

Daiwa Securities Group and SDGs



Facilitating the Flow of
Money to Benefit Society

Towards Realizing “Vision 2030”



Daiwa Securities Group Inc.
President and CEO

中田 誠司
Seiji Nakata

In FY2021, Daiwa Securities Group set out the management vision “Vision 2030” and announced their “Net Zero Carbon Declaration” that includes reduction targets for greenhouse gas emissions.

In recent years, transition finance has attracted attention as a financing mean towards transition to a carbon-neutral society. Support for the financing of companies’ efforts to solve social issues, including transition finance, is one of the important missions of a comprehensive securities group.

In May 2022, Daiwa Securities Group marked its 120th anniversary. In its long history, the Group has fostered the pioneering spirit of continuously implementing new innovations. We will continue to evolve with the times, and unite as one to create a new sustainable capital cycle towards realizing the SDGs.

In the world surrounding us, there are still a large number of social issues that are unresolved, and companies are expected to take further action towards 2030—the target year for the SDGs.

Against this backdrop, we have positioned “Vision 2030,” as a set of action guidelines and are encouraging all employees to “own” SDGs. We are also exploring ways in which, we as the Daiwa Group can contribute in achieving the SDGs.

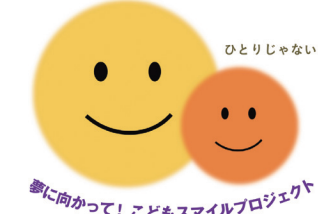
In this booklet, we present the achievements in each of our five priority areas for the first year of “Vision 2030”. We will continue to take on the challenge in partnership with our stakeholders.



Daiwa Securities Group Inc.
Director, Deputy President,
Executive Head of Overseas Operations,
Head of SDGs and Think Tank

田代 程子
Kiyoko Tanaka

Daiwa Securities Group 120th Anniversary Children’s Future Project



On May 1, 2022, the Daiwa Securities Group marked the 120th anniversary of its founding thanks to the support of our many stakeholders, including customers, shareholders, investors, local communities, business partners, and employees.

In commemoration of the anniversary, we planned a Daiwa Securities Group 120th Anniversary Children’s Future Project to express our gratitude to the local communities that have supported us to date and to support children, who will lead the future.

Under the project, we donated a total of ¥120 million — ¥110 million to child support groups^{*1} selected by Daiwa Securities and its branches nationwide and ¥10 million yen to the Children’s Future Support Fund^{*2}.

Daiwa Securities Group recognizes that poverty and wealth inequality are some of the key social issues to be addressed. Since 2017, we have been undertaking the “For Your Dreams—Daiwa Securities Group Children’s Smile Project,” which aims to improve the environment for children living in difficult situations and break the chains of poverty.

We will continue to work on activities to help improve the future of children.

^{*1} Non-profit organizations that work on initiatives to reduce the future poverty risks of children, such as improvement of living, learning, and growth environments for children in poverty

