

Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Response

The Business Structure of JA/JF/JForest and the role of the Norinchukin Bank

The Norinchukin Bank ("the Bank") operates various businesses in alliance with Japan Agricultural Cooperatives (JA), Japan Fishery Cooperatives (JF) and Japan Forest Owners' Cooperatives (JForest) at each locality and prefectural-level JA Shinnoren, JF Shingyoren and JForest Moriren. In the retail banking business, JA and JF nationwide, together with JA Shinnoren, JF Shingyoren and the Bank, develop businesses as JA Bank and JF Marine Bank. JA Bank finances local needs, utilizing deposits received by each JA from individual members. Remaining funds are deposited to JA Shinnoren and used mainly to finance larger-scale firms. The Bank receives the remaining funds as deposits from JA Shinnoren and conducts investment and finance activities globally. The Bank returns the profit to JA Shinnoren and JA. Likewise, at JF Marine Bank, JF, JF Shingyoren and the Bank each play a role in managing deposits received. JForest Group, comprised of JForest, JForest Moriren and JForest Zenmoriren (National Federation of Forest Owners' Cooperative Associations), in contrast, does not conduct banking business. The Bank cooperates in close alliance with JForest Group, providing support/subsidy for its activities and human resource development.

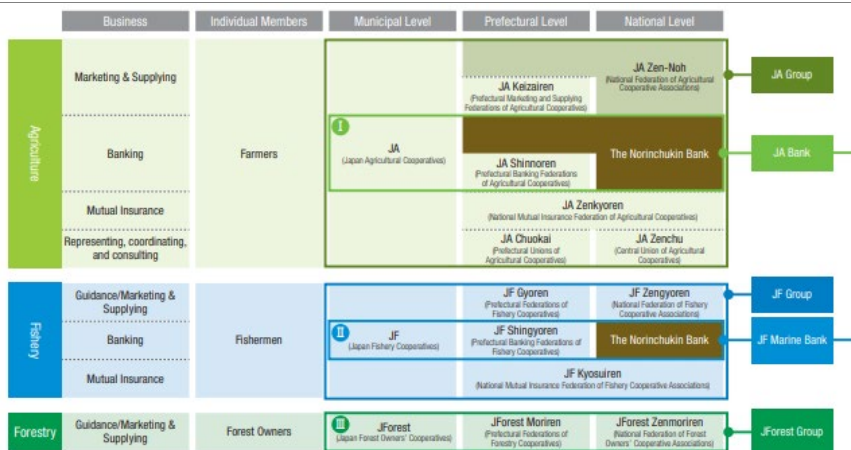
Links and references

https://www.nochubank.or.jp/en/ir/annual-report/pdf/ar_2024_1.pdf

p.3,4,11,12,23-34

https://www.nochubank.or.jp/en/ir/annual-report/pdf/ar_2024_2_05.pdf

p.102



JA Bank : Organization Overview As of April 1, 2024



*1 The number of JA (Japan Agricultural Cooperatives), 508, is the number of JA Bank members

JF Marine Bank : Organization Overview As of April 1, 2024



*2 The number of JFs (Japan Fishery Cooperatives), 72, is the number of JF Marine Bank members

Outline of the Business – Value Creation Process

There are three main business activities that enable us to achieve our purpose. Food and Agriculture Business, Retail Business, and Investment Business. Through these three businesses, we create not only revenue and profits, but also environmental and social values for our stakeholders.

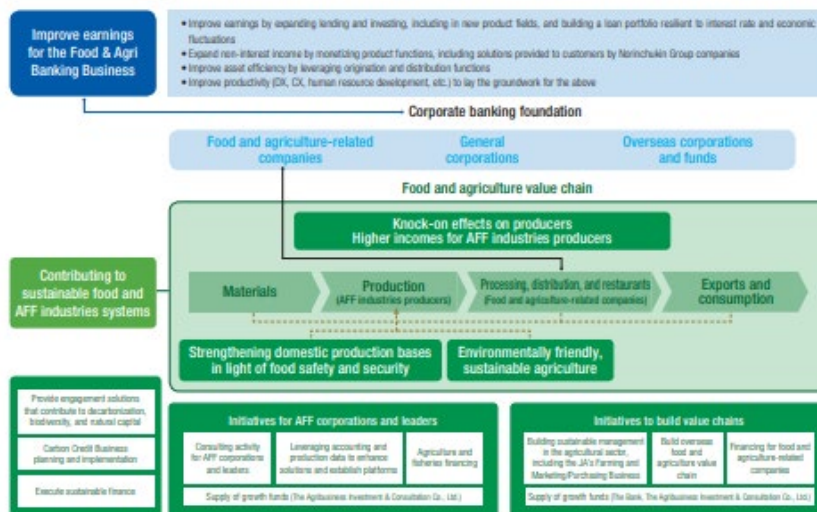
Value Creation Process



Food and Agriculture Business

The Food and Agriculture Business creates and provides added value in order to turn the AFF industries into growth industries, lift incomes and strengthen production foundations. But it cannot realize these through support for producers alone. Initiatives covering the entire food and agriculture value chain are necessary, from the manufacture of machinery and materials used in production through to processing, distribution, restaurants, retailing, exports, and consumption. Backed by our strength of a broad range of transactions spanning from upstream to downstream, we serve as a “bridge” between AFF producers and some 1,700 client companies throughout Japan. By coordinating between producers and companies, we are working to build up a track record of high-quality projects that can lead to higher incomes, address sustainability topics and solve business challenges faced by client companies.

Taking a two-pronged approach to deepen the Food and Agriculture Business, we are providing services leveraging the expertise of the Norinchukin Group and working to expand lending and investing, including in new product fields, as well as to build a loan portfolio resilient to fluctuations in interest rates and the economy. Our aim is to expand earnings of the Food & Agri Banking Business.



Retail Business

JA and JF are independent financial institutions providing financial services finely tuned to the varying requirements of different regions, individual members and users throughout Japan. To provide these retail services more efficiently and effectively, Norinchukin Bank at the national level works together with JA Shinnoren and JF Shigyoren at the prefectural level to operate integrated businesses in the form of JA Bank and JF Marine Bank.

JA Bank not only provides agricultural loans and other financial support for production activity but also offers appropriate financial products and services tailored to customers' life events, such as starting work, getting married, buying a house and retiring, and supports stable financial asset building and management. We call these services the "life-plan support business," through which JA Bank provides mutual fund and will trust services, as well as various financial services such as savings, settlements and housing loans.

Incorporating services provided by other businesses operated by JA (such as guidance, economic and mutual assistance services) enables us to serve customers of all ages in a way that only a comprehensive service provider can.

We are also strengthening and expanding our non-face-to-face transaction channels by enhancing the functions of JA online banking and the JA Bank app. In addition, we are restructuring our face-to-face transaction channels via, for example, full-service branches staffed by specialists and client-relationship managers and Yorisoi Plaza facilities that strengthen points of contact with users while increasing the Bank's efficiency.

JF Marine Bank leverages its expertise as a financial institution specializing in the fishery industry and also provides lifestyle support loans and business succession consultations to help customers manage life events, thereby supporting the lives of people and areas dependent on the fishery industry.

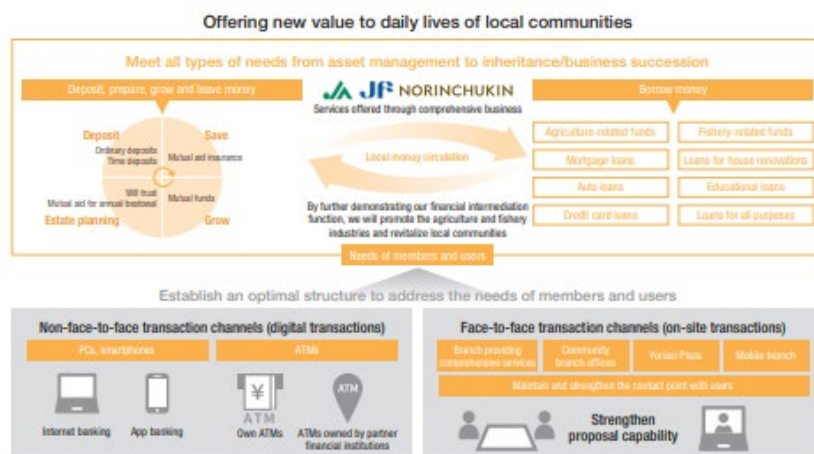
The Norinchukin Bank plays a role as the nationwide headquarters for the business conducted by JA Bank and JF Marine Bank.

