

# Solving Environmental and Social Issues Through Sustainable Finance

## Norinchukin Bank Sustainable Finance Goals

As a member of a cooperative organization supporting agriculture, fishery, and forestry industries, the Norinchukin Bank understands that our businesses are part of the life and natural environment sustained through these industries. We pursue sustainability-oriented management, including support for the SDGs, to solve environmental and social issues,

pursuing sustainability in society (including the agriculture, fishery, and forestry industries) and our business activities. Our main contribution to this goal is through sustainable finance. We approach sustainable finance through the dual aspects of securing business opportunities and engaging in risk

management. In addition to credit decisions based on traditional finance risks, the Norinchukin Bank has also adopted the ESG Integration framework. We use this framework not only for internal controls, but also as a tool to engage in dialogue with our business partners.

### Secure Business Opportunities

#### ESG-Oriented Investment and Finance → P18

We conduct investment and financing activities to generate profit and to contribute to the development of sustainable societies and to the growth of the agriculture, fishery, and forestry industries.

New Investment and Loan Target for Fiscal 2020: **¥250 billion**

Outstanding Assets Under Management (as of March 2020): **¥1.8 trillion**

#### Sustainability Linked Loans → P19

We began handling sustainability linked loans in May 2020. Here, our objective is to advance initiatives for solving the environmental and social issues faced by customers from a strategic approach. At the same time, we support the improvement of our own medium- and long-term corporate value.

#### JA Bank Efforts Toward Renewable Energy Demand → P20

#### ESG Integration → P18 · 21

We are striving to build a decision-making process for investment and loan decisions that integrates a recognition of environmental and social risk into credit decisions based on the traditional financial risks evaluation process. This framework is a tool not only for internal controls, but also for engaging in dialogue with customers based on non-financial information.

### Risk Management

#### Environmental and Social Risk Management (ESRM) → P21

We have built an ESRM framework to assess and manage environmental risks and social risks prior to making investment and financing decisions for individual customers and projects.

##### ■ The ESRM Framework