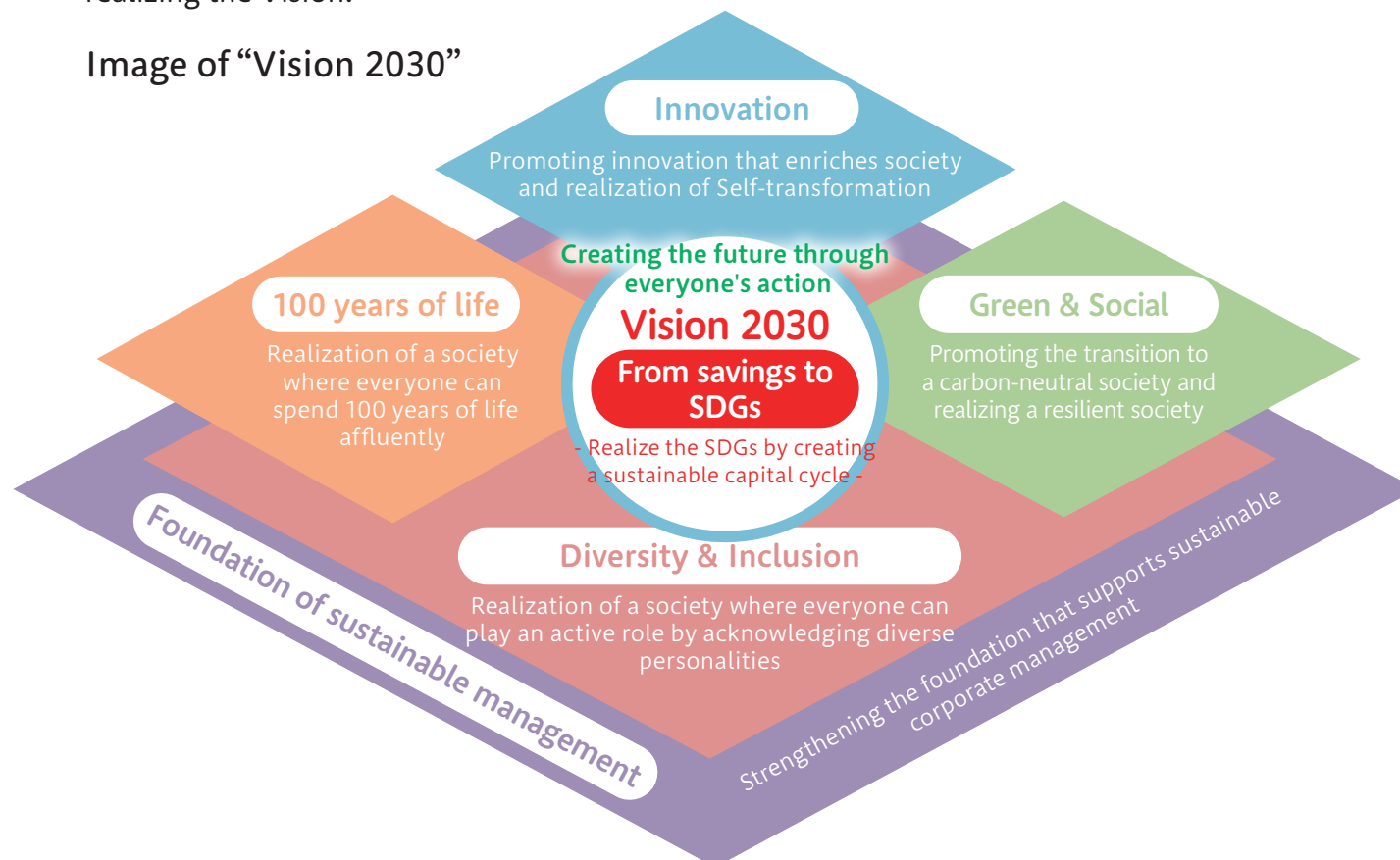
^{*2} Established in 2015 as a public-private partnership project for alleviating child poverty

Vision 2030

Under the core concept of “From savings to SDGs,” the management vision “Vision 2030” is aimed at realizing the SDGs by creating a sustainable capital cycle. We have identified priority areas and issues we will focus on as materiality.

Our current Medium-term Management Plan is also a strategy for the initial three years towards achieving “Vision 2030” and we have set KPIs in the plan to manage and drive progress in realizing the Vision.

Image of “Vision 2030”



“Vision 2030” and materiality

Priority areas



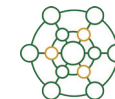
100 years of life



Innovation



Green & Social



Diversity & Inclusion



Foundation of sustainable management

Priority issues

1. Support for household asset formation and conservation toward the realization of a prosperous 100-year life
2. Realization of local revitalization with private funds
3. Financial support for economic growth in Asia
4. Support for accelerating corporate metabolism toward the realization of innovation that enriches society
5. Reform of business portfolio to create new added value
6. Leading social transformation as a one-of-a-kind financial platformer
7. Promotion of green finance to support the realization of a carbon-neutral society
8. Development and provision of new financial products and services that contribute to the realization of a sustainable society
9. Fostering human resources who can provide added value
10. Building an organization where everyone can play an active role by acknowledging diverse personalities
11. Strengthening a sound and highly transparent management base
12. Leading the maintenance and development of financial and capital markets
13. Creating a beautiful global environment that will lead to the next generation
14. Realization of a better future community/society



Daiwa Securities Group is a leading financial services provider; as such, it will provide solutions that cater to diversifying customer needs, with the goal of realizing a society in which everyone can live a prosperous 100 years of life.

Daiwa Securities Co. Ltd.