In addition to strategizing and planning products and services for JA Bank and JF Marine Bank, the Bank works with them to determine how best to market these products and services to members and users. We have determined JA Bank Medium-Term Strategies (fiscal 2022-24) and JF Marine Bank Medium-Term Strategies (fiscal 2024-26) as overarching nationwide strategy. Strategies tailored to the requirements of individual prefectures and to those of individual JAs and JFs are then devised and implemented based on these.

The Bank also provides the digital infrastructure and unified administrative procedures that JAs and JFs use nationwide. We coordinate a range of requirements from the provision of a settlements network to ensuring regulatory compliance.

The issues that individual JA and JF institutions encounter vary, including by region. We are currently encouraging and supporting individual JAs and JFs in clarifying their optimal management strategies, while respecting their autonomy. The Bank also provides the requisite management guidance and support to individual JA and JF institutions based on the JA Bank Basic

Policy and JF Marine Bank Basic Policy in order to ensure the stability and soundness of the JA Bank System and JF Marine Bank System.

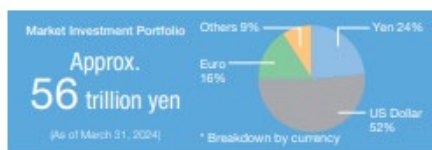
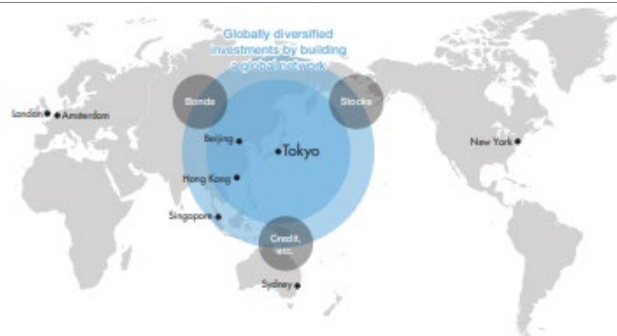


Investment Business

Norinchukin Bank plays the role as ultimate manager of funds entrusted with JA Bank and JF Marine Bank. To fulfill this role, the Investment Business effectively manages funds by taking advantage of economies of scale to meet its ultimate goal of ensuring stable profit over the medium to long term and continuing to return investment profits to our members.

In striving to achieve this goal, the Investment Business was one of the first to pursue “globally diversified investments” in global financial markets when Japan entered an era of low interest rates some 25 years ago. We are building a global network using overseas sites, including local subsidiaries. We control the risk of our overall portfolio (investment assets) through careful scrutiny of ample data and by diversifying our investments in markets and assets with different risk-return characteristics rather than concentrating investments in limited markets and asset classes. To pursue the utmost stability of profits for the medium and long term, we constantly review our investment methods and risk management and will continue to take on the challenge of upgrading our globally diversified investments.

In our Investment Business, we are also engaged in sustainable finance. For example, by actively investing in bonds focusing on the important theme of risk management for natural disasters, we support the development of a sustainable environment, society and AFF industries from an investment perspective.



As of 03/2024, approximate balance of loan and bills discounted is 16 trillion yen, money held in trust is 11 trillion yen, and securities is 44.trillion yen.

36. The Norinchukin Bank (Parent Company)

(1) Non-consolidated Balance Sheet

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2024	2023	2024
Assets			
Cash and Due from Banks	¥21,194,993	¥22,348,159	\$140,095
Receivables under Resale Agreements	—	304,742	—
Monetary Claims Bought	265,376	321,441	1,754
Trading Assets	4,484	3,635	29
Money Held in Trust	10,647,983	8,417,071	70,381
Securities	44,123,149	40,062,645	291,646
Loans and Bills Discounted	16,990,779	16,902,539	112,306
Foreign Exchange Assets	281,371	584,996	1,859
Other Assets	2,572,059	1,597,511	17,000
Tangible Fixed Assets	127,367	132,538	841
Intangible Fixed Assets	49,206	47,649	325
Prepaid Pension Cost	10,608	71,996	70
Deferred Tax Assets	41,387	343,817	273
Deferred Tax Assets for Land Revaluation	1,600	1,600	10
Customers' Liabilities for Acceptances and Guarantees	221,710	409,059	1,465
Reserve for Possible Loan Losses	(115,364)	(122,496)	(762)
Reserve for Possible Investment Losses	—	(1,481)	—
Total Assets	¥96,416,713	¥91,425,426	\$637,297
Liabilities and Net Assets			
Liabilities			
Deposits	¥62,851,942	¥63,832,307	\$415,440
Negotiable Certificates of Deposit	2,382,251	2,296,478	15,746
Debentures	379,548	455,034	2,508
Call Money	2,428,800	390,000	16,053
Payables under Repurchase Agreements	13,211,510	10,613,476	87,325
Trading Liabilities	3,429	2,786	22
Borrowed Money	4,136,887	3,931,746	27,344
Foreign Exchange Liabilities	—	28	—
Short-term Entrusted Funds	1,548,844	797,420	10,237
Other Liabilities	5,021,285	3,205,231	33,189
Reserve for Bonus Payments	5,537	5,719	36
Reserve for Retirement Benefits	12,471	15,150	82
Reserve for Directors' Retirement Benefits	960	898	6
Acceptances and Guarantees	221,710	409,059	1,465
Total Liabilities	92,205,180	85,955,337	609,459
Net Assets			
Paid-in Capital	4,040,198	4,040,198	26,704
Capital Surplus	25,020	25,020	165
Retained Earnings	2,063,727	2,067,877	13,640
Total Owners' Equity	6,128,947	6,133,096	40,511
Net Unrealized Gains (Losses) on Other Securities, net of taxes	(1,816,952)	(680,481)	(12,009)
Net Deferred Gains (Losses) on Hedging Instruments, net of taxes	(98,361)	19,573	(650)
Revaluation Reserve for Land, net of taxes	(2,099)	(2,099)	(13)
Total Valuation and Translation Adjustments	(1,917,413)	(663,007)	(12,673)
Total Net Assets	4,211,533	5,470,089	27,837
Total Liabilities and Net Assets	¥96,416,713	¥91,425,426	\$637,297

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

☒ Yes

☐ No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- ☒ UN Guiding Principles on Business and Human Rights
- ☒ International Labour Organization fundamental conventions
- ☒ UN Global Compact
- ☐ UN Declaration on the Rights of Indigenous Peoples
- ☐ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: -----
- ☒ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: -The UK Modern Slavery Act
- ☐ None of the above

Response

We renewed our materiality from 5 focus areas and 14 topics to 5 important issues in March 2024. In addition, we put these 5 important issues in the second level from the top in our management system pyramid.

5 important issues to achieve our purpose

- Realizing a carbon-neutral society
- Realizing a society living in harmony with nature
- Strengthening the “earning power” of the AFF industries
- Realizing a resilient food system
- Achieving well-being at both local and international level

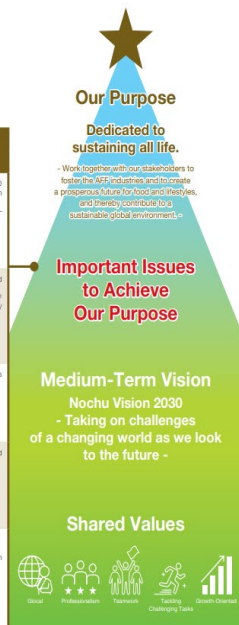
Important Issues to Achieve Our Purpose (Materiality)

The Bank has defined our Purpose with a view to environmental and social changes toward 2050. The Bank has also organized “Important Issues to Achieve Our Purpose” as important themes considering risks and opportunities and possible impacts for the Bank, expectations from stakeholders. Through our daily business activities based on the Medium-Term Vision, we will work to address the risks and opportunities associated with these Important Issues, as well as to create positive impacts and reduce negative impacts.

