

SUSTAINABILITY REPORT 2024



NORINCHUKIN

Contents

Sustainability Management

Highlights of Initiatives	02
Our Purpose and Vision	06
Philosophies and Policies	09
Sustainability Promotion Structure	11
Sustainability Advisory Board	15
Important Issues to Achieve Our Purpose	18
Stakeholder Engagement	19
Participation in Initiatives	22
Sustainable Finance	27
Initiatives for Creating and Visualizing Impact	32
Initiatives to Manage Environmental and Social Risks	37

Agriculture, Fishery, Forestry Industries, and Regions

Sustainable Agriculture, Fishery, and Forestry Industries and Food and Agriculture Value Chains	42
Initiatives to Revitalize the Regions	47

Environment

Efforts to Address Climate Change and Nature-Related Issues (Disclosure Based on the TCFD and TNFD Recommendations)	53
Climate-Related Risk Assessment and Scenario Analysis	62
Nature-Related Risk Assessment and Scenario Analysis	72
Reducing the Environmental Burden in Agriculture	76
Demonstrating the Multi-Functional Role of Forests	78
Sustainable Oceans and Fishery Industries	82

Social

A Society Leaving No One Behind	85
Respect for Human Rights	88
Human Resources Strategy	92
Diversity, Equity & Inclusion	99
Development and Skills Enhancement of Cooperative Member Human Resources	101

Governance

Business Management	102
Compliance	103
Information Security	107
Cybersecurity	108
Tax Compliance	110
ESG Data	111

Editorial Policy for Sustainability Report 2024

- This report is published on an annual basis for the purpose of reporting sustainability-related information of the Norinchukin Bank.

We also publish a variety of information on our website (sustainability page) to help our all stakeholders understand our sustainability initiatives with easier way.

This report is an edited version of the content of the website (sustainability page) in PDF format.

Reporting Period

FY2023 (April 2023 to March 2024)

Certain information includes details as of August 2024.

Prior Publication

July 2023

Report Scope

The Norinchukin Bank and its group companies

Sustainability Management	Agriculture, Fishery, Forestry Industries, and Regions	Environment	Social	Governance
---------------------------	--	-------------	--------	------------

Highlights of Initiatives

Home > Sustainability > Sustainability Management > Highlights of Initiatives

Climate Change and Nature-Related Issues

Reduce Financed Emissions

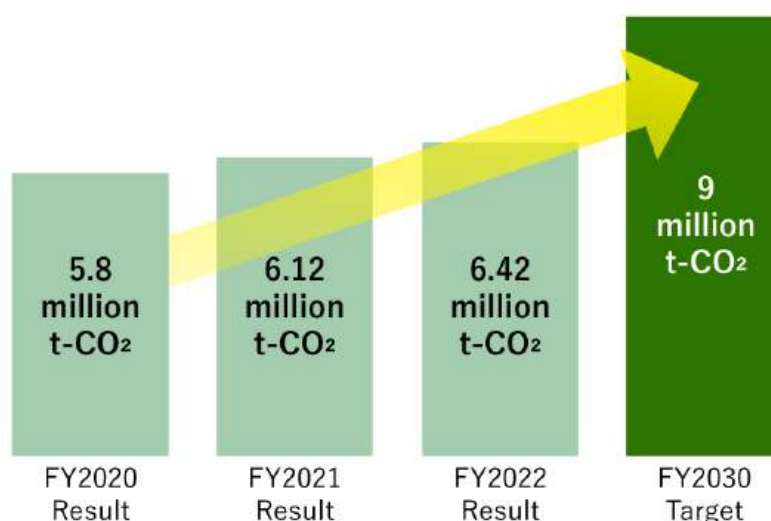
The Norinchukin Bank is committed to Net Zero by 2050, establishing GHG reduction goals for our investment and loan portfolio. We established targets for our loan portfolio in fiscal 2023 in the oil and gas, coal, and steel sectors, in addition to setting targets for the electricity sector in (disclosed in March 2023).

We strive to strengthen our financing and other solutions while engaging with our investees and borrowers.

Sector and Asset Class		Base Year FY2019	Recent Results (FY2021)	FY2030 Targets
Lending	【Power】	213gCO ₂ e/kWh	209gCO ₂ e/kWh	FY2030 138~165gCO ₂ e/kWh
	【Oil and Gas】 Scope1・2	8.9gCO ₂ e/MJ	14.5gCO ₂ e/MJ	FY2030 3.1gCO ₂ e/MJ
	【Oil and Gas】 Scope3	0.51MtCO ₂ e	0.2MtCO ₂ e	FY2030 Vs. FY2019 -27.3%
	【Coal】	Response and engagement based on Policy on Environmental and Social Considerations in Financing and Investment Activities		
	【Steel】	1.99tCO ₂ e/t	2.06tCO ₂ e/t	FY2030 1.54tCO ₂ e/t -1.73tCO ₂ e/t
Investment	【Stocks and Bonds】	0.66tCO ₂ e/million yen	0.54tCO ₂ e/million yen Vs. FY2019 -18%	FY2030 Vs. FY2019 -49%

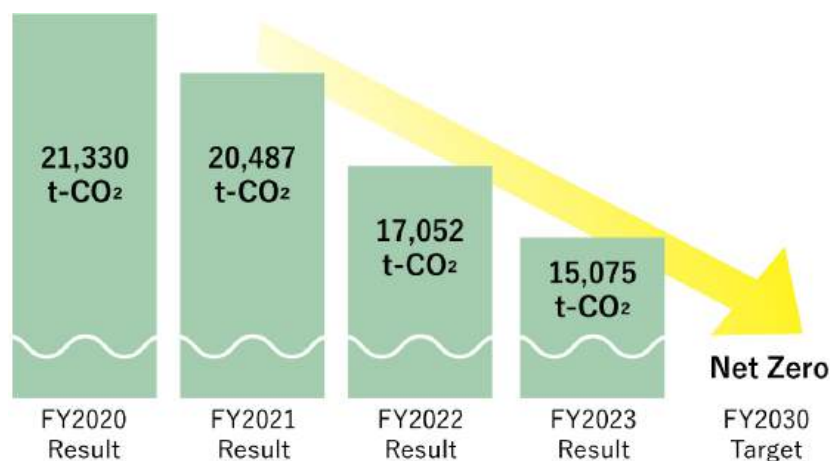
Secure the amount of the forest carbon sink, together with JForest members

We work together with JForest members to ensure measures such as appropriate forest maintenance to secure the amount of the forest carbon sink.



Reduce GHG Emissions by the Bank Itself

The Bank reduces GHG emissions by encouraging energy conservation and introducing renewable energy.



Efforts to be Nature Positive

The Bank conducts trial analyses of our dependencies and impacts on nature, including within the value chains of our investees and borrowers, to understand the nature-related risks and opportunities in our portfolios.

We collaborate with external companies and participate initiatives to strengthen our ability to provide investees and borrowers with solutions to be nature positive.

We are committed to integrated disclosures on addressing climate and nature-related issues based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD).

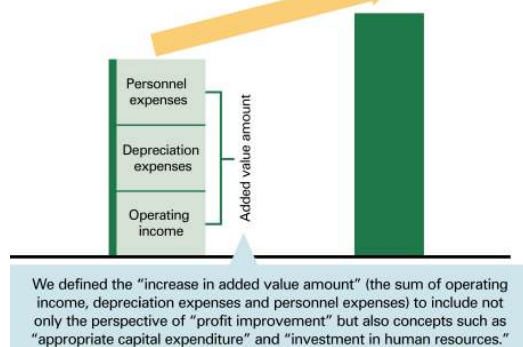
> Efforts to Address Climate Change and Nature-Related Issues (Disclosure Based on the TCFD and TNFD Recommendations)

Increase the Income of Farmers, Fishermen, and Foresters

We provide consultations for those in cooperation with JA Bank and offer support in establishing food and agricultural value chains through investment and loan.

Continuously contribute to increasing the income of farmers, fishermen and foresters through consulting with the investees and borrowers of the Bank and other activities.

Set and address achieving the medium/long-term target of the increase in the added value amount.



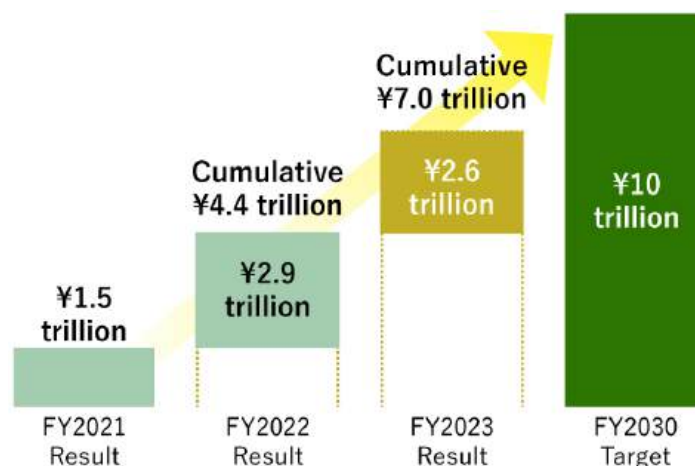
Number of Consultations Provided by JA Bank

FY2021	FY2022	FY2023
186	301	306

Execute New Sustainable Finance

The Norinchukin Bank executed sustainable finance to help resolve environmental and social issues.

We also focus on measuring and managing how our financing and other business activities impact the environmental and societies.



Respect for Human Rights

The Bank held dialogues with external experts and other parties related to regarding modern slavery (forced or child labor), which we identified as a material issue based on our human rights impact assessments (human rights due diligence), in the high-risk sectors (agriculture, construction, food manufacturing) for the human rights of foreign employees. We will take these factors into account when considering specific measures going forward.

Ratio of Female Managers

To promote diversity and inclusion in the Bank, we work to encourage female employee activity and growth as well as foster awareness among executives and employees.



> Diversity, Equity & Inclusion

Sustainability Management	Agriculture, Fishery, Forestry Industries, and Regions	Environment	Social	Governance
---------------------------	--	-------------	--------	------------

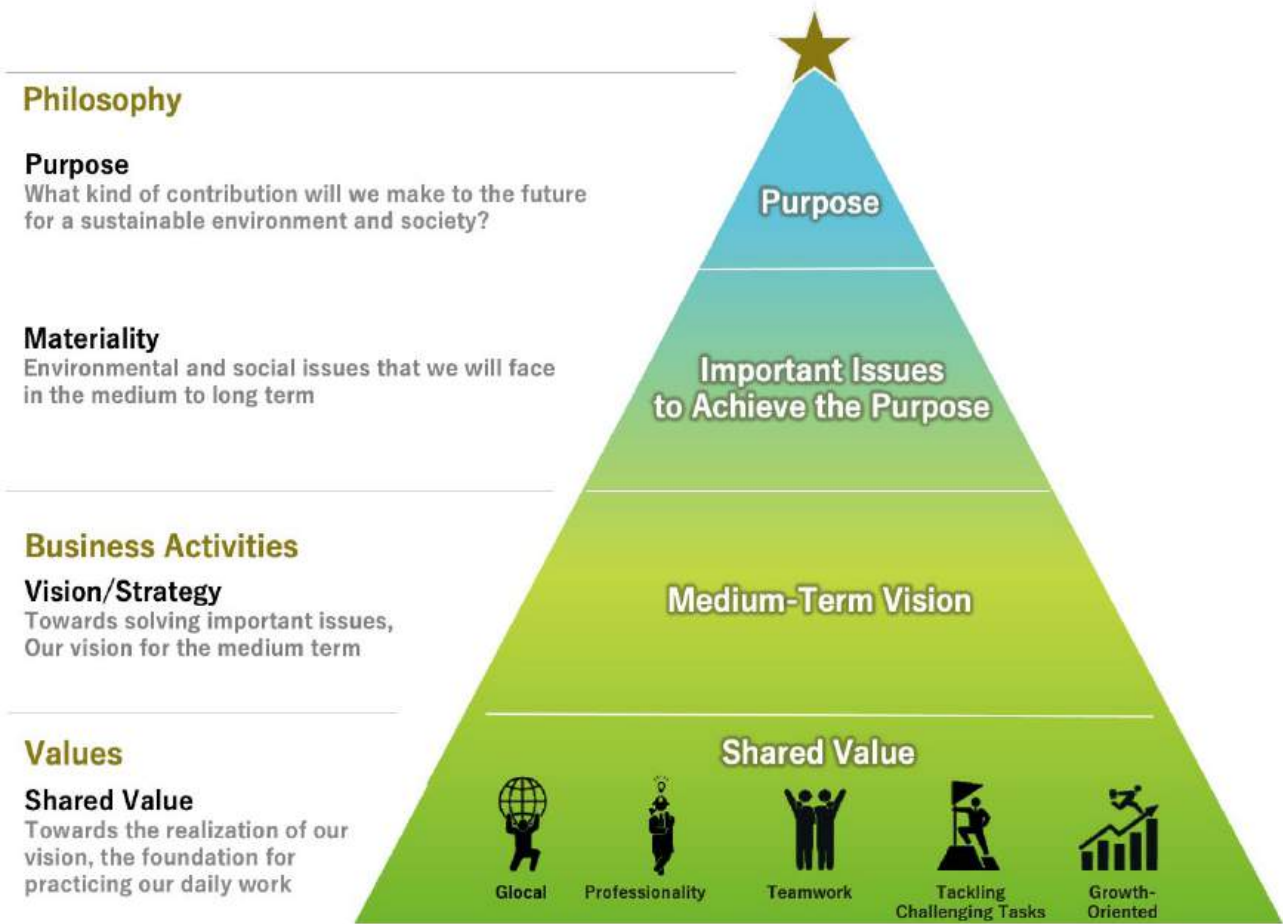
Our Purpose and Vision

[Home](#) > [Sustainability](#) > [Sustainability Management](#) > [Our Purpose and Vision](#)

The Norinchukin Bank defined our Purpose as the future value that the Bank will provide to society for sustainable environments and societies.

The bank established “Important Issues to Achieve the Purpose” as issues to be faced in the medium to long-term and the “Medium-Term Vision” toward FY2030.

The Bank also identified key “shared values” for its senior management and employees, which form the foundation of daily business activities.



Stakeholders: Members (JA, JF and JForest)/individual cooperative members (i.e., people working in the AFF industries); our clients (deposit and savings, loans) including AFF-related companies; local communities; Investors; business partners in the Bank’s entire operation including financial institutions, market participants and contractors; governments and municipalities; and Norinchukin Group employees

Purpose

Dedicated to sustaining all life.

—Work together with our stakeholders to foster the agriculture, forestry and fisheries industries and to create a prosperous future for food and lifestyles, and thereby contribute to a sustainable global environment—

Important Issues to Achieve the Purpose

- Realizing a carbon-neutral society
- Realizing a society living in harmony with nature
- Strengthening the "earning power" of the agriculture, forestry and fisheries industries
- Realizing a resilient food system
- Achieving well-being at both local and international level

Medium-Term Vision

Look ahead to the future and take on the changes

- Create impact for the global environment, society, and economy
- Support sustainable development of agriculture, forestry, and fisheries industries and local communities
- Create value for cooperative members and users through optimal integration of digital and real
- Ensure stable returns and play a role as the national level banking institution for the AFF cooperatives
- Realize a flexible and resilient organization that continues to take on challenge of changes

Formulation of Purpose of the Bank

We take a medium- to long-term perspective in redefining our vision of the Norinchukin Bank, the value we provide, and the role we serve in the world. We defined the value that the Bank will provide to society in the year 2050 as our Purpose, recognizing the importance of setting and executing specific goals to achieve these aspirations.

In formulating our Purpose, we held monthly workshops throughout 2020, attended by the CEO, Directors and Executive Officers. After putting together forecasts for the global environment and societal changes for 2050 (megatrends), we used the concept of backcasting, carrying out discussions under the following approach.

Details of discussions were shared with the Supervisory Committee members and the Bank employees, and we formulated the plan after receiving opinions and responses to questionnaires.

Discussion Process

1. Share futuristic scenarios for 2050 in consideration of medium/long-term changes in the environment and society (megatrends).
2. Forecast the impact that these futuristic scenarios could have on the Bank's foundation and businesses (the AFF industries; investment and financing).
3. For (2), above, discuss the value that the Bank can provide to society and the role that we are expected to play (our Purpose).



Group discussions in a workshop for executives

4. Discuss the goals to be achieved by 2030 based on our Purpose.
5. Reflect these details in our management plan and realign the Norinchukin Bank Vision.

Milestones of Sustainable Management

The Norinchukin Bank began sustainable management in fiscal 2019 and has been developing our sustainable management framework and joining various initiatives since. We are committed to continue working together with our stakeholders going forward.



Philosophies and Policies

Code of Ethics, Environmental Policy, Human Rights Policy

In our Code of Ethics, we stipulate that, “We, as members of society, work closely with local communities, to support them with respect to the human rights of each person and with social issues such as environmental concerns, and we seek to contribute to the realization of a sustainable society.”

Code of Ethics (Excerpt)

1. Fundamental Mission and Social Responsibility
2. Offering High-Quality Services
3. Strict Compliance with Laws and Regulations
4. Severing AntiSocial Forces and Combating the Threat of Terrorism
5. Building a Highly Transparent Organizational Culture
6. Contribution to a Sustainable Society

To realize sustainability management, we established the Environmental Policy and Human Rights Policy as of 2019. These policies serve to advance concrete initiatives in our businesses and in the behavior of our senior management and employees as we clarify our fundamental position on resolving environmental issues and respecting human rights, and as we foster and unify awareness among the same. We have placed the Basic Policy for Investment and Loans under our Environmental Policy and Human Rights Policy and share it with our group companies.



Environmental Policy and Human Rights Policy: Two Unique Traits

① Defines The Norinchukin Bank basic mission

Our mission is to contribute to economic development through the development of the AFF industries, industries that are linked closely to the environment. We also strive to help the people engaged in these industries enjoy greater happiness. In accordance with the principle and spirit of mutual aid embraced by cooperatives, The Norinchukin Bank respects human rights and dignity rooted in equality and aims to create a fair society.

② Emphasizes fostering a sound corporate culture

We believe that fostering and establishing a sound corporate culture is an integral part of implementing both policies. While responding appropriately to human rights issues, we work to maintain an awareness of the risks and returns related to our business activities, encourage individual employees to act with awareness of their own responsibilities while ensuring transparency, and create attractive workplaces that offer unrestricted and open-minded discussion and respect for diverse opinions.

Environmental Policy: Key Points

- ① Reflecting on our basic mission, we declare that we will contribute to the creation of a sustainable society through partnership and collaboration with fellow members
- ② We declare our support and participation in international standards and initiatives to address environmental issues
- ③ We implement concrete initiatives based on the Environmental Policy through our core financing and lending business
- ④ We declare that, as a financial institution founded on the AFF industries, climate change and biodiversity*¹ are particularly important environmental issues, and that we will respond to these issues through our business activities
- ⑤ We declare that we shall strive to respond to environmental issues as an element tied closely to our ability to foster a sound corporate culture, the backbone of our operations

*1 Supported and adopted the TCFD and TNFD recommendations, and noted that the Bank will promote initiatives based on the purpose of the recommendations.

Human Rights Policy: Key Points

- ① Reflecting on our basic mission, we declare that we will contribute to the creation of a sustainable society through partnership and collaboration with fellow members
- ② We declare our support and respect for international standards and initiatives*² to address human rights issues
- ③ We declare our respect for human rights across the entire value chain (executives, employees, customers and suppliers) in accordance with the concepts of the UN Guiding Principles on Business and Human Rights (Ruggie Principles)
- ④ We declare that we shall strive to respond to human rights issues as an element tied closely to our ability to foster a sound corporate culture, the backbone of our operations

*2 Universal Declaration of Human Rights, International Covenant on Economic, Social and Cultural Rights, International Covenant on Civil and Political Rights, ILO Declaration on Fundamental Principles and Rights at Work, UN Guiding Principles on Business and Human Rights, UN Global Compact and OECD Guidelines for Multinational Enterprises

Group companies that share the same “Environmental Policy,” “Human Rights Policy,” and “Basic Policy for Investment and Loans”

- The Norinchukin Trust & Banking Co., Ltd.
- Norinchukin Australia Pty Limited
- Norinchukin Bank Europe N.V.
- Norinchukin Research Institute Co., Ltd.
- Norinchukin Facilities Co., Ltd.
- Nochu Business Support Co., Ltd.
- Norinchukin Business Assist Co., Ltd.
- Norinchukin Academy Co., Ltd.
- Norinchukin Value Investments Co., Ltd.
- Kyodo Housing Loan Co., Ltd.
- Nochu Information System Co., Ltd.
- JA Card Co., Ltd.
- Norinchukin Zenkyoren Asset Management Co., Ltd.
- The Cooperative Servicing Co., Ltd.
- The Agribusiness Investment & Consultation Co., Ltd.
- Norinchukin Capital Co., Ltd.
- Nochu-JAML Investment Advisors Co., Ltd.
- Norinchukin Hong Kong Limited

> Environmental Policy (PDF : 170KB) 

> Human Rights Policy (PDF : 172KB) 

Sustainability Management	Agriculture, Fishery, Forestry Industries, and Regions	Environment	Social	Governance
---------------------------	--	-------------	--------	------------

Sustainability Promotion Structure

[Home](#) > [Sustainability](#) > [Sustainability Management](#) > Sustainability Promotion Structure

Sustainability Committee

The Sustainability Committee was established under the Board of Directors to discuss general policies and management issues related to sustainability management. The Chief Sustainability Officer (see below), as well as other relevant executives and employees, participate in this committee. The Board of Directors and the Supervisory Committee supervise the Sustainability Committee, discussing reports on the outcomes of their committee meetings as needed. Matters related to environmental and social risk management are discussed at the Risk Management Committee, under the board of directors. Depending on the content and purpose of the discussions, these matters are also discussed at management level within various consultative bodies.

Chief Sustainability Officer

The Bank appoints two Chief Sustainability Officers (Co-CSuO) responsible for overseeing and implementing sustainable management. The officer in charge of corporate affairs and officer in charge of business affairs work together for sustainable management, stronger risk management, and related business opportunities in light of domestic and international trends.

Chief Diversity Officer

We assign a Chief Diversity Officer (CDO) to oversee and encourage diversity and inclusion initiatives.

Sustainability Advisory Board

As an advisory body to the Board of Directors, the Sustainability Advisory Board was established to consult with external experts and reflect their opinions in the advancement of our sustainability management.

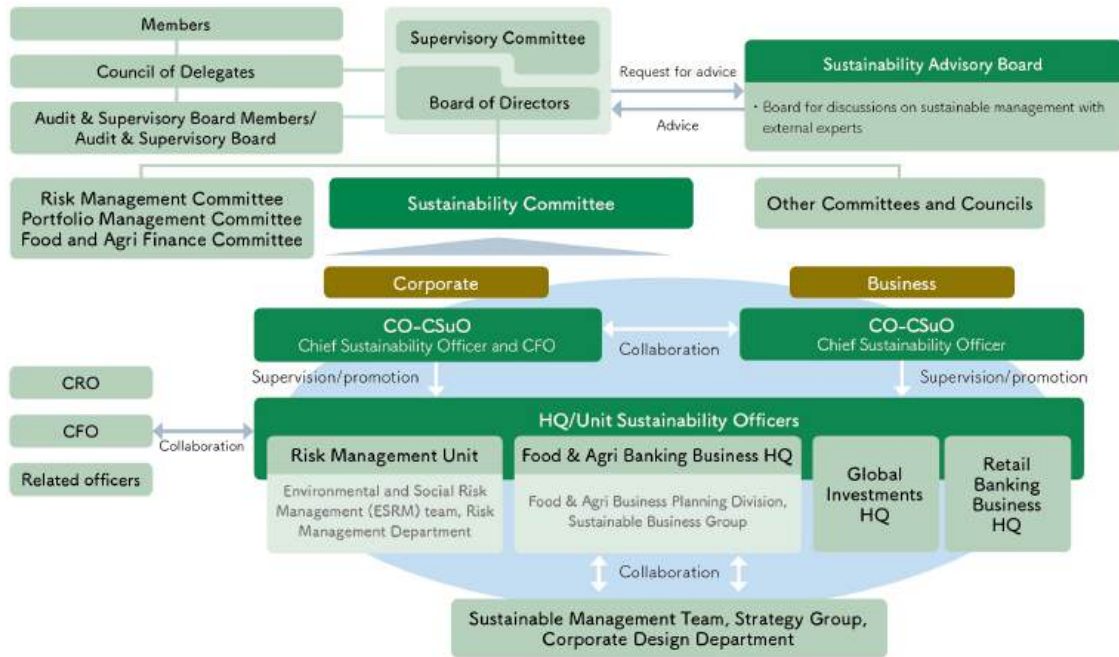
Sustainability Advisory Board Members

Name	Affiliation / Position
ADACHI Eiichiro	Managing Director, The Japan Research Institute, Limited
SATO Takafumi	Member of the Supervisory Committee, The Norinchukin Bank (Former Vice-Chairman of the IFRS Foundation)
TAKAMURA Yukari	Professor, The University of Tokyo Institute for Future Initiatives
MIZOUCHI Ryosuke	Professional Adviser, Kirin Holdings Company, Limited

Implementing Sustainability Management through the Cooperation with Each Headquarter

In order to strengthen organization-wide sustainability management, the Bank assigned HQ/Unit Sustainability Officers (SuOs) to each headquarter and unit (Food & Agriculture HQ, Retail HQ, Global Investments HQ, and Risk Management Unit).

Sustainability Promotion Structure



Major Agendas for Each Meeting Body (Sustainability-Related)

Congressional Body	Chairperson	Main Agenda Items, Discussions, and Reports (FY2023)
Supervisory Committee	Chairperson of the Supervisory Committee	<ul style="list-style-type: none"> ●Materiality review and formulation of materiality to achieve our Purpose ●Management plans and business performance (including sustainable management matters)
Board of Directors	President and Chief Executive Officer	<ul style="list-style-type: none"> ●Materiality review and formulation of materiality to achieve our Purpose ●Establishment of GHG reduction targets for portfolio (oil and gas, steel, coal sectors) ●Management plans and business performance (including sustainable management matters) ●Selection of top risks ●Sustainability Advisory Board meeting results and responses ●Partial revisions to risk management policy
Sustainability Committee Meetings	Chief Sustainability Officer	<p>Seven total meetings in FY2023 (including those co-hosted with other councils)</p> <ul style="list-style-type: none"> ●Establishment of GHG reduction targets for portfolio (oil and gas, steel, coal sectors) ●Natural capital and biodiversity initiatives ●Initiatives to increase income in agriculture, fishery and forestry industries ●Measures based on human rights impact assessments ●Initiatives to encourage diversity ●Management plans and business performance (sustainability initiatives) ●Sustainability Advisory Board meeting results and responses ●External evaluation of sustainable management
Risk Management Committee	Chief Risk Officer	<ul style="list-style-type: none"> ●Selection of top risks ●Partial revisions to risk management policy ●Partial revisions to investment and loan sector policies
Portfolio Management Committee, Food and Agri Finance Committee	Chief Financial Officer	<ul style="list-style-type: none"> ●Partial revisions to investment and loan sector policies ●Allocation policy development (GHG emission visualization in investment portfolios)

Message from the Chief Sustainability Officer

Representative Director and Managing Executive Officer Member of the
Board of Directors
Chief Financial Officer
Co-Chief Sustainability Officer
KITABAYASHI Taro



I believe we formed a framework for sustainable management at The Norinchukin Bank during the previous medium-term management plan. In addition to strengthening governance by defining our Purpose and establishing the Sustainability Advisory Board, we participated in international rule-making as a member of the TNFD Taskforce, taking on the challenge of pioneering and experimental efforts in sustainability. Being based in the agriculture, fishery and forestry industries, there is a high affinity between our operations and sustainability. I see an increase in the number of employees voluntarily working to improve the sustainability of the agriculture, fishery and forestry industries, as well as that of the surrounding environments and societies. I have been working to set the future direction of The Norinchukin Bank in light of domestic and international trends. At the same time, I strive to raise the awareness and knowledge of our officers and employees. The Bank must move on to a stage linking sustainability to business activities even further, accelerating business execution.

The Bank is an organization in a rare position of working with all processes in the agriculture, fishery and forestry industries value chain. This relationship is why we must take an integrated view of climate change, natural capital, biodiversity, and circular economies. We must look across the entire value chain, and pursue ways to create added value linking activities closely to a diverse range of stakeholders. While leveraging our strengths as a financial institution, we also collaborate with other companies and industries to add value in areas where we lack, gaining consumer recognition leading to consumption of the product. My hope is that The Norinchukin Bank plays a key role in creating systems for all stakeholders to achieve win-win results. I hope that the Bank will continue to play its part in improving the sustainability and resilience of the agriculture, fishery and forestry industries and the food industry as we strive for our medium-term vision (Nochu Vision 2030), which we began pursuing in fiscal 2024.

Managing Executive Officer
Co-Head of Food, Agribusiness and Corporation Banking
Co-Chief Sustainability Officer
TSUCHIDA Tomoko



I was named co-chief sustainability officer (Co-CSuO) in April 2024. Several years ago, I worked in a department responsible for sustainability. Compared to those days, when even the term "ESG" was not a familiar idea at the Bank, our younger employees today engage actively in this area on a day-to-day basis. One example is their enthusiasm for proposing sustainability linked loans to our customers. Throughout this period, we continued to search for a unique approach true to The Norinchukin Bank. This meaningful search resulted in our Purpose and Nochu Vision 2030.

In conversations with corporate sales customers, I see how they recognize the importance of integrating sustainability into their business and producing concrete results. I see how they endeavor to move forward, even though they struggle. There is a limit to what a single company can do to achieve success in both sustainability and business. Companies must also take on the challenge of breaking away from existing businesses and transforming into new models. Sometimes we must break from competitive relationships and reach out to market participants, building a network for all to share their concerns. In such times, I hope that the Bank can support companies and serve as a bridge through awareness and encouragement.

The Norinchukin Bank is also involved in sustainable finance as an institutional investor with global operations. We take on the challenge, not only through volume, but also through quality initiatives having a truly positive impact on the environment and society.

We who live in the present must think about what we will leave to future generations, acting accordingly if we are to maintain the Earth's environment, safe food, and lifestyles in the year 2050 and beyond. I believe it is my mission to encourage the younger generation to embrace the sense that they are the leading players in this quest, urging them to do their best.

Sustainability Advisory Board

[Home](#) > [Sustainability](#) > [Sustainability Management](#) > [Sustainability Advisory Board](#)



Aiming to advance sustainable management, the Norinchukin Bank established the Sustainability Advisory Board in fiscal 2022 as a forum to solicit the opinions of external experts and exchange views.

Directors and employees of the Bank exchange opinions with four board members on an ongoing basis.

