

Sustainability Advisory Board



The Bank established the Sustainability Advisory Board as a place for engaging in dialogues with outside experts and exchanging opinions toward upgraded sustainability management. The first board meeting was held in April 2022. Four board members, as well as the CEO and several other senior management and employees of the Bank, attended the meeting to exchange opinions.

Participants

Board Members

ADACHI Eiichiro	Senior Counselor of The Japan Research Institute, Limited
SATO Takafumi	Member of the Supervisory Committee of the Bank (former Trustee Vice-Chair of the IFRS Foundation)
TAKAMURA Yukari	Professor, The University of Tokyo Institute for Future Initiatives
MIZOUCHI Ryosuke	Senior Executive Officer, Kirin Holdings Company, Limited

Participants from the Bank

OKU Kazuto	Representative Director and President, Chief Executive Officer
YAGI Masanobu	Representative Director and Managing Executive Officer, Member of the Board of Directors, Chief Operating Officer
IMAI Masato	Managing Executive Officer (Co-CSuO)
KITABAYASHI Taro	Managing Executive Officer (Co-CSuO)
UTSUMI Tomoe	Managing Executive Officer (CDO)
OZAKI Taro	General Manager, Food & Agri Business Planning Div. (Food & Agri Banking Business SuO)
KURUMIZAWA Katsunari	General Manager, Risk Management Div. (Risk Management SuO)
SHIOTA Taketo	Deputy General Manager, Markets Div. (Global Investments SuO)
MIYAJI Izuru	Deputy General Manager, JA Bank System Management Div. (Retail Banking Business SuO)
NODA Haruo	General Manager, Corporate Planning Div., Sustainability Management Dept.



ADACHI Eiichiro

In considering sustainability issues including climate change, I'm confident that the recognition of the extremely important role of companies, especially that of economic entities responsible for finance, is widely shared by concerned parties. The Norinchukin Bank holds immense assets and must be a key economic entity that plays a significant role in solving a variety of issues such as those affecting the AFF industries, food and communities. Therefore, I have great expectations for its future activities.



SATO Takafumi

The Bank is Japan's leading bank covering the overall sectors of the AFF industries. At the same time, it has another function as a vital asset owner in the global capital market. In addition, the Bank is unique as a financial institution of cooperative organizations. I expect the Bank to take more initiatives in terms of sustainability by leveraging its distinct traits and strengths.



TAKAMURA Yukari

The importance of sustainable finance is increasing, and European agricultural cooperative organizations have advanced original and ambitious efforts in the sustainability field. I have been ardently looking forward to the appearance of such favorable financial initiatives in Japan. As I feel reassured that the Bank intends to work aggressively on sustainability management, I expect much from the Bank.



MIZOUCHI Ryosuke

I feel a common motivation with the Kirin Group in the wording of the Bank's *The Chain of Life. Awe for Life* is the Kirin Group's philosophy. Beer brewing is Kirin's founding business, in which raw materials produced by farmers are processed with yeast, which is living matter. That's the reason why Kirin places importance on the spirit of learning about life. As a representative of a Kirin Group company that has a corporate philosophy in common with the Bank, I would like to address various problems together with the Bank toward the realization of sustainability.

Opinions on the Sustainability Management of the Bank

Medium/Long-Term Goals

- The Bank has set the Medium/Long-Term Goals FY2030 to “reduce GHG emissions by 50% from its investment and finance clients” and “improve the income of farmers, fishermen and foresters.” I personally feel that the Bank’s goals are ideal. As most of the Bank’s investment and finance clients are involved in the AFF industries, realizing sustainability in those industries should lead to the Bank itself becoming sustainable. It is important to increase workers’ income to enhance the attractiveness of these industries. Moreover, it is important to endeavor to reduce GHG emissions. Accordingly, I believe that pursuing these challenging goals is an appropriate target of the Bank.
- For certain goals, specific numeric values are not presented at this time. It will be necessary for the Bank to specify clear numeric targets. For example, would it be possible to set an economic value on the impact of reducing GHG emissions via certain investment and financing matters and the spillover effects?

Stakeholders

- Increasing income is an essential metric for farmers, fishermen and foresters. On the other hand, I would hope that the Bank addresses subjects such as market formation and further indexation to improve the well-being of affiliated farmers, fishermen and foresters by focusing on their challenging but rewarding jobs.
- Japanese companies tend to stick to pursuing preset elaborate and precise values. Conversely, foreign companies consider that they should engage, for themselves, in rulemaking of the basic units and various calculations required for their jobs. I believe such flexible thinking is also necessary for the Bank.
- The stakeholders of the Bank include young people, and they will emerge at center stage in the era to come. To encourage the zest for living among young people, could the Bank consider increasing opportunities for them to experience operations associated with the AFF industries or provide more educational opportunities?

- The Bank requires strong self-discipline as a financial institution of cooperative organizations. It is therefore important to ensure communications with stakeholders through high-quality disclosure.
- There is certain to be some difficulty in coming to terms with the acquisition of short-term profit through investment and finance and the need to address sustainability issues. Meanwhile, climate change and its impact on ecosystems has a direct impact on farmers, fishermen and foresters. I believe that the Bank is a financial institution that has the capabilities to address diverse issues while overcoming difficulties. I hope that the Bank endeavors to share the significance of *The Chain of Life* with all stakeholders including its employees.

Natural Capital

- In reviewing disclosures of the Bank, I feel that the Bank has not yet developed comprehensive concepts for natural capital and ecosystem services. I am confident that these concepts are important to the Bank as the AFF industries form the

Bank’s foundation. Shouldn’t we hold the broad perspective that nature is capital that brings us countless blessings and that such appreciable capital must not be depleted or compromised?

Social Issues

- In Japan, we know that project formation in rural regions is difficult because of labor shortages and an information gap. I expect much from the Bank relative to initiatives that could be truly beneficial to local farmers, fishermen and foresters.
- I think an initiative directly associated with some pleasures in life like having meals and enjoying liquors would also be important. As for the food loss problem, for example, resolving the upstream-downstream mismatching in supply and demand throughout the country would address a key social issue. Addressing such a problem effectively would enhance the Bank’s power and appeal.



General Overview by OKU Kazuto, Representative Director and President, Chief Executive Officer

Thank you for your valuable opinions today. As a financial institution with assets equivalent to about ¥100 trillion, I believe that the Bank is responsible for taking

steps toward the realization of sustainability. In addition, the Bank is an organization of which the AFF industries form the foundation. These industries can exist only with a sound global environment. I therefore believe that we at the Bank should pursue the task of ensuring a sustainable global environment. I’ve summarized the following four points from today’s discussion:

- 1) The Bank engages in various initiatives under the Medium/Long-Term Goals. I’m sure we can achieve innovative change points, like the dots become lines and the lines become surfaces, by steadily carrying out the step-by-step action plans expressed here today.

- 2) To ensure biodiversity, I think appropriate caring for nature is necessary. In this context, income improvement for farmers, fishermen and foresters becomes necessary to activate local areas without devastating them. I intend to address this issue by taking the initiative as a pioneering organizer.
- 3) Applying a concept such as the value of happiness beyond economic value, to which current scaling including well-being is available, seems to be a challenging theme. We must pass on the Bank’s convictions, mission and dreams to the next generation as the Bank looks ahead to the future of food and agriculture.
- 4) We need to prepare for and deal with situations considering sustainability-related restrictions and standards. Meanwhile, I would like to address our perspective by announcing a narrative that presents relevant initiatives and desired outcomes.

In closing, I promise to promote sustainability management from both macro and micro perspectives in view of your input as we aim to realize our Purpose.