▶ Please see page 36 for “Materiality Identification Process.”

Important Issues to Achieve Our Purpose	Examples of financial effects and impacts			Major initiatives
	Risk	Opportunities	Impacts	
1 Realizing a carbon-neutral society	<ul style="list-style-type: none"> Increase in credit costs due to changing policies, markets, etc., as well as natural disasters. Criticism against business activities that do not take climate change into account. Impact on the business base due to lower sustainability of the AFF industries and local communities. 	<ul style="list-style-type: none"> Extend investments/loans and business related to climate change. 	<ul style="list-style-type: none"> Contribute to reducing GHG emissions and curbing the rise in global temperatures through stakeholder engagement. 	<ul style="list-style-type: none"> Take actions to reduce financed GHG emissions – Net Zero by 2050. Initiatives to secure the amount of loan carbon sink, together with shared members – 8 billion USD/year by FY2030. Take actions to reduce GHG emissions by the Bank Group itself – Net Zero by 2030. Exclude new sustainable finance (N10 billion by FY2030)*.
2 Realizing a society living in harmony with nature	<ul style="list-style-type: none"> Increase in credit costs due to changing policies, markets, etc., as well as natural disasters. Criticism against business activities that are not environmentally friendly. Impact on the business base due to lower sustainability of the AFF industries and local communities. 	<ul style="list-style-type: none"> Extend investments/loans and business related to natural capital and biodiversity. 	<ul style="list-style-type: none"> Contribute to a nature-positive society through stakeholder engagement. 	<ul style="list-style-type: none"> Enrich and advance the provision of analysis, disclosure, and solutions. Support transitioning to a circular economy and circular AFF industries through cooperation with members and investors/borrowers.
3 Strengthening the “earning power” of the AFF industries	<ul style="list-style-type: none"> Impact on the business base due to lower sustainability of the AFF industries and shrinking local economies. 	<ul style="list-style-type: none"> Conduct investments and loans to the AFF industries and local and agriculture-related companies, etc., and extend business using IT/digital technologies, etc. 	<ul style="list-style-type: none"> Contribute to increasing the income of farmers, fishermen, and foresters in collaboration with members. 	<ul style="list-style-type: none"> Provide consulting solutions to management issues faced by leaders.
4 Realizing a resilient food system	<ul style="list-style-type: none"> Impact on the business base due to lower sustainability of the AFF industries caused by disruption of global supply chains, etc. 	<ul style="list-style-type: none"> Conduct investments and loans to the AFF industries and local and agriculture-related companies, etc., and extend business using IT/digital technologies, etc. 	<ul style="list-style-type: none"> Contribute to strengthening the domestic production base and improving Japan’s food self-sufficiency rate, through investments and loans as well as building a new food and agriculture value chains in collaboration with members. 	<ul style="list-style-type: none"> Supply growth capital to farmers, fishermen, and foresters, the food and agriculture value chain, and innovative companies.
5 Achieving well-being at both local and international level	<ul style="list-style-type: none"> Impact on the business base mainly caused by the aging and declining population in domestic communities. Criticism for failure to consider inclusion and equity in the business activities in Japan and overseas. Impact on the business activities due to global social unrest. 	<ul style="list-style-type: none"> Develop local financial services using IT/digital technologies, etc. Extend investments/loans and business that contribute to the resolution of social-related issues such as inequality and social infrastructure. 	<ul style="list-style-type: none"> Improve well-being in local communities. Improve social diversity and inclusion and contribute to healthy economic growth through business activities. 	<ul style="list-style-type: none"> Support members in fulfilling their financial intermediary functions. Response based on the Human Rights Policy. Improve diversity, equity and inclusion culture of workers in managerial positions: 13% by FY2030, 30% by FY2040.

*Excluded carbon is at 100ppm basis.



Links and references

https://www.nochuban.k.or.jp/en/ir/annual-report/pdf/ar_2024_1.pdf

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<https://www.nochuban.k.or.jp/en/sustainability/management/issue/>

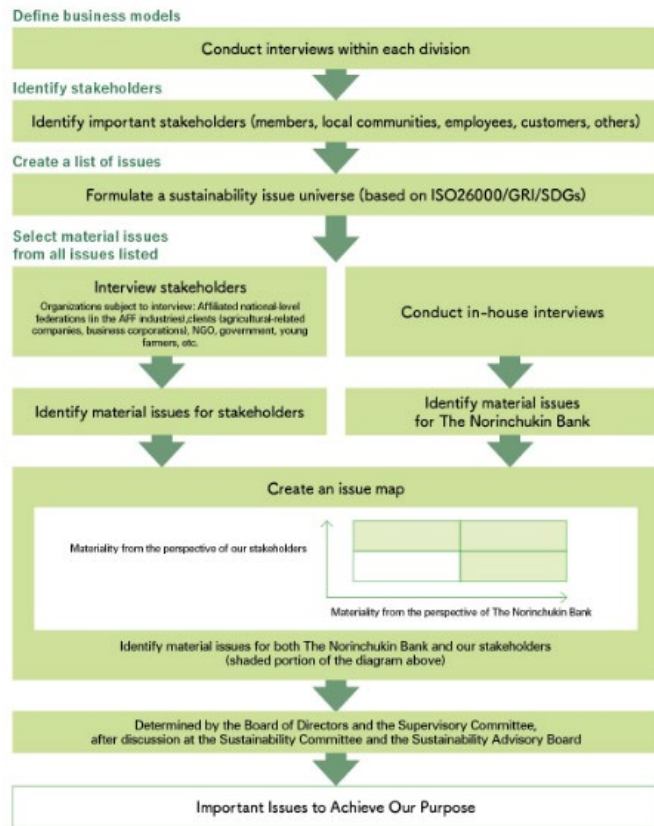
Human rights policy

https://www.nochuban.k.or.jp/sustainability/management/policy/pdf/humanrights_policy.pdf

Environmental policy

https://www.nochuban.k.or.jp/sustainability/management/policy/pdf/environmental_policy.pdf

Specific Processes



Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:

¹ That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

² Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

<p>a) <u>Scope:</u> What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.</p>	
<p>Response</p> <p><i>All main business is in the scope of impact analysis.</i></p> <ul style="list-style-type: none"> - <i>Food and Agriculture Business (mainly corporate finance)</i> - <i>Investment Business</i> - <i>Retail Business (managing and improving JA Bank business in the nationwide area)</i> 	<p>Links and references</p> <p>https://www.nochubank.or.jp/en/ir/annual_report/pdf/ar_2024_1.pdf p.9,10</p> <p>https://www.nochubank.or.jp/en/sustainability/management/issue/</p>
<p>b) <u>Portfolio composition:</u> Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope</p> <p>i) by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or</p> <p>ii) by products & services and by types of customers for consumer and retail banking portfolios.</p> <p>If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.</p>	
<p>Response</p> <p><i>We invest various financial products such as stocks, bonds, alternative investments, project finance etc, and lend various clients not only in Japan, but also in the world.</i></p> <p><i>However, our business consists of not only lending (Food & Agri Business) and investment business but also retail business operated together with JA and JF, so we cannot seize our important impact areas by only analysing our lending and investment portfolio.</i></p> <p><i>Therefore, we decided to take double materiality approach to identify most important impact issues. The process of identifying important issues is written in Strategy Alignment in Principle 1.</i></p>	<p>Links and references</p> <p>https://www.nochubank.or.jp/en/ir/annual_report/pdf/ar_2024_1.pdf p.9,10</p> <p>https://www.nochubank.or.jp/en/sustainability/management/issue/</p>

³ 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

Response

As for our most important impact areas, please refer to the comment of Strategy Alignment in Principle 1.

Considering our business structure and domestic stakeholders, Japanese context is the most relevant to our three main businesses. Therefore, we checked whether our 5 important issues align with Japanese context by the impact analysis tool of UNEP FI (Context Module).