Participants

Board Members



Senior Counselor of The Japan Research Institute, Limited
ADACHI Eiichiro



Member of the Supervisory Committee of the Bank
SATO Takafumi



Professor, The University of Tokyo Institute for Future Initiatives
TAKAMURA Yukari



Professional Adviser, Kirin Holdings Company, Limited
MIZOUCHI Ryosuke

Participants From the Bank

KITABAYASHI Taro

Representative Director and Managing Executive Officer (Chief Sustainability Officer)

IMAI Masato

Director and Managing Executive Officer

TSUCHIDA Tomoko

Managing Executive Officer (Chief Sustainability Officer)

HATA Nobuhiro

General Manager, Food & Agri Business Planning Division (Sustainability Officer, Food & Agri Banking Business)

SATO Shigefumi

General Manager, JA Bank System Management Division (Sustainability Officer, Retail Banking Business)

SHIOTA Suguru

Deputy General Manager, Markets Division (Sustainability Officer, Global Investments)

YANO Osamu

Deputy General Manager, Risk Management Division (Sustainability Officer, Risk Management Unit)

NODA Haruo

General Manager, Corporate Design Division (Sustainable Management)

First Sustainability Advisory Board Meeting of FY2024

At the Sustainability Advisory Board meeting held in July 2024, the Bank management discussed future challenges in our sustainable management, receiving feedback from board members.

(Major Comments From Board Members)

General Sustainable Management

- I appreciate the fact that The Norinchukin Bank has pursued sustainable management to date.
- Going forward, it will be important to further explain to stakeholders how your sustainability efforts will reduce risks and lead to business opportunities for The Norinchukin Bank.

Measures in the Food and Agriculture Value Chain

- I expect The Norinchukin Bank to collaborate with the JA Group in establishing sustainable agriculture in light of the significant GHG emissions and ecological impact of agricultural production.
- As a cooperative organization, it is also important for the Bank to focus efforts more on the agriculture, fishery and forestry industries.
- Many companies will be required to disclose Scope 3 in their sustainability disclosures going forward. To this end, it is crucial for the Bank to reduce GHG emissions throughout the food and agriculture value chain, focusing in particular on achieving decarbonization at upstream agricultural production sites. I expect The Norinchukin Bank to work with cooperative organizations to address these issues from the perspective of business risks and opportunities.

Initiatives for Visualizing and Creating Impact

- I expect The Norinchukin Bank to generate the environmental and social impacts prioritized in the newly formulated materiality and the medium-term vision.
- The Bank must not only create positive impacts, but also work to reduce negative impacts.

- I expect the Bank to go beyond simply visualizing the impact of individual business activities to act with intentions unique to the Bank and engage in impact financing initiatives with additionality.

Important Issues to Achieve Our Purpose

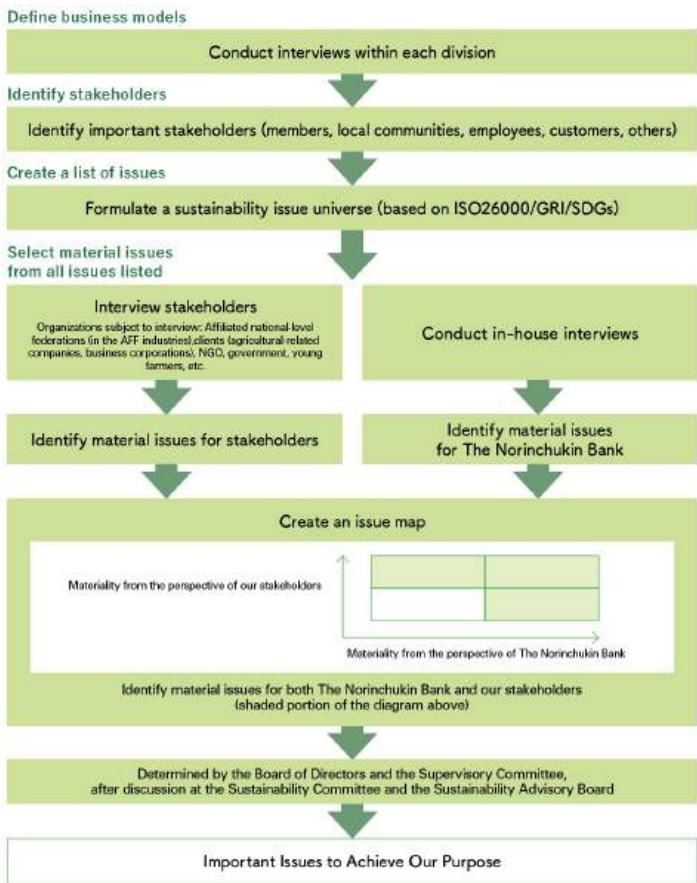
Home > Sustainability > Sustainability Management > Important Issues to Achieve Our Purpose

Identifying Important Issues to Achieve Our Purpose

The Norinchukin Bank established Important Issues to Achieve Our Purpose based on stakeholder perspectives and our importance as the Bank.

Important Issues to Achieve Our Purpose	Direction	Related Pages
Realizing a carbon-neutral society	Measures Aimed at Net Zero by 2050	Climate change and biodiversity initiatives (Climate & Nature Report)
Realizing a society living in harmony with nature	Strengthening analysis and solutions to be nature positive	
Strengthening the “earning power” of the agriculture, fishery and forestry industries	Initiatives to increase income in agriculture, fishery and forestry industries	Sustainable Agriculture, Fishery and Forestry Industries and the Food and Agriculture Value Chain
Realizing a resilient food system	Supporting the establishment and strengthening of the food and agriculture value chain	
Achieving well-being at both local and international level	Initiatives to revitalize communities and improve social inclusion	Initiatives to Revitalize the Regions A Society Leaving No One Behind Diversity and Inclusion

Specific Processes



Stakeholder Engagement

Strengthening Stakeholder Engagement

The Norinchukin Bank Stakeholders

- Members(JA,JF and JForest)
 - Individual cooperative members(i.e.,people working in the agriculture,fishery and forestry industries)
 - Our clients (deposit and savings,loans) including agriculture,fishery and forestry-related companies
 - Local communities
 - Business partners in the Bank's entire operation including financial institutions, market participants and contractors
 - Governments and municipalities
 - Employees

In this era of increasing uncertainty, it is necessary for us to focus on engaging with our stakeholders to create sustainable environments and society, as well as to establish agriculture, fishery and forestry industries that will lead to the next generation.we must take action together based on mutual understandings and dialogues. The Bank guarantees transparency and accountability to our stakeholders. We take action to achieve our purpose while maintaining and fostering a deeper trust with our stakeholders for the future.

Stakeholder-Oriented Basic Policy on Governance

The Bank was established on the Norinchukin Bank Act. Article 1 of the Act stipulates our purpose as a financial institution founded in agricultural, forestry, and fishery cooperatives, as well as other cooperative organizations in the AFF industries, to finance these cooperative organizations and thereby contribute to the development of AFF industries, which eventually contributes to the development of the national economy. Based on this article, the Basic Policy on the Norinchukin Bank Governance defines our relationship with our stakeholders. For our member stakeholders, Bank executives and employees are to ensure appropriate collaboration through understanding and sharing our organizational values. These values emphasize having dialogues and careful discussions with members, based on our nature as a cooperative financial insutitution. For all other relationships, we recognize the importance of fostering appropriate and smooth relationships with various stakeholders such as customers, employees, and local communities to achieve the objectives of Article 1 above. The Bank will strive to establish such relationships and conduct business accordingly.

Dialogues and Collaborations with Members and Cooperatives

Together with national level organizations such as JA Zenchu, JA Zen-Noh, and JA Zenkyoren, the JA Group also holds the SDG Liaison Conference. Participants discuss current information on sustainability and collaborate on initiatives for the sustainability of the agriculture, fishery and forestry industries and regions. Discussions and collaborations are also underway with JF Zengyoren on the fisheries industry, and with JForest Zenmoriren on the forestry industry.

Members: JA (agricultural cooperatives), JF (fishery cooperatives), JForest (forestry cooperatives) and their alliances, as well as other cooperative organizations of agriculture, fishery and forestry industries that have invested in the Norinchukin Bank (3,232 organizations as of March 31, 2024)

The Bank is a member of the International Co-operative Alliance (ICA). This alliance is a group of cooperatives from more than 100 countries around the world in all fields, including those from agricultural, fishery, and forestry cooperatives, as well as other co-ops. In 2013, the National Council of Cooperatives Commemorating the International Year of Co-operatives (Japan National Planning Committee for IYC) was established in Japan. The Japan Co-operative Alliance Organization (JCA) took over this council from fiscal 2019. The Bank participates in the JCA and encourages dialogues and collaborations with other cooperatives.

Cooperative Organizations and SDGs

Cooperative organizations address issues such as poverty and hunger and are identified by the United Nations as one of the key stakeholders in achieving SDGs. The International Co-operative Alliance (ICA) also encourages cooperative organizations around the world to collectively work to achieve SDGs. In Japan, cooperative organizations are explicitly mentioned in the SDGs Implementation Guiding Principles of the Japanese government. As such, Japan and other countries have high expectations in cooperative organizations for the role they play in achieving SDGs.

| Dialogues and Collaborations with Investees and borrowers

The Bank works to have deep discussions and mutually understand our Investees and borrowers to provide solutions to their issues and needs. In doing so, we work to create value together in times of disruptive change.

| Improving Employee Engagement

In order to enhance our vitality in achieving our purpose, the Bank works to develop human resources and improve workplace environments. In addition, we foster employee engagement by deepening two-way communication between management and employees.

| Dialogues and Collaborations with Administrative and Research Institutions

To resolve climate change and other sustainability issues, it is important to collaborate with governments, local governments, and other government agencies, as well as universities and research institutions. We engage in various forms of dialogue with stakeholders in these areas and advocates our opinions.

Sustainable Food Systems	<p>Participation in the Public-Private Roundtable for Sustainable Food Production and Consumption (Ministry of Agriculture, Forestry and Fisheries)</p> <p>In response to international developments related to sustainable food systems, we participate in this roundtable established by the Ministry of Agriculture, Forestry and Fisheries. The roundtable serves as a forum for public and private sector stakeholders to engage in dialogue, share information, and gain awareness of specific changes suited to our circumstances in Japan.</p>
	<p>Launch of the Collaboration Project for the Conversion to Sustainable Food Systems (University of Tokyo)</p> <p>With the support of Ministry of Agriculture, Forestry and Fisheries, The Norinchukin Bank and the Global Commons Center of the University of Tokyo launched a project to identify ways to make Japan's food system more sustainable.</p>
	<p>Joint Research: Gastronomic Geopolitics (Tohoku University)</p> <p>We entered into a joint research agreement on gastronomic geopolitics (selected by the JST Program on Open Innovation Platforms for Industry-academia Co-creation (COI-NEXT)) to green food-related supply chains and consumer activities in consideration of climate and nature.</p>
Mitigating and Adapting to Climate Change	<p>Participation in the Advisory Council on Scenario Data for Climate Change Risk and Opportunity Assessment (Ministry of the Environment) with scenario- and data-related organizations</p> <p>We participate in council meetings for TCFD-based climate-related scenario data providers and users to discuss mutual needs and issues, looking for the direction of future action.</p>
	<p>Participation in the Roundtable on Physical Risk Assessments in Climate-Related Disclosures (Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>We participate in roundtables to discuss ways to assess physical risks in private corporate climate-related disclosures, particularly with respect to flooding.</p>
	<p>Participation in the GX League (Ministry of Economy, Trade and Industry)</p> <p>We participated in the GX League, which was established to discuss and engage together with government-academia-finance players who taking on the challenges of GX. Companies taking on the challenge of carbon neutrality as quickly as possible participate in the GX League, driving transformations of entire economic and social systems that impact companies and stakeholders.</p>
Natural Capital - Biodiversity	<p>Participation in the Nature Positive Economy Study Group (Ministry of the Environment)</p> <p>We participate in this ministry study group that includes public and private-sector entities, conducting discussions on natural capital, biodiversity, and corporate management. The study group also examines issues related to achieving nature positive (i.e., stopping the loss of biodiversity and guiding biodiversity to recovery).</p>
	<p>Activities as a TNFD Taskforce member (TNFD)</p> <p>The Norinchukin Bank Executive Advisor HIDEISHIMA Hirotaka contributes to the development and communication of this global disclosure framework as a member of the TNFD Task Force. As a co-convenor of the TNFD Consultation Group - Japan ("TNFD Japan Council"), the Bank spreads an awareness and understanding of TNFD in Japan.</p>

We participate actively in the policy advocacy activities of the Japanese Bankers Association, Institute of International Finance (IIF), and other financial industry associations to which we belong. We also provide input for international standards-setting and rulemaking processes.

Participation in Initiatives

[Home](#) > [Sustainability](#) > [Sustainability Management](#) > [Participation in Initiatives](#)

United Nations Global Compact

The United Nations Global Compact is a voluntary initiative whereby signatory companies and organizations act as upstanding members of society, participating in the creation of a global framework for achieving sustainable growth.



CDP

In response to requests from institutional investors, the CDP sends major international corporations a questionnaire related to climate change and other issues. The CDP then analyzes, evaluates and discloses the responses.



Equator Principles

The Equator Principles is an international risk management framework adopted voluntarily by financial institutions for assessing and managing environmental and social risks in project finance and other areas.



Principles for Financial Action for the 21st Century

The Principles for Financial Action for the 21st Century aim to establish a sustainable society.



Task Force on Climate-related Financial Disclosures (TCFD)

The Bank adopts the TCFD recommendations on the disclosures of financial risks and opportunities related to climate change.



Japan Climate Initiative

The Japan Climate Initiative is a domestic network of companies, local governments, NGOs and other actors that are actively engaged in taking climate action.



UNEP FI, PRB

The Principles for Responsible Banking (PRB) is a framework operated by the United Nations Environment Programme Finance Initiative (UNEP FI) to ensure that signatory banks' business practices align with the Sustainable Development Goals and the Paris Agreement.

> **PRB Report** (PDF: 2.3MB) 



PCAF

The Partnership for Carbon Accounting Financials (PCAF) is an international initiative aimed at developing and implementing a method to measure and disclose greenhouse gas (GHG) emissions through the portfolio of financial institutions.



AIGCC

The Asia Investor Group on Climate Change (AIGCC) is an initiative to enhance awareness and encourage action among Asia's investors and financial institutions about climate change risks and low-carbon investment.



Climate Action 100+

Climate Action 100+ is an initiative for institutional investors' groups in different regions of the world to engage with high greenhouse gas emitting companies to realize carbon neutrality.



Japan Impact-driven Financing Initiative

The Japan Impact-driven Financing Initiative promotes impact investment through cooperation and collaboration between diverse and multiple financial institutions that believe that the purpose of financial institutions is to actively address social and environmental issues, holistically understanding impact.

Glasgow Financial Alliance for Net Zero (GFANZ)

This alliance is coalition of bank, insurance, asset owner, and investment management institution initiatives that aim to move to net zero. The Bank is a member of the Net-Zero Banking Alliance (NZBA), a constituent organization.

Net-Zero Banking Alliance (NZBA)

The NZBA is a banking initiative launched by UNEP FI that aims to reduce GHG emissions to net zero by 2050 through investment and loan portfolios. Alliance members are required to set interim targets for the nine highest emitting sectors by 2030 at the latest to achieve Net Zero by 2050. The alliance also requires periodic disclosure of these targets thereafter.



Keidanren Challenge Initiatives for 30% of Executives to be Women by 2030

This initiative encourages diversity and inclusion to start a movement to increase the percentage of women in executive positions to at least 30% by 2030. It also aims to lead growth through innovation and the creation of a sustainable society.



HereWeGo203030

Keidanren Initiative for Biodiversity Conservation

This is an initiative of companies and organizations which adopt and take the initiative to achieve the plural items among 7 items of, and/or agree with the whole idea and purpose in the “Declaration of Biodiversity by Keidanren and Action Policy (Revised Edition)”



TNFD Forum

The TNFD Forum is an organization that supports discussions by the Taskforce on Nature-related Financial Disclosures (TNFD)—an initiative to construct a framework for appropriate evaluations and disclosures of risks and opportunities regarding natural capital and biodiversity.



Japan Climate Leaders' Partnership (JCLP)

The JCLP is an organization established in 2009 as a unique Japanese business group that recognizes industries must feel a sound sense of urgency and take proactive measures to achieve decarbonized societies.



30by30 Alliance for Biodiversity

The 30by30 Alliance for Biodiversity is a coalition of volunteers from the government, businesses, NPOs, and other organizations that work toward becoming nature-positive by 2030, aiming to conserve and protect at least 30% of the land and sea area in Japan by the same year. The alliance works to expand national and other parks, register and conserve areas protected by *satoyama* landscapes, company-owned forests, and other entities in an international database as part of other effective area-based conservation measures (OECM), and actively share the efforts taken by these entities.



Partnership for Biodiversity Accounting Financials (PBAF)

The PBAF is an international initiative that aims to standardize the criteria in calculating and assessing dependencies and impacts on biodiversity in the financial sector.



Japan Business Initiative for Biodiversity (JBIB)

The JBIB is an initiative in which diverse companies share information, conduct joint research on biodiversity conservation from an international perspective, and engage in dialogue with other companies and stakeholders based on the outcomes obtained. Participating companies aim to raise the level of their own initiatives and take serious measures to contribute to the conservation of biodiversity.



Norinchukin Zenkyoren Asset Management Co., Ltd Initiatives

- Sign the UN Principles for Responsible Investment (PRI)
- Participate in the Climate Action 100+
- TCFD endorsement
- Participate in Net Zero Asset Managers initiative (NZAMI)



Sustainable Finance

[Home](#) > [Sustainability](#) > [Sustainability Management](#) > Sustainable Finance

The Norinchukin Bank Sustainable Finance

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, natural environment, and the affluent lives of community members sustained through these industries. As such, we aim to resolve environmental and social issues through sustainable finance.

We set a target ¥10 trillion in new finance between fiscal 2021 to 2030.

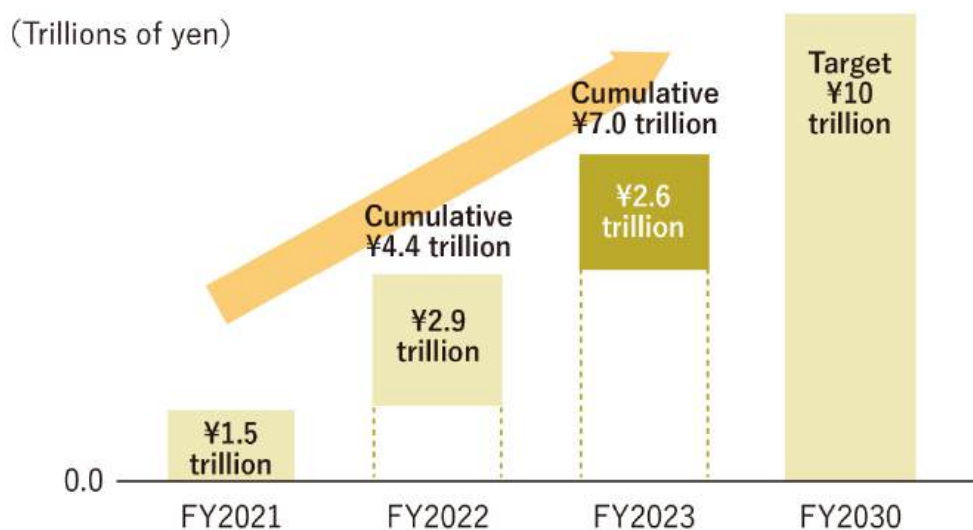
Our sustainable finance refers to the following:

- Investment and finance with ESG-related third-party certification
- Investment and finance that integrate ESG/SDGs factors into investment strategy and decision-making
- Investment and finance for environmental and social businesses
- Procuring sustainability related financing

Sustainable finance includes loans originated through our group company the Norinchukin Trust & Banking Co., Ltd., external management contracts of ESG funds managed by Norinchukin Zenkyoren Asset Management Co., Ltd., as well as investment and finance through Norinchukin Australia Pty Limited and Norinchukin Bank Europe N.V.

Results

The Bank financed a cumulative ¥7.0 trillion in new sustainable finance 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

Investment and Finance for the Resolution of Environmental and Social Issues

Investing in European Investment Bank Sustainability Awareness Bonds

The Bank invested a total of A\$300 million in sustainable awareness bonds (the "Bonds") issued by the European Investment Bank. We plan to use these Bonds, which focus on natural disasters and risk management, for global activities and projects that help create a sustainable environment and society. The importance of measures for climate change natural disaster adaptation increases each day as climate change has caused increasingly severe natural disasters around the world in recent years. The Bank is committed to investing in bonds to contribute to safe and sustainable urban development, providing funds for infrastructure development and contributing to natural disaster risk management.

> Resolving Social Issues Through Finance

Worldwide Action in Project Finance

In our investment business, we are fully engaged in project finance. Unlike corporate finance, which provides loans according to the creditworthiness of the corporation receiving the loan, project finance targets a specific business/project and then evaluates its profitability before financing.

Project Finance Case Studies

Environmental Sector

Loan balance: ¥1,120 billion

The Bank provides financial support for renewable energy projects such as offshore wind and submarine transmission lines in the UK and continental Europe, as well as solar power generation in the Middle East and Japan.



Loan balance: ¥1,266.4 billion

The Bank provides financial support for water treatment projects in Australia and the Middle East, as well as other social infrastructure projects such as schools, hospitals, and other public facilities in Australia, the UK, and the Middle East.



As of March, 31 2024

ESG Loans such as Sustainability-Linked Loans

The Bank handles ESG loan products to advance initiatives for solving the environmental and social issues faced by customers in business strategy and supporting their medium- to long-term corporate value.

Sustainability-linked loans involve Sustainability Performance Targets (SPTs) based on the business strategies of our borrowers. Linking loan conditions with progress toward achieving SPTs motivates customers to achieve their goals.

The Bank also launched loan products with limitation on the use of funds compliant with the Green Loan Principles. These include green loans (for environmentally friendly businesses), social loans (for socially friendly businesses), and sustainability loans (for environmentally and socially friendly businesses). In addition, we began offering transition loans to finance companies' transition efforts toward decarbonization.

Through these loan products, we support customer efforts to solve environmental and social issues.

Product name	Cumulative amount of new loan transactions from FY2021 to FY2023 (billion yen)	Fund Usage	
Sustainability Linked Loans	4,363	Unlimited (set SPTs)	
Green Loans	3,247	Limited to use of proceeds	Environmentally friendly businesses
Social Loans	491		Socially friendly businesses
Sustainability Loans	142		Environmentally and socially friendly businesses
Transition Loans	506	Restricted/Unrestricted Climate Change Initiatives	
Positive Impact Finance	977	Unlimited	

GHG Measurement and Financial Support for Agricultural Corporations

The Bank entered into a Sustainability Linked Loan Agreement in December 2022 with Suzunari Inc., an agricultural corporation in Shizuoka Prefecture (the "Company," below). The agreement targets reducing the Company Scope 1-2 GHG emissions. The Company measures GHG (Scope 1-3), with the help of the Bank and the CO₂ visualization, reduction, and reporting services of Asuene Inc.

> Initiatives to reduce environmental burden in agriculture

Efforts to Achieve Stable Electricity Supply and Carbon Neutrality

In September 2023, the Bank, in cooperation with JA Bank members, concluded a syndicated loan agreement for a transition loan (unspecified use of funds) with Electric Power Development Co., Ltd. This is a syndicated transition loan in which JA Bank members form a syndicate, with Group company Norinchukin Trust & Banking Co.

Transition loans are a financing method that aims to support the efforts of companies to reduce GHG emissions based on the formulation of a long-term strategy to realize a decarbonized society. By setting Sustainability Performance Targets (SPTs) based on the borrower's business strategy and linking loan terms to the achievement of SPTs, the loan aims to motivate borrowers to achieve their goals and support sustainable business activities and growth.

This project will support our company's efforts to maintain a stable supply of electricity and achieve carbon neutrality by setting the SPTs as "J-POWER Group's domestic power generation business CO₂ emissions reduction target of 9.2 million tons by FY2025 and 22.5 million tons by FY2030 (-46% compared to FY13)". By setting SPTs of "9.2 million tons by FY2030 (-46% from FY 2013)," we will support our efforts to maintain a stable electricity supply and achieve carbon neutrality.



Solving Climate Change Issues through Collaboration with Companies and Other Cooperatives

The Bank participates with Mitsubishi Estate Co. Ltd., (the "Company," below) in a wide range of SDGs that work to improve the city, such as the Daimaryu SDGs ACT5. Various companies collaborate in this act and promote SDG activities in the Otemachi, Marunouchi, and Yurakucho areas. The Bank deepens the conversation among executives and employees through such activities. As such, we entered into the Sustainability Linked Loan Agreement in October, 2022. This agreement sets SPTs that contribute to solving climate change issues (FY2025: 100% transition to renewable energy, FY2030: 70% reduction in Scope 1-2 emissions and 50% in Scope 3 compared to 2019)

The Bank will contribute to solving climate change issues by collaborating with companies and encouraging customer initiatives.

Chemical and Agrochemical Manufacturer Efforts to Reduce CO₂ Emissions

The Bank entered into a green loan agreement in January 2024 with Iharanikkei Chemical Industry Co., Ltd. ("Iharanikkei"). Iharanikkei supplies raw materials for use in pharmaceuticals, agrochemicals, dyes, resins, fibers, and other such products as a chemical manufacturer under the Kumiai Chemical Industry Group. These raw materials are mainly for use in chemical products derived from the chlorination of toluene and xylene.

The funded project aims to construct a new facility to burn waste (chlorinated organic compounds) generated in the manufacturing process, using thermal energy to generate steam and recover hydrochloric acid produced as a byproduct. This process allows Iharanikkei to use the generated steam as a heat source to help reduce CO₂ emissions from company plants.

Contributions to sustainable environments and society through investments

The Bank tackles the equity needs of customers to expand our finance tools for helping customers resolve their environmental and social issues. We contribute to a sustainable environment and society by returning investees' initiatives and technologies to our customers and member organizations.

Topics

Business Alliances for Decarbonization and The Establishment of a New Company
- Excess Electricity Circulation Solar PPA* Service -

*Power Purchase Agreement

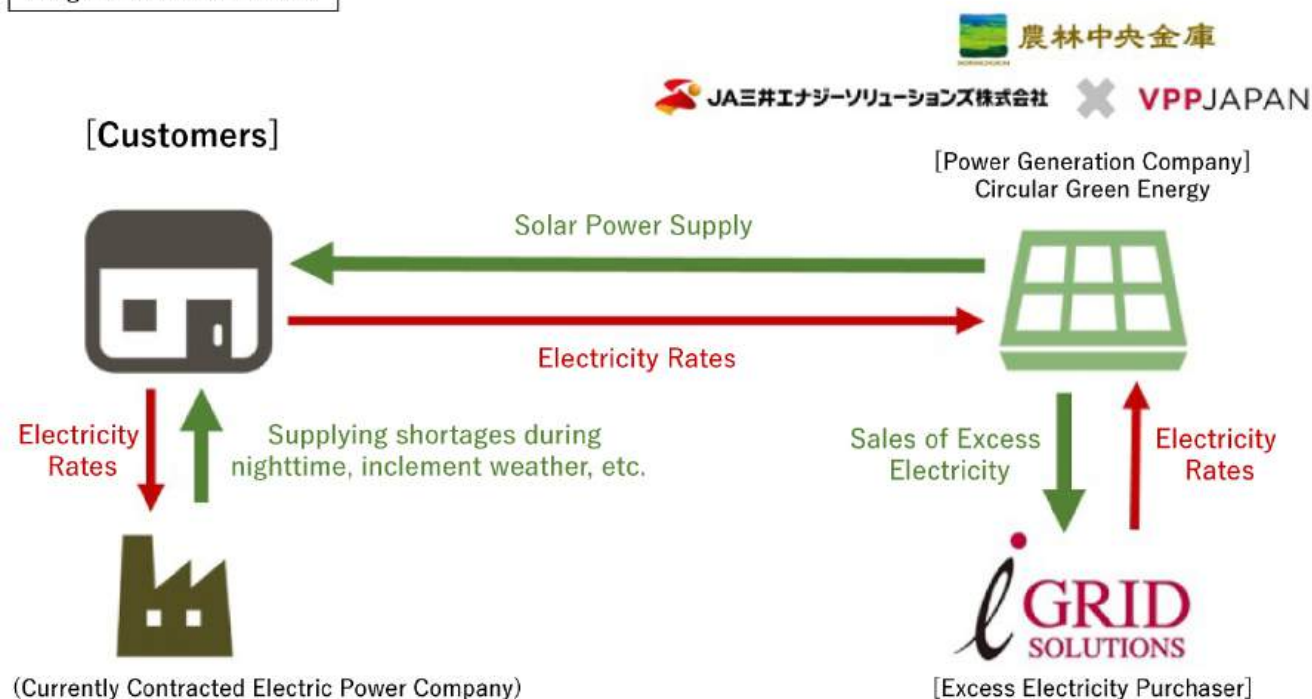
The Bank partnered with JA Mitsui Leasing, Ltd., ("JA Mitsui Leasing," below), JA Mitsui Energy Solutions, Ltd., iGrid Solutions, Ltd., and VPP Japan, Ltd., to establish the Circular Green Energy LLC (the "Company").

In addition to providing on-site consumption services for solar power generation facilities, the Company began offering the Excess Electricity Circulation Solar PPA Service. This service effectively utilizes the excess energy generated by such facilities. Users of this service can install solar power for their own consumption with no maintenance or initial investment allowing users to reduce GHG emissions and power costs, procure stable power, and have access to emergency power sources. The

Bank will work towards decarbonatization through the installation of these systems on the roofs of buildings owned by customers of JA Mitsui Leasing or the Bank, and affiliate organizations such as JA.

The Company entered into a Power Purchase Agreement (PPA) with JA Zen-Noh Meat Foods Co., Ltd. in November 2023, resolving to install a solar power generation system on the roof of the Takasaki Ham Plant for in-house energy consumption.

“Image of Services Provides”



Green Procurement Initiatives

Issuance of Green Bonds

The Bank issues U.S. dollar-denominated Norinchukin Bank debentures as green bonds in overseas markets. Norinchukin Bank debentures are bonds authorized to be issued under the Norinchukin Bank Act to raise funds for the Bank.

This is the first green bond issuance for the Bank and limits the use of proceeds to investments and loans for projects that help improve the environment, such as renewable energy projects. Prior to issuance, we developed the Green Bond Framework to ensure compliance with the Green Bond Principles 2021 of International Capital Markets Association (ICMA).

We will contribute to the creation of a sustainable environment and society through the issuance of green bonds and the investment and finance of the proceeds.