Daiwa Future Designers

As life plans become increasingly diversified and sophisticated with the arrival of the 100-year life era, Daiwa Securities provides “Future Designers,” a financial consulting service to help each of its customers realize their medium and long-term goals and dreams.

Daiwa Securities also encourages employees to gain qualifications, such as CFP® and Certified Member Analyst of the Securities Analysts Association of Japan*, to ensure that the employees have enough knowledge to meet the various requirements of its customers.

Combining the employees’ knowledge with the analyses of ‘Future Designers’ planning tools, Daiwa Securities supports its customers of all ages figuring out the life plans, asset management plans and inheritance plans.

* Daiwa Securities has set the target of increasing the number of employees with CFP® and Certified Member Analyst of the Securities Analysts Association of Japan to at least 3,000 by FY2023. The number of its employees with CFP® qualifications has exceeded 1,000, which is the top level in the securities industry.



Daiwa Securities Co. Ltd.

Anshin-Tsunagaru Wrap for Asset Succession Support

Daiwa Securities has begun handling the “Anshin-Tsunagaru Wrap (Daiwa Fund Wrap with an Anshin-Tsunagaru special contract)” as a wrap account service for customers who are seniors.

To ensure that senior customers can entrust their precious assets with peace of mind, the product enables those customers to choose “Asset Preservation-Focused Style,” a new investment style focused on asset preservation. Supplementary services for connecting customers’ assets to their families are also available to support asset succession in all aspects, such as inter vivos gifts and provision for inheritance.

Considering the 100-year life era, we will provide services that can provide a sense of security not only to senior customers but also to their families.



Good Time Living Co. Ltd.

Enhancing Nursing Care Services Through Use of ICT (Information and Communication Technology)

Good Time Living strives to enhance its services and reduce non-client-facing operations. It shares information and knowledge by utilizing network communications, and works to provide communication-oriented services. The company records the health and lives of residents in a timely manner as it has switched from paper recording to mobile device recording. It also coordinates information among various staffs, thereby improving environments, reviewing care, and providing services in a way that caters to each and every resident, as well as operating efficiently.



Daiwa Securities Group will promote innovation that enriches society through the provision of innovative financial products and services, providing new investment opportunities for its customers. In addition, the Group will seek to improve and innovate by accelerating and refining its hybrid strategies.*

Daiwa Real Estate Asset Management Co. Ltd.

Daiwa Energy & Infrastructure Co. Ltd.

Private Core Solar Fund

Daiwa Real Estate Asset Management (“Daiwa Real”) established DSREF Amaterasu Core Fund, Investment Limited Partnership (“Amaterasu”), a private solar fund investing in brownfield solar power generation projects in Japan.

Also, Daiwa Energy & Infrastructure (“Daiwa Energy”) plans to provide its stable-operating solar power plants to Amaterasu.

Daiwa Securities Group utilizes investment and loan functions of Daiwa Energy and infrastructure asset management functions of Daiwa Real to promote its capital recycling model in the renewable energy field. The Group will continue to meet investors’ needs for investing in alternative assets.



Solar power plant in Kurihara City, Miyagi Prefecture, which is the first property incorporated in Amaterasu

* Hybrid strategy

This is a strategy of expanding our business portfolio into new businesses expected to provide synergies, while positioning the securities business as our core, with the aim of delivering a wider, and more stable, revenue base.

Daiwa Institute of Research Ltd.

Providing Solutions That Resolve Social Issues

For details, please scan here



Daiwa Institute of Research aims to contribute in the SDGs field by providing research, consulting and system solutions for customers to resolve social issues through their business activities.

Following the expansion of ESG investment and the revision of the Corporate Governance Code, companies and investors are increasingly focusing on the disclosure of sustainability information. Against this backdrop, Daiwa Institute of Research assists customers in disclosing information based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), as well as planning strategies and formulating response measures in light of the recommendations. In the energy management solutions field, the company provides a system that collects and analyzes information on the electricity usage of customers’ buildings and visualizes electricity usage along with information on CO₂ emissions. Through the provision of this system, the company helps customers to reduce CO₂ emissions.

In the health and productivity management field, Daiwa Institute of Research has developed and started to provide customers with the “Employee Wellness Report,” which visualizes the degree of happiness of employees.

Fintertech Co. Ltd.