Our important issues	Relating impact theme of Japanese context and priority level [Min 1 to Max 4]
-Realizing a carbon-neutral society	Climat Stability [4], Resource intensity[4], Waste[4]
-Realizing a society living in harmony with nature	Waterbodies[4], Air[2], Species[4], Habitat[3], Resource intensity[4], Waste[4]
-Strengthening the "earning power" of the AFF industries	Flourishing MSMEs[1], Wages[1]
-Realizing a resilient food system	Food[1], Resource intensity[4], Waste[4], Mobility[3], Socio-economic convergence[2]
-Achieving well-being at both local and international level	Water[3], Food[1], Energy[1], Housing[3], Healthcare & sanitation[2], Education[1], Mobility[3], Information[3], Connectivity[1], Culture & heritage[4], Finance[1]

Regarding 'Realizing a carbon neutral society' and 'Realizing a society living in harmony with nature', there are a lot of impact themes whose priority levels are high, so we see a strong connection.

Links and references

<https://www.unepfi.org/impact/unep-fi-impact-analysis-tools/portfolio-tool/>

⁴ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

<p><i>As for ‘Strengthening the “earning power” of the AFF industries, the priority levels of relating impact themes are not so high as other important issues. However, since UNEP FI’s scoring is only utilizing survey for seizing issues of overall Japan, and it does not always grab the individual sector’s matters. The Bank understand Japanese AFF industry’s earning power is declining due to aging society etc, and it is critical issue to enhance earning power to attract young generations for the sustainable AFF industry.</i></p> <p><i>As for ‘Realizing a resilient food system’, the priority level of ‘Food’ is not so high, but if we see ‘food system’ as food value-chain, there are a lot of key impact themes whose priority levels are high and relating strongly to this impact issues.</i></p> <p><i>As for ‘Achieving well-being at both local and international level, there are several impact themes with relatively high priority.</i></p> <p><i>As a result of this analysis, we confirm that our important issues basically matches Japanese prioritized impact themes, and we consider Japanese context into our important issues well.</i></p>	
<p>Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)5? Please disclose.</p>	
<p>Response</p> <p><i>Based on our important issues, discussion among boards and managements, the perspective and expectation of stakeholders, we identified ‘climate change mitigation and adaption’ and ‘the empowerment of AFF industries’ as the significant impact area.</i></p>	<p>Links and references</p> <p>https://www.nochubank.or.jp/en/ir/annual_report/pdf/ar_2024_1.pdf p.9,10</p> <p>https://www.nochubank.or.jp/en/sustainability/management/issue/</p>
<p>d) For these (min. two prioritized impact areas): <u>Performance measurement</u>: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank’s context.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank’s current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.</p>	

⁵ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

Response

As for 'climate change mitigation and adaption', we cover all businesses all over the world. We identified 'the reduction of GHG emissions', and 'New sustainable finance' as the indicator.

As for 'the empowerment of AFF industries', we mainly cover 'Food and Agribulutre Business' and 'Retail Business' in Japan. We identified 'the number of consultation cases conducted by the Bank to the AFF leaders' and 'the increase of the AFF leaders' income' as the indicator.

Links and references

<https://www.nochubank.or.jp/en/sustainability/management/highlight/>

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁶

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, climate change adaptation, the empowerment of AFF industries

How recent is the data used for and disclosed in the impact analysis?

- ☐ Up to 6 months prior to publication
- ☐ Up to 12 months prior to publication
- ☒ Up to 18 months prior to publication
- ☐ Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.:
(optional)

⁶ You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁷ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with⁸ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Response

As for 'the reduction of GHG emissions', we joined Net Zero Banking Alliance (NZBA), and set targets aligned with NZBA, and it also aligns with SDGs No.13.

As for 'the increase of AFF leaders' income', we refer to several national policies such as 'Strategy for Sustainable Food System, MIDORI' from Ministry of Agriculture, Forestry, and Fisheries,

Links and references

<https://www.nochubank.or.jp/sustainability/management/highlight/>

Strategy for Sustainable Food System, MIDORI

https://www.maff.go.jp/e/policies/env/env_policy/meadri.html

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate change mitigation	...	
	...	
	...	

Impact area	Indicator code	Response
Financial health & inclusion	...	
	...	
	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

Response

the reduction of GHG emissions Indicator code:A.4.1

Baseline: Finaned emissions for each indusrial sectors stipulated by NZBA in FY2019. We have finished 4 sectors out of 9 sipulated by NZBA (Electricy, Oil & Gas, Steel, Coal, Agriculture, Real Estate, Logistics, Aluminium, Cement).

Definition of the targe for each sectort

- ✓ *Electricity: Physical intensity (gCO2e/kWh)*
- ✓ *Oil & Gas: Pphysical intensity (gCO2e/MJ)*
- ✓ *Steel: Pphysical intensity(tCO2e/t)*
- ✓ *Coal: Policy targets (Appropriate management of policies and measures reflecting environmental and social considerations related to investments and loans; review of policies and measures in light of domestic and international trends)*

New sustainable finance Indicator code:A.3.1, A.3.2

Baseline: the amount of new sustainable finance stipulated by the bank from FY2021-2030.

Definition of new sustainable finance

- ✓ *Investments and loans with ESG-related third-party certification*
- ✓ *Investments and loans integrating ESG/SDGs factors into investment strategy and decision-making*
- ✓ *Investments and loans for environmental and social projects*
- ✓ *Financing related to sustainability*

the increase of AFF leaders' income

Baseline:

-the number of consultation cases provided by JA Bank to the AFF leaders

-the added value amount which is increased by our consultations and the number of consultation cased from FY2021.

Links and references

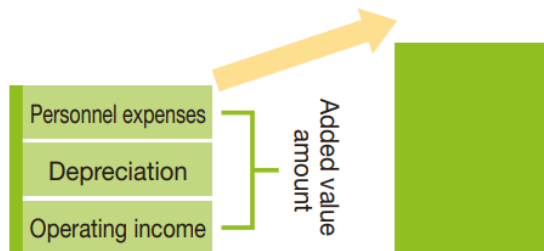
<https://www.nochubank.or.jp/sustainability/management/highlight/>

<https://www.nochubank.or.jp/en/sustainability/aff/income/>

⁷ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁸ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

We treat their income increase in a unified manner, as 'the added value amount' that we defined as the total of "operating income," "depreciation" and "personnel expenses," which includes not only the perspective of "profit improvement" but also the concepts of "appropriate capital investment" and "human resources investment."



Defined "added value amount" as the total of "operating income," "depreciation" and "personnel expenses," which includes not only the perspective of "profit improvement" but also the concepts of "appropriate capital investment" and "human resources investment."

c) SMART targets (incl. key performance indicators (KPIs)⁹): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Response

The reduction of GHG emissions

Electricity: 138-165gCO₂e/kWh FY2030

Oil & Gas: [Scope1+2] 3.1gCO₂e/MJ FY2030
[Scope3] -27.3% FY2030 vs FY2019 0.51Mt CO₂e

Steel: 1.54-1.73 tCO₂e/t FY2030

Coal: Response and engagement based on investment and loan sector policies

New sustainable finance

10 trillion yen FY2030 (cumulative total from FY2021 to FY2030)

The increase of AFF leaders' income

the number of consultation cases provided by JA Bank to the AFF leaders and the added value amount which is increased by our consultations from FY2021: we haven't disclosed the target

Links and references

<https://www.nochuban.k.or.jp/en/sustainability/management/highlight/>

⁹ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

<i>amount, but we internally set the target, measure and monitor the amount for internal discussion and improvement.</i>	
<p>d) <u>Action plan:</u> which actions including milestones have you defined to meet the set targets? Please describe.</p> <p>Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p>	
<p><i>Response</i></p> <p><u>The reduction of GHG emission, and new sustainable finance</u></p> <p><i>Through the dialogues and collaborations with investees and borrowers, the Bank works to have deep discussions and mutual understandings to provide solutions to their issues and needs. As for the details, please refer to principle 3 Clients and Customers' section.</i></p> <p><u>The increase of AFF leaders' income</u></p> <p><i>In collaboration with the JA Bank, we conducted consulting activities on management problems for AFF leaders.</i></p> <p><i>We focused not only on offering solutions but also verifying the status of implementation and supporting processes toward the realization of solutions.</i></p>	<p><i>Links and references</i></p> <p>https://www.nochubank.or.jp/en/sustainability/management/stakeholder/</p> <p>https://www.nochubank.or.jp/sustainability/aff/income/</p>