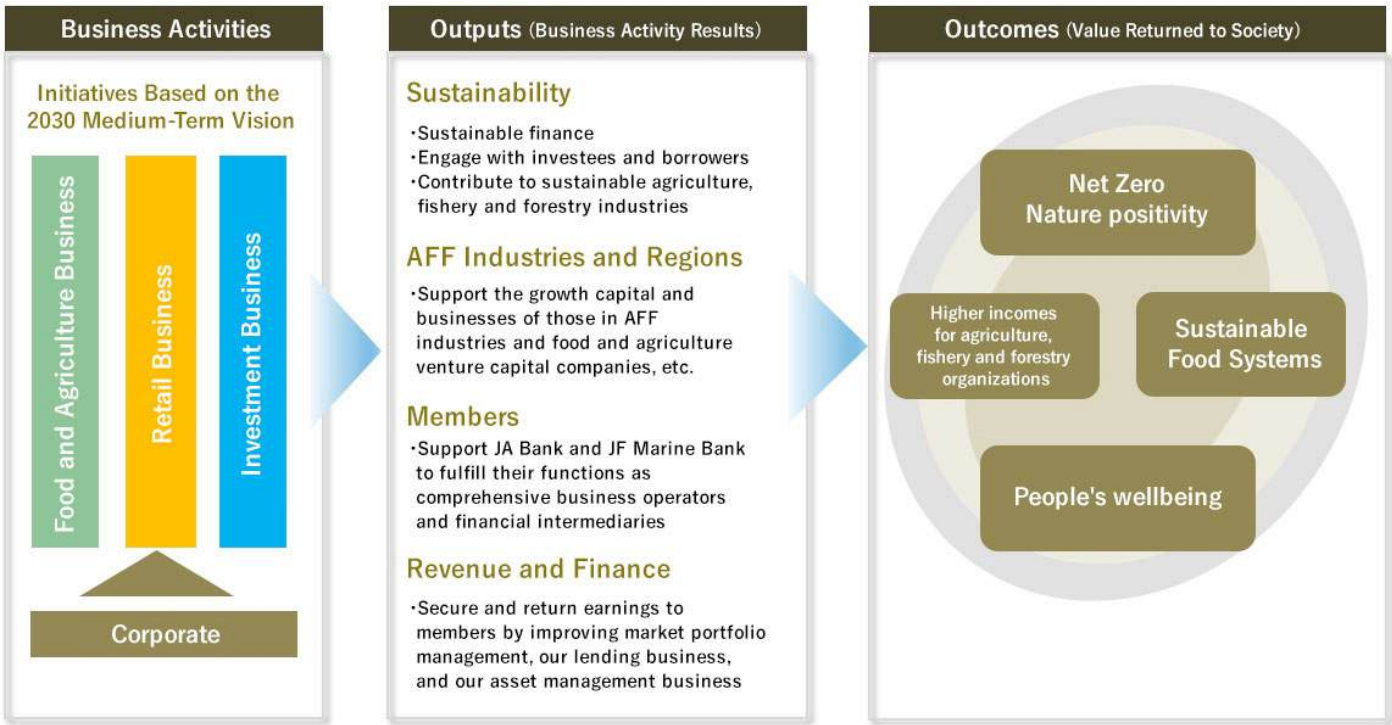
Sustainability Management	Agriculture, Fishery, Forestry Industries, and Regions	Environment	Social	Governance
---------------------------	--	-------------	--------	------------

Initiatives for Creating and Visualizing Impact

Home > Sustainability > Sustainability Management > Initiatives for Creating and Visualizing Impact

Based on our medium-term vision, the food and agriculture, retail, and investment divisions work toward achieving our purpose and resolving material issues. Together, these divisions work to achieve appropriate economic returns through investments, loans, and engagements (supporting a wide range of businesses including consultation and providing solutions). At the same time, divisions support investee, borrower, and stakeholder efforts to reduce negative environmental and social impacts while generating positive impacts.

We use impact measurement and management (IMM) to visualize and quantitatively manage the impact of our investments, loans, and business support activities on environmental and social issues.



Impact Creation Examples

The Norinchukin Bank began issuing green bonds in 2021. Funds raised through green bonds are used to invest in and finance projects that contribute to environmental improvement, including renewable energy projects. Funds are also used to measure and disclose the impact created through said investments and loans. As of March 2024 renewable energy projects using green bond funds have contributed to an annual reduction of approximately 720,000 tons of CO₂ (The Norinchukin Bank share of emissions).

Impact Investment Initiatives

The Norinchukin Bank launched an investment program in fiscal 2022 allowing for private equity fund investments in cooperation with Group company Norinchukin Zenkyoren Asset Management Co., Ltd. (NZAM). As of March 2024, four funds have invested a total of ¥10 billion, aiming to create a positive impact on climate change, educational opportunities, healthcare and welfare, and other issues.

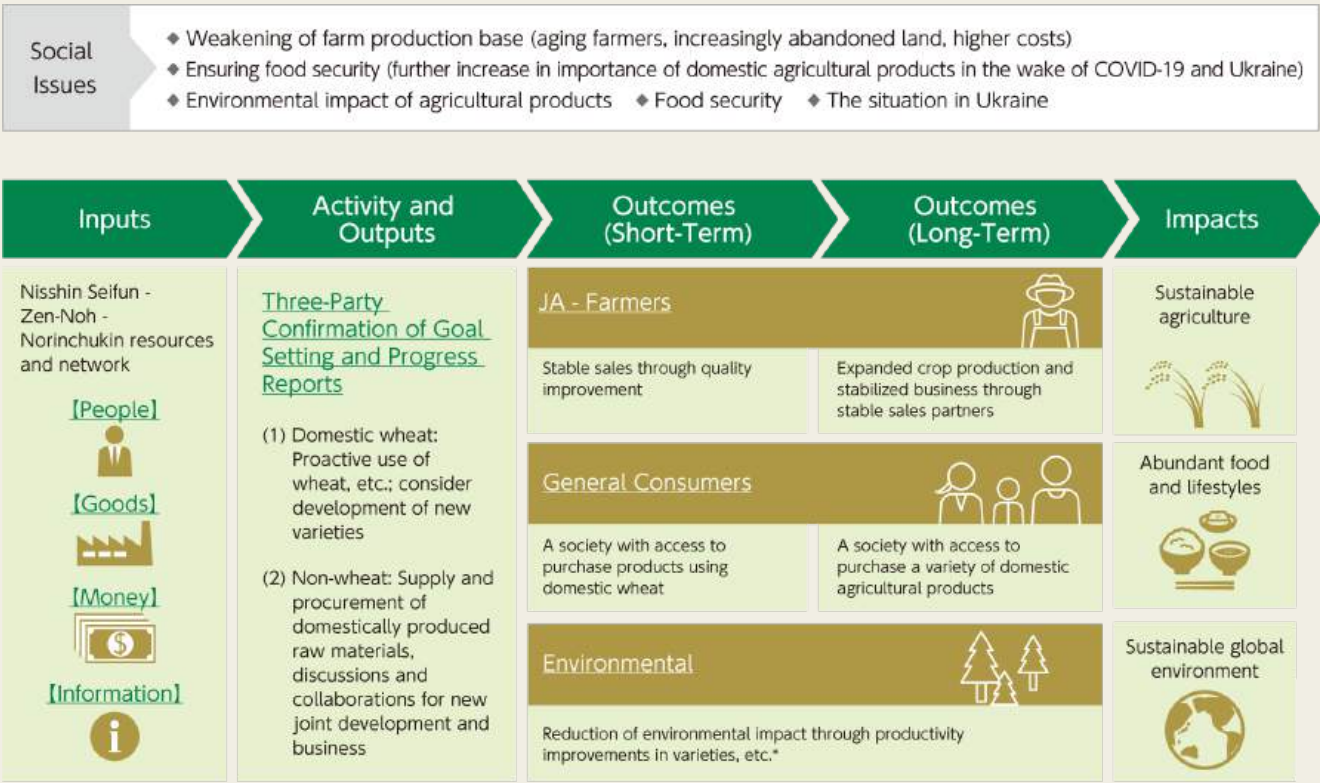
In addition, The Norinchukin Bank and NZAM participate in the ESG Data Convergence Project, which aims to standardize ESG reporting in the private equity sector. Over 100 investors and managers collaborate on this project to standardize and improve the quality of ESG reporting and clarify the status of ESG initiatives in the private equity sector, where ESG reporting is conducted

differently by each individual company. Through these efforts, we strive to expand impact investment and help achieve sustainable environments and societies.

Creating Impact Through Investments in Food and Agriculture Companies

National Federation of Agricultural Cooperative Associations ("Zen-Noh") and The Norinchukin Bank entered into a capital alliance with Nisshin Seifun Group Inc. headquarters ("Nisshin Seifun"), acquiring common stock equivalent to approximately 1% of the Nisshin Seifun outstanding total (published November 17, 2020). Japan's agriculture sector is dealing with environmental and social issues that include such a shortage of farmers. Japan has a particularly low self-sufficiency rate for wheat, and the government is pushing a shift in cultivation to wheat from rice, increasing the cultivated area and production volume. A further issue is how to grow demand in line with this increase in production. Recognizing these issues, Zen-Noh and the Bank invested in Nisshin Seifun, which is the industry leader at 40% of the domestic flour market. The objective of this investment is to encourage production and expand demand for domestically produced wheat. The three parties discussed and established common goals related to this investment. We receive regular progress reports and have confirmed that efforts are having a gradual effect on encouraging domestic wheat products and increasing demand. According to Nisshin Seifun, the company has entered into joint development to secure a stable supply of domestic wheat and other domestic agricultural and livestock products, while extending its product lineup. Zen-Noh indicated that the organization is developing production and variety development based on demand with input from Nisshin Seifun. The Bank will continue to provide support for funds and smooth communications, encouraging the three-way efforts to resolve issues throughout the value chain.

Logic Model for Creating Environmental and Social Impact



* Increased domestic wheat productivity also means a decrease in the amount of pesticides and fertilizers used per unit of production. Therefore, higher wheat productivity leads to expected reductions in environmental impact.

Signing the Japan Impact-driven Financing Initiative

The Norinchukin Bank signed the Japan Impact-driven Financing Initiative (the "Initiative") on November 1, 2022. The Initiative, for which the Social Innovation and Initiative Foundation (SIIF) serves as the secretariat, encourages the practice of impact-oriented investment and loans. Under the Initiative, financial institutions collaborate with the shared belief that the purpose of financial institutions is to have a comprehensive understanding of their impact and take initiative in solving environmental and social issues. The Bank will advance our efforts to create and visualize our impacts through collaboration with other signatory institutions by participating in the activities of the Initiative and its subcommittees, and by improving our understanding of IMM.

We also disclosed our impact financing initiatives in the Initiative Progress Report. Refer to page 41 of the following link for more information.

> [2023 Progress Report of Japan Impact-driven Financing Initiative \(PDF : 5.6MB\)](#)  (Japanese Only)

Regional Impact Creation and Visualization Initiatives

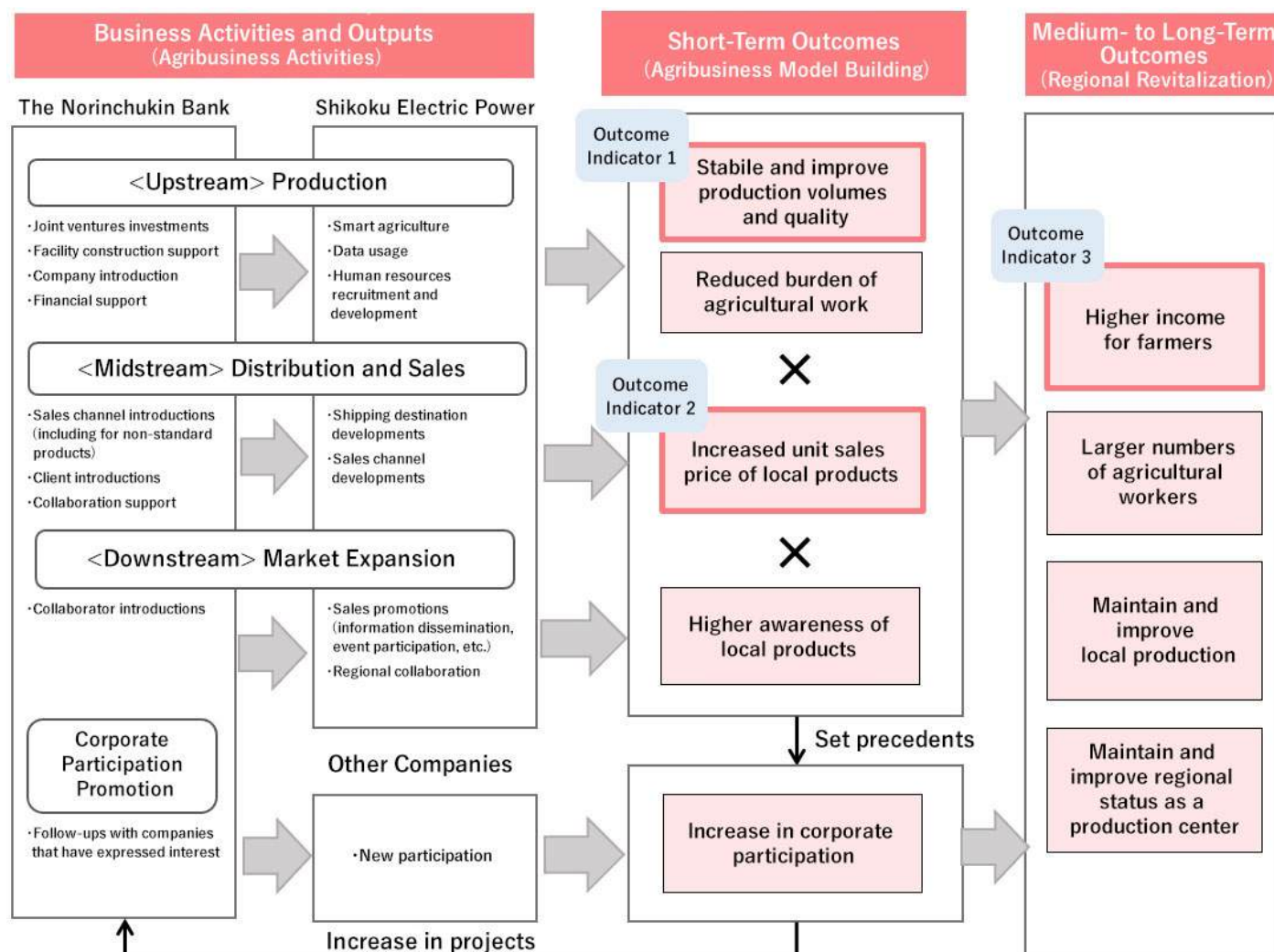
The Bank goes beyond financing to also provide consultation and solutions that help improve and develop the businesses and projects of businesses working to revitalize the agriculture, forestry and fisheries industries and generate regional development throughout Japan.

We conducted a trial social impact evaluation aiming to clarify the outcomes and objectives of such support, share our intentions with relevant stakeholders, utilize the results for learning and improvement, and improve external accountability. This trial evaluation enables the Bank to identify the paths to connect business activities to short-, medium-, and long-term environmental and social outcomes and clarifies the outcomes that we should measure.

The Bank will continue to measure the identified outcome indicators and use them to verify and improve business outcomes.

Supporting Agribusiness in Collaboration With Shikoku Electric Power (Takamatsu Branch)

The Takamatsu Branch of the Bank began providing multifaceted support to Shikoku Electric Power in 2018 when the company launched efforts to set up agricultural corporations (for strawberries and Shishito green peppers) from scratch as part of their business to revitalize the region. This year, the Bank conducted a social impact evaluation to visualize the business outcomes on the region (contribution to solving regional issues) and the paths to such outcomes. Through this evaluation, we also aimed to gain company-wide experience and understanding of the various issues that arose before the business got on track and how to solve such issues for application in other regions as well.

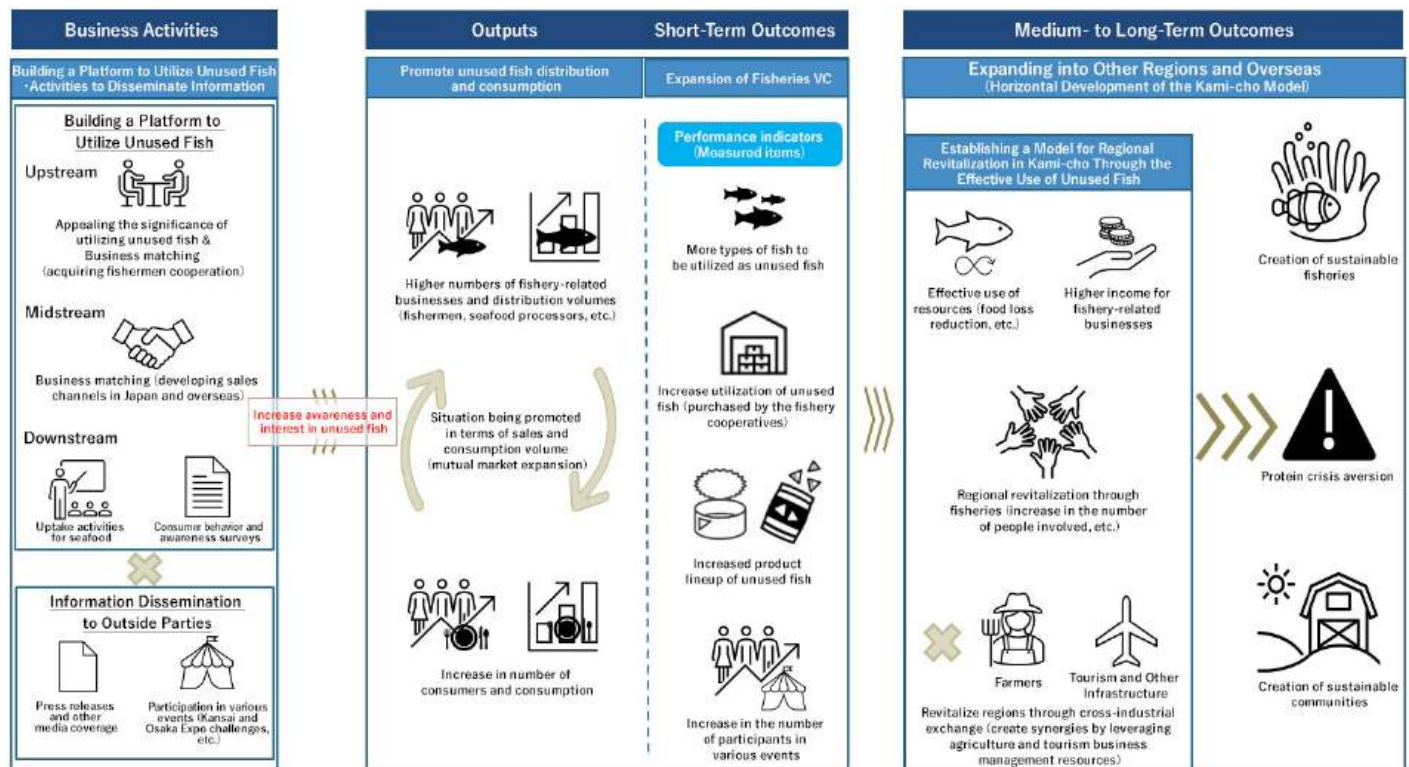


Outcome Indicators	Quantitative Indicators/Formulas
(1) Increase in farmers' production	● Annual yield (t) and unit yield (t) of agricultural businesses receiving support
(2) Increase in unit sales price of local products	● Percentage of Class A products of agricultural businesses receiving support for Shishito green peppers ● Unit sales prices of agricultural businesses receiving support for strawberries
(3) Increase in farmers' incomes	● Increase in added value of agricultural businesses receiving support (based on formulas used in the Bank)



Establishing a New Fishery Value Chain to Utilize Unused Fish (Osaka Branch)

Unused fish is a general term for fish that have good flavor but are passed off as inedible or valued only at low prices for being non-standard, caught in small quantities, not being well known, or other such reasons. The Osaka Branch of the Bank works with the town of Kami-cho in Hyogo Prefecture, JF Tajima, and other organizations of the partnership to establish a new fishery value chain for utilizing unused fish. We recognize that portions of catches are discarded at sea and the potential market for unused fish and that the economic benefits of the sustainable utilization of unused fish are not quantified in terms of business. In response to these issues, we conducted an impact assessment to identify environmental and social outcomes, identify pathways to achieve such outcomes, and create new markets.



Outcome Indicators	Quantitative Indicators/Formulas
(1) Increase the types of fish to be utilized as unused fish	● Number of fish species utilized
(2) Increase product lineups of unused fish	● Number of new processed products commercialized with cooperative processing companies
(3) Increase the number of participants in various events	● Number of participants and the implementation of consumer awareness and interest surveys



Initiatives to Manage Environmental and Social Risks

Home > Sustainability > Sustainability Management > Initiatives to Manage Environmental and Social Risks

Aiming to Improve Risk Governance

The extent and importance of environmental and social challenges to be addressed is increasing in practicing sustainable finance. It is essential for us to evaluate and consider environmental and social risks when considering whether to provide financing or investment to clients or projects. 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 addition, an internal escalation process for decision-making at the management level on an 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.

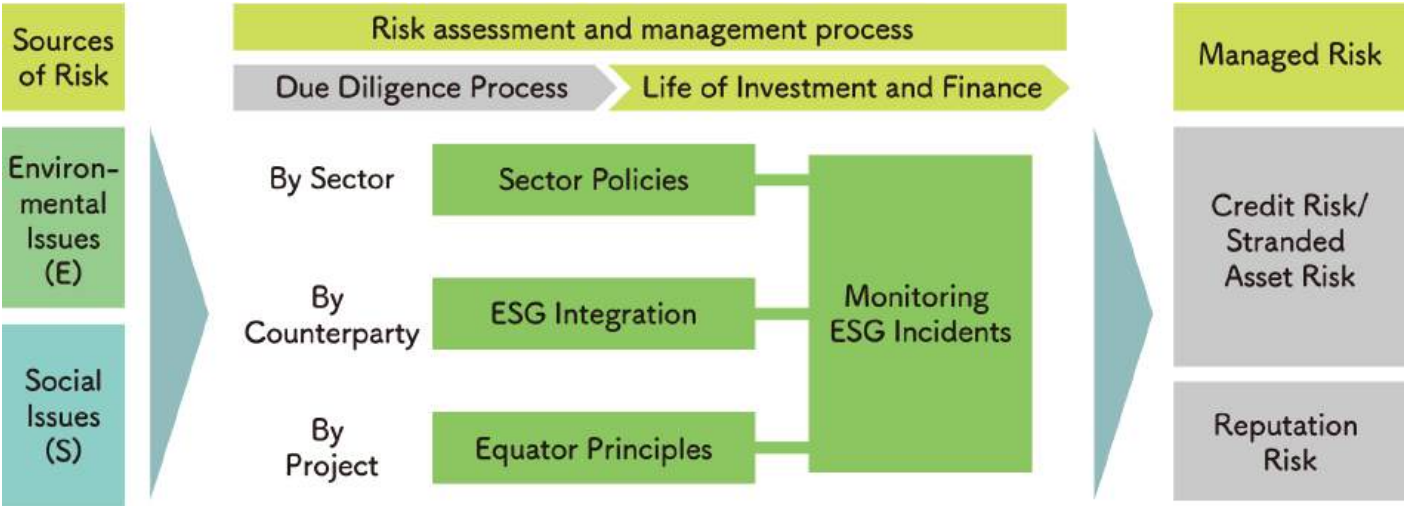
Specific ESRM Initiatives

The Norinchukin Bank established our Environmental Policy and Human Rights Policy in 2019 as basic policies to resolve environmental and social issues. Based on these policies, we engage in appropriate risk management according to priority for topics and sectors recognized as having strong potential for significant adverse impacts on the environment and society.

Environmental and Social Risk Management (ESRM)

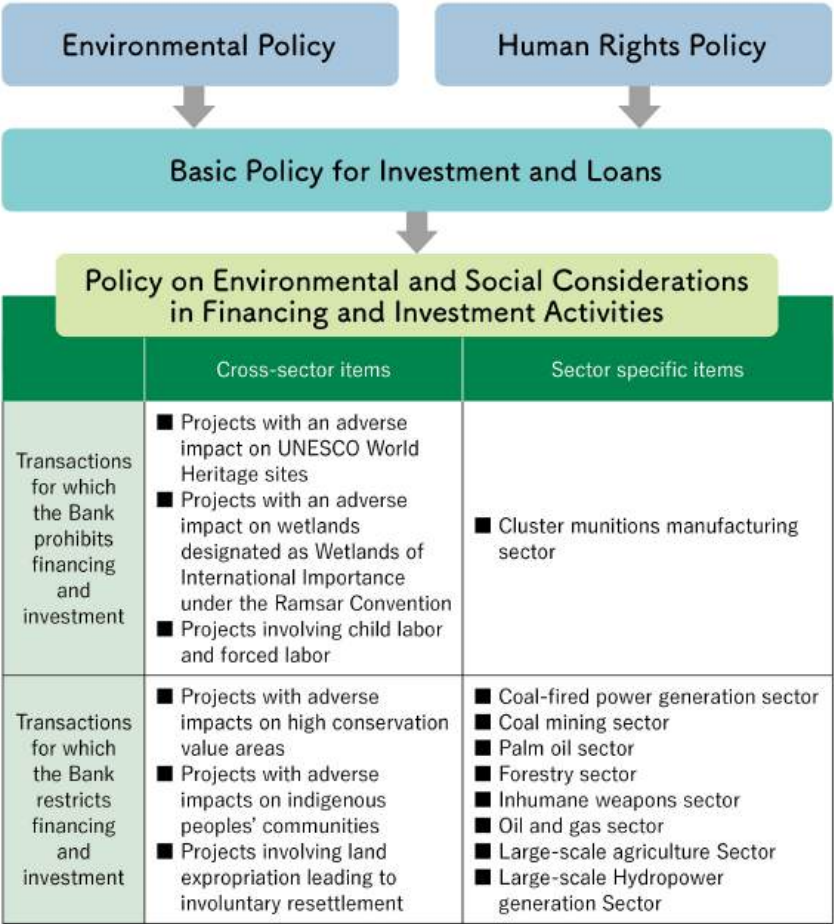
We adopt an ESRM framework to evaluate and consider environmental and social risks when assessing transactions with individual investees, borrowers, and related projects.

The ESRM Framework



Sector Policies

The Norinchukin Bank has formulated policies for taking into account environmental and social consciousness when providing investment and lending to businesses that may have a significant adverse impact on the environment. We will continue to revise this policy as needed in accordance with domestic and international trends regarding social and environmental issues, as well as the expectations and points of view of stakeholders.

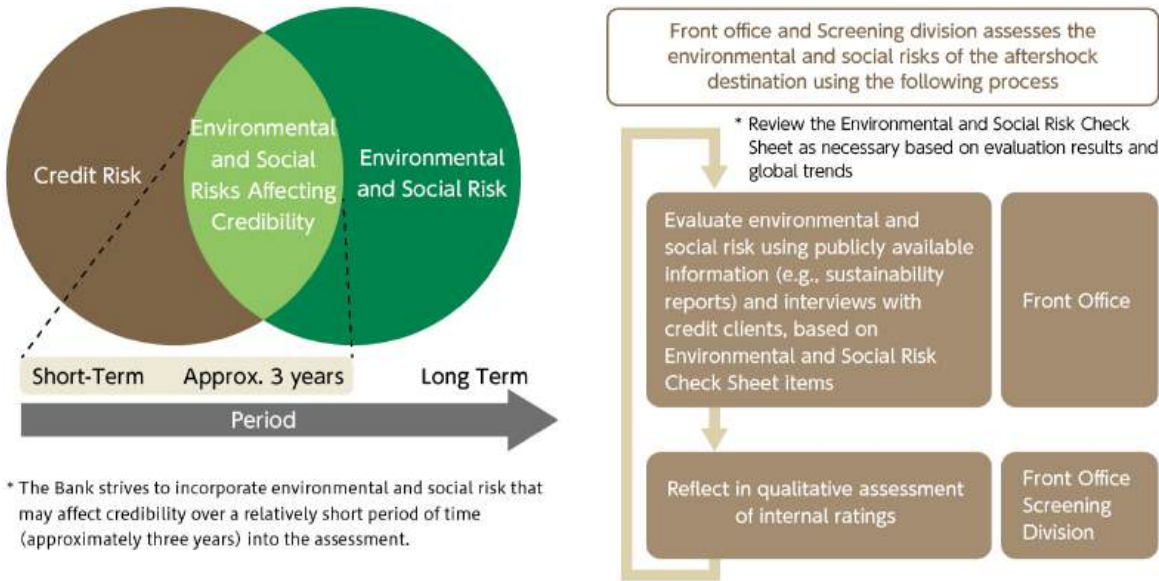


> Policy on Environmental and Social Considerations in Financing and Investment Activities (PDF : 119KB)

ESG Integration in Risk Management

The risk management department evaluates environmental and social risks for investment and finance clients and serves as a second line of support for ESG integration conducted by the front-line departments. The department works to integrate credit risk management into the internal rating system, which evaluates the credibility of credit clients. To do so, we rate environmental and social risk factors as qualitative evaluation factors within the system for clients in certain sectors. In addition, we will take external factors into account and consider reviewing and expanding targeted sectors of this initiative.

Scope of Consideration of Environmental and Social Risk Factors in Credibility Assessment



Initiatives for the Equator Principles

The Equator Principles is an assessment framework used by private financial institutions when financing large-scale development projects. This framework is used to assess whether the development project pays the appropriate attention to the natural environment and local communities. It is widely used in the project finance field as a method to identify, evaluate, and manage environmental and social risks.

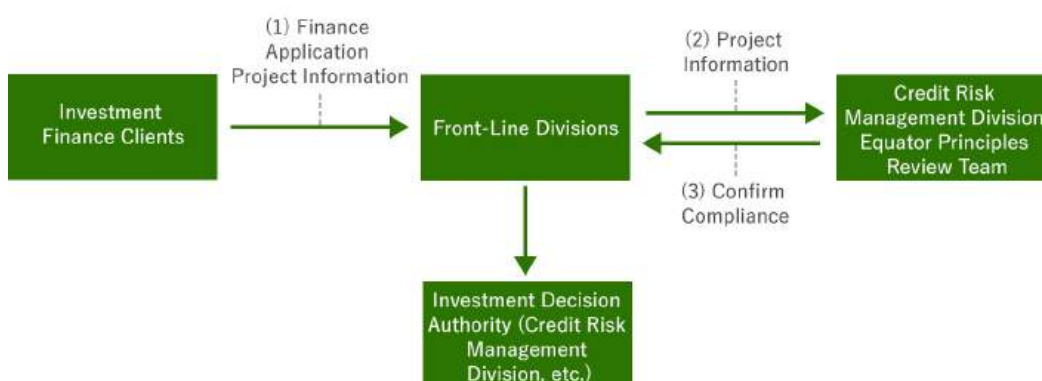


Financial institutions that have adopted the Equator Principles are required to incorporate these into their internal policies and procedures and to construct appropriate management and administrative systems. Furthermore, they may not invest in projects that are not compliant with the Equator Principles.

Based on the increasing public awareness of environmental and social issues and society's expectations of financial institutions, the Bank adopted the Equator Principles in 2017 from the viewpoint of realizing a higher level of consideration toward the upkeep of a sustainable environment.

Specifically, based on the Basic policy on Finance, the Bank has formulated both the Basic Policy Regarding the Equator Principles and the Administration Guidelines for the Equator Principles. dedicated employees have been assigned to determine conformity with these principles, and we continue to request that customers address environmental and social considerations at the required level according to their project category.

