecting consumers' health & safety	6.7 6.7.3 6.7.4
PR4.	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not applicable	Sustainable consumption Consumer service, support and complaint and dispute resolution Education and awareness	6.7.5 6.7.6 6.7.9
PR5.	ADD	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Relationship with Customers (Initiatives Make Use of Customer Views)	Consumer Issues Protecting consumers' health & safety Sustainable consumption Consumer service, support and complaint and dispute resolution Access to essential services Education and awareness	6.7 6.7.4 6.7.5 6.7.6 6.7.8 6.7.9
Marketing Communications					
PR6.	CORE	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Relationship with Customers (Building Even Deeper Trust in Relationships with Customers)	Consumer Issues Fair marketing, factual and unbiased information and fair contractual practices	6.7 6.7.3
PR7.	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not applicable	Consumer service, support and complaint and dispute resolution Education and awareness	6.7.6 6.7.9

Customer Privacy					
PR8.	ADD	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not applicable	Consumer Issues Consumer data protection and privacy	6.7 6.7.7
Compliance					
PR9.	CORE	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	Not applicable	Consumer Issues Consumer service, support and complaint and dispute resolution	6.7 6.7.6

Sustainability Reporting Guidelines & Financial Services Sector Supplement

Item		Indicator	Link
Product and Service Impact (Financial Services Sector Specific Disclosure on Management Approach)			
FS1.	CORE	Policies with specific environmental and social components applied to business lines.	CSR Management (CSR Promotion System)
FS2.	CORE	Procedures for assessing and screening environmental and social risks in business lines.	Not reported
FS3.	CORE	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Compliance
FS4.	CORE	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	CSR Management (CSR Promotion System) Relationship with Executives and Employees (Human Resources Development and Skill Development)
FS5.	CORE	Interactions with clients/investees/ business partners regarding environmental and social risks and opportunities.	Relationship with Customers (Building Even Deeper Trust in Relationships with Customers) Relationship with Shareholders and Other Investors
Product and Service Impact (Performance Indicators)			
Product Portfolio			
FS6.	CORE	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Daiwa Securities Group Profile Social Responsibilities of the Financial Industry
FS7.	CORE	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Social Responsibilities of the Financial Industry
FS8.	CORE	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Social Responsibilities of the Financial Industry
Audit			
FS9.	CORE	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	Corporate Governance
Active Ownership			
FS10.	CORE	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Not reported
FS11.	CORE	Percentage of assets subject to positive and negative environmental or social screening.	Social Responsibilities of the Financial Industry
FS12.	CORE	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	Social Responsibilities of the Financial Industry
Society (Performance Indicators)			
Community			
FS13.	CORE	Access points in low-populated or economically disadvantaged areas by type.	Not applicable
FS14.	CORE	Initiatives to improve access to financial services for disadvantaged people.	Relationship with Customers (Building Even Deeper Trust in Relationships with Customers) Relationship with Society (4. Assistance to communities on both the local and the international level through foundations and NPOs)
Product Responsibility (Performance Indicators)			
FS15.	CORE	Policies for the fair design and sale of financial products and services.	Relationship with Customers (Building Even Deeper Trust in Relationships with Customers)
Product Responsibility (Performance Indicators)			
Product and Service Labeling			
FS16.	CORE	Initiatives to enhance financial literacy by type of beneficiary.	CSR Management (CSR Issues: Performance and Targets) Relationship with Society (1. Education and research activities in the fields of economics and finance)