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... (please name it) <i>The reduction of GHG emissions and new sustainable finance</i>	... second area of most significant impact: ... (please name it) <i>The increase of AFF leaders' income</i>	(If you are setting targets in more impact areas) ... your third (and subsequent) area(s) of impact: ... (please name it)
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress	<input type="checkbox"/> Yes <input type="checkbox"/> In progress

	<input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

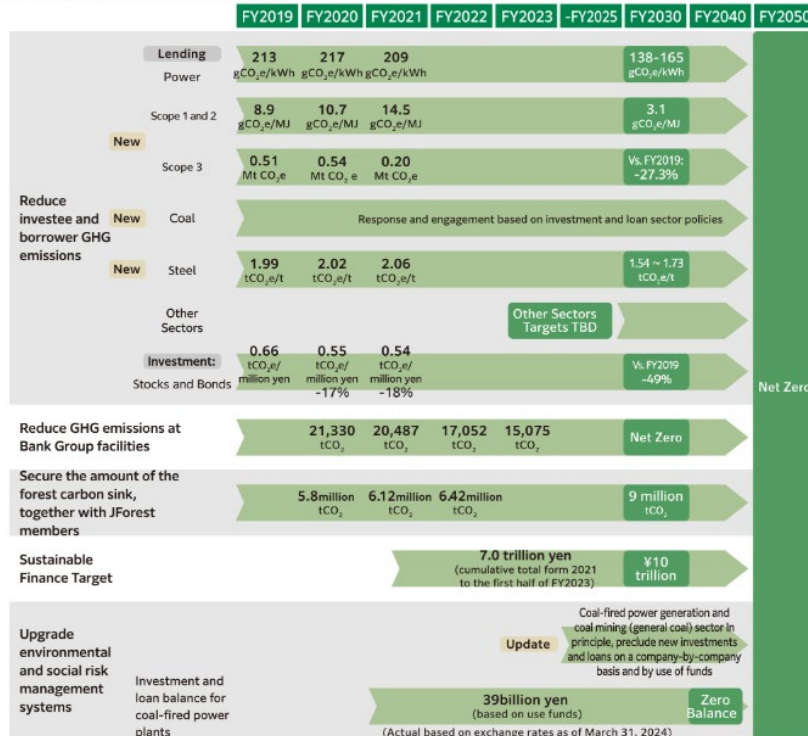
Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response

The reduction of GHG emissions & New sustainable finance

Roadmap to Net Zero by 2050



Links and references

<https://www.nochubank.or.jp/en/sustainability/environment/tcfd/>

https://www.nochubank.or.jp/en/sustainability/backnumber/pdf/2024/climate_nature.pdf

p.94, 95

https://www.nochubank.or.jp/en/ir/annual_report/pdf/ar_2024_1.pdf

p.78

Calculation Method

We referenced the calculation method proposed by the PCAF to measure GHG emissions. The Bank joined the PCAF in March 2022, and we continue to step up our efforts to measure and disclose the GHG emissions of our investment and loan portfolio, including estimates based on the expertise and database of the PCAF.

Assets	Loans, bonds, and stocks (including investments and loans through funds ^{*1}) related to business entities; project financing (power generation and oil and gas projects) ^{*1} Calculations also include non-look-through funds when calculating risk-weighted assets related to Basel requirements for private equity (PE) funds.
Calculation Methodology	$\left[\text{The Norinchukin Bank Investment and Finance Client GHG Emissions} \right]$ <p>[Loans, Bonds, and Stocks]</p> $= \sum \left(\frac{\text{The Norinchukin Bank Investments and Loans to Each Entity}}{\text{Shareholders' Equity} + \text{Individual Company Liabilities}} \times \text{GHG Emissions of Each Company}^{*2} \right)$ <p>^{*2} For Scope 1 and 2 emissions.</p> <p>[Project Financing]</p> $= \sum \left(\frac{\text{The Norinchukin Bank Loans by Individual Project}}{\text{Shareholders' Equity in Each Project} + \text{Interest-Bearing Debt}} \times \text{GHG Emissions for Each Project}^{*3} \right)$ <p>^{*3} Scope 1 related to power generation businesses; Scope 3 related to oil and gas businesses.</p>
Year Analyzed	FY2021 The Norinchukin Bank investments and loans: Balance as of March 2022 Financial and emissions data: Available data for the most recent three years through March 2022
Emissions Data Source	<ul style="list-style-type: none">● Loans, Bonds, and Stocks We used Trucost (external information vendor) for disclosures and estimate data related to investment and finance clients. If no information was available from Trucost, we estimated intensity using data from the PCAF database (by region, by sector).● Project Financing (Power Generation Projects) We estimated this value using an estimate of annual power generation for the project in question^{*4} multiplied by the emissions factors^{*5} published by the European Investment Bank (EIB). ^{*4} Calculated based on generating capacity x 24 hours x 365 days x capacity factor (value published by IEA). ^{*5} Emission factors set to zero for renewable energy projects.● Project Financing (Oil and Gas Projects) We estimated this value using the annual fuel consumption of the project in question multiplied by unit calorific value multiplied by the emissions factor multiplied by 44/12^{*6}. ^{*6} Referenced the Ministry of the Environment's GHG Emissions Accounting, Reporting, and Disclosure System formula for calculating energy-derived CO₂.

Results

The results of measuring GHG emissions for the assets described above amount to 33.0 million tCO₂e. The following is a breakdown based on the recommended sectors under the TCFD.

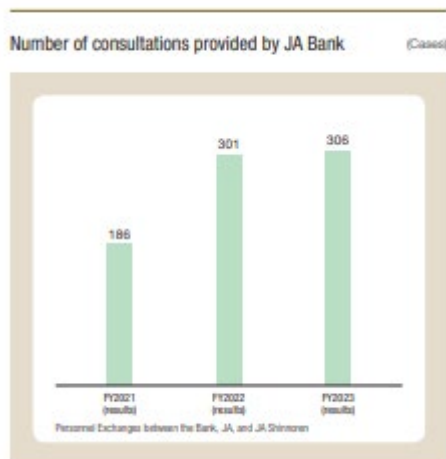
Sector	GHG Emissions (million t CO ₂ e)	Economic Intensity (t CO ₂ e/¥100 million)	Measurable Exposure (¥trillions)	Unmeasurable Exposure (¥trillions)
Electricity	6.4	488	1.3	0.06
Oil and Gas	2.3	527	0.4	0.03
Coal	0.0	310	0.0	0.00
Energy Subtotal	8.8	497	1.8	0.09
Air Cargo	0.1	181	0.1	0.00
Passenger Airlines	0.3	381	0.1	0.00
Marine Transport	0.6	369	0.2	0.00
Railroad	0.2	34	0.5	0.00
Truck Service	0.2	221	0.1	0.00
Automotive - Components	0.3	26	1.0	0.01
Transportation Subtotal	1.6	84	1.9	0.02
Metal and Mining	4.8	1,405	0.3	0.00
Chemicals	2.5	226	1.1	0.04
Construction	0.3	554	0.1	0.00
Capital Goods	1.5	56	2.6	0.08
Real Estate	0.1	6	0.8	0.01
Materials - Buildings Subtotal	9.1	185	4.9	0.14
Beverages	0.1	18	0.6	0.00
Agriculture	0.5	748	0.1	0.00
Packaged Foods - Meat	8.2	989	0.8	0.01
Paper and Forest Products	1.1	480	0.2	0.00
Agriculture - Food - Forest Products Subtotal	9.9	575	1.7	0.02
Above Sectors Total	29.4	286	10.3	0.27
All Sectors Total	33.0	150	21.9	1.97

*This table is based on current measurements and may change significantly in the future as companies expand emissions disclosures and refine measurements. We have not obtained third-party certification for the measurement results included in this table.

The increase of AFF leaders' income

the added value amount which is increased by our consultations from FY2021: we haven't disclosed the target amount, but we internally set the target, measure and monitor the amount for internal discussion and improvement.

We provide the consultation to AFF leaders to achieve this target, so we disclose the number of consultation cases as the chart below.



Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹⁰ in place to encourage sustainable practices?

☒ Yes ☐ In progress ☐ No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

☒ Yes ☐ In progress ☐ No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹¹). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Response

Through the dialogues and collaborations with clients and customers, the Bank works to have deep discussions and mutual understandings to provide solutions to their issues and needs.

Relationship-Based Engagement With Borrowers

We engage in dialogue with our borrowers regarding their current status, issues, and responses to climate change based on our understanding, etc., of the associated risks. We develop and provide solutions based on the information obtained.

The path to achieving carbon neutrality for a company consists of four general stages: measurement, targetsetting, GHG reduction plans (specific actions), and plan implementation. The Bank pursues engagement to understand at what stage the borrower is at and the challenges borrowers face. In this way, we provide specific solutions most appropriate for each borrower.

For example, for a borrower having issues with measurement and target-setting, we provide referrals to measurement and consulting firms. In March 2024, the Bank entered into Japan's first partnership with BSI Group Japan K.K., the Japanese subsidiary of The British Standards Institution ("BSI"), the world's oldest national standards association established in 1901. In the

Links and references

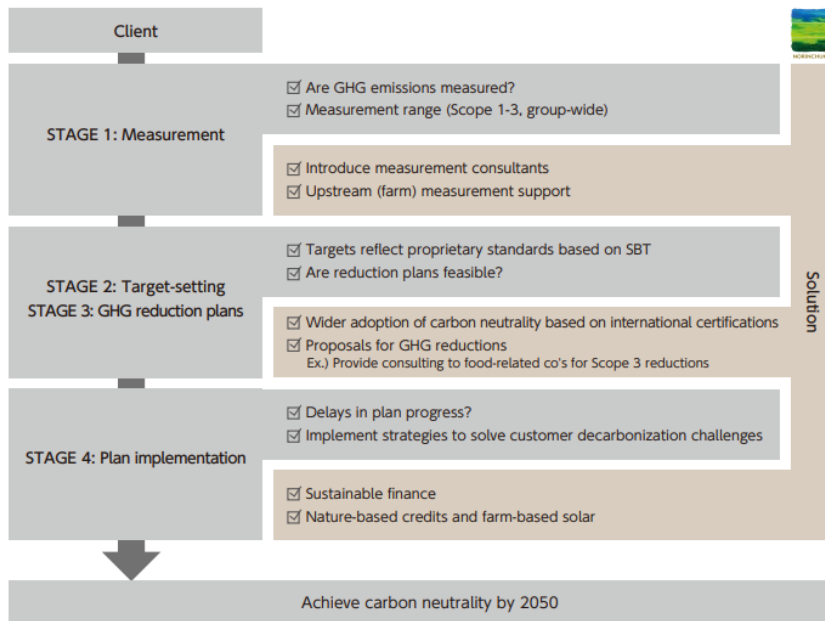
<https://www.nochubank.or.jp/en/sustainability/environment/tcfd/>

https://www.nochubank.or.jp/en/sustainability/backnumber/pdf/2024/climate_nature.pdf

p.39

future, we plan to support the acquisition of carbon-neutral verification standards (ISO 14068, etc.) by our borrowers. For borrowers in the GHG reduction plan (specific actions) stage, we offer sustainable finance proposals that support real economic decarbonization and biodiversity restoration. We also offer intermediary services for carbon credits derived from domestic primary industries (nature). The carbon credits are not intended solely for simple offsetting, but are derived mainly from nature-based solutions (NbS) that are highly compatible with nature and the climate. These solutions include environmentally friendly agriculture, appropriate forest management, and blue carbon. We collaborate with members and others, participating from the credit formation stages to ensure high quality and traceability in providing carbon credits, seeking to foster an understanding of the significance of credits to our clients.

Food-related companies have close ties to the agriculture, fishery and forestry industries. These companies face the challenge of measuring and reducing GHG emissions at supplier production sites, which falls under Scope 3 emissions. The Norinchukin Bank works with food-related companies to analyze each company's value chain, providing solutions tailored to each company. Decarbonizing production sites among primary industries is a difficult challenge due to human and economic resource constraints. The Bank addresses this challenge through an expanding lineup of solutions and a network of JA, JF, and JForest relationships.



¹⁰ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹¹ Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

Engagement as a global institutional investor

The Bank and Group company Norinchukin Zenkyoren Asset Management Co., Ltd. are members of Climate Action 100+ (CA100+), an international investor-led initiative that seeks corporate climate change action through collaborative engagement with institutional investors worldwide.

Working with other institutional investors to engage in constructive dialogue on climate change, we encourage behavioral change toward decarbonization among target companies.

We also accumulate knowledge through collaborative engagement and improve the effectiveness of individual engagement as we strive to create decarbonized societies.

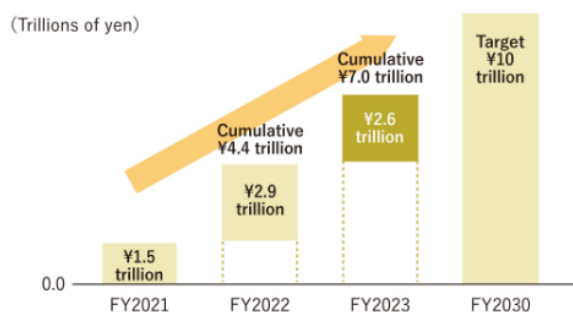
3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Response

New sustainable finance – climate change mitigation and adaption

The Bank financed a cumulative ¥7.0 trillion in new sustainable finance loans by fiscal 2023.



Breakdown by Asset/Product

Investment and loan	Marketable assets, etc.	Approx. ¥4.3 trillion
	Project finance	Approx. ¥1.5 trillion
	ESG-linked loans	Approx. ¥1.0 trillion
	Investment and finance total	Approx. ¥6.7 trillion
Procurement	Green bonds and green deposits	Approx. ¥0.3 trillion

Links and references

<https://www.nochubank.or.jp/en/sustainability/management/finance/>

https://www.nochubank.or.jp/en/sustainability/backnumber/pdf/2024/climate_nature.pdf

p.25, 26, 40

Representative Examples of Sustainable Finance

Syndicated transition loans through JA Bank members	Formed a syndicate of JA Bank members to provide transition loans to electric power companies that are working to reduce GHG emissions based long-term strategies to achieve decarbonized societies.
Green loans for logistics companies	Provided a green loan to a cold food logistics company to finance the construction of a new environmentally friendly logistics warehouse with energy-saving features, solar panels, etc.
Investment in sustainability awareness bonds for natural disaster risk management	Invested a total of A\$300 million in sustainability awareness bonds issued by the European Investment Bank. The investment in bonds contributes to safe and sustainable urban development by providing funds for infrastructure development, etc., contributing to natural disaster risk management.
Investment in sustainable development bonds for biodiversity conservation	Invested a total of A\$300 million in sustainable development bonds issued by the World Bank to raise awareness of biodiversity conservation. The investment contributes to biodiversity conservation and the importance of public conservation awareness in developing countries.

Arrangement and intermediate fees – climate change mitigation and adaption

(Example: Forming Carbon Credits With Forestry Cooperative Networks and Client Brokerage)

The Bank began a project in fiscal 2023 to originate J-Credits working with forestry cooperative networks and brokering credits to our clients. In November 2023, our Fukuoka Branch brokered J-Credits to The Yamakuni River Basin Forest Association in Oita Prefecture originated the credits. The goal of this initiative was to provide a solution for reforestation cycle reconstruction after logging work. The project returned the proceeds from the sale of J-Credits created through appropriate forest management to forest owners to be used for reforestation and forest maintenance. The Norinchukin Bank provided integrated functions, supporting credit applications and acting as an intermediary for sales to the client, Saibugas Co., Ltd. This initiative helps fulfill the multifunctional role of forests, including CO2 absorption and water source recharge, through appropriate forest and forestry cycles.

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹²) you have identified as relevant in relation to the impact analysis and target setting process?