Environmental and Social Risk Assessment process



Project Category Definition

Category	Definition
A	Projects with potential significant adverse environmental and social risks or impacts that are diverse, irreversible, or unprecedented
B	Projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures
C	Projects with minimal to no negative environmental or social risks or impacts

Financed transactions in accordance with Equator Principles in FY 2023 (From 1 April 2023 to 31 December 2023*)

* The 9months period is due to a transitional measure to switch to calendar year period commencing from 2024 as requested by The Equator Principles Association.

<Project Finance>

Sector	A	B	C
Mining	0	0	0
Infrastructure	2	0	0
Oil and Gas	0	0	0
Electricity	0	2	0
Other	0	0	0
Total	2	2	0

Region	A	B	C
The Americas	0	0	0
Europe, the Middle East, and Africa	2	2	0
Asia and Oceania	0	0	0
Total	2	2	0

Designated and Non-Designated Countries	A	B	C
Designated Countries	0	2	0
Non-Designated Countries	2	0	0
Total	2	2	0

Independent Expert Review	A	B	C
Reviewed	2	2	0
Not Reviewed	0	0	0
Total	2	2	0

<Project-Related Corporate Loans>

Sector	A	B	C
Mining	0	0	0
Infrastructure	0	0	0
Oil and Gas	0	0	0
Electricity	0	0	0
Other	0	0	0
Total	0	0	0

Region	A	B	C
The Americas	0	0	0
Europe, the Middle East, and Africa	0	0	0
Asia and Oceania	0	0	0
Total	0	0	0

Designated and Non-Designated Countries	A	B	C
Designated Countries	0	0	0
Non-Designated Countries	0	0	0
Total	0	0	0

Independent Expert Review	A	B	C
Reviewed	0	0	0
Not Reviewed	0	0	0
Total	0	0	0

<Project Finance Advisory Services and Bridge Loans>

No transactions in FY 2023.

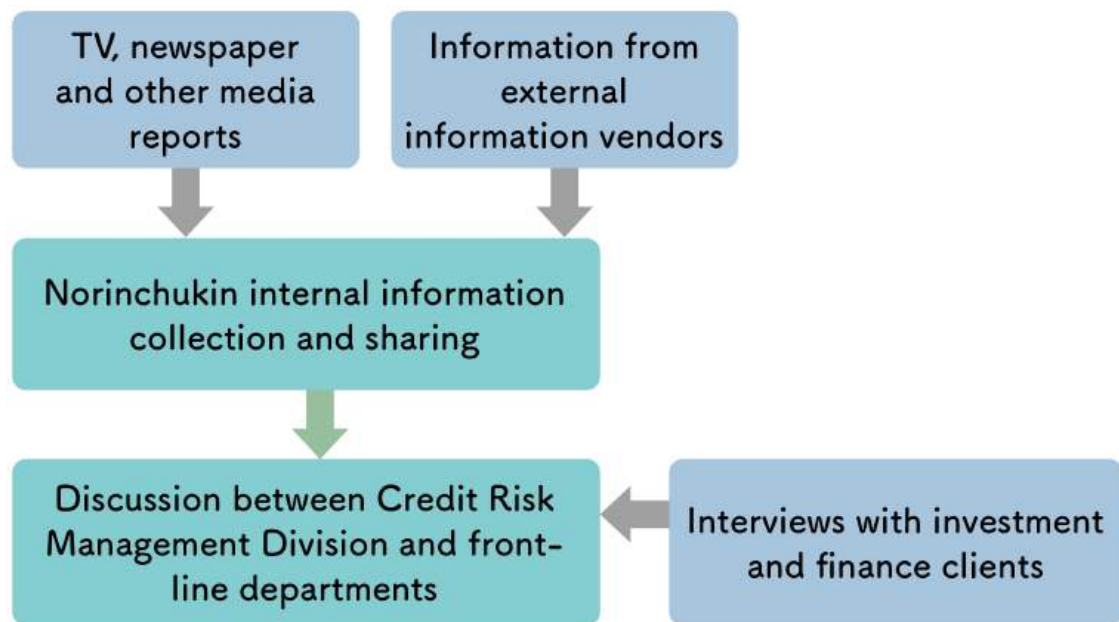
<Project-Related Loan Refinancing and Project-Related Acquisition Financing>

No transactions in FY 2023.

Responding to Environmental and Social Incidents

By periodically monitoring the environmental and social incident information* of our clients, we can take action to avoid the reputation risk or credit risk caused by environmental and social risks.

* Information on corporate and business activities and related events that could have serious impact on the environment or society.



Sustainable Agriculture, Fishery, and Forestry Industries and the Food and Agriculture Value Chain

[Home](#) > [Sustainability](#) > [Agriculture, Fishery, Forestry Industries, and Regions](#)
 > Sustainable Agriculture, Fishery, and Forestry Industries and the Food and Agriculture Value Chain

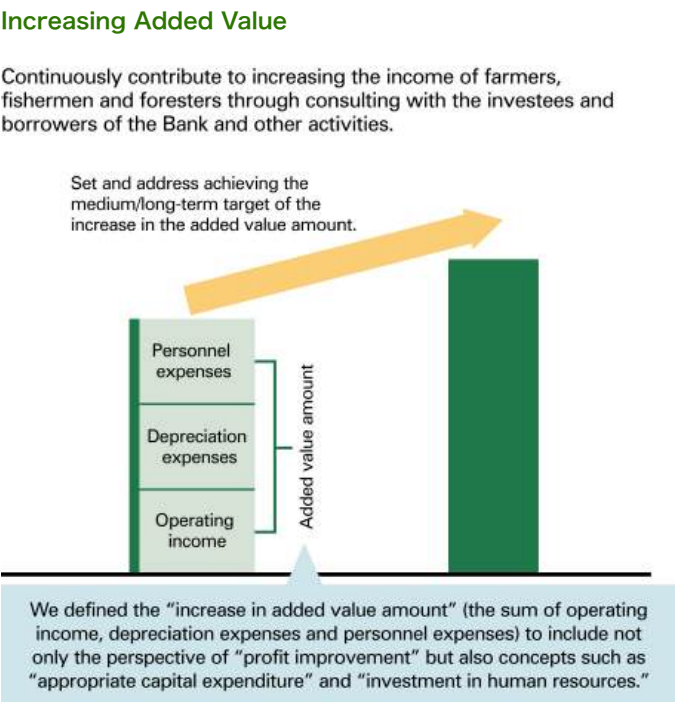
Increasing the Income of Farmers, Fishermen and Foresters

The Bank works on consulting activity for agriculture, fishery, and forestry (AFF) leaders who have encountered management issues, and we support the establishment of value chains by investing in and financing food- and agriculture-related companies.

Through consulting and other activities with the Bank's investment and finance clients, we set specific numerical targets for how to raise the incomes of AFF leaders and are actively working to achieve these targets.

We defined increase in the amount of value added as an indicator to capture income improvement of AFF leaders in a unified manner, and strive to achieve this goal after setting medium- and long-term target.

In this way, the Bank aims to make a sustainable contribution to improving incomes of AFF leaders.



Efforts to Improve Incomes of AFF Leaders

The Bank is strengthening consulting activities for AFF leaders in cooperation with JA Shinnoren and Japan Agricultural Cooperatives (JA). In fiscal 2021 and fiscal 2022, we implemented this program with 186 and 301 consulting cases, respectively, and proposed solutions to solve various management issues faced by stakeholders. In addition, when consulting with stakeholders, we not only propose solutions, but also confirm the status of implementation, providing support to stakeholders in achieving solutions.

Supporting AFF Leaders by Proposing and Implementing Solutions

Our Chiba branch provided consulting services to our clients who are members of the Dōmeki Agricultural Cooperative Association. As part of these services, we interviewed managers and conducted financial evaluations, which led us to identify the following business problems: (1) the yields of the two varieties of table rice, *fusaotome* and *fusakogane*, the main products, are below the regional average and (2) there is a lack of other sources of income besides that from table rice, which means income and expenditure fluctuate widely depending on the prices of these two products. We provided the following solutions: (1) improve yields by having JA develop more suitable fertilizer designs and jointly conducting test cultivations with fertilizer manufacturers and (2) introduce new crops that promised more stable profitability, with JA providing financing. Implementing these two solutions resulted in an increase in net profits after tax of approximately 9 million yen in the following fiscal year. We will continue to monitor the progress and effectiveness of the action plans we formulated, as will our support of the Association in its efforts to increase agricultural incomes (i.e., increase added value).



Supporting Food and Agriculture-Related Companies to Establish Their Value Chains

As a policy of encouraging an increase in the income of farmers, fishermen and foresters, the Bank works to support the establishment of food and agriculture value chains through investments and loans to food and agriculture-related companies.

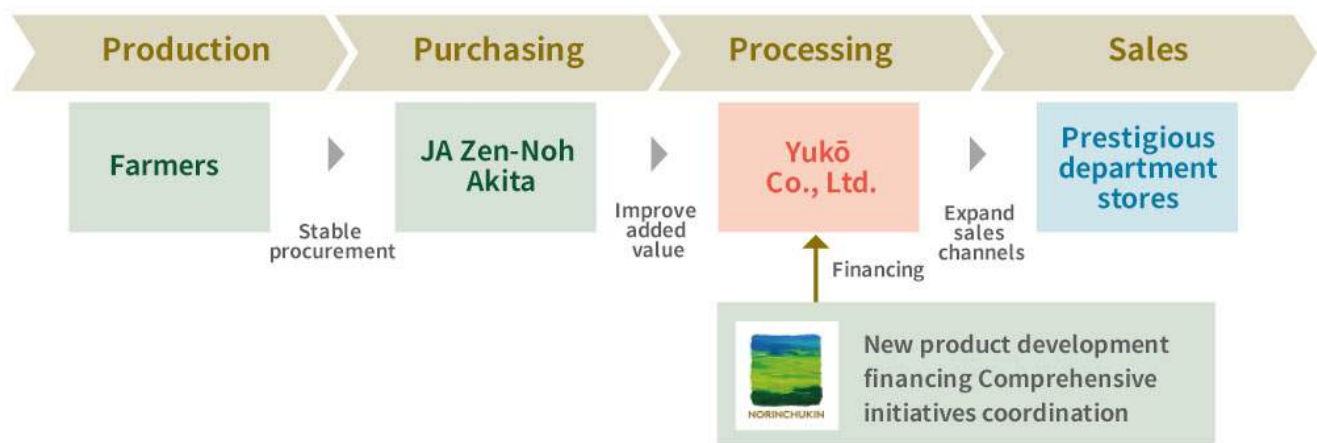
Establishing New Value Chains that Utilize Local Products

Yukō Co., Ltd., is the company behind Akita Prefecture's *Kurakichi* confectionery brand and handles all the stages of production from primary to tertiary processing. The company's strength has always been in its sales channels through department stores in the Tokyo metropolitan area for its high-end products; however, there was a problem in that it had a limited product lineup, which was due to raw materials being mainly purchased from a small number of farmers in its home prefecture.

To address this, we coordinated a partnership between the company and JA Zen-Noh Akita in order to build an integrated value chain from sourcing to sales.

We also provided financing to support the company's development of new products using raw materials from Akita Prefecture. This led to all *Kurakichi* outlets carrying new products made using *Hokugen no Momo* or "Northern Peaches," which are grown by members of JA Kazuno (Kazuno City, Akita Prefecture).

We will continue to help maintain the agricultural production base and increase producer incomes by building new food and agriculture value chains that connect producers, manufacturers, and consumers.



Supporting the Establishment of Japanese Food and Agriculture Value Chains Through Investments in Overseas Food and Agriculture Private Equity (PE) Funds

The Bank has invested in an overseas food and agriculture PE fund that invests globally in ventures and medium-sized companies possessing smart technology and decarbonization solutions for the food, agriculture, and fishery industries.

The portfolio of investments includes the following types of companies with advanced technologies in the agriculture, fishery and forestry industries. The Bank supports these technological innovations and social implementation, and pursues the application of these technologies in the Japanese food, agriculture, and fisheries industries in the shift towards decarbonization.

Main technologies supported by the Overseas Food and Agriculture PE Funds

- Regenerative farming practices, such as water conservation and soil improvement
- Feed additives that reduce methane gas emitted from cattle burps and excrement
- Alternative proteins
- Freshness preservation technology for fruits and vegetables (food loss reduction, etc.)
- GHG fixation on agricultural land



Contributing towards solutions to sustainability issues through the F&A Growth Industrialization Investment Framework

In order to increase the added value and productivity of the agriculture, fishery, and forestry industries, the Norinchukin Bank Group established the F&A Growth Industrialization Investment Framework with the aim of collaborating with industry members and businesses both within Japan and overseas, providing recipients with risk capital to support these activities. By investing in this framework, we are contributing towards solving sustainability issues surrounding the agriculture, fishery, and forestry industries.

Reduction of food waste through the widespread use of food dehydration and sterilization equipment

One of our group companies, The Agribusiness Investment & Consultation Co., Ltd, invested in ASTRA FOOD PLAN Co., Ltd., a company engaged in the development and marketing of food dehydration and sterilization equipment, with its aim being the creation of a sustainable society.

The company uses its proprietary superheated steam technology (patents pending) in a food dehydration and sterilization device called a superheated steaming machine. The machine is used to upcycle food residuals from food manufacturing processes and also off-specification agricultural produce into added-value foodstuffs and ingredients by processing them into vegetable powders that have been dehydrated and sterilized without sacrificing flavor.

Our Bank Group is committed to contributing to reducing food waste and the sustainable development of the Japanese agriculture, forestry, fishery, and food industries by supporting the company through our network of affiliated organizations and other businesses to develop its technology and expand its sales channels.



Expanding Sales and Promoting the Areas Producing Organically Grown Sweet Potatoes and *Hoshiimo* Both in Japan and Overseas

Agribusiness Investment & Consultation Co., Ltd. also invested in Japan Future Agri Corporation, a company that handles agricultural products over the entire process from production to sales, with a focus on the cultivation of organic sweet potatoes and the production and sale of dried steamed sweet potatoes, *hoshiimo*.

The company grows organic sweet potatoes on an area of approximately 50 hectares, steams and dries them in its own factory to create *hoshiimo*, and then sells them.

With demand for sweet potatoes as a healthy food growing not only in Japan but also in Asia and the U.S., the company is further strengthening its sweet potato exports, and it is also leveraging its sales network to encourage exports of other Japanese agricultural products and processed agricultural products in general.

In addition, it is expanding its own farms to increase its supply capacity and improving cooperation with partner farmers and local government agencies to contribute to the expansion of organic produce production as outlined in the MIDORI Strategy for Sustainable Food Systems. By supporting the businesses we are engaged in through our network of affiliated organizations, our Bank Group will contribute to the sustainable development of the Japanese agriculture, forestry, fishery, and food industries and to resolving environmental and social challenges, thereby promoting sustainable management, including the fulfillment of the SDGs.



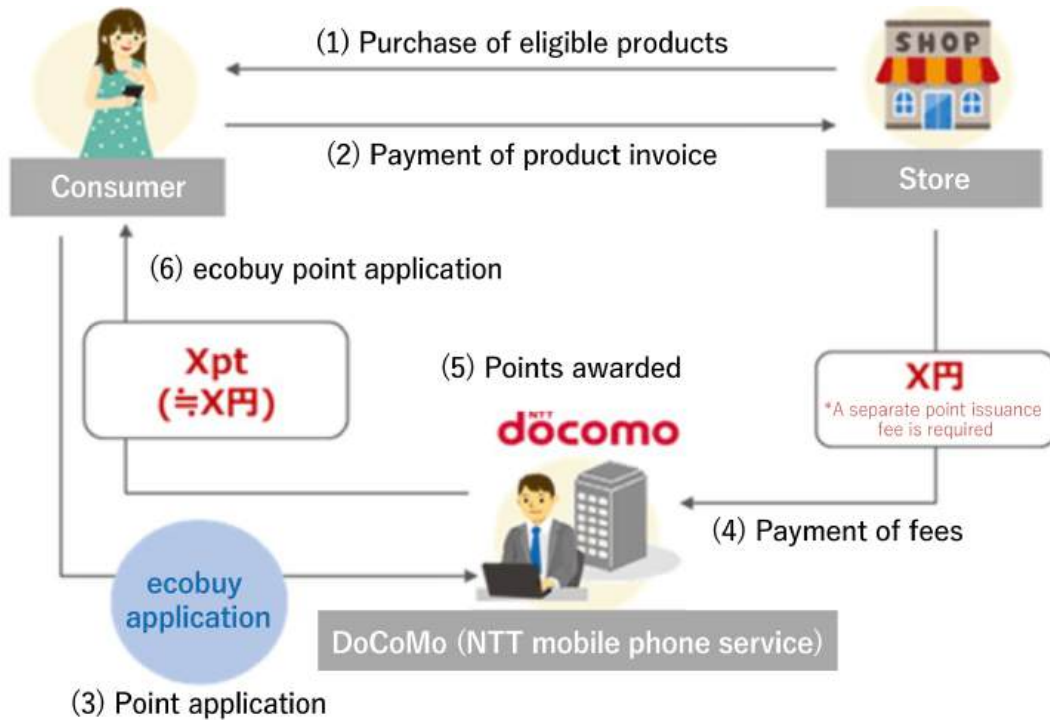
Contributing to a sustainable food supply

Promoting food waste reduction

The reduction of food waste*¹ is one of the challenges in building a sustainable food system. Here, the Bank started a collaborative project leveraging the NTT Group's knowledge and solutions and the Bank's network and capabilities to support efforts to reduce food loss among the Bank's onvestees and borrowers and our members. Through this collaboration, some JA installed the ecobuy *² project, a food loss reduction support service for retail stores provided by NTT Communications Corporation.

*1 Amount of food waste generated by the entire food industry (FY2020): 16,236,000 tons (Annual Amount of Food waste Generated in FY2020 and Recycling Rate of Recycled Food Resources (Estimated), Ministry of Agriculture, Forestry and Fisheries)

*2 ecobuy: A system whereby customers can accumulate ecobuy points by purchasing ecobuy-eligible foods that are close to the expiration date. Participants apply for ecobuy points by photographing purchase receipts via the ecobuy application on their smartphones.



In August 2022, the Bank concluded a green loan agreement with NTT Group for the use of funds for projects such as 5G-related investments, data centers that achieve high efficiency and power savings, and renewable energy.

Effective use of local resources

Ogawa & Co., Ltd., (the "Company") is engaged in efforts to contribute to the effective utilization of agricultural products produced in Okayama Prefecture and efforts to revitalize the local community. The Bank initiated a collaboration between the Company and the Okayama Headquarters of the National Federation of Agricultural Co-operative Associations. Through the use of peach blossoms harvested during the peach production process, the Company created a fragrance using Okayama Peach Blossoms, leveraging this renowned local product from Okayama Prefecture.



Initiatives to Revitalize the Regions

Home > Sustainability > Agriculture, Fishery, Forestry Industries, and Regions > Initiatives to Revitalize the Regions

Initiatives to Resolve Local Issues


While taking this policy into consideration, JA Bank aims to provide financial services for both farming and people's daily lives, as well as to exercise its unique financial intermediary function to solve local issues and revitalize the community.

While taking this policy into consideration, JA Bank aims to provide financial services for both farming and people's daily lives, as well as to exercise its unique financial intermediary function to solve local issues and revitalize the community.
The Bank encourages JA’s innovative efforts to meet the actual conditions and needs of each region.

Topics

Leveraging the JA Network to Connect Diverse Stakeholder and Create New Value for the Community
-New Branch Initiatives: Creating Places for Multiple Generations to Gather-

Areas under the jurisdiction of JA Miyagi Tome (“JA Miyagi”) are facing a declining and aging population, leading to challenges in increasing the healthy life expectancy of the elderly and deepening ties in local communities. JA Miyagi took advantage of the financial function consolidation in April 2023, repurposing old finance branches into Yorisoi Branches for locals to gather. JA Miyagi collaborates with women's and youth clubs and other local stakeholders to create communities in which members and users can thrive. Specifically, JA Miyagi is collaborating with members of the prefectural e-sports association to hold hands-on seminars for senior citizens and local residents to try e-sports, which can be effective in preventing frailty. These seminars have been implemented at four Yorisoi Branches within the JA Miyagi jurisdiction and have been well received by the local participating residents, with similar efforts spreading among other JA organizations in Miyagi Prefecture. JA utilizes its strength in organizations and the effective use of its facilities to create opportunities for interactions that transcend generations and help members and users feel more familiar with JA, thereby generating more supporters in the process.



JA Smartphone Classes aimed at eliminating the digital divide throughout the country

The United Nations World Happiness Report defines having human relationships and community connections as being essential for subjective well-being. However, the digitalization of society and changes in our means of communication and services have led to the fragmentation of society through information gaps.

Smartphones are already an indispensable part of the infrastructure in society today, enabling us to maintain convenient, uniform lifestyles throughout the country and communicate with relatives and friends living in remote areas. JA considers encouraging the use of smartphones to be an important measure in addressing the information gaps.

The JA Group began offering Nationwide JA Smartphone Classes throughout Japan in July 2021 in response to requests from local residents. As of March 31, 2024, the group held a total of up to 7,400 for approximately 66,000 participants in total.

JA is committed to bridging information gaps by providing new opportunities for people to utilize our digital services.



参加無料！要予約

スマホ体験教室開催

スマホアドバイザーがしっかりサポート！
体験用スマホは**無料**貸出！

～これは簡単！入門編～

基本的な使い方やよく使う機能まで、楽しく学べる講座です！

**スマホの
基本**

カメラ
機能

地図機能

文字入力
機能

まだスマホを持っていない方や
持ったばかり、持ってるけど自信のない方向け

日時	
会場	
定員	20名（要予約：ご参加の際は下記までお電話ください）
参加費	無料
講師	スマートフォンアドバイザー（ 社） ※ 社とご契約のない方もご参加可能 ※販売は致しません！

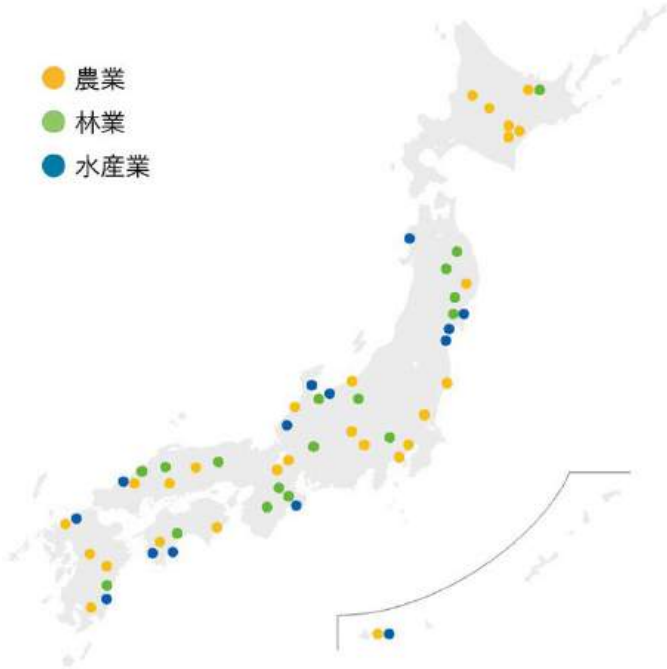
定員に達した場合、ご参加希望に添えないことがございますのでご承知おきください。

参加のご連絡はこちらにお電話ください！

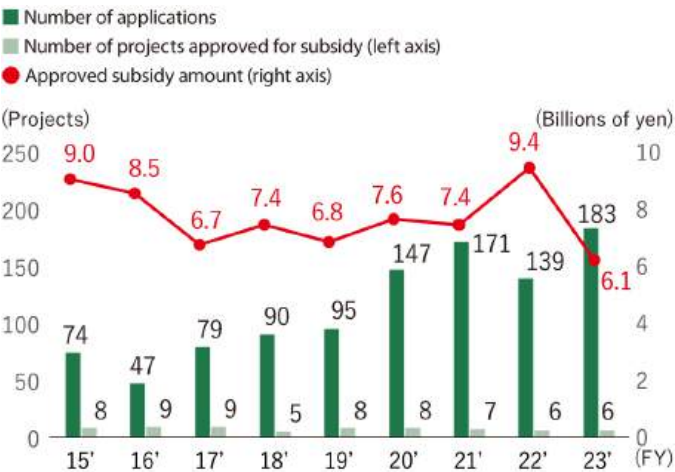
Agricultural, Forestry and Fisheries Future Fund Supports Local AFF Organizations

The Agricultural, Forestry and Fisheries Future Fund was established in 2014 by The Norinchukin Bank, a member of JA Group, JF Group and JForest Group, with a ¥20 billion contribution. This fund seeks to support initiatives to nurture leaders who drive the sustainable development of the AFF industries, strengthen the revenue base of these industries and revitalize local communities based on the AFF industries.

Projects Targeted by the Agricultural, Forestry and Fisheries Future Fund



Number of Projects Targeted and Amount of Subsidy from the Agricultural, Forestry and Fisheries Future Fund



Food and Farming Education Activities

Each year, we distribute booklets to children in the fifth year of elementary school across Japan covering a variety of topics, from food and farming education to environmental education to financial and economic education. We also distribute a universal edition for special education schools. In fiscal 2022, we added new themes related to the SDGs, such as "food loss," and distributed approximately 1.30 million copies were distributed free of charge to 20,000 elementary schools nationwide.



Senior Elementary School Edition: Our Lives with Agriculture (Left), Universal Design Edition (Right)

Training the Next Generation of Farm Managers

AgriFuture Japan (AFJ), a general incorporated association of which the Bank is a main sponsor, opened the Japan Agricultural Management University in 2013 with the support of its member companies. This university aims to train the next generation of agricultural managers, with 128 graduates to date.

The university celebrated its 10th anniversary in 2023 and changed its name to the AFJ Japan Institute of Agricultural Management, launching a new online school to expand the scope of agricultural management education. Furthermore, in April 2024, the university is taking on the challenge of making further contributions to the agricultural industry by launching an educational program aimed at fostering innovators in agribusiness.

AFJ日本農業経営大学校

イノベーター養成アカデミー

アグリビジネスにイノベーションを生み出し、突き抜けた「個」を育成。これまでにない新たな価値を共創するために必要な知識や思考法を習得しながら、実効性の高いビジネスプランを創造する力や周囲を巻き込むリーダーシップを育みます。最短1年でアグリビジネスイノベーターに必要な力を身につけます。



オンラインスクール

農業経営や担当する業務に関する様々な「実務スキルの向上」や「課題の解消」につながるコース。就農間もない若手農業者向けには、農業とはどういう業界なのか、どのようなキャリアの選択肢があるのかといった「農業界の歩き方」を学ぶコースなど、2～3か月で修了可能な多数のコースを開講しています。



その他事業

〈今後展開予定〉

- ・教材動画配信サービス
- ・研修受託事業
- ・AFJプラットフォーム 等



アグリビジネスイノベーターの育成に向けて、多様な教育機会の提供や情報発信に努めています。

Creating Business Innovation

AgVenture Lab: A Hub for Open Innovation

The JA Group opened the AgVenture Lab, an innovation lab in Otemachi, Tokyo, in 2019. This lab was based on the concepts of cultivating agriculture for the next generation, supporting local lifestyles, and connecting places and people. AgVenture Lab connects various JA Group businesses with startup companies, partner companies, universities, governments, and other organizations that possess technologies and ideas. Through these connections, the lab works to create new businesses, develop services, and solve social issues by utilizing various knowledge and technologies.

The JA Group works with the AgVenture Lab to discover and nurture startup companies.

The JA Accelerator Program in particular accepts business plan submissions from FinTech, AgTech, FoodTech, LifeTech, and a wide range of other fields for a wide range of businesses developed by the JA Group under the theme of *Co-creating Sustainable Futures in Food, Agriculture, and Lifestyles*. To this end, the JA Accelerator Program aims to create new business models by leveraging the strengths of the JA Group (e.g., group branches, customer networks, and other various infrastructures). In 2023, the fifth year of the program, 10 startup companies were selected from among 189 applications.

The JA Group also holds business plan contests for student entrepreneurs and an incubation program that aims to foster new entrepreneurs. Through these efforts, the JA Group supports students and working adults looking to start their own businesses, as well as recently launched startup companies that have just begun operations.

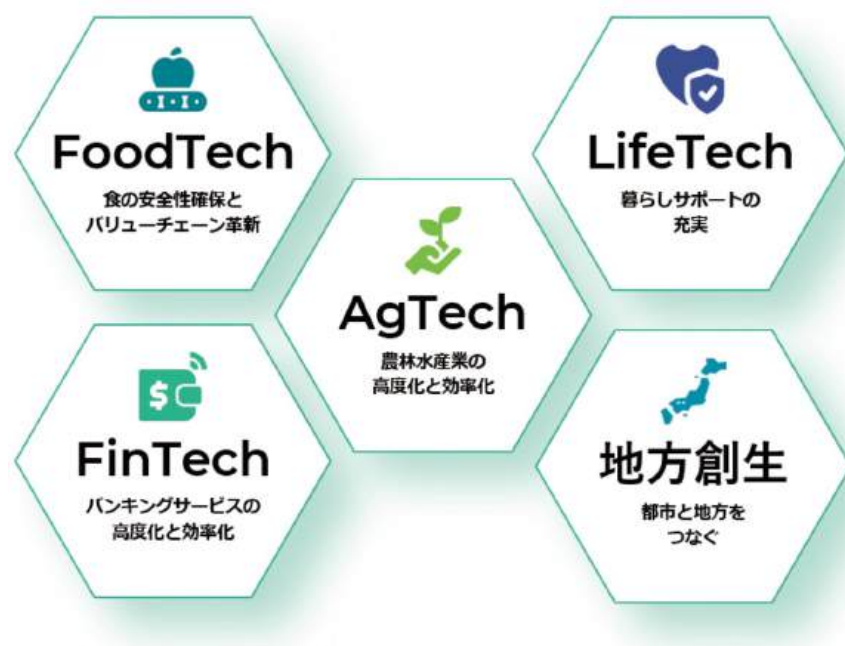
Focusing on the education of its employees, the JA Group operates a program to develop human resources for new business creation and a cross-border training program that sends employees to study abroad at startup companies. The group follows up with employees throughout their education, from cultivating organizational awareness to practical demonstrations of what they have learned. In this way, the group fosters a culture in which employees take voluntary action and continue their pursuit of answers to questions for which there are no right answers.

In addition, AgVenture Lab works to strengthen its cooperation with farmers and governments, aiming to resolve regional issues in society as part of its efforts.

In 2020, AgVenture Lab signed a partnership agreement with the National Council of Agricultural Cooperative Youth Organizations (JA Youth) to connect agricultural production sites with startup companies. JA Zenseikyo is made up of nearly 50,000 members from mostly younger generations. Partnerships between the organization and startup companies developing new technologies are likely to generate significant synergy effects.

The JA Group is also committed to working with the Ministry of Agriculture, Forestry and Fisheries and local governments to advance innovation.