Lending Crowdfunding “Funvest”

For details, please scan here Japanese



The term “funvest” is coined from the words “fun” and “invest.”

It is a Lending Crowdfunding in which the capital provided by investors is loaned to borrowers in Japan and overseas.

As investment in an anonymous association, investors provide the fund with capital, which is then managed by Fintertech. The interest revenue received from borrowers becomes a source of returns to the investors. The investors can expect to gain returns without managing their money on their own.



Daiwa Securities Group will focus on providing financial products and services that contribute to the resolution of environmental and social issues, with the twin goals of promoting a shift to a carbon-neutral society and of realizing a resilient society. The Group will also proactively engage in advisory services and investments in the field of renewable energies.

The Daiwa Securities Group Net Zero Carbon Declaration

Towards the early achievement of a carbon-neutral society, the Group has formulated the “Daiwa Securities Group Net Zero Carbon Declaration” that commits to achieve net zero greenhouse gas emissions within our own operations* by 2030 (Scope 1 and Scope 2), and net zero greenhouse gas emissions across our investment and loan portfolios, etc. by 2050 (Scope 3).

The Daiwa Securities Group Net Zero Carbon Declaration

- (1) Achieve net zero greenhouse gas emissions within our own operations* by 2030 (Scope 1 and Scope 2)
- (2) Achieve net zero greenhouse gas emissions within our investment and loan portfolios, etc. by 2050 (Scope 3)
- (3) Support the smooth transition to a carbon-neutral society through our business activities

Daiwa Securities Group's main priority areas

Sustainable finance for the delivery of a carbon-neutral society

Support for new technologies and promote business solutions that contribute to the delivery of a carbon-neutral society

Provide investment opportunities that contribute to the delivery of a carbon-neutral society

Reduce the environmental footprint of the company

Set targets to align with the Paris Agreement goals and expand transparent information disclosure

Strengthen our management system to achieve net zero carbon

* The company's emissions will be calculated on a consolidated basis.

Expanding the Range of SDG-related Funds

Visit the special site from here Japanese



We are expanding our line-up to enable customers to make SDG investments that meet their needs.

Daiwa Asset Management Co. Ltd.

Awarded Tokyo Financial Award 2021

In the Tokyo Financial Award 2021, hosted by the Tokyo Metropolitan Government, Daiwa Asset Management was awarded the Governor's Special Prize for Green Finance in the ESG Investment Category in recognition of the company's “CANDRIAM Decarbonization Technology Fund (nickname: Carbon ZERO)” and initiatives under the tree-planting project “Foster Forests for Tomorrow Together.” The prize is awarded to one business that is particularly outstanding in its green finance initiatives.



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Introducing the Group's Renewable Energy into Head Office Building


In April 2021, we effectively switched to renewable energy for the entire amount of electricity consumed by all the Group companies occupying the head office building by utilizing a non-fossil fuel energy certificate with tracking information*. This initiative was implemented in collaboration with Mitsui Fudosan Co., Ltd., the lessor of the head office building.

This turned into a group-wide initiative in July 2021 as we switched to a certificate that proves energy originating from renewable energy plants owned by Daiwa Energy & Infrastructure Co. Ltd. in Japan.

* A non-fossil fuel energy certificate that provides information on solar, wind, and hydraulic and other energy by source, as well as added information such as the locations of power plants.

Promotion of SDGs Finance

Daiwa Securities Group has established a team dedicating SDGs finance, offering products, services, and proposals that meet the needs for SDGs finance from our customers, issuers and investors. We also strive to contribute to spreading and expanding of SDGs finance.

	Funds raised through SDGs bonds are appropriated to projects that contribute to the SDGs. Proceeds from SDGs bonds, unlike ordinary bonds, are designed to be used for solving key global challenges.
Green Bonds	Used to raise funds required for green projects that contribute to solving global warming and other environmental issues.
Social Bonds	Used to raise funds required for social projects that contribute to solving social issues, such as hygiene, welfare, and education.
Sustainability Bonds	Used to raise funds required for both green and social projects.
Sustainability Linked Bonds	Bonds that set KPIs and SPTs and urge companies to achieve the targets for their sustainability activities.
Transition Bonds	Used to raise funds required for green initiatives of core projects aimed at transition to a carbon-neutral society.



Daiwa Next Bank, Ltd.

“Support Term Deposits” Supporting Society

Daiwa Next Bank donates an amount calculated by multiplying the balance of its “Support Term Deposits” by a certain rate to 10 or more organizations according to four themes.

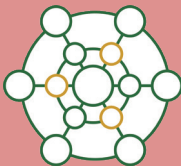
The deposit balance stands at approximately ¥152.5 billion as of March 31, 2022. Daiwa Next Bank donated ¥8.88 million in April 2022 (the amount for the second half of FY2021), which includes donations made through charity events commemorating the bank’s 10th anniversary of its founding. The cumulative total amount donated is approximately ¥62 million. Daiwa Next Bank has set a target of increasing the balance of Support Term Deposits to at least ¥200 billion by FY2023.

Feedback received from customers includes: “This was a good opportunity to learn about social issues” and “I hope similar initiatives will become more widespread.” Through the deposits product, we will continue to advance our initiatives for solving social issues.

Examples of activities that can be supported through term deposits

Environmental protection, support to sports for persons with disabilities, medical support to children, support to children in poverty and other vulnerable situations, etc.





Daiwa Securities Group will contribute to the delivery of societies which acknowledge diverse forms of individuality, and in which everyone can flourish. In addition, the Group will continue to focus on molding an organization in which each of its employees can be their true selves and experience work satisfaction.

Promotion of Women's Advancement

Daiwa Securities Group implements training programs to support female employees to provide opportunities to think about their career. We also strive to increase female managers by helping to build networks across different generations. In addition, Daiwa Securities Group has been selected as a "Nadeshiko Brand," as a listed company that excels in promoting women's advancement.

The Group has introduced "Daiwa Online Care," an online medical care service for employees, as well as "Daiwa ELLE Plan," which provides comprehensive support for health issues specific to women. In recognition of these initiatives, the Group has been introduced as "a company to watch" in concrete examples of companies utilizing FemTech* to solve health issues specific to female employees and develop an environment that supports the empowerment of women.

Through these initiatives, we encourage women to succeed, aiming to increase the ratio of female directors to at least 30% by 2030 and the ratio of women in managerial positions to at least 25% by 2025.

*Products and services that can resolve women's health issues with technology.



Selected by Both Brands for Eight Consecutive Years Since 2014

We will stay committed to further enhancing the level of our services for customers by raising employees' job satisfaction and developing an environment that ensures employees can exhibit their capabilities to the maximum extent.

* "Nadeshiko Brand" and "Health & Productivity Stock Selection" are awarded jointly by Japan's Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.

Employment of People with Disabilities

In FY2011, to enable employees with disabilities to handle a wide range of responsibilities, Daiwa Securities Group broadened the scope of their recruitment as regular employees to career track employees, regional career-track employees, and customer service employees.

Once people with disabilities are hired, we provide support for their career advancement by, for example, creating opportunities for career track changes. To further strengthen our support to employees, we also introduced the Daiwa LEAP Plan* in 2018.

*The Daiwa LEAP Plan is comprehensive support that includes a leave program for outpatient treatment, subsidies for expenses incurred to start work, and the introduction of support tools according to the type of disability.

Daiwa Capital Markets Europe Limited (DCME)

Appointment of a Female CEO

In October 2021, DCME announced that it had appointed Megan McDonald as its new CEO. With this appointment, the percentage of women on the company's Board of Directors is expected to rise to 40%.

In 2017, Megan McDonald was selected by Financial News as one of the 100 most influential women in European Finance.



"Pride Month" Campaign

In June 2021, DCME launched their pilot "Pride Month" campaign to raise awareness for the LGBTQ+ community and express its support for their social rights. In efforts to raise LGBTQ+ awareness, DCME disseminated allyship training and information within the company, while changing the design of its company name logo used during the month, such as in email signatures, to a rainbow flag, which is a symbol of LGBTQ+.





Providing Financial Knowledge across the Generations

Daiwa Securities Group provides opportunities for financial education to help deepen financial literacy across the generations and increase money flows in the market, helping to revitalize financial markets in the future.



Supporting Sound Financial and Capital Markets

Daiwa Securities Group assists companies that need funds and supports the efficient allocation of capital. We will continue to support social infrastructure by contributing to the creation of a more active and stable financial markets.

Cooperation with the “Oshigoto Museum”

Daiwa Securities Group cooperates with the “Oshigoto Museum (it means a job museum)” a career education support project for elementary school and junior high school students. The project provides information on working and jobs through the book “Oshigoto Almanac (it means a job almanac)” the “Oshigoto Museum Website,” and the “EduMall” educational content distribution service. It helps children to develop a vision of their future jobs.

Oshigoto Museum
Website Japanese



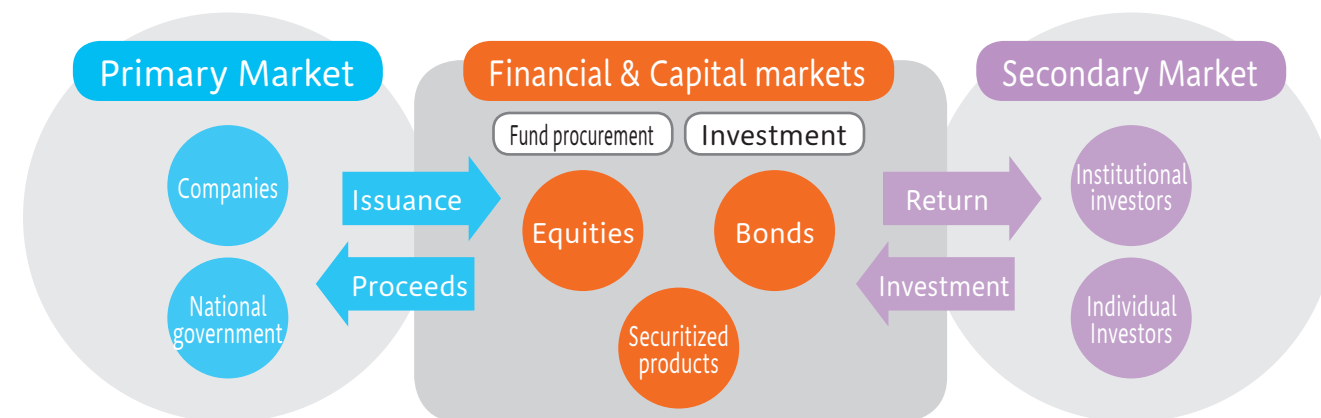
Digital Educational Material “Let’s Learn About Stocks”

Daiwa Securities Group created PowerPoint educational material for learning about stocks in response to the progress of digitalization in schools under the government’s Global and Innovation Gateway for All (GIGA) School Program.

The material incorporates in its note function instruction plans and explanation examples, enabling schools to immediately use it for classes.



Securities Companies’ Roles in Society as Viewed by the Daiwa Securities Group



Roles of Securities Companies

Protect market trust —Work to ensure a fair and sound market

Fund procurement
by companies, etc.

Support for initial
public offerings

Assistance in
trading of securities

Assistance in
asset building

Analysis and provision
of information

Implementation of “Jeans Day”

We have initiated “Jeans Day,” a one day a month charity event for those affected by COVID-19. On the day, officers and employees come to the office in casual clothes and undertake fundraising activities.

The whole of the funds raised in the first half of FY2021 was donated to a nationwide campaign to support those engaged in welfare activities for people affected by the COVID-19 pandemic run by Akai Hane Central Community Chest of Japan. In March 2022, we selected the Japan Committee for UNICEF’s “Ukraine Emergency Fund” as the destination for our donations in light of the recent situation involving Ukraine. Through the Jeans Day event, we collected more than ¥20 million in one year, creating opportunities to participate in social contribution activities. The event has also contributed to generating an atmosphere and communication style that are not seen in daily work, helping to develop an open working environment and improve engagement between employees.



To coincide with International Women’s Day, Daiwa Securities Group created a marketing campaign that demonstrated the diversity of officers and employees!



(published in the morning edition of The Nikkei newspaper dated March 8, 2022)

Daiwa Securities Group SDGs Promotion Original Logo



An employee designed this logo while imagining the realization of a sustainable society. We will share the logo across the Group and advance our initiatives to achieve the SDGs.

Overview of Daiwa Securities Group (as of June, 2022)

■ Corporate Name	Daiwa Securities Group Inc.
■ Head Office	GranTokyo North Tower 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-6751, Japan
■ TEL	81-3-5555-1111
■ President and CEO	Seiji Nakata



Group website