☒ Yes ☐ In progress ☐ No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Response

The trust relationships with these stakeholders (those who have interests in the Bank) who are closely related to our management and day-to-day business activities were not built overnight but rather steadily over our long history since we were established. These trust relationships are important assets for the Bank, and it is important to maintain and build even stronger trust relationships not only with the aforementioned stakeholders but also with the younger generation so that we can fulfill our fundamental mission and social responsibility with an eye to the future. To that end, we will continue to make efforts to build a highly transparent organizational culture by emphasizing disclosure and accountability to our stakeholders. To see more details, please refer to Annual Report 2024.*

**Stakeholders of the Bank : Members (Japan Agricultural Cooperatives (JA), Japan Fishery Cooperatives (JF), Japan Forestry Cooperatives, etc), Members of JA, JF and others (those engaged in the AFF industries), partner companies in deposits, savings and loans (e.g., companies affiliated with the AFF industries), Members of local communities, Business partners covering all operations (financial institutions, market participants, subcontractors and more), Government entities, and Staff, etc.*

Links and references

<https://www.nochubank.or.jp/en/ir/annual-report/>

p.75, 76

<https://www.nochubank.or.jp/en/sustainability/management/stakeholder/>

¹² Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

Stakeholder Communication

Basic Approach

In order to achieve our Purpose, we practice the following communication to continue providing value to our stakeholders.

Our stakeholders	Main values we offer		Main communication methods
Members of JA, JF, JForest, etc. (3,232 organizations in total)	<ul style="list-style-type: none">• JA, JF, JForest and other federations including various cooperative systems	<ul style="list-style-type: none">• Stable returns as the ultimate manager of funds• Planning and provision of various measures, system infrastructure, unified administrative procedures, etc. as the national-level organization of JA Bank and JF Marine Bank• Support for growth and resolution of issues through the Bank's financial services, knowledge, and domestic and international networks	<ul style="list-style-type: none">• Direct dialogue on a daily basis• Discussions and exchanges of opinions at decision-making bodies, meetings, etc. (Council of Delegates, Supervisory Committee, JA Bank Headquarters Committee, JF Marine Bank Headquarters, etc.)• Holding events to provide information and interaction among members
Individual cooperative members (i.e., people working in the AFF industries) Local communities	<ul style="list-style-type: none">• Workers in AFF industries• Local residents, companies and organizations	<ul style="list-style-type: none">• Supporting business activities and promoting income growth through measures coordinated with members• Providing financial services as a member of JA Bank and JF Marine Bank to resolve issues and support the planning• Contributing to solving local problems and revitalizing local communities	<ul style="list-style-type: none">• Interaction through members• Direct dialogue each time• Holding events such as business meetings and seminars• Dissemination of information through the home page, etc.
Our clients (deposit and savings, loans) including agriculture, fishery and forestry-related companies	<ul style="list-style-type: none">• Agriculture, fishery and forestry-related companies• General companies, etc.	<ul style="list-style-type: none">• Support for growth and resolution of issues through the Bank's financial services, knowledge, and domestic and international networks• Realization of collaboration utilizing the foundations of the JA, JF and JForest Groups	<ul style="list-style-type: none">• Direct dialogue through sales activities• Engagement activities to enhance corporate value of business partners• Holding events such as business meetings and seminars• Dissemination of information through the home page, etc.
Investors	<ul style="list-style-type: none">• Domestic and foreign institutional investors• Investors in U.S. dollar-denominated Norinchukin Bank debentures (green bonds), etc.	<ul style="list-style-type: none">• Providing high-quality (high credit) investment opportunities• Providing financing opportunities for the Bank's climate change initiatives	<ul style="list-style-type: none">• Holding meetings and briefings with various investors• Dissemination of information through the home page, etc.
Business partners	<ul style="list-style-type: none">• Financial institutions• Market participants• Contractors, etc.	<ul style="list-style-type: none">• Support for growth and resolution of issues through the Bank's financial services, knowledge, and domestic and international networks	<ul style="list-style-type: none">• Direct dialogue during business collaboration• Interaction through industry organizations• Dissemination of information through the home page, etc.
Governments and municipalities	<ul style="list-style-type: none">• Competent ministry• Local governments, etc.	<ul style="list-style-type: none">• Contributing to the transformation of the food and AFF industries into growth industries, and regional revitalization• Realization of collaboration utilizing the Bank's financial services, knowledge, and domestic and international networks, as well as the foundations of JA, JF, and JForest Groups	<ul style="list-style-type: none">• Direct dialogue through external relations activities• Dissemination of information through the home page, etc.
Norinchukin Group employees	<ul style="list-style-type: none">• Group employees	<ul style="list-style-type: none">• Providing a work environment that gives a sense of satisfaction and achievement• Providing career development and growth opportunities for officers and employees• Realization of diverse work styles according to lifestyles	<ul style="list-style-type: none">• 1-on-1 meetings between supervisors and subordinates, and interviews between officers and employees• Conducting various training programs, seminars, briefings, etc.• Conducting the survey on employee engagement• Dissemination of information through internal PR measures

Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

☒ Yes ☐ In progress ☐ No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Response

The Norinchukin Bank is a national level cooperative financial institution for agriculture, fishery and forestry industries. As an institutional investor, we participate in financial and capital markets through large-scale fund management in Japan and overseas. Accordingly, our decision-making processes are based on sharing and collaboration while adhering to Council of Delegates decisions. We base decisions on the Supervisory Committee and Board of Director accounts of internal and external situations of the cooperatives, as stipulated by The Norinchukin Bank Act.

We established management meetings under the board of directors which aim to assign executive decisionmaking on important management matters and discuss management and other issues. The Sustainability Committee holds regular discussions on environmental and social issues, including climate and nature. Additionally, the Risk Management Committee decides on matters regarding our overall risk management system and risk management, including environmental and social risks. Under the risk management framework, we hold discussions at the management level on responses to environmental risks and opportunities. For example, the Portfolio Management Committee visualizes investment portfolio GHG emissions while discussing allocation policies.

Links and references

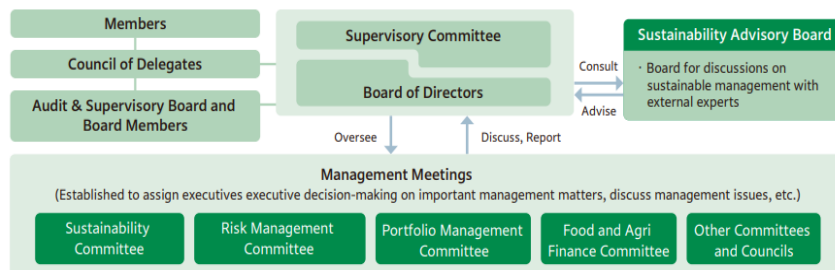
<https://www.nochubank.or.jp/en/sustainability/management/system/>

https://www.nochubank.or.jp/en/sustainability/backnumber/pdf/2024/climate_nature.pdf

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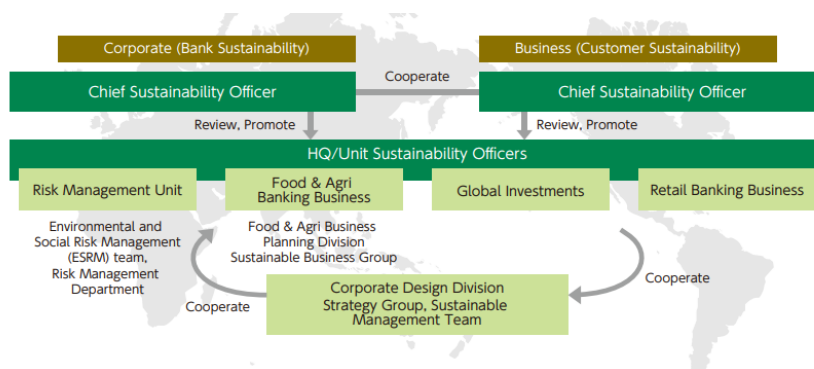
Agendas are discussed and reported to the board of directors and the Supervisory Committee as necessary, establishing a system for committees to oversee responses to climate and nature-related issues.

Governance in Addressing Climate Change and Nature-Related Issues



The Bank appoints two Chief Sustainability Officers (Co-CSuO) responsible for overseeing and implementing sustainable management. The officers collaborate with our branches to gather information on external trends from overseas offices in Europe, Asia, the Americas, Australia, and other regions. This collaboration enables us to incorporate global trends in our sustainable management, strive for business opportunities, and manage risks.