AgVenture Lab Initiative Areas



AgVenture
Lab

5th JA Accelerator Program Business Plan Contest Award Recipients	
〈Business Plan Contest Merit Award〉 5th JA Accelerator Program Participating Companies	
Benners, Inc.	Fish Subscription Fishlle: Connecting Ports to Tables
Mirai Scien Co. Ltd.	Cutting Pesticides in Half and Increasing Yields by 40% Through Daily AI Pest and Disease Forecasts
ASTRA FOOD PLAN Co., Ltd.	Reducing and Upcycling Hidden Food Loss With Superheated Steaming Machine for Drying and Sterilization
RelieFood Inc.	Issa Kitchen Tokyo Confectionery Brand for Barrier-Free Food
KDBI Corporation	Contributing to Agricultural Environment and Paddy Field Management Through Rice Subsoil Deep Fertilization
Faeger Co. Ltd.	Agriculture-Derived Carbon Credit Generation & Sales
TRINUS Co., Ltd.	Unearthing and Commercializing Buried Agricultural Resources Through the Creator Community
Kisui Tech	Collaboration With JA to Utilize AI Robots to Raise Incomes for Family Fruit Farmers
Mizuiro Inc.	Upcycling Branding Business Centered on Vegetable Crayon®
AGE technologies, inc.	Supporting the Digital Transformation of Inheritance Procedures and Proposing Asset Utilization Among Family Members
〈Innovation Award〉 Companies separate to this program eligible for consideration for an alliance or support	
LacuS Inc., Ananthya Co., Ltd., NEXT NEW WORLD Corporation, huntech Co., Ltd., Think Nature Inc.	

Topics

Noujien Platform for Solving Issues in Food and Agriculture

The AgVenture Lab is an innovation lab that actively supports agricultural support service providers in their efforts to solve many of the challenges faced in the agricultural field. Activities of the lab found that it is difficult for farmers to find appropriate services on their own. In response, the AgVenture Lab established a portal site for farmers and agricultural organizations called Noujien.

The Noujien website was constructed through a project subsidized by the Ministry of Agriculture, Forestry and Fisheries, and aims to resolve issues faced by all individuals involved in agriculture. The site targets farmers, agricultural organizations, and government agencies who can use the site to first discover their own issues and feel encouraged to find appropriate solutions.



Topics

Organizing a Business Plan Contest for Students

The AgVenture Lab (innovation lab) held a business plan contest for students to support student entrepreneurs who aim to solve social issues.

In fiscal 2022, 10 finalists were selected from 76 ideas submitted by universities, graduate schools, and high schools nationwide. At the contest held in February 2023, each of the finalists presented their business plans and deepened their collaboration with participants and sponsors, including the JA Group.

The JA Group is actively engaged in dialogue with these young people that is aimed at collaboration and partnership.



Participants in the Business Plan Contest for Students

[Excellence Award]

- ・ Soffione inc. (N High School) Development of a Kitchen Car Franchise to Create New Value for Discarded Apples
- ・ Cross Medicine Inc. (Tokushima University) Preventing Postpartum Depression With *awababy*
- ・ FairMed (Kobe University) AI-Based Intravascular Surgical Navigation System Development Project

[The Norinchukin Bank Award]

- ・ Soffione inc. (N High School) Development of a Kitchen Car Franchise to Create New Value for Discarded Apples

The JA Group Approach to the SDGs

The achievement of the SDGs requires not only the participation of governments, but also private organizations and businesses, with cooperative organizations expected to play a role as well.

In light of these circumstances and expectations of cooperatives, the JA Group released the JA Group Declaration of Commitment to the SDGs in 2020, which outlines the JA Group's basic approach to the SDGs. As a member of the JA Group, the Bank will also promote efforts to achieve the SDGs.

> SDGs and the JA Group

> The JA Bank Commitment to the SDGs

Efforts to Address Climate Change and Nature-Related Issues (Disclosure Based on the TCFD and TNFD Recommendations)

Efforts to Address Climate Change and Nature-Related Issues

The Norinchukin Bank lends to members, agriculture, fishery and forestry businesses, and companies related to the agriculture, fishery and forestry industries. We lend funds via savings deposited by entities involved in the industries and community members in Japan Agricultural Cooperatives (JA) and Japan Fishery Cooperatives (JF). We also conduct other investments and loans in Japan and overseas. To this end, The Norinchukin Bank has a close relationship with nature upstream and downstream in the value chain. We recognize that nature-related risk management and capturing opportunities affect the sustainability of Bank business operations and organizational infrastructure directly.



Climate and nature are intertwined and efforts to address the risks and opportunities of related issues are inseparable. Given this correlation, we are committed to integrated climate and nature disclosures based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD).

Governance

Efforts to Address Climate Change and Nature-Related Issues

Climate
Nature

The Sustainability Committee discusses environmental and social issues, including climate and nature, under the Board of Directors with other management committees. If necessary, the Sustainability Committee submits proposals and reports to the Board of Directors and the Supervisory Committee. The Bank appoints Co-CSUOs (chief sustainability officers) to serve as the head of

sustainability.

The Norinchukin Bank works to address climate and nature-related issues as management issues in our daily business activities.

Engagement With Indigenous Peoples and Local Communities

Nature

The Board of Directors of the Bank established the Human Rights Policy as a policy to clarify our basic stance on respect for human rights in our business activities and pursue concrete initiatives. We established a structure to prevent and mitigate negative impacts on indigenous peoples and local communities in the course of our investments, loans, and other business activities. Under this structure, we conduct human rights impact assessments based on the Human Rights Policy. We also address human rights issues based on our Policy on Consideration of Environmental and Social Issues in Investment and Loans and the Equator Principles. The Bank recognizes the need to strengthen stakeholder engagement based on various TNFD guidances and identifying nature-related dependencies, impacts, risks, and opportunities.

Strategy

Overall Strategy and Core Principles for Solving Environmental Issues

ClimateNature

The Norinchukin Bank Board of Directors establishes the Environmental Policy. This policy stipulates that the Bank is to contribute to solving climate change, biodiversity, and other environmental challenges through our business activities and reduce the environmental impact of such activities.

We also define the response to climate change and biodiversity in our materialities to achieve our purpose and the medium-term vision (*Nochu Vision 2030*) . As a financial institution, we pursue efforts that contribute to parallel solutions to these environmental issues to make the lives of people and the agriculture, fishery and forestry industries more sustainable.

Risk and Opportunity Recognition

ClimateNature

Climate-related risks can be divided into transition risks and physical risks. Transition risks are those that occur in the transition to decarbonization (e.g., increased credit costs due to changes in policies, markets, and other areas). Physical risks are classified into acute risks (e.g., increased extreme weather events such as flooding), and chronic risks (e.g., the impact of prolonged high temperatures on agriculture and fisheries).

Nature-related risks refer to potential economic and financial impacts resulting from changes in the natural environment. This includes biodiversity loss and climate change. Changes in the natural environment correlate to causes and effects of climate change, resulting in ecosystem service degradation (from climate change) and changes in policy and consumption behavior. In turn, these changes affect financial systems.

We recognize climate and nature-related issues as risks in the short-, medium-, and long-term. At the same time, we recognize our responses to resolve such issues as business opportunities. As a financial institution, we strive to capture business opportunities by offering financing and other solutions to support the transition to decarbonized societies that coexist with nature.

> Sustainable Finance

Overview of Our Net Zero Efforts

Climate

The Bank Group aims to achieve net-zero greenhouse gas (GHG) emissions by 2050 in response to the escalating nature of climate change. As part of this effort, the Bank became a member of the Net-Zero Banking Alliance (NZBA)*. As a member, we set targets,

and engage in initiatives to reduce the GHG emissions of our investees and borrowers, and pursue various other initiatives. The Bank organized and systematized a series of related initiatives in our 2050 net zero transition plan.

*Glasgow Financial Alliance for Net Zero (GFANZ) is an international initiative among banks to achieve net-zero greenhouse gas emissions through investment and loan portfolios by 2050.

Transition Plan Toward Net Zero by 2050

Foundation	Purpose		
	Environmental Policy	Important Issues in Achieving Our Purpose	Commitment to Achieving Net Zero by 2050
	Vision for 2030: Harnessing the power of cooperatives and finance, we aspire to continue to create positive impact towards sustainable environment, society, and economy.		
Implementation Strategy	Promoting Sustainable Business		Strengthen Risk Management
	<ul style="list-style-type: none"> ■ Provide decarbonization solutions to investees and borrowers ■ Work with members to support and create environmental value in the agriculture, fishery and forestry industries through initiatives to reduce the environmental impact of production activities and create carbon credits 		<ul style="list-style-type: none"> ■ Address environmental and social risks based on an integrated risk management framework ■ Expanded scenario analysis
Engagement Strategy	Engage With Investees and Borrowers		Collaborate With Diverse Stakeholders
	<ul style="list-style-type: none"> ■ Pursue initiatives based on transition plans, responses among borrowers ■ Conduct engagement according to asset class characteristics ■ Improve effectiveness and gain insight through collaborative engagement 		<ul style="list-style-type: none"> ■ Collaborate with members to solve local sustainability issues ■ Collaborate with industry, government, and academia ■ Participate in initiatives
Metrics and Targets	Metrics and Targets for Strategy Execution		
	<ul style="list-style-type: none"> ■ Reduce financed GHG emissions among investees and borrowers Interim target for FY2030 toward Net Zero by 2050 (vs. FY2019) Lending: Power 138~165gCO₂e/kWh Oil and Gas Scope1-2 3.1gCO₂e/MJ; Scope3 -27.3% Coal Qualitative targets Steel 1.54~1.73tCO₂e/t Other Sectors Targets TBD Investment: 49% reduction based on economic intensity ■ Increase the forest carbon sink together with JForest members 9 million tons per year as of FY2030 ■ Reduce The Norinchukin Bank Group facility GHG emissions Net zero by FY2030 ■ Sustainable finance ¥10 trillion by FY2030 ■ Reduce investment and loans for coal-fired electric power generation to zero by FY2040 		
Governance	Transition Plan Governance Stance		
	<ul style="list-style-type: none"> ■ The Board of Directors approves resolutions after discussions in the Sustainability Committee. The Board of Directors and the Supervisory Committee supervise progress (the progress of major initiatives is reflected in executive and employee compensation based on management plan). ■ The chief sustainability officer oversees and directs sustainability; the CSuO collaborates with HQ/unit sustainability officers within the organization. ■ We regularly review transition plan details and progress, reporting to external stakeholders. ■ Capacity building (awareness-raising, education) 		

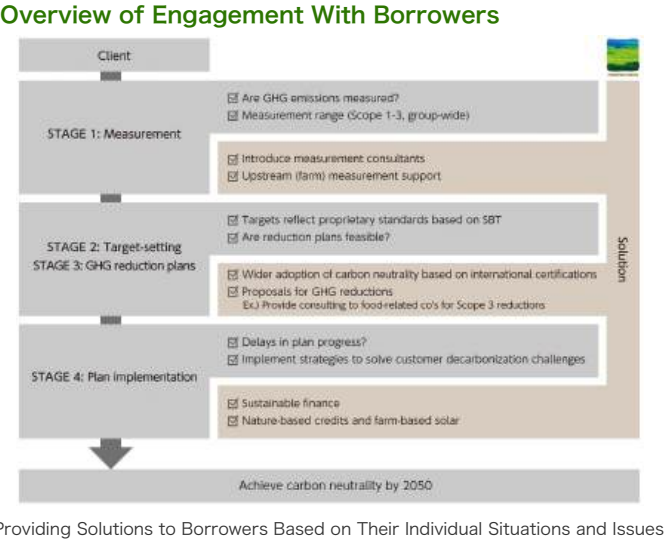
Climate

The Bank sets progressive emission reduction targets for high-emissions sectors (power, oil and gas, steel, coal, agriculture, real estate, transportation, cement, and aluminum), as defined by the NZBA, across our loan portfolio. Considering the importance of the ratio of investment assets in our investment and loan portfolio, the Bank established emissions reduction targets across our investment portfolio, referencing the Net Zero Initiative framework for institutional investors.

The Bank set targets for the power sector immediately upon joining the NZBA in March 2023. In March 2024, we announced additional targets set for the oil and gas, coal, and steel sectors. The Bank engages with our borrowers to achieve these targets. Based on our understanding of risks and other factors associated with climate change, we engage in dialogue with our borrowers regarding their current status, issues, and measures. We then develop and provide solutions based on the

information we obtain.

We will continue to consider targets and approaches from the perspectives of loan balances, GHG emissions, and other factors. In particular, The Norinchukin Bank will focus on the agriculture sector, a foundation for our business. We will continue to identify areas in which to set targets, taking a high-level approach to the value chain consisting of materials, production, processing, and distribution for agriculture and food products.



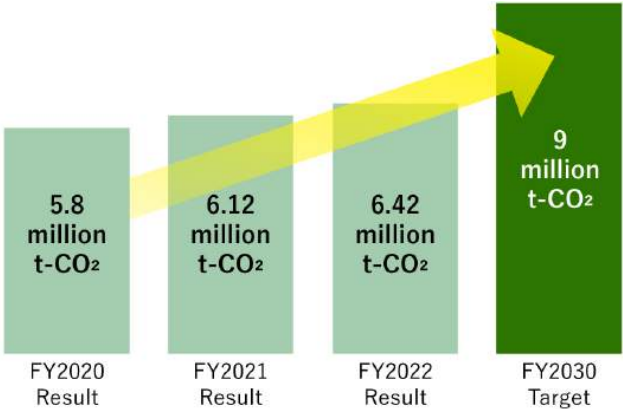
Investment Portfolio

Emission reduction goals in our investment portfolio target equities and corporate bonds. The Norinchukin Bank invests the majority of our investment portfolio indirectly through funds. Accordingly, we view fund asset managers as our primary engagement partners. We continue to expand investment asset classes targeted in light of developments in GHG measurement practices at the Bank.

Secure the Amount of the Forest Carbon Sink, together with JForest Members

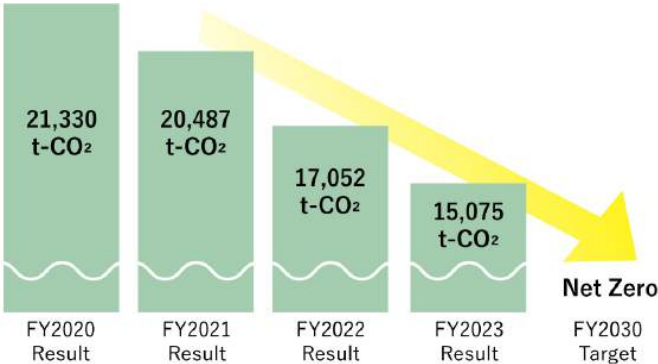
The Norinchukin Bank established a forest carbon sink target of 9 million tCO₂ per year by fiscal 2030 based on area forecasts derived from nationwide forestry cooperative targets. Forests play an important role in absorbing CO₂ and conserving biodiversity. At the same time, forests face challenges that include low prices for standing timber, costs associated with reforestation, and finding willing entities to engage in forest leadership. The Bank supports the sustainable forestry practices of forestry cooperatives, aiming to ensure CO₂ absorption.

*Forest management, including new planting (reforestation), undercutting, clearing, thinning, and final cutting



Reducing GHG emissions at the Bank Group Facilities

We aim to achieve net-zero GHG emissions from the Bank Group facilities by fiscal 2030. To achieve our targets, we work to incorporate renewable energy and other energy conservation measures in the buildings we occupy.



Climate-Related Risk Assessment and Scenario Analysis

Climate

We conduct scenario analysis of the impact of climate change-related risks on credit portfolios, etc., based on sector-specific risk assessments.

	Transition Risk	Physical Risk	
		Acute Risk	Chronic Risk
Target Sectors, Scope of Analysis, etc.	<ul style="list-style-type: none"> Power, oil-gas-coal, food and agriculture, beverage, and chemical sectors 	<ul style="list-style-type: none"> Important facilities for borrowers in Japan and overseas Real estate pledged as collateral Bank facilities 	<ul style="list-style-type: none"> Agriculture: rice crop, animal husbandry (raw milk and beef cattle) Fisheries (bonito)
Scenarios	<ul style="list-style-type: none"> NGFS <i>Current Policies, Delayed Transition</i>, and <i>Net Zero 2050</i> Scenarios published by IEA, FAO, etc. 	<ul style="list-style-type: none"> RCP2.6 and RCP8.5 	<ul style="list-style-type: none"> RCP2.6 and RCP8.5
Analysis Details	<ul style="list-style-type: none"> Analyzed changes in the cost of credit up to 2050 stemming from the progression of decarbonization in the above sectors 	<ul style="list-style-type: none"> Analyzed the impact of flood damage on the facilities, etc., mentioned above 	<ul style="list-style-type: none"> Analyzed the impact of climate change, including higher air and sea surface temperatures, on the income of producers and fishermen
Results	<ul style="list-style-type: none"> Credit costs increase by 3 to 22 billion yen per year up to 2050 (with limited impact on credit portfolio) 	<ul style="list-style-type: none"> Cumulative increase of about 23 billion yen in credit costs and damage to assets by 2100 (with limited impact) 	<ul style="list-style-type: none"> Although income decreases due to the effects of climate change, it may be possible to limit the decline through adaptive measures

> Climate-Related Risk Assessment and Scenario Analysis

Nature-Related Risk Assessment and Scenario Analysis

Nature

To understand our nature-related risks and opportunities, the Bank analyzed our dependencies and impacts throughout our investment and loan portfolios for business enterprises and conducted a trial scenario analysis.

Analysis results confirmed the Bank dependencies and impacts are focused in the food-related and energy sectors. The food-related sector is closely intertwined with our foundation in agriculture, fishery and forestry industries, while the electricity sector compromises a large portion of our investments and loans.

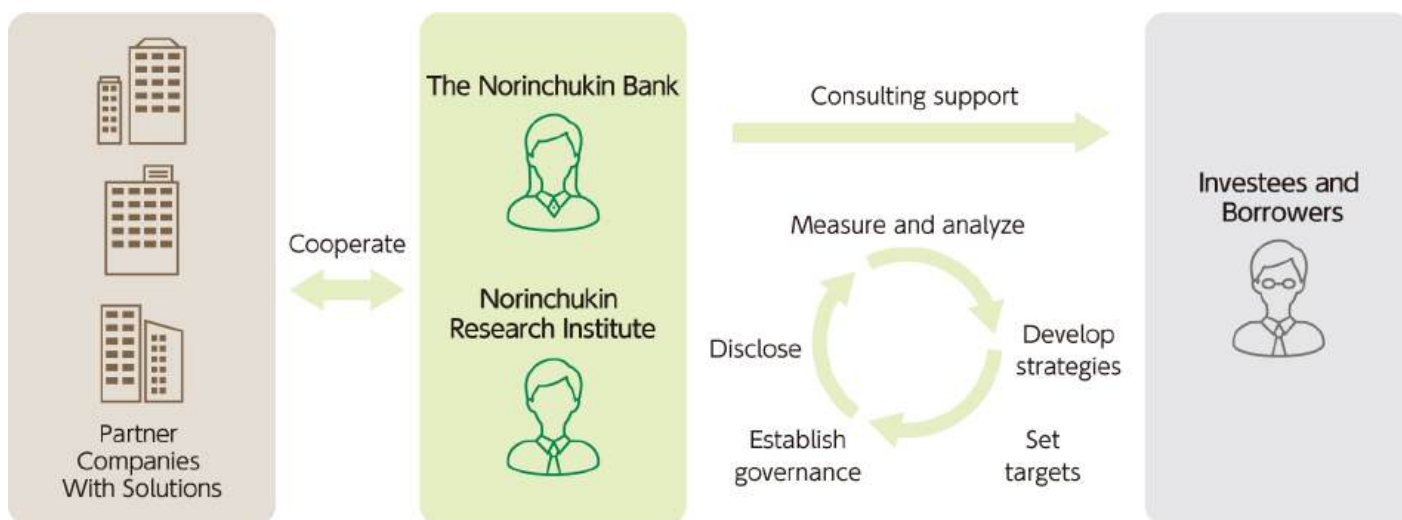
> Nature-Related Risk Assessment and Scenario Analysis

Efforts to Grasp Nature-Related Opportunities

Nature

Nature-Related Engagement

We engage in dialogue with investment and finance clients on current status and issues, recognizing the importance of natural capital and biodiversity and the risks associated with future changes. As we engage in these dialogues, we plan and propose solutions based on priority issues. As one of our efforts, the Bank and the Norinchukin Research Institute Co., Ltd. provide solutions including TNFD disclosure support and support in developing nature-related risk management strategies.



Partnerships With Financial Institutions

In February 2023, the Bank established the Finance Alliance for Nature Positive Solutions (FANPS) with the Sumitomo Mitsui Financial Group, Inc., MS&AD Insurance Group Holdings, Inc., and Development Bank of Japan Inc. In March 2024, we began offering a simple tool to evaluate TNFD compliance status and published a solution catalog contributing to nature positivity. Going forward, our four-company alliance will develop gradual cooperative efforts to support the corporate shift to nature positivity.

Risk Management (Risk and Impact Management)

Basic Risk Management Policy

Climate

Nature

The Norinchukin Bank Board of Directors formulated the Risk Management Policy defining our basic risk management system to properly manage risks throughout the company. This management policy stipulates the types of risks to be recognized and the management system and methods. Under this policy, the Bank works to advance our risk management system regularly. Based on this policy, the main risks that the Bank manages include credit risk, market risk, liquidity risk, model risk, and operational risk. We manage and control environmental and social risks (including climate and nature-related risks) based on individual risk characteristics under each risk category.

Risk Appetite Framework

We select top risks (risk events that require special attention in the future) based on the business environment and risk perception in accordance with our risk appetite framework, analyzing possible future scenarios.

The Bank selected addressing climate change, biodiversity, and other sustainability-related issues as a top risk. The Bank recognizes major risks that may inflict significant impacts on the sustainability of the Bank, the agriculture, fishery and forestry industries that form the foundation of the Bank, and our local communities. These major risks include stranded assets in our portfolio stemming from the transition to a decarbonized economy (as a result of climate change); wind, flood, and other such damage; and the degradation of natural capital and biodiversity. By selecting top risks, we aim to align the perspective of our organization with risk recognition, thereby building greater sophistication in our risk management structure.

Upgrade environmental and social risk management systems

Climate

Nature

The Bank assesses and determines climate and nature-related risks associated with our investments and loans. We consider environmental and social risks, based on environmental and social risk management (ESRM) system. We additionally establish a framework for the risk management department to control and contain risks, under which decisions may be escalated when necessary. We will work on advancing the sophistication of our ESRM system in stages, aiming to incorporate the system into integrated risk management.

The Norinchukin Bank establishes various policies to resolve environmental and social issues. These policies include the Environmental Policy and the Human Rights Policy, as well as other environmental and social policies for investment and loans in sectors that have the potential to cause significant negative environmental and social impacts. We conduct appropriate risk management in order of priority.

We also adopted the Equator Principles, monitoring large-scale development projects to ensure that we give appropriate consideration to the natural environment and local communities when financing such projects.

ESG Integration in Risk Management

The Bank implements integrated operations with credit risk management in our internal rating system for evaluating the credibility of credit clients. We use the Environmental and Social Risk Check Sheet as a qualitative factor to assess clients in certain sectors, mainly those in sectors facing high transition risk due to climate change. The Environmental and Social Risk Check Sheet is a tool that fosters an understanding of response status to environmental and social risk factors according to the sector. The Bank will discuss reviewing and expanding target sectors in this initiative in, taking external environments into account.

> Initiatives to Manage Environmental and Social Risks

Metrics and Targets

Climate-Related Metrics and Targets
 Climate

We organize our climate-related metrics and targets in our net zero transition plan.

	Classification	Indicators	Latest Results	Target	
Metrics and Targets	Reduce GHG Emissions by Investees and Borrowers	Financed Emissions		Interim Target for FY2030 toward Net Zero by 2050	
		Lending	[Power] Base year: FY2019 213gCO ₂ e/kWh	FY2021 209gCO ₂ e/kWh	138gCO ₂ e/kWh -165gCO ₂ e/kWh
			[Oil and Gas] Scope1/2 Base year: FY 2019 8.9gCO ₂ e/MJ	FY2021 14.5gCO ₂ e/MJ	3.1gCO ₂ e/MJ
			[Oil and Gas] Scope3 Base year: FY2019 0.51MtCO ₂ e	FY2021 0.20MtCO ₂ e	0.37MtCO ₂ e
			[Coal]	Response and engagement based on Policy on Environmental and Social Considerations in Financing and Investment Activities	
			[Steel] Base year: FY2019 1.99tCO ₂ e/t	FY2021 2.06tCO ₂ e/t	1.54 - 1.73tCO ₂ e/t
		Investments	[Stocks and Bonds] Emissions on a per unit of investment basis Base year: FY2019 0.66tCO ₂ e/million yen	FY2021 0.54tCO ₂ e/million yen Vs. FY2019 -18%	Vs. FY2019 -49%
			Secure the amount of forest carbon sink, together with JForest members	FY2022 6.42million tCO ₂	9 million tCO ₂ /year as of FY2030
			Scope 1 emission reduction	FY2023 15,075tCO ₂	Net Zero by FY2030
	Pursue sustainable business	Sustainable finance	FY2021-FY2023 (cumulative) ¥7.0 trillion	¥10 trillion by FY2030	
	Strengthen risk management system	Reduce outstanding investments and loans for coal-fired power generation	Investments and loans outstanding as of FY2023 ¥39 billion	Zero by FY2040	
Nature-related metrics listed under the metrics section					

The Bank calculates and discloses, on a trial basis, the financial exposures we face from the dependencies and impacts on nature in our portfolio, as well as our nature-related footprint metrics.

Climate & Nature Report



The Norinchukin Bank publishes an integrated report to disclose our efforts based on the TCFD and TNFD recommendations.

[> Download all pages](#)

(PDF : 10.5MB) 

Climate-Related Risk Assessment and Scenario Analysis

Home > Sustainability > Environment

> Efforts to Address Climate Change and Nature-Related Issues (Disclosure Based on the TCFD and TNFD Recommendations)

> Climate-Related Risk Assessment and Scenario Analysis

Impact Analysis of Climate Change-Related Risk

The risks of climate change can be divided into transition risks and physical risks.

Transition risk refers to the risk that occurs in transitioning to a society with low greenhouse gas emissions (a low-carbon society). For example, the introduction of a carbon tax levied on greenhouse gas emissions could lead to a negative financial impact on investees and borrowers that have high emissions. This in turn could result in credit costs for financial institutions.

Physical risks are risks of intensification or increase in extreme weather events due to climate change or from long-term changes in climate patterns. Physical risks can be classified further into acute risks, such as increased flooding or other extreme weather events, and chronic risks, such as the agricultural impact of prolonged high temperatures.

Climate Change Risks Recognized by the Bank

Risk	Classification	Major Risks	Time Frame
Transition Risk	Government Policy, Legal, Technology,	<ul style="list-style-type: none"> ● Increase in credit costs due to the impact of regulatory measures aimed at achieving the 1.5°C target on the business models and performance of investees and borrowers ● Increased in credit costs due to changes in the supply-demand relationship for goods and services and corporate performance as markets become more focused on decarbonization 	Medium to long term
	Policy	<ul style="list-style-type: none"> ● Changes in regulations in response to growing international concern regarding climate change 	Short term
	Reputation	<ul style="list-style-type: none"> ● Risk of inadequate climate change efforts and information disclosure from the perspective of external parties 	Short term
Physical Risk	Acute	<ul style="list-style-type: none"> ● Downturn resulting from stagnating investees' and borrowers' businesses due to natural disasters such as typhoons and torrential rains, as well as increasing credit costs resulting from damage to collateral value of real estate and other assets 	Short, Medium, and Long Term
	Chronic	<ul style="list-style-type: none"> ● Risk that climate change will affect land use, productivity of primary industries, etc. ● Impact on business continuity due to damage to the Bank's assets caused by extreme weather 	

Climate Change-Related Risk Assessment by Sector

The impact of climate change will become even more apparent over the medium- to long-term, and will vary depending on the sector in which our investees and borrowers operate. Therefore, we evaluated where and when transition and physical risks would occur in the targeting sectors and other areas defined by the TCFD recommendations.

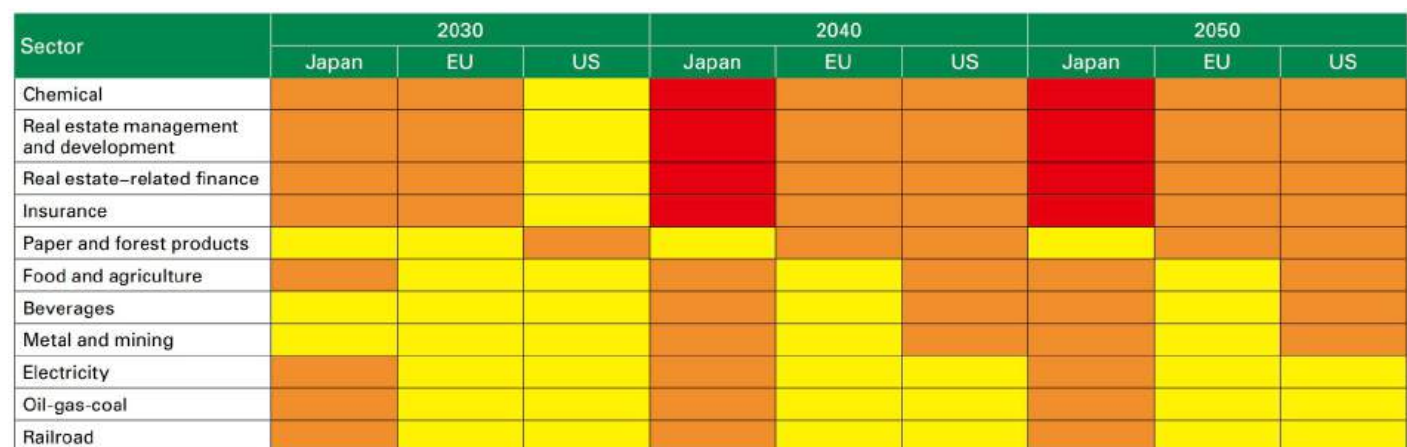
The occurrence of risks associated with climate change is caused by various external factors, environments, and spillover channels. We created the table below after identifying these risks and factors. The table shows (in chronological order) the impact of these

risks on the sectors in which the Bank has most financial exposure. Our analysis also reflects the effects of climate change occurring at different times according to region, geographic conditions, and legal regulations. As one example, transition risks in the EU are expected to occur early due to environmental regulations being adopted ahead of the rest of the world.

Transition Risk Assessment*¹



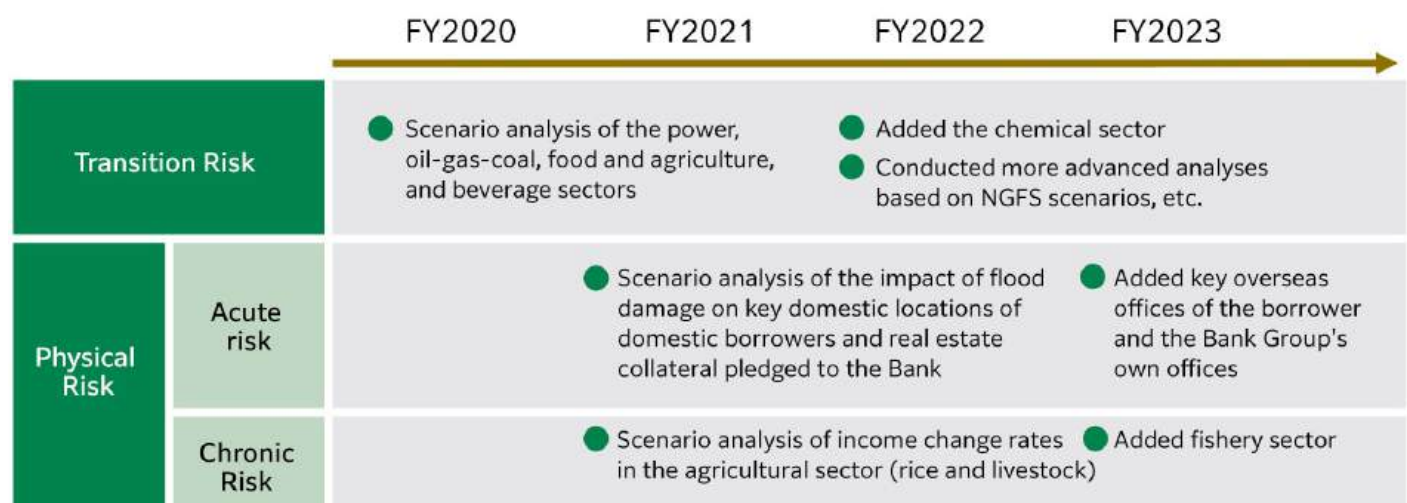
Physical Risk Assessment*¹



*¹ Transition risks are assessed based on a 2°C scenario in which policy measures mitigate climate change, while physical risks are assessed based on a 4°C scenario in which global warming advances.

Impact Analysis of Climate Change-Related Risk (Scenario Analysis)

We conduct scenario analyses to understand the impact of climate-related risks on our credit Step 2 Step 3 portfolio and finances.



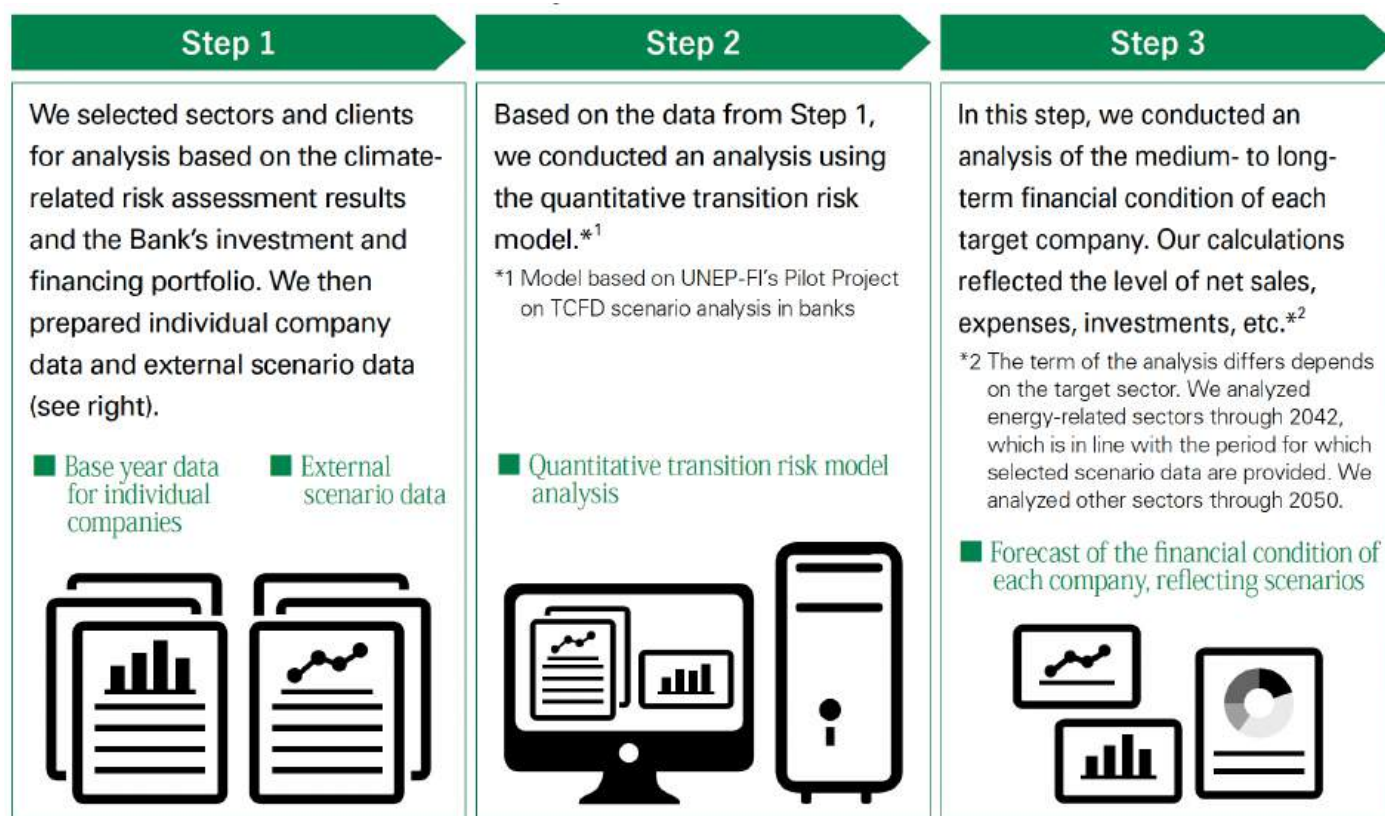
Transition Risk Scenario Analysis

We selected target sectors for our transition risk scenario analysis of based on our assessments depicted on the above chart. These sectors include the high-risk sectors of power and oil-gas-coal, as well as the food and agriculture and beverages sectors, which form the food and agricultural value chains. Through scenario analysis for these sectors in fiscal 2020, we evaluated medium- and long-term changes in credit costs caused by the progress of decarbonization. In fiscal 2022, we began working to upgrade our analysis of these sectors, expanding our scope of analysis for the chemical sector.

Scenarios analyzed include the Net Zero2050 scenario published by the Network of Financial Authorities on Climate Change Risk Network of Central Banks and Supervisors for Greening the Financial System (NGFS), as well as scenarios published by the leading International Energy Agency (IEA) and the Food and Agriculture Organization of the United Nations (FAO).

Our analysis was based on the method published by the pilot project led by the United Nations Environment Program Finance Initiative (UNEP FI) with the objective of discussing and developing methods for climate-related financial information disclosure in the banking industry.

Transiti Risk Scenario Analysis Overview



Methodology for Transition Risk Scenario Analysis

■ Targets and sectors analyzed

Based on the results of our qualitative assessment of climate change-related risks, we selected the electricity, oil-gas-coal, food and agriculture, and beverage sectors as targets for transition risk scenario analysis. The electricity and oil-gas-coal sectors have been identified in the final TCFD report and SASB as sectors having high carbon emissions and highly vulnerable to transition risks. Our selection was based on initiatives consistent with these global views. We selected the food and agriculture and beverages sectors based on the results of our climate change qualitative assessment, as well as the fact that these two sectors form the foundation of the Bank. Given our investment and loan portfolio, the analysis covers not only domestic and overseas borrowers, but also our investees in corporate bonds.

■ Analysis scenario data

We use three scenarios published by the NGFS. Specifically, we adopted three future scenarios for our analysis. We used the *Current Policies* scenario, which assumes that only the policies currently in place are maintained, and the assumption that annual greenhouse gas (GHG) emissions will not decrease by the year 2030. We then used the *Delayed Transition* scenario, in which strong policies are implemented to limit global warming to 1.5°C through rigorous climate policy and technological innovation. And last, we used the *Net Zero 2050* scenario, which assumes net zero global CO₂ emissions will be achieved in or around the year 2050. We predicted the impact on the Bank's investees and borrowers, while also analyzing the increase or

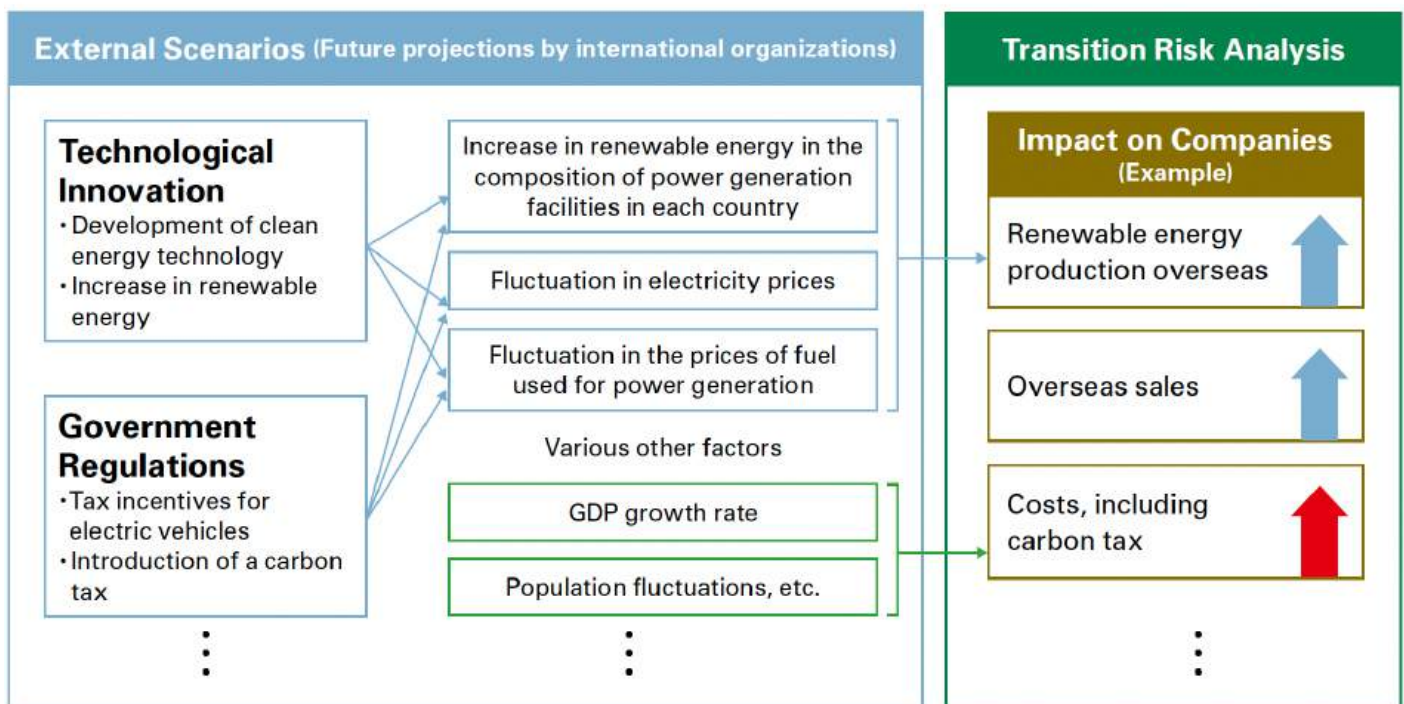
decrease in credit costs. We formed our predictions by combining the Dynamic approach, in which companies make new capital investments in response to climate change, and the Static approach, in which companies do not make additional capital investments in response to climate change.

- In connection with the NGFS scenario for which we lacked sufficient data, our analysis of the electricity and oilgas- coal sectors incorporated various forecast data from the IEA World Energy Outlook 2021, which is widely used both in Japan and internationally. Data was taken from the Sustainable Development Scenario (SDS), which is a set of measures consistent with achieving the 2°C target of the Paris Agreement, the Stated Policies Scenario (STEPS), which incorporates currently announced policies and targets, and the *Net Zero Emissions by 2050 Scenario*.
- In connection with insufficient data for the analysis of the chemical sector, we referred in part to the IEA's Energy Technology Perspectives 2022 and the STEPS and SDS scenario data contained in the IEA's Ammonia Technology Roadmap October 2021.
- For the food and agriculture and beverage sectors, we used as complementary data various FAO forecast data, Toward Sustainability Systems (TSS) Scenario in which where positive change is required to establish sustainable food and agriculture systems, and Business As Usual (BAU) Scenario, in which past trends and policy directions are maintained as the status quo.

■ Efforts to increase the sophistication of scenario analysis models

- We began disclosing the results of our scenario analysis with our Sustainability Report 2021. We also strive to improve the sophistication of our models to utilize analysis results to better explanation of our position and conducting engagement (constructive dialogue).
- As an example, we made improvements by replacing parameters (variables) in the analysis model to make the analysis results more precise and consistent with real-world perspectives. We will continue to refine the results of our analysis by upgrading our models as necessary.

Reference Analysis Overview Example (Electric power company)



Analysis Target	Selection Scenario	Complementary Scenario
Energy (Electricity, Oil-Gas-Coal)	NGFS ● Current Policies ● Delayed Transition ● Net Zero 2050	IEA World Energy Outlook 2021—SDS、 STEPS ● SDS stands for Sustainable Development Scenario ● STEPS stands for Stated Policies Scenario
Food and agriculture, beverages		FAO Food and agriculture projections to 2050—TSS, BAU ● TSS stands for Towards Sustainability Scenario ● BAU stands for Business As Usual
Chemicals		IEA Energy Technology Perspectives 2022—STEP、 SSDS IEA Ammonia Technology Roadmap October 2021 —STEPS、 SDS

Six-Way Scenario Analysis

	Dynamic Approach (An approach reflecting new capital investments in response to market demand)	Static Approach (An approach reflecting the status quo without additional capital investment)
Current Policies (a scenario that assumes that only policies currently in place will be retained)	Current Policies × Dynamic	Current Policies × Static
Delayed Transition (Scenario in which annual GHG emissions do not decline by 2030, followed by strong emissions reduction policies)	Delayed Transition × Dynamic	Delayed Transition × Static
Net Zero 2050 (a scenario that limits global warming to 1.5°C through rigorous climate policy and technological innovation, achieving net zero global CO ₂ emissions in or around the year 2050)	Net Zero 2050 × Dynamic	Net Zero 2050 × Static

About the NGFS Scenario Used in Analysis

- Our transition risk scenario analysis adopts version 2 of the NGFS scenario published in 2021. Of the three NGFS models, we analyze scenarios using the values of the REMIND-MAGPIE model. These values were also used in the Pilot Scenario Analysis Exercise on Climate-Related Risks Based on Common Scenarios by the Financial Services Agency and the Bank of Japan, the results of which were published in August 2022.

Overview of NGFS Scenarios Analyzed

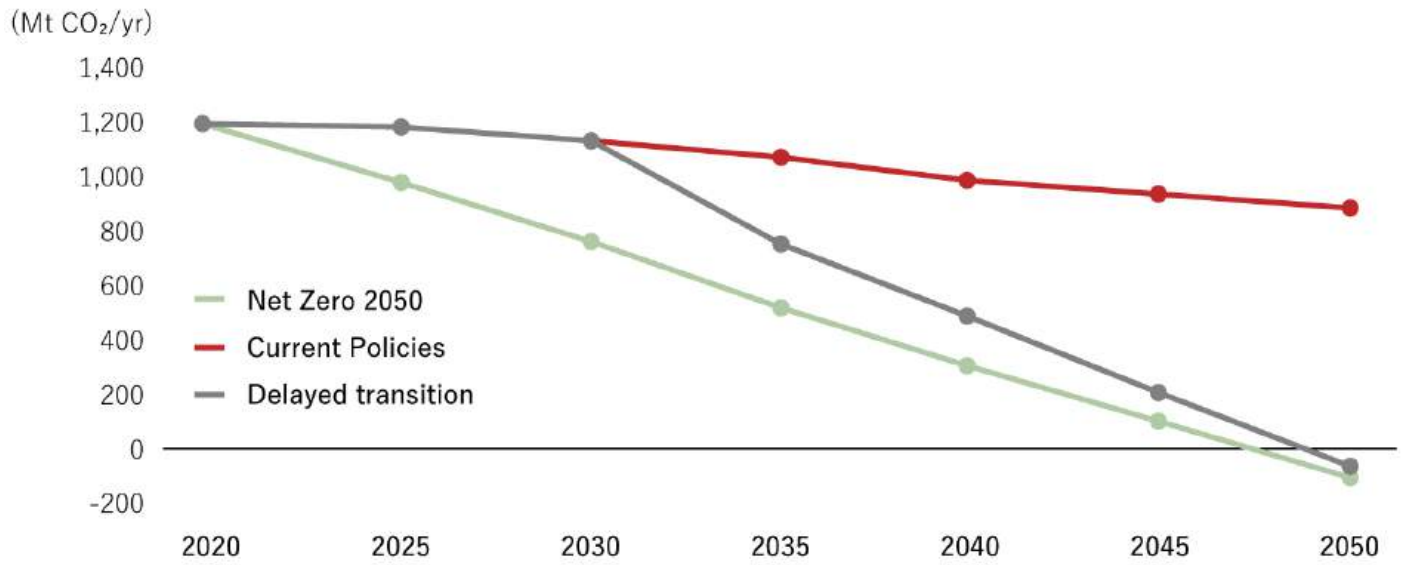
	NetZero 2050	Delayed Transition	Current Policies
Overview	Limits rise in global temperatures to 1.5°C through strict climate policies and technological innovation, reaching net zero CO ₂ emissions by 2050	Assumes annual CO ₂ emissions will not decrease until 2030, followed by strict policies	Assumes that only current policies will be retained
Rise in temperature (by 2100)	Less than 1.5°C	Approx. 1.8°C	Approx. 3°C

- Each NGFS scenario analyzes from different forecasted perspectives. The Net Zero 2050 scenario assumes that countries implement immediate, strict climate change policies and regulations, thereby reducing corporate CO₂ emissions. On the other hand, the Current Policies

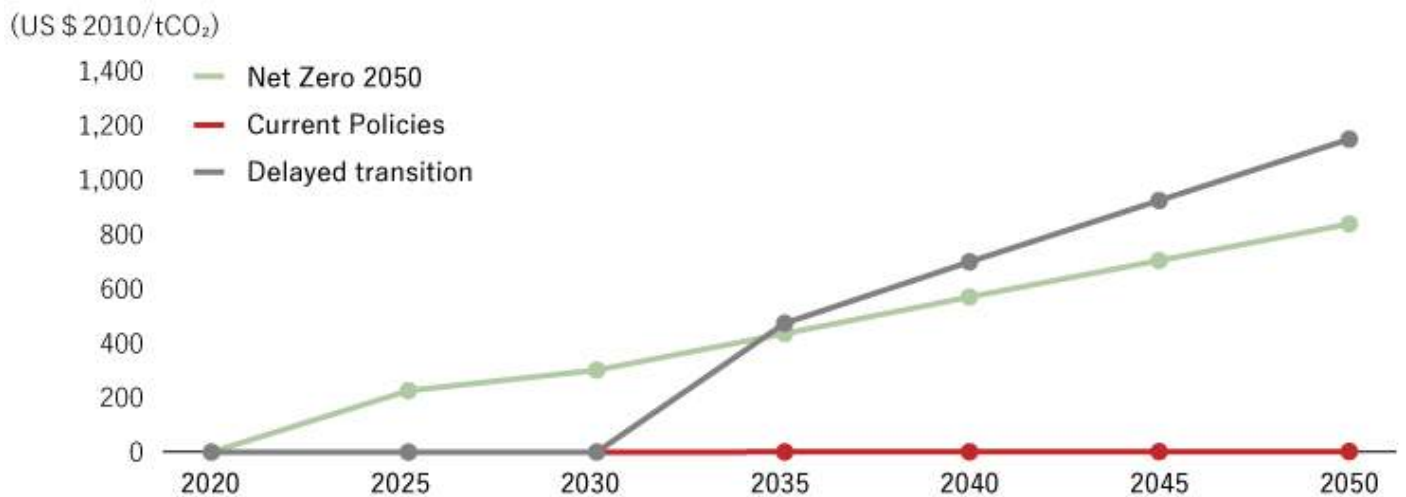
scenario assumes that CO₂ emissions will not be curbed, while the Delayed Transition scenario assumes rapid decline in CO₂ emissions starting in 2030 after implementation of strict measures and policies.

- A carbon price refers to the price assigned to CO₂ emitted from companies and other entities. Each scenario assumes that governments would impose taxes on carbon based on the amount of CO₂ emitted. For example, Japan introduced a restrictive carbon tax to address global warming, which the Current Policies scenario assumes will be maintained. While tax per ton of CO₂ emissions is assumed to be limited, the Net Zero 2050 and Delayed Transition scenarios assume significant introductions of carbon tax. The Bank assumes the introduction of a carbon tax in our scenario analysis, and we reflect impacts on corporate earnings and other factors in the analysis results.
- The Net Zero 2050 and Delayed Transition scenarios aim for carbon neutrality by 2050. In these scenarios, solar power, wind power, and other renewable energy sources serve as the main energy sources to reduce CO₂ emissions. At the same time, power generation that emits large amounts of CO₂ using coal and natural gas is reduced in these scenarios.

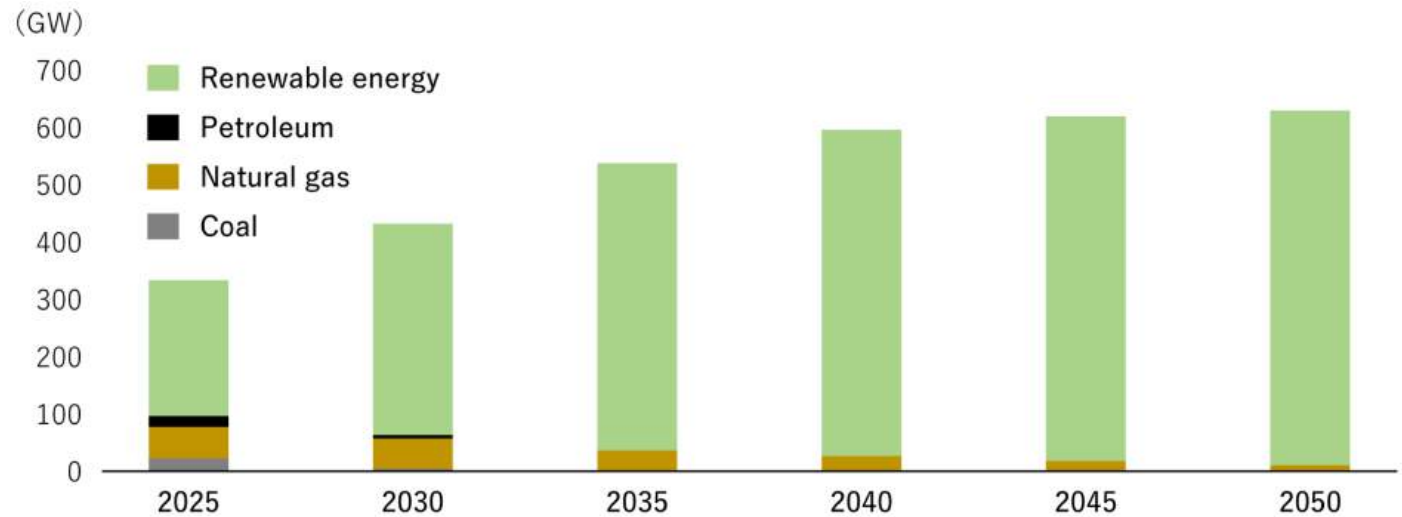
CO₂ emissions (Japan)



Carbon pricing (Japan)



Power generation capacity under the Net Zero 2050 Scenario (Japan)



Transition Risk Scenario Analysis Results

●Electricity and Oil-Gas-Coal Sectors

In every scenario, greater demand for renewable energy and stricter regulations on carbon emissions in various countries would result in stranded fossil fuels and reduced market demand. Business whose profits depend on fossil fuel prices will likely see declining performance. On the other hand, companies that view renewable energy as a climate change opportunity tend to increase revenues through capital investment.

●Food and Agriculture and Beverages Sectors

In every scenario, the global demand for food will increase due to global population growth and other factors. This demand will lead to increased production and increased profits for companies engaged in global business activities. On the other hand, companies whose operations are limited to a specific region may see revenues increase or decrease depending on the characteristics of the region (changes in food culture, population increase or decrease, etc.), and the results of the analysis are mixed.

●Chemicals Sector

Results varied depending on the chemical products manufactured and the region in which the company operates. The Delayed Transition Scenario toward decarbonization and the Net Zero 2050 scenario resulted in slower economic growth. These scenarios revealed relatively lower demand for each chemical product compared to the Current Policies Scenario, with the exception of certain products. On the other hand, demand for hydrogen and ammonia as fuels that do not emit CO₂ directly is likely to increase. Demand for functional chemical products used as battery materials is also likely to increase with the wider adoption of electric vehicles; however, price shifts to products should be limited in nature.

●Impact on Credit Portfolio

The total impact of transition risk in the three aforementioned sectors could increase the cost of credit by between 3 billion yen to 22 billion yen per year through the year 2050 (the range is the difference between the Dynamic and Static approaches). The impact on our credit portfolio would be limited.

Using Analysis Results

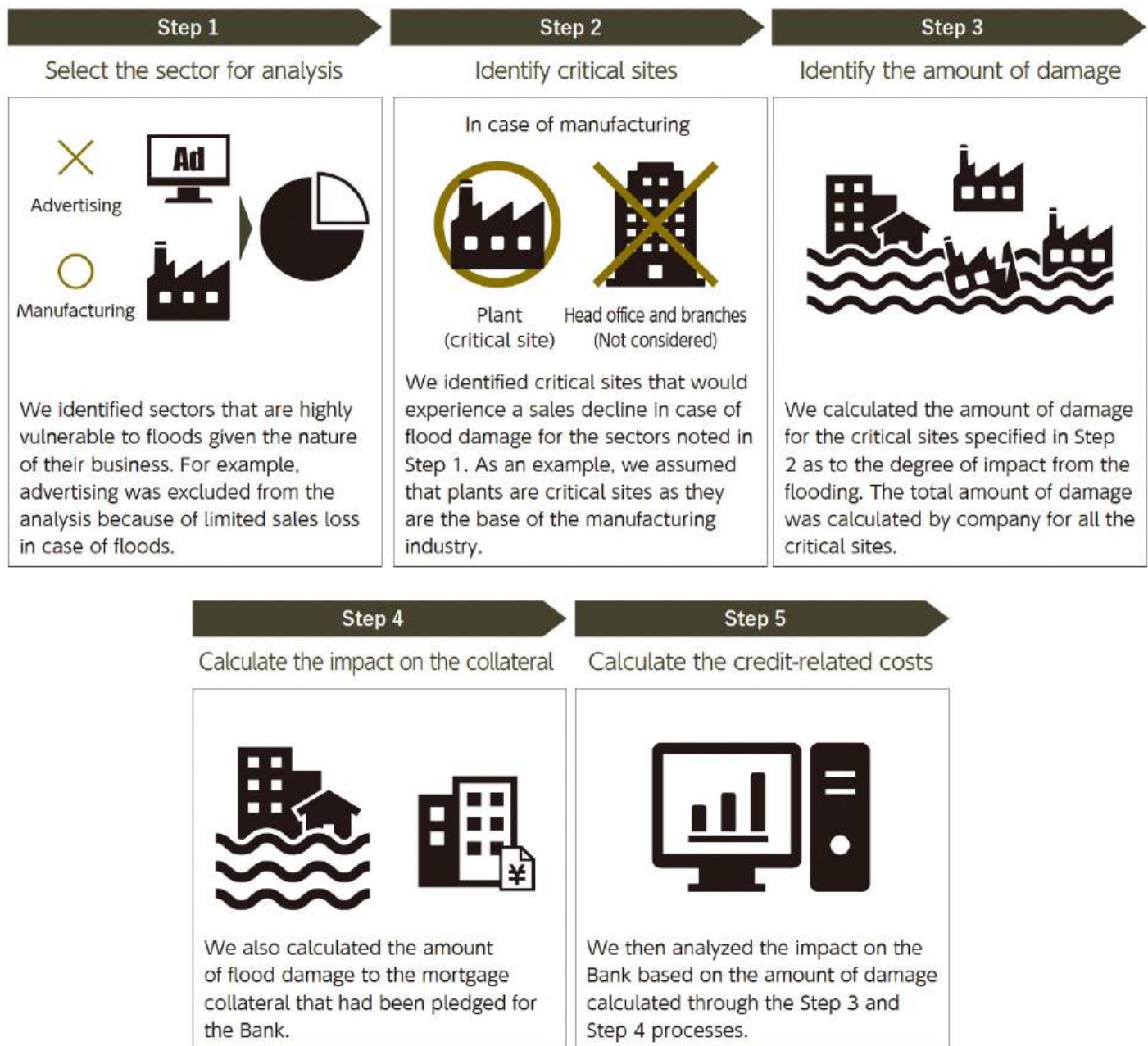
Based on the results of the transition risk analysis, we initiated dialogue on climate change initiatives with our investees and borrowers in sectors where we identified a relatively large impact. By sharing an awareness of the issues with our investees and borrowers, we will strengthen our efforts to address climate change together and work toward creating a lowcarbon and decarbonized society.

Scenario Analysis for Physical Risk Related to Climate Change (Acute Risk)

We analyzed acute risk related to flood damage, which has caused significant problems in recent years. In addition to key global locations of domestic and overseas borrowers and real estate collateral pledged to the Bank, we included the assets of Bank Group locations (buildings and equipment) in the analysis.

Our acute risk scenario analysis indicated a cumulative additional loss of about 23 billion yen (sum of credit costs and damage to the Norinchukin Bank Group assets) through the year 2100. The impact of additional losses would appear to be limited. See the Appendix for details.

Physical Risk (Acute Risk) and Scenario Analysis Overview



Physical Risk (Acute Risk) Analysis Overview

Subject of Analysis	(1) Key domestic and overseas locations of borrowers expected to be affected by flooding (2) Real estate collateral pledged to the Bank (3) Assets at the Bank Group domestic and overseas locations (buildings and fixtures)
Not Subjected to Analysis	Industries where flood damage is not expected (e.g., advertising, publishing, finance, etc.)
Analysis Scenario	IPCC RCP2.6 and RCP8.5
Measurement Results	Cumulative additional losses of approximately ¥23 billion through the year 2100 (credit costs plus damage to Bank Group assets)

Using analysis results

For this analysis, we extended the scope of scenario analysis measurement to identify the additional cumulative losses through the year 2100 for which we must prepare. We will consider analyzing and measuring the impact of hazards other than flooding associated with physical risks. These analyses will take the supply chain into account, utilizing the information related to the borrower's key domestic and overseas locations surveyed in this analysis.

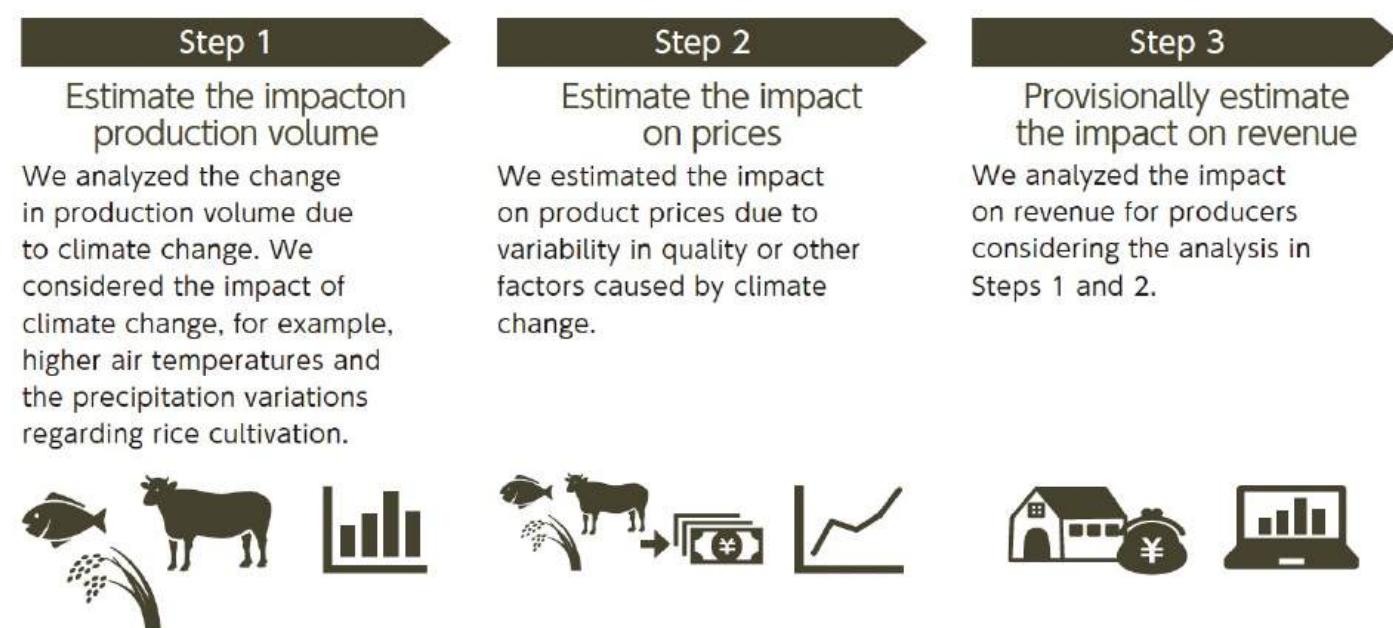
In addition, we plan to practice operational risk management for the high-risk assets owned by the Norinchukin Bank Group. We intend to engage our borrowers appropriately and work with them to step up their efforts in addressing climate change.

Physical Risk (Chronic Risk) Analysis

The Norinchukin Bank is committed to achieving Net Zero by 2050 across our investees and borrowers. In conjunction, we pursue an increase in the income of farmers, fishermen and foresters as a 2030 medium- to long-term goal in support of sustainable agriculture, fishery and forestry industries and local communities. Given that the agriculture, fishery and forestry industries are vulnerable to the effects of climate change, we endeavor to analyze the impact of climate change on the incomes of participants in these industries.

For chronic risk, we selected agriculture and fisheries as sectors to analyze. These industries are important to the Bank, which serves the agriculture, fishery and forestry industries. We chose rice cultivation, livestock production (raw milk and beef cattle), and ocean fisheries (bonito) as target commodities to analyze. Our analyses addressed the impact of climate change, including increases in air and ocean surface temperatures, on producer and fisher income, as well as adaptive measures.

This analysis estimated the change in revenue as of the end of the 21st century compared to the end of the 20th century in two scenarios: (1) one in which no measures are taken to adapt to rising temperatures and (2) one in which measures are taken to adapt to rising temperatures. We adopted the IPCC RCP 2.6 and RCP 8.5 scenarios ("2°C increase" and "4°C increase," respectively) for analysis, conducting a total of four analyses.



Analysis method: Rate of change in production volume + Rate of change in product prices = Rate of change in revenue

The following provides a summary of the results of chronic risk analysis for the agricultural sector. The results indicate a decline in income due to the effects of climate change. However, it may be possible to achieve flat income levels through adaptive measures.

	Scenario	Production Volumes	Price	Income Without Adaptive Measures	Income Introduction of Adaptive Measures
Rice Crop	4°C rise	-6.4%	+1.4%	-5.0%	+3.5%
	2°C rise	+3.3%	-1.6%	+1.7%	-
Raw Milk	4°C rise	-1.1%	+0.9%	-0.1%	±0.0%
	2°C rise	-0.2%	+0.2%	±0.0%	-
Beef Cattle	4°C rise	-1.2%	+0.6%	-0.6%	±0.0%
	2°C rise	-0.3%	+0.2%	-0.2%	-

The following provides a summary of the results of chronic risk analysis for the fisheries sector. The results indicate regional variances in income due to the effects of climate change. However, it may be possible to limit income declines through adaptive measures.

	Scenario	Production Volumes	Price	Income Without Adaptive Measures	Income Introduction of Adaptive Measures
Ocean fishing (bonito)	4°C rise	-9.2% ~+4.7%	-0.6% ~+1.3%	-8.0% ~+4.0%	-7.6% ~+4.0%
	2°C rise	-9.2% ~+9.5%	-1.2% ~+1.3%	-8.0% ~+8.1%	-6.1% ~+4.0%

Our analysis includes several assumptions and hypotheses due to the many limitations in scenario analysis models for the agriculture and fisheries sectors. These limitations include 1) a lack of available methodologies established globally, 2) incomplete data, and 3) diversified and complicated impact channels. Note that impacts may differ from the actual impact on agriculture and fisheries management, as our analysis targets revenue, not income (i.e., the amount after deducting expenses, etc., from revenue).

Nature-Related Risk Assessment and Scenario Analysis

Home > Environment > Efforts to Address Climate Change and Nature-Related Issues (Disclosure Based on the TCFD and TNFD Recommendations)

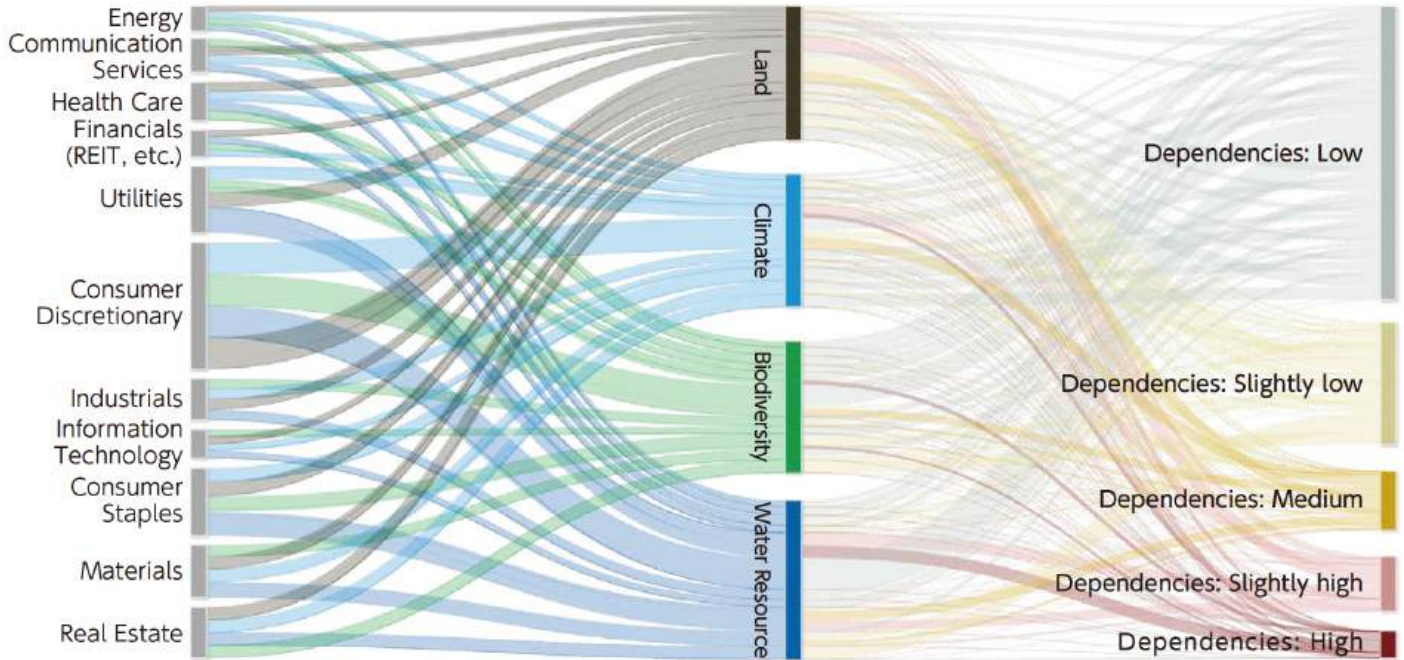
> Nature-Related Risk Assessment and Scenario Analysis

Nature-Related Risk Assessment and Scenario Analysis

To understand our nature-related risks and opportunities, the Bank analyzed our dependencies and impacts throughout our investment and loan portfolios for business enterprises and conducted a trial scenario analysis. Analysis results confirmed the Bank dependencies and impacts are focused in the food-related and energy sectors. The food-related sector is closely intertwined with our foundation in agriculture, fishery and forestry industries, while the electricity sector comprises a large portion of our investments and loans.

Dependencies on Nature by Sector

The Bank ascertained four dependencies categories to understand overall dependencies on nature in our portfolios. These categories include land (e.g., soil quality and land stability), climate (e.g., climate regulation and pollution mitigation through the atmosphere), water (including groundwater, surface water, and oceans), and biodiversity (e.g., plant and animal habitats and pollination). (This analysis does not take into account the value chains of our investees and borrowers.)



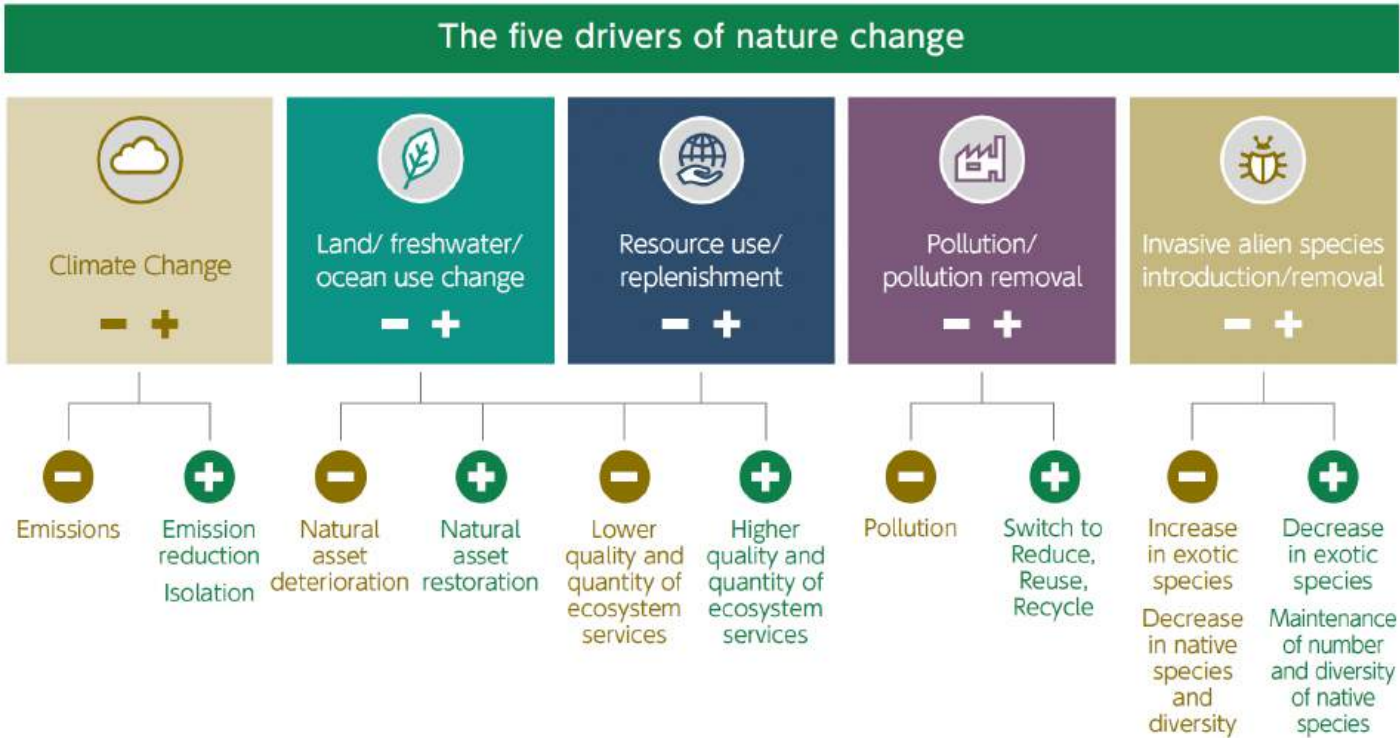
(Note) Bar sizes on the left axis represent investment and loans amounts to the sector, while bar sizes the right axis represent exposure to each dependency level
Source: Prepared by the Bank

Impacts on Support by Sector

Business activities of our investment and finance clients may change (impact) natural capital and ecosystem services. Excessive negative impacts may lead to reputation risk for these clients and degradation of the natural source which found the business. Such risks may in turn lead to medium- to long-term financial risk. On the other hand, positive impacts may increase the value of nature and lead to sustainable business and positive result for stakeholders.

The Bank analyzed our portfolios for five root causes of changes to the natural environment (impact drivers) based on the TNFD

recommendations. We utilized available portfolio data to analyze impacts from investee and borrower businesses. (This analysis does not take into account the value chains of our investees and borrowers.)



Source: Illustration created by the Bank based on TNFDv1.0



(Note) Box size is proportional to investment and loan amounts
Source: Prepared by the Bank

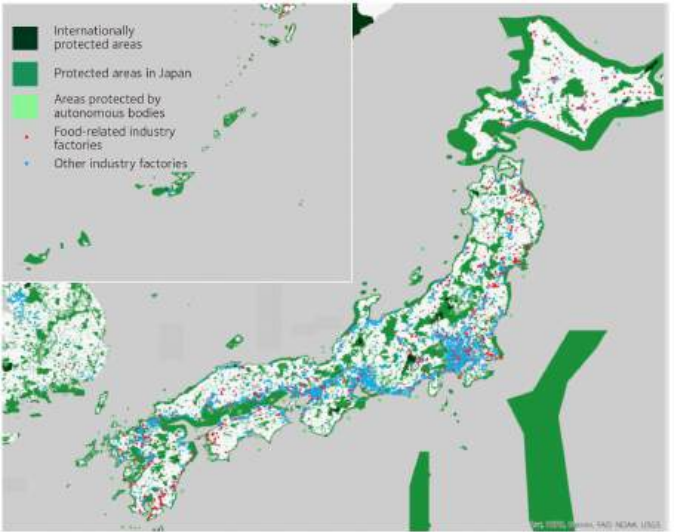
Analysis Including Value Chains of Investees and Borrowers

The Bank conducts joint research with aiESG, a start-up company from Kyushu University, to understand impacts on nature in our value chains. We targeted food-related sectors confirmed to have a high dependencies and impacts on nature in the analysis covering direct operations. Analysis of these sectors looked at the cumulative environmental impact upstream in the value chain (e.g.,

GHG emissions and amounts of water consumed and polluted starting in the meat sector, including upstream livestock production, feed production and manufacturing).

Location-Oriented Risk Analysis

The Bank analyzed nature-related risks based on the location of the critical sites (e.g., factories) of our borrowers, as used in our analysis of physical risks associated with climate change (acute risk, flood risk). We mapped relationships between key sites of the borrowers and protected areas to visualize borrower locations that overlap with protected areas. Analysis confirmed that the Bank manages our impact on water resources, forest resources, and local ecosystems within such locations (in other words, nature-related risks on the Bank from such exposure is limited).



Source: The Norinchukin Bank using ArcGIS

Nature-Related Scenario Analysis

The Bank conducted a trial analysis on qualitative scenarios related to nature using FPS+Nature, an integrated nature and climate scenario for investors. We summarized transition risks predicted through the analysis and evaluated the degree of physical risks assumed under the transition scenarios provided by FPS+Nature. Physical risks were evaluated by region and over the medium- to long-term for parameters related to water scarcity and pollination, issues closely linked to the food and agriculture sectors. The results of this assessment confirmed the Bank faces potential additional costs associated with freshwater use and the risk of shutdowns due to water withdrawal restrictions, particularly in North America.

		2030	2050
Region	State of Nature	Risk	Risk
Japan and Korea	Water scarcity	Low	Low
	Pollination	Low	Medium
North America	Water scarcity	Medium	High
	Pollination	Low	Low
EU	Water scarcity	Low	Low
	Pollination	Low	Low

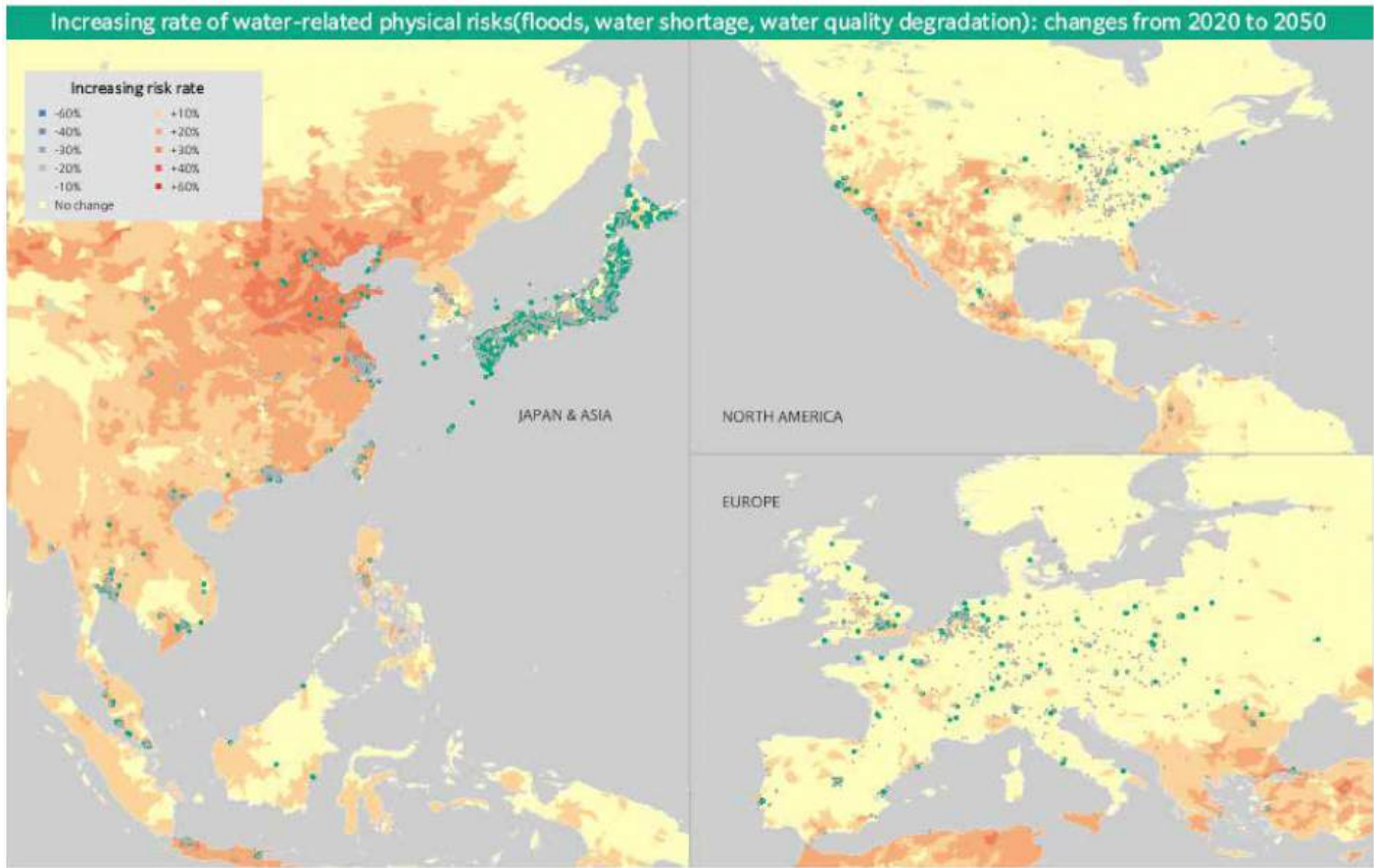
Source: The Norinchukin Bank based on IPR FPS + Nature

Integrated Approach to Climate and Nature

Analysis of Relationships Between Climate Change and Nature-Related Physical Risks

The Bank conducted an analysis from the perspective of natural capital and biodiversity. This analysis was also based on scenario analysis results of physical risk (acute risk) resulting from climate change. Sectors more dependent on water resources tend to face more physical risk due to tendencies to own important locations for factory buildings near rivers and coastal areas. In addition to flooding and other disasters, climate change results in nature-related physical risks (acute and chronic risks), including groundwater depletion, changes in surface water, and water quality degradation. We will strive to leverage our understanding of investee and borrower climate- and nature-related risks in future discussions and solutions.

Conceptual Image of the Analysis (Heat Map of Drought Risk)



Source: The Norinchukin Bank using ArcGIS
Note 1 Green: Important locations in the food sector Gray: Important locations in other sectors
Note 2 n=283,287 (For factories and other important locations)

Analysis of Climate Change Impacts on Biodiversity

We analyzed nature-related risks based on GHG emission (financed emissions) information in our investment and loan portfolio. This analysis estimated the climate change impacts on biodiversity using the Life Cycle Assessment (LCA) method to calculate the Footprint Indicator (EINES indicator, an indicator of biological extinction risk).

Reducing the Environmental Burden in Agriculture

[Home](#) > [Sustainability](#) > [Environment](#) > Reducing the Environmental Burden in Agriculture

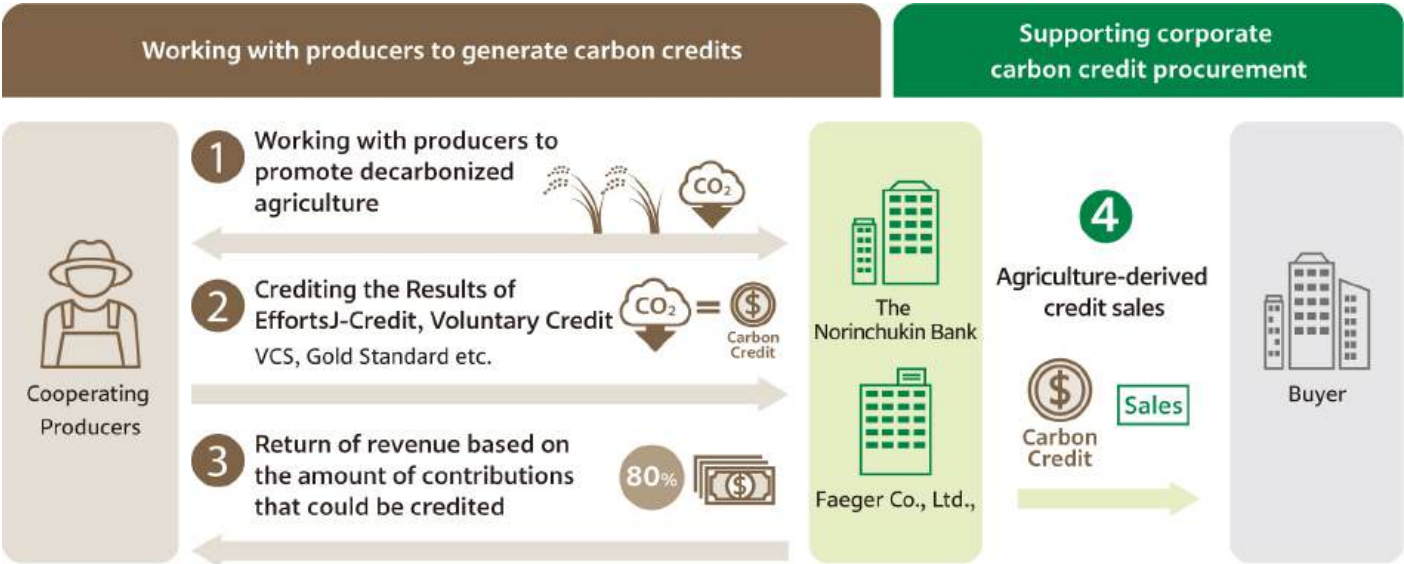
Environmental Considerations in the Agricultural Sector

Emissions from agriculture, forestry, and other land use account for about a quarter of global greenhouse gas emissions. Additionally, natural disasters such as typhoons, floods, and high temperatures are increasing year by year, causing serious damage to crops. The Norinchukin Bank is a financial institution grounded in the griculture, fishery, and forestry industries. As such, we will take initiative in helping to resolve these issues.

Supporting the Creation of Agriculture Carbon Credits

The Norinchukin Bank entered into a business partnership agreement with Faeger Co., Ltd. The purpose of this partnership is to support the creation of carbon credits in the agricultural sector to decarbonize the industry and increase profitability through these credits. Feager is the first startup in Japan to create agriculture carbon credits to support the decarbonization efforts of farmers and monetize the credits.

This business partnership agreement strives to decarbonize the agriculture industry by introducing a wide range of farmers to decarbonized agriculture (e.g., reducing reduction through rice field drying) and proposing the creation of carbon credits to generate revenue.



Decarbonizing the Agricultural Sector with High-Performance Biochar

The Ministry of Agriculture, Forestry and Fisheries (MAFF) Strategy for Sustainable Food Systems calls for the reduction of chemical fertilizer use made from imported raw materials and fossil fuels as a decarbonization measure.

The Norinchukin Bank entered into a business partnership agreement with TOWING Ltd. to expand sales channels for *Soratan*, a high-performance biochar.

Biochar is used typically as a soil improvement material. When used on agricultural land, biochar sequesters carbon in the soil and reduces GHGs in the atmosphere. TOWING developed and markets a high-performance biochar called Soratan. Soratan is made by adding soil microorganisms screened by the company to biochar (porous material), which is carbonized from plant and food processing residues generated in Japan. The biochar is then cultivated with organic fertilizers. TOWING also applies for and sells carbon credits created through carbon sequestration.

Through this business partnership agreement, TOWING aims to leverage its expertise in high-performance biochar, as well as the networks and knowledge of the Norinchukin Bank its business partners, to expand Soratan and achieve sustainable agriculture. TOWING is also exploring intermediating carbon credits created through the use of Soratan to food- and agriculture-related companies.

The Norinchukin Bank is committed to leveraging carbon credits to contribute to increasing producer income and reducing GHG emissions in the food and agriculture value chain.



GHG Measurement Support for Clients

Disclosing information on climate change is necessary to become a decarbonized society. Companies are required to take action to measure and reduce GHG emissions not only for themselves but for their entire supply chain.

The Bank will collaborate with companies that provide consulting services on matters such as measuring GHG emissions and supporting responses to CDP. In doing so, we will provide solutions for clients to decarbonize their businesses and help solve environmental and social issues.

Topics

Financial and Non-financial Support for Agricultural Corporations to Reduce GHG Emissions

Suzunari Inc. ("the Company," below) has farmed with 90% less chemical fertilizers and 50% less pesticides compared to conventional farming method since its establishment in 2008. Large companies particularly have made considerable progress in GHG reduction efforts. The Bank also aims to further encourage efforts to reduce environmental burdens in the agricultural sector. To support the visualization of GHG emissions, the Bank introduced Asuene Inc., a company that provides GHG emission measurement and consulting services, to the Company. We additionally set GHG emission reduction targets (Scope 1 and 2) and signed a Sustainability Linked Loan agreement with the Company in December 2022. This agreement sets these targets as Sustainable Performance Targets (STPs). The Bank will continue to introduce technologies that contribute to decarbonization to support environmentally friendly agriculture from both financial and non-financial perspectives.





Their farm

Demonstrating the Multi-Functional Role of Forests

Home > Sustainability > Environment > Demonstrating the Multi-Functional Role of Forests

Initiatives to Demonstrate the Multi-Functional Role of Forests

Japan is a heavily forested country, with forests occupying approximately two-thirds of the land. Forests play multi-functional roles, but today, their carbon dioxide sequestration capacities are attracting attention as Japan and other countries grapple with climate change issues. Forests also play an important role in biodiversity conservation. On the other hand, they face a variety of challenges, including slumping prices for standing timber, increased costs for reforestation, and the inability to find workers. The Bank, in cooperation with forest owners' cooperatives, will help demonstrate the multi-functional role of forests by resolving upstream, midstream, and downstream issues related to forests and forestry.

The Norinchukin Bank/JForest Association Initiatives		
Upstream Issues Management intensification, integration and expansion of raw wood production 	Nochu Potential Forest Productivity Fund	We established this fund in 2005 (renewed format in 2013). As of fiscal 2023, this fund has subsidized 130 projects across Japan, representing a total of more than 18,670 hectares valued at ¥2.68 billion. This fund contributes to the regeneration of degraded private-owned forests by subsidizing projects that aim to maintain the public benefits and multifunctional role of forests in a sustainable manner.
	Forestry Labor Safety Improvement Measures	The annual death and injury rate per 1,000 workers in the forestry industry is nearly nine times the average of all other industries. Improving labor safety in this industry is an urgent matter. This project subsidizes the purchase of forestry work safety equipment, etc., which we make available to forestry cooperative networks, private businesses (contracted from networks), forestry colleges, etc. (4,226 pieces of equipment at a cost of ¥700 million between fiscal 2015 and fiscal 2023).
	Low-Cost Forest Replanting Measures	We have launched a cost-effective reforestation project to achieve sustainable forests and forestry management. To solve this issue, in fiscal 2020, we launched the Low-Cost Forest Replanting Project in partnership with the National Federation of Forestry Owners' Cooperative Association (JForest Moriren). The project focuses on halving the cost of growing forests and shortening the cutting cycle. Currently, demonstration tests are being conducted with three forestry cooperatives in Nagano, Hiroshima, and Miyazaki prefectures.
Midstream Issues Productivity improvement of processing and marketing	Export Support	As the world's population grows, we expect global demand for lumber to expand. We support wood exports through timber intensification in cooperation with a network of forest owners' cooperatives, and we are exploring new demand for timber overseas.
	Wood Solution Network (WSN)	In 2016, The Norinchukin Bank established the Wood Solution Network as a platform where various companies from upstream to downstream can come together to solve the issues facing Japan's forest industry. We keep working to increase wood use by creating and sharing promotional materials on wooden architecture and wood space design.
Downstream Issues Wood demand expansion and wood utilization expansion 	Spreading Wood Use Education and Expanding the Utilization of Wood Products Nationwide	As part of our efforts to increase income for forestry workers, we collaborate with forest owners' cooperatives across Japan to support and connect the cooperatives with buyers for their wood products.

Contributing to the Realization of a Sustainable Society Through Wood Utilization

Maintaining and using forests properly as the forests enter harvest season is an urgent matter for the multifunctional role of forests. The Norinchukin Bank joins the Japan Wood Design Association to help create a sustainable society by encouraging the use of domestic timber. In June 2023, the Association signed the Agreement on the Encouragement of Wood Use in Buildings with four ministries (Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism, and Ministry of the Environment) to encourage wood use further.

* Established in December 2021, the Japan Wood Design Association refers to efforts aimed at solving social issues using wood as "wood design," and aims to contribute broadly to society through efforts to turn the forest industry into a growth industry, revitalize local communities and realize a sustainable society including decarbonization.



Ceremony to commemorate the establishment of the JWDA

The Norinchukin Bank's Effort to Improve Forestry Labor Safety

In addition to subsidizing the purchase of safety equipment, the Norinchukin Bank offers the following initiatives to improve forestry labor safety.

Forestry Safety Education 360° VR

Introduced in fiscal 2020, the Forest Safety Education 360VR is an education tool forestry workers use to improve safety. Using VR to show dangerous situations and conditions at forestry sites helps us teach safety in a clear and easy-to-understand way, no matter where the learner is located. Forest cooperative networks, government agencies, forestry colleges, and others use our products extensively.



Images of VR



Sponsorship of the Japan Logging Championship

The Japan Logging Championship is a chainsaw competition in Japan that aims to enhance forestry techniques and safety skills, promote forestry jobs, and raise the social perception of the forestry industry. The Norinchukin Bank has been the main sponsor of this event since it started.

Creating a Platform for Managing Forest-Derived Credits from Production to Sale

At the end of March 2023, we introduced a platform in collaboration with the National Federation of Forestry Owners' Cooperative Associations. This platform supports the entire process of forest-derived credits, from production to sale, contributing to the green growth of forests, the forestry industry, and carbon-neutral societies. In March 2024, we completed the first transaction using this platform. We will continue to help forestry cooperatives across the country create forest credits and connect them with companies interested in buying these credits on the platform.



Site Images



FC BASE-C (Forest Credit Base Create)

Mechanism for the creation of forest-derived credits (Active Since March 2023)



FC BASEとは

森林由来
J-クレジットを購入

J-クレジット創出
パートナー企業募集

ご契約までの流れ

ご利用事例

森林由来J-クレジット
あれこれ



企業活動と日本の森林保全活動をツナグ

FC BASE-Mは、森林由来 J-クレジットに特化したカーボンプレジット市場です。
全国森林組合連合会が事務局となり、全国の森林由来 J-クレジットを希望する企業と地域の森林を
結びつけるサポートを行っています。

FC BASE-M (Forest Credit Base Market)

Forest-Derived Credit Sales Support Website (Active Since March 2024)

Sustainable Oceans and Fishery Industries

[Home](#) > [Sustainability](#) > [Environment](#) > Sustainable Oceans and Fishery Industries

Initiatives Focused on the Blue Economy

As a financial institution founded partly in the fisheries industry, the Norinchukin Bank promotes initiatives focused on the Blue Economy, which promotes the conservation and sustainable use of oceans and rivers.

Promoting Blue Carbon

The concept of blue carbon, such as the absorption and fixation of CO₂ by seaweed beds, was introduced in a 2009 report by the United Nations Environment Programme (UNEP); however, seaweed beds are not only important as a way of tackling climate change. Their role in nurturing and protecting aquatic organisms is also attracting global attention as a Nature-based Solution (NbS) to biodiversity issues. Seaweed beds in particular in Japanese coastal zones have long been maintained by fishermen and local residents, and this has brought about the effects of blue carbon. However, in recent years, these beds have been in rapid decline because there are fewer people conserving them due to the fall in the numbers of fishermen and local populations. In addition, changes in the marine environment brought about by intensifying climate change and increasing damage caused by feeding fish and sea urchins are also factors behind the rapid decline of these once abundant seaweed beds. Responding to this situation, the Bank, in cooperation with members of the JF (Japan Fisheries Cooperatives), local communities, and companies, is setting up and supporting blue carbon projects that focus on the creation and restoration of seaweed beds. In addition, we are examining and developing initiatives to create carbon credits to quantify and economically value the effects of these projects.

Topics

Tottori Blue Carbon Project

The Tottori Blue Carbon Project is a collaborative project between the Bank, Tottori Prefecture, the Tottori Prefectural Fisheries Cooperative Association, and *The Ocean and Japan Project* of the Nippon Foundation. The Tottori Blue Carbon Project aims to restore and develop seaweed beds by driving away sea urchins, raising them on locally produced cabbage, and using them in the development of new products and in education collaborations. Through this, the project aims to further raise awareness on *iso-yake* and blue carbon issues not only in Tottori Prefecture, but throughout Japan. The Bank has participated in this project from its inception and has contributed to its smooth operation by providing secretariat support and disseminating information.



Investments in Water Bonds Issued by the Asian Development Bank

The Bank invested a total of \$200 million AUD in water bonds issued by the Asian Development Bank (the “Bonds,” below). The Bonds will be used on financing projects aimed at resolving issues in water supply, sanitation, water resource management, and flood control in the Asia-Pacific region.

Promoting registration of marine areas as *Shizen kyosei* sites

The 30by30 Target refers to Target 3 of the Kunming-Montreal Global Biodiversity Framework (GBF), aiming to conserve and manage 30% of land, waters, and seas by 2030. Areas effectively conserved outside of protected areas are referred to as Other Effective area-based Conservation Measures (OECMs). These areas are crucial to achieving the 30by30 Target. However, there remains a gap in Japan between the percentage area actually under managed conservation and the target of 30%. As of 2021, there was also a difference between the conserved land and sea areas, with only 13.3% of sea areas being conserved compared with 20.5% of land areas. That boundaries and ownership are not as clear offshore as onshore may be a factor here. But that said, there are sea areas where fishermen and JF members carrying out both ecosystem conservation and commercial fishing are also playing a central role in creating blue carbon ecosystems, and we recognize these areas are extremely important for achieving the 30by30 target offshore. In a move toward bringing about nature-positive activities in sea areas, the Bank is promoting *Shizen kyosei* sites in cooperation with motivated JF members and others. *Shizen kyosei* sites are areas designated by private initiative, etc., for preserving biodiversity.

Topics

Support for Yamagawa Fisheries Cooperative Association obtaining certification for the first *Shizen kyosei* site of a JF member

The Bank supported the Yamagawa Fisheries Cooperative Association (Ibusuki City, Kagoshima Prefecture) in its application to register a cooperative-managed sea area as a *Shizen kyosei* site. The target area is home to eelgrass and sea turtle spawning grounds at the southern boundary, and it has long served as an area for fixed net fishing and seaweed bed creation activities. This area became the first application from a fishery to be certified as a natural symbiosis site.



Working With Startups

Innovation is essential to overcoming challenges related to climate and nature. To that end, through a mix of setting up demonstration projects and providing corporate venture capital (CVC), the Bank is actively collaborating with important venture capital companies and startups who are leaders in innovation. We will contribute to accelerating innovations that help overcome these challenges, including in areas related to the Blue Economy.

Participation in the Kaginowa Project: Feeding *kagikenori* seaweed to livestock to reduce methane emissions while increasing fishermen's incomes

One such project involves our collaboration with Arnul Co., Ltd. and the Yamakawa Fisheries Cooperative Association to establish and implement *kagikenori* seaweed aquaculture technology. This project aims to help decarbonize agriculture, a key regional industry, and find new sources of income for the fishing industry. *kagikenori* seaweed suppresses methane emissions in cattle eructation (burping), a major source of methane emissions. Moreover, providing a stable supply of *kagikenori* through aquaculture will create new business for fishermen while reducing livestock-derived methane emissions. This project is expected to not only reduce agricultural methane emissions, but also provide extra income to fishermen, who are the main players in the creation of seaweed beds, which are themselves blue carbon ecosystems.



Sustainability Management	Agriculture, Fishery, Forestry Industries, and Regions	Environment	Social	Governance
---------------------------	--	-------------	---------------	------------

A Society Leaving No One Behind

[Home](#) > [Sustainability](#) > [Social](#) > A Society Leaving No One Behind

Solving Social Issues Through Finance

Investments in World Bank Bonds for Biodiversity

The Norinchukin Bank invested a total of AUD300 million in the Sustainable Development Bonds ("Bonds") issued by the World Bank (officially known as the International Bank for Reconstruction and Development).

Recently, there has been growing global momentum for nature positive to stop the loss of natural capital and biodiversity and to promote recovery. This Bond was issued to raise awareness of biodiversity conservation. Through investing in the bond, the World Bank and The Norinchukin Bank aim to raise awareness about the importance of biodiversity conservation in developing countries.

Investment in Sustainable Development Bonds issued by the Inter-American Development Bank

The Bank has invested US\$100 million in Sustainable Development Bonds ("Bonds") issued by the IDB (officially known as the Inter-American Development Bank).

Farming is a key theme of the Bonds, and proceeds from the Bonds will be used for projects aimed at solving problems related to farming in Central and South America and the Caribbean. Farming accounts for a large share of GDP in the regions, and while farming is an important industry, these regions face diverse challenges that include poverty among farmers, agricultural product safety, and poor price competitiveness. The investment in the Bonds will contribute to solving various agricultural problems in these regions, and through this investment, the Bank supports the IDB's efforts from the standpoint of an investor.

Investment in Feed Africa Bond issued by the African Development Bank

The Bank has invested a total of US\$100 million in the Feed Africa Bonds ("Bonds"), a bond issued by the AfDB (official name: African Development Bank).

In Africa, the undernutrition rate in 2020 was 21% of the population, which means that approximately one in five people were considered starving or undernourished^{*1}. In Africa, farm workers account for more than 60% of the working population, but the poverty rate remains high, especially in large farm areas, due to low productivity and other factors^{*2}. To address these issues, Africa is addressing the challenge of transforming its farming sector and increasing food production. Proceeds from the Bonds will be used for projects that contribute to the resolution of these various issues. By investing in the Bonds, we support the efforts of the African Development Bank from an investor's perspective.

^{*1} Source: https://www.wfp.org/news/un-report-pandemic-year-marked-spike-world-hunger?_ga=2.192556586.1207686303.1689663423-1259415913.1689663423

^{*2} Source: https://afdb-org.jp/wp-content/uploads/2018/04/Feed-Africa_JP.pdf

Initiatives to Achieve Financial Inclusion

Improving Financial Access in Each Location Throughout Japan using a Variety of Channels

The Bank aims to realize financing for everybody in order to promote responsible finance. By leveraging the strength of its comprehensive business, JA branches provide a variety of services. It is developing different channels to provide financial services to our members and users, even those in depopulated mountainous areas.

Opening of Yorisoi Plaza

We are introducing the Yorisoi Plaza, at which customers can easily use JA Bank services even when there is no branch with a financial counter nearby. Financial services are provided via remote consultation booths and ATMs at branches that lack financial counters. We also expect that this to function as a community venue for exchanges.

Introduction of mobile branches

JA Bank is promoting the implementation of mobile branches equipped with financial booths and ATM services for all JAs nationwide (as of March 31, 2024, 138 units had been deployed).

Mobile branches allow users to deposit and withdraw ordinary savings and update passbook entries. In addition to bank transfers and payment of taxes and utility bills, users can use consulting services about public pension benefit receipt, mutual insurance and more. These mobile branches are gaining greater recognition as the nearest financial institution in regions without a nearby consultation branch or ATM.

These nationally deployed mobile branches normally serve as a lifeline for rural and depopulated areas and can be utilized in times of disaster, offering financial services to affected areas.



Mobile branches

LGBTQ-Friendly Mortgages

As part of realizing diversity, social interest in LGBTQIA+ persons has been increasing. In addition, the trend of introducing a "partnership system," which publicly recognizes the rights of LGBTQIA+ couples has accelerated in Japan in several local governments. In line with this trend, JA Bank commenced, in collaboration with Kyodo Housing Loan Co., Ltd. (KHL), a JA Bank Group company, the handling of housing loans that accept the qualification of LGBTQIA+ people, for which KHL's corporate guarantee is effected, in several prefectures.

This loan product accepts the aggregation of a couple's income for a housing loan for couples who are authorized by the partnership system of each local government.

In the future, we intend to increase the number of prefectures where this product is offered. In addition, we are proceeding with the investigation on the treatment of the guarantee offered by the Agriculture, Forestry and Fisheries Credit Foundations.

Agricultural and Welfare Partnership Initiatives

The problem of shortages in Japan's farming workforce is becoming more severe every year. At the same time, employment and independence for people with disabilities is a social issue.

To solve these problems, the Maebashi Branch of the Bank, in cooperation with Gunma JA and the Gunma Agricultural Corporation Association, introduced disability welfare service offices for farmers in need of labor. The participating organizations engage in agriculture and welfare partnership initiatives to secure labor in agriculture and support the independence of people with disabilities.

We also publish the Agriculture and Welfare Partnership *Naruhodo* Newspaper to encourage a deeper understandings among farmers. This newspaper gathers feedback from participating farmers who have gained insight into our agricultural and welfare partnership.



The Agriculture and Welfare Partnership *Naruhodo* Newspaper published about once every three months

Collaboration with the Japan Agriculture and Welfare Partnership Association

The Japan Agriculture and Welfare Partnership Association ("Association") serves as a platform for participation and collaboration among various groups and people involved in agriculture and welfare, including producers, welfare facilities, companies, organizations, governments, and consumers.

We share the vision of the Association, which aims to revitalize local communities and build societies where people facing various difficulties, including those with disabilities, can live happily through collaborative agriculture and welfare initiatives. We entered into an annual sponsorship agreement with the Association in support of this vision.

Respect for Human Rights

[Home](#) > [Sustainability](#) > [Social](#) > [Respect for Human Rights](#)

Philosophy and Policy on Respect for Human Rights

In our Code of Ethics, we stipulate that “We, as members of society, work closely with local communities, to support them with respect to the human rights of each person and with social issues such as an environmental issue, and we seek to contribute to the realization of sustainable society.”

In addition, we established our Human Rights Policy after discussion by the Board of Directors. It clearly states our basic stance on respect for human rights and is meant to raise awareness and ensure that all directors and employees have the same understanding of this issue, and to advance concrete initiatives in our businesses and in the conduct of our directors and employees.

In its Code of Conduct, the Bank clearly states its commitment to respecting human rights and creating a safe and secure workplace. We do not tolerate the use of discriminatory words or actions based on race, creed, gender, age, nationality, ethnicity, religion, social status, or physical characteristics, in or outside the workplace, and ensure that all directors and employees refrain from such words and actions in every setting.

Moreover, in response to international human rights issues, we support and respect international standards including the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Compact.

Furthermore, in addition to complying with the domestic law of each country in which we operate, we identify human rights initiatives in our operations and work to develop regulations and operational rules.

In recent years, not only the Bank but the entire supply chain is expected to consider human rights.

The Bank is also committed to addressing the issue from various angles, including compliance with the UK Modern Slavery Act 2015 and other laws, while referring to the Guiding Principles on Business and Human Rights.

Stance on Promoting Respect for Human Rights

The Bank’s business operations are supported by its stakeholders. It is important that all directors and employees of the Bank have a heightened sense of human rights with respect for the position and personality of others. To fulfill the Bank’s fundamental mission, all directors and employees are expected to respect the position of individual stakeholders and treat all with sincerity, acquire deep insights and highly professional knowledge, and behave as valued members of society.

With the aim of establishing a highly transparent organizational culture built on respect for human rights, we continually provide training on human rights in line with plans decided after discussion at the Compliance Committee.

Also, to prevent sexual or power harassment as well as harassment on the basis of pregnancy, childbirth, and child- or nursing-care leave, we engage in a wide range of activities such as providing e-Learning and position-by-position education, guidance and consultation by human rights issue supervisors and staff throughout the organization, and offering harassment consultation lines externally and internally at our Legal Affairs and Compliance Division.

Considering the Act for Promotion of the Employment of Persons with Disabilities and the Act for Eliminating Discrimination against Persons with Disabilities, we have set up a Consultation Desk for People with Disabilities at each branch and in the Legal Affairs and Compliance Division. In this manner, we are working to respond to actual issues faced by employees with disabilities.

Environment and Human Rights Seminars

The Bank provides seminars on the environment and human rights seminars annually, and all directors and employees at the Bank are required to participate in at least one.

We invite specialists from a wide range of fields to present seminars to raise awareness on and disseminate approaches to broad topics, including respect for human rights and environmental conservation. In fiscal 2023, we shared the videos for all nine training sessions, enabling employees to attend environmental and human rights training sessions on their own schedule and at their own pace.

Human Rights Impact Assessment (Human Rights Due Diligence)

Identification and Assessment of Human Rights Issues and Impacts

The 2011 United Nations Guiding Principles on Business and Human Rights (UNGPs) clarify the responsibility of companies to respect human rights, stating that business enterprises should carry out due diligence, avoid infringing on the human rights of those with whom they are associated, and address the enterprise's negative human rights impacts.

The Bank's Human Rights Policy clearly states that the Bank Group endeavors to conduct due diligence in order to prevent and/or mitigate any negative impact that business activities could have on human rights. Based on this, we assess human rights impacts throughout the organization and in our business activities.

The Bank conducts a human rights impact assessment every three years. In fiscal 2022, the scope of the assessment covered business activities and the value chain, including Group companies. Human rights issues were identified through employee interviews and other means with the cooperation of external experts.

Based on the importance of the human rights issues identified, which are evaluated based on the severity of the issue to the party whose human rights are affected, and based also on the opinions of outside experts, the following were identified as priorities for the Bank Group to address as human rights issues of high significance and necessity: modern slavery, human rights impacts through money laundering, privacy and information security, diversity and inclusion, harassment in the workplace, and forced and child labor in the supply chain.

Human Rights Impact Assessment Processes



Measures to Prevent and Mitigate Negative Impacts on Human Rights

We verify the effectiveness of existing initiatives and measures, prioritizing the development of additional measures systematically to prevent and mitigate negative impacts on human rights issues. In fiscal 2023, we worked with the Norinchukin Research Institute Co., Ltd. to analyze public records and interview experts, industry groups, and the Ministry of Agriculture, Forestry and Fisheries (MAFF) regarding modern slavery (forced or child labor). We collected and organized information that will serve as a basis for discussions on specific measures for sectors (agriculture, construction, and food manufacturing) assessed as posing a high risk of negative impact on the human rights of foreign national human resources. We plan to deliberate and implement specific measures going forward based on these survey results. Regarding forced and child labor in the supply chain, we established a system to monitor respect for human rights among suppliers (purchasers of goods and other items) and take appropriate measures should said suppliers be found to have a negative impact on human rights. The Norinchukin Bank is committed to holding dialogues with our stakeholders and taking measures to mitigate human rights risks.

Human rights issues	Persons whose rights are affected	Major initiatives
Modern slavery (forced or child labor)	Employees of the investee	<ul style="list-style-type: none"> Practice thorough risk management, such as investment and financing sector policy that prohibits investing in and financing businesses that use child labor or forced labor, and check for incidents of human rights violations and the like. <p>Initiatives to Manage Environmental and Social Risks</p>
Human rights impacts through money laundering	Consumers, local communities	<ul style="list-style-type: none"> Respond based on the Act on Prevention of Transfer of Criminal Proceeds and the Financial Services Agency Guidelines for Countering Money Laundering and Terrorist Financing
Privacy and information security	Investors, consumers, and local communities	<ul style="list-style-type: none"> Respond based on Declaration of Personal Information Protection and establish and operate a security system in compliance with the laws and regulations of each country

Diversity and inclusion	Employees	<ul style="list-style-type: none"> ● Under the leadership of the Chief Diversity Officer, take initiatives to improve diversity and inclusion in the organization (e.g., increase the percentage of female managers)
Harassment in the workplace	Employees	<ul style="list-style-type: none"> ● Establish a basic policy on prevention of various types of harassment and conduct thorough in-house awareness-raising and training on harassment prevention ● Harassment consultation desk for employees
Forced and child labor in the supply chain	Supply chain employees	<ul style="list-style-type: none"> ● Practice thorough risk management, including checking for incidents at contractors ● Monitor respect for human rights among suppliers (purchasers of goods and other items) and establish a system to take appropriate measures should said suppliers be found to have a negative impact on human rights

Remedies for Human Rights Violations

Whistleblowing System

The Bank has put in place a Compliance Hotline so that if compliance problems occur, directors, employees, and others can report these either by phone or e-mail. The Compliance Hotline provides multiple points of contact for reporting to the Legal Affairs and Compliance Division and outside lawyers and allows directors and employees to choose whether to report under their own names or anonymously. If we receive a report, we will take corrective and remedial measures in close cooperation with the whistleblower. We are also working to increase people's trust in the system, such as placing top priority on the protection of the whistleblower — measures include prohibiting disadvantageous treatment of them and ensuring confidentiality of their reports. In addition, we offer a Harassment Consultation Desk in the Legal and Compliance Division and a dedicated outside organization that employees and others can call or email to discuss any harassment issues.

Responding to Customer Consultations and Complaints

The Bank takes consultations and complaints from customers seriously, responds to them promptly and systematically, and reflects them in its business operations in a positive manner to improve customer convenience.

Response to the UK Modern Slavery Act 2015

The UK Modern Slavery Act 2015 legally requires any commercial organization with a certain annual turnover to produce a statement about their efforts to prevent slavery, forced or compulsory labor, and human trafficking in their business and in their supply chain. The Bank has posted this important statement on our English website since 2016 in accordance with the requirements of the UK Modern Slavery Act 2015.

The statement stresses that acts of slavery, forced or compulsory labor, and human trafficking are contrary to the Bank's mission and policies and it describes our efforts to prevent such acts.

[> UK Modern Slavery Act 2015 Transparency Statement](#)

Approach to Procurement

The Norinchukin Bank Human Rights Policy supports and respects the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights (ICESCR), the International Covenant on Civil and Political Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, the Global Compact, the OECD Guidelines for Multinational Enterprises, and other international standards.

The Bank requires that our suppliers (parties, including subcontractors, to whom we pay compensation for the enjoyment of any value or utility, whether goods, other movable property, real property, intangible property, labor, or services) also respect and do not infringe upon human rights. Human rights here refers to all the rights stipulated in the above international standards and norms. We also use this term to refer to the prevention of child labor, forced labor, and human trafficking; occupational safety, labor standards, and the right to organize and bargain collectively; and the prohibition of all forms of discrimination in accordance with national laws and regulations.

The Bank prioritizes and monitors respect for human rights among suppliers, taking necessary corrective measures in response to

any identified issues based on human rights risk impact evaluations throughout our supply chains.

We also work to reduce the environmental impact of our business operations, as stipulated in our Environmental Policy. The Bank not only complies with environmental laws and regulations, we also take measures to conserve energy and resources to combat global warming and create recycling-oriented societies, procuring renewable energy at our locations.

Among our suppliers, we share the Human Rights Policy with external contractors and ask for their understanding.

urthermore, we established a system to check for problems regarding respect for human rights and information management on a regular basis.

Human Resources Strategy

[Home](#) > [Sustainability](#) > [Social](#) > Human Resources Strategy

Initiatives to Advance Human Resource Management

Human resources strategy

In order to continue to fulfil our purpose in a world of accelerating change in the business environment, working practices and values, we believe we must transform into an organization capable of autonomously honing our expertise and playing an active role. Based on this understanding, our human resources management policy seeks to continuously support human resources who continue to autonomously take on challenges and make changes.

Human Resources Management Policy

Ongoing support for human resources who continue to autonomously take on challenges and changes as financial professionals with sense of contributing to the AFF industries and local communities.

The human resources management with two major pillars: autonomy and expertise

Based on this policy, the Bank implemented a revision of its personnel system in April 2023, with two major conceptual pillars of “autonomy” and “expertise,” aimed at enabling employees to autonomously enhance their expertise so they can play active roles both internally and externally, resulting in advancement of the organization.

In fiscal 2024, we instituted a “job group” system that classifies our businesses according to which customers they serve, what value they deliver and how this value is provided. This system involves employees signing up to a job group based on their own aspirations and career history. In principle, they then undertake work classified under this job group, thereby honing their expertise over the longer term.

We have established a number of systems to help our employees carve out an autonomous career path and to realize their ambitions, including a firm-wide open job posting that enables employees to choose their business area for themselves, a Trainee System providing opportunities to gain business experience inside and outside Japan, and a Course Change Program for employees wishing to enlarge their scope of activity.

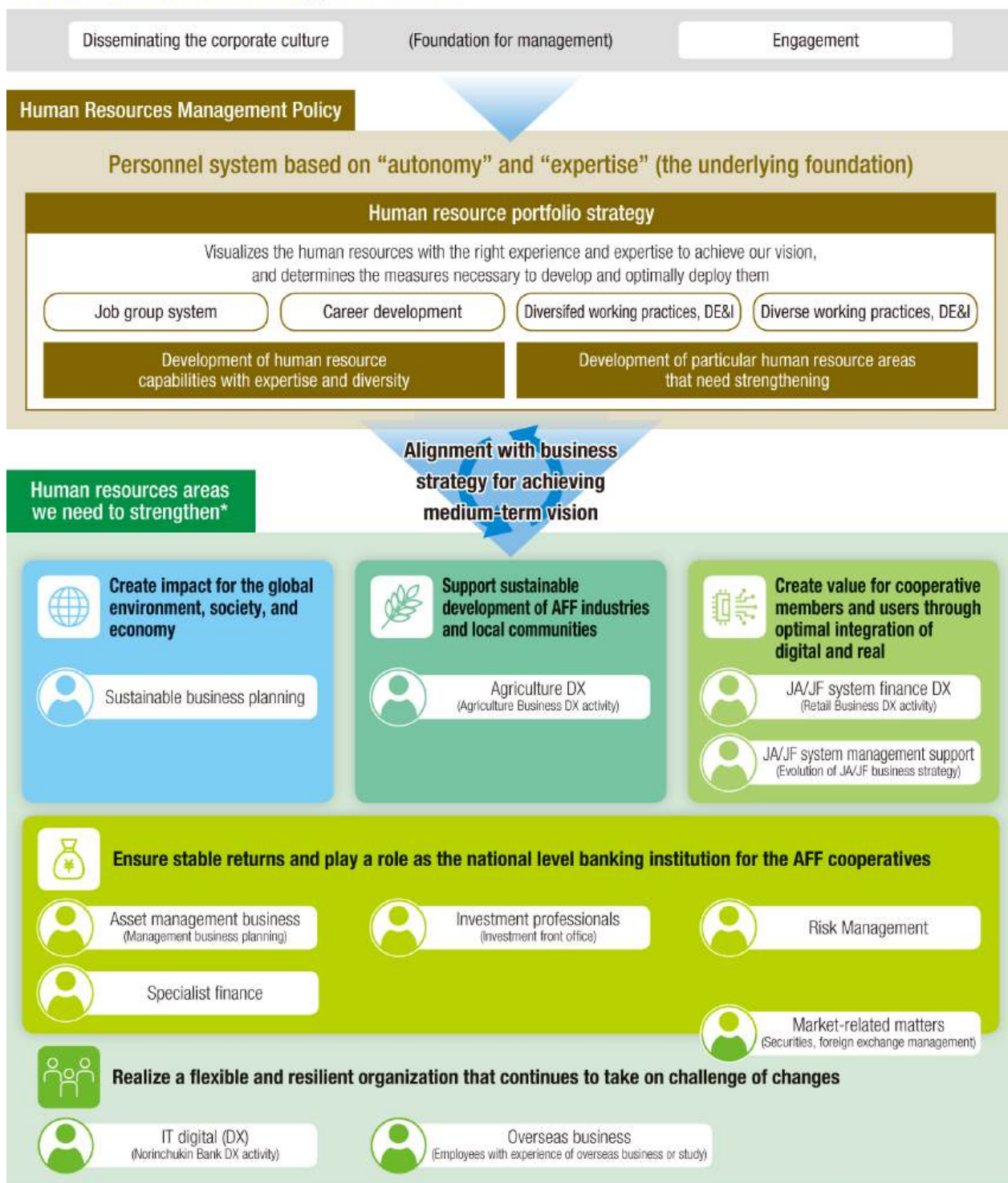
For human resource development, we have introduced the notion of job competency, or required abilities for particular duties and functions, in addition to common competency, which defines commonly required abilities. Through interviews between supervisors and subordinates, we confirm the required abilities (competencies) and review and evaluate the behaviors demonstrated in various work-related situations, with the results being fed back to promote staff awareness and commitment to enhancing expertise.

Business strategy and human resource strategy alignment

In terms of aligning this personnel system based on our human resources management policy with the business strategy required to achieve our Medium-Term Vision, we have formulated a human resources portfolio strategy as a framework for developing the requisite types of human resources capabilities.

As well as developing the specialist and diversified types of human resources required by the organization as a whole, this enables us to take a strategic approach to building our human resource capabilities. We utilize backcasting to identify the specialisms necessary to achieve our business vision, enabling a top-down approach to building up the particular areas of human resource we need to strengthen, and a continuous PDCA cycle to support their development.

Human resource strategy overview



* Our medium-term vision is our management guiding light. Accordingly, we identify the human resource areas we need to strengthen as those necessary to execute the business strategies (main initiatives) toward achieving this vision, and are working to determine and implement the measures needed to do so.

Job Group System

The job group system involves employees signing up to a job group based on their own aspirations and career history. In principle, they then undertake work classified under this job group, thereby honing their expertise over the longer term.

We have formulated a group job description for each job group, defined the requisite expertise for each function and career grade, and set job competencies for development and evaluation that form the basis of this expertise. We aim thereby to enhance the Bank's expertise.

For Associate grade employees (mainly younger employees), we offer opportunities through job rotation and have introduced an internal internship program that enables them to gain brief experience of business in different job groups to help them when it comes to signing up to a job group in the future. We have also initiated the job selection open recruitment system that allows them to select the next business area they will engage in for themselves.

Job Group System Overview



CC: Corporate Central Banking; GI: Global Investments; BE: Business Expert

* CC: operates Retail Business as the central bank for the JA/JF banking system; Domestic branch: operates Food and Agriculture Business and Retail Business within local communities; BE: provides support for planning and front-office operations and handles business development, application and efficiency

Human Resource Development Initiatives

Strengthening Training Program for Each Job Group

We are nurturing expertise by strengthening our training program for each job group. Taking the Food and Agriculture Business as an example, we have taken steps to effectively link on-the-job (OJT) and off-the-job (Off-JT) training to develop effective human resources. In OJT, we support employee growth through a cycle of one-on-one reviews of everyday business performance and workplace practice, with the job competencies providing shared yardsticks for managers and subordinates. In Off-JT, we support employees in taking systematic training courses suited to their level of expertise.

These training courses are designed to progressively upskill employees by utilizing practical content relating to client proposal-making and prioritizing the use and retention of learning.

Example: Human resource development for the Food and Agriculture Group



Strengthening the Organization-wide Training System

(1) Nurturing Leaders and Managers