Furthermore, we work to strengthen organization-wide sustainable management by assigning HQ/Unit Sustainability Officers (SuO) to HQ and unit (i.e., Food & Agri Banking Business, Retail Banking Business, Global Investments, and Risk Management Unit). The SuO advances initiatives of each division and unit based on our policies. In this way, the SuO is responsible for strengthening cooperation among divisions and units.



5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

<p>Response</p> <p><i>Climate change, natural capital and biodiversity, human rights, human capital, and other sustainability topics are diverse and rapidly changing. In response, the Bank held the Sustainability Roundtable (held 10 times in FY2023) as a forum to learn and exchange opinions on sustainability-related business opportunities and risk measures. Participants included guest lecturers, the chief sustainability officer, and other relevant officers and employees. The Bank also offers sustainability training to employees of all ranks and takes action to spread awareness of climate change, biodiversity, and other sustainability issues within the company via an internal portal.</i></p> <p>【FY2023 Sustainability Roundtable Topics】 ISSB, biodiversity (TNFD), human rights, human capital, circular economy, water resources, agriculture, fishery and forestry industries, ESG washing, carbon credits, impact, other</p>	<p>Links and references</p> <p>https://www.nochubank.or.jp/en/sustainability/backnumber/pdf/2024/climate_nature.pdf</p> <p>p.17</p>
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5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹³ Please describe.

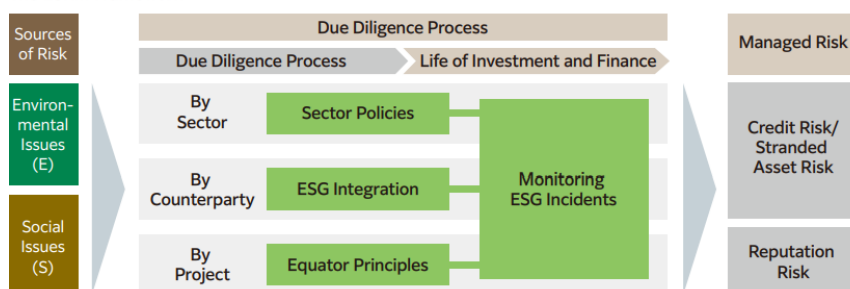
Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

<p>Response</p> <p><i>As basic policies to resolve environmental and social issues, the Bank established Environmental Policy and Human Rights Policy in 2019. Also, the Bank has formulated policies on environmental and social considerations in providing financing or investment for businesses that could have significant adverse impacts on the environment and society. We will continue to revise these policies as needed, considering domestic and international trends regarding initiatives to address social and environmental issues, as well as the expectations from our stakeholders and points of view of them.</i></p> <p><i>Under our Environmental and Social Risk Management (ESRM) framework, the front-line department assesses environmental and social risks, and the risk management department exercises the monitoring and checking function. In this process, both the front-line and the risk management department analyzes whether there are negative impacts on their individual investment cases, investees and borrowers based on 'Policy on Environmental and</i></p>	<p>Links and references</p> <p>https://www.nochubank.or.jp/en/sustainability/backnumber/pdf/2024/climate_nature.pdf</p> <p>p.87, 88</p> <p>https://www.nochubank.or.jp/en/sustainability/management/esmr/</p> <p>https://www.nochubank.or.jp/en/sustainability/management/policy/</p>
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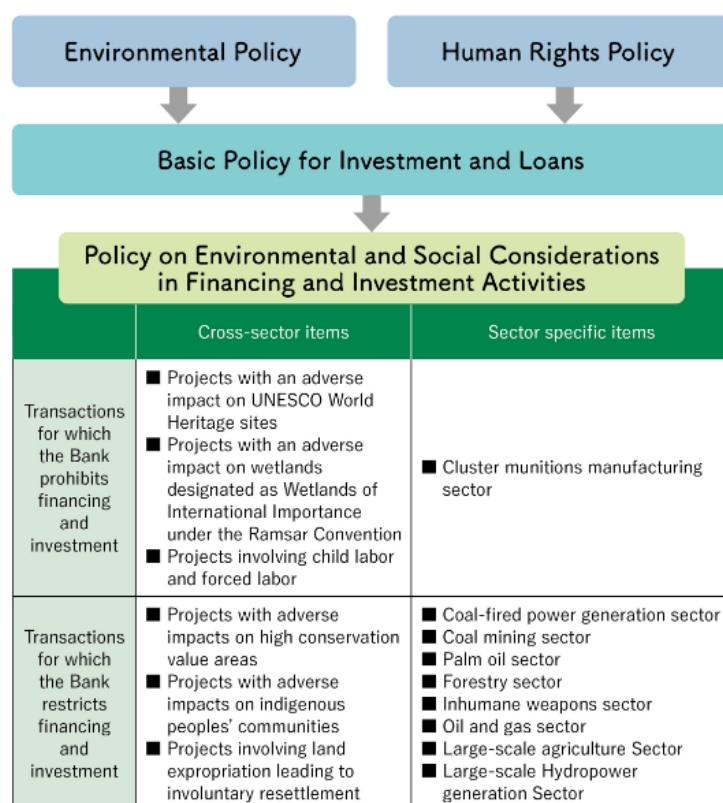
¹³ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

Social Considerations in Financing and Investment Activities' In addition, an internal escalation process for decision-making at the management level as needed basis is established. We will work on advancing the sophistication of our ESRM framework in a phased manner, aiming to incorporate the framework into integrated risk management.

The ESRM Framework



Policy on Environmental and Social Considerations in Financing and Investment Activities



Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

☒ Yes

☐ No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

☒ Yes

☐ No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

☒ Yes

☐ In progress

☐ No

Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

☐ Yes ☐ Partially ☒ No

If applicable, please include the link or description of the assurance statement.

Response

Links and references

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- ☒ GRI
☒ SASB
☐ CDP
☐ IFRS Sustainability Disclosure Standards (to be published)
☒ TCFD
☒ Other:

Response

As a financial institution based on the AFF cooperatives in Japan, we participate in and endorses following initiatives to fulfill our social responsibility toward attaining a sustainable global environment, while promoting alliances with the industrial, governmental and academic sectors.

- *Principles for Financial Action for the 21st Century (Mar 2012)*
- *United Nations Global Compact (Nov 2016)*
- *CDP (Mar 2017)*
- *Equator Principles (May 2017)*
- *TCFD (Apr 2019)*
- *Japan Climate Initiative (Apr 2019)*
- *PCAF (Mar 2022)*
- *Japan GX League (Mar 2023)*

Links and references

<https://www.nochubank.or.jp/en/sustainability/management/initiative/>

https://www.nochubank.or.jp/en/sustainability/backnumber/pdf/2024/climate_nature.pdf

p.23

<ul style="list-style-type: none"> • AIGCC (May 2022) • Climate Action 100+ (Jun 2022) • TNFD Forum (Jun 2022) • Japan Impact-driven Financing Initiatives (Nov 2022) • Net Zero Banking Alliance (Mar 2023) • Glasgow Financial Alliance for Net Zero (Mar 2023) • Keidanren Initiative for Biodiversity Conservation (Jun 2023) • Japan Climate Leaders Partnership (July 2023) • TNFD (March 2024) 	
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6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁴, target setting¹⁵ and governance structure for implementing the PRB)? Please describe briefly.

<p>Response</p> <p><i>As for the climate change mitigation and adaptation, we will expand target sectors of lending business aligned with NZBA principles. Also, we continue to conduct engagement with our investees and lending clients so that we can expand our sustainable finance, and enhance their action to the climate change mitigation and adaptation.</i></p> <p><i>As for the empowerment of AFF industries, we strengthen and expand our consultation service to AFF leaders together with JA Bank, and also try to measure and elaborate 'the added value amount'.</i></p>	<p>Links and references</p>
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¹⁴ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

¹⁵ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|--|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input checked="" type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input type="checkbox"/> Data availability |
| <input type="checkbox"/> Conducting an impact analysis | <input type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies | <input checked="" type="checkbox"/> Reporting |
| <input checked="" type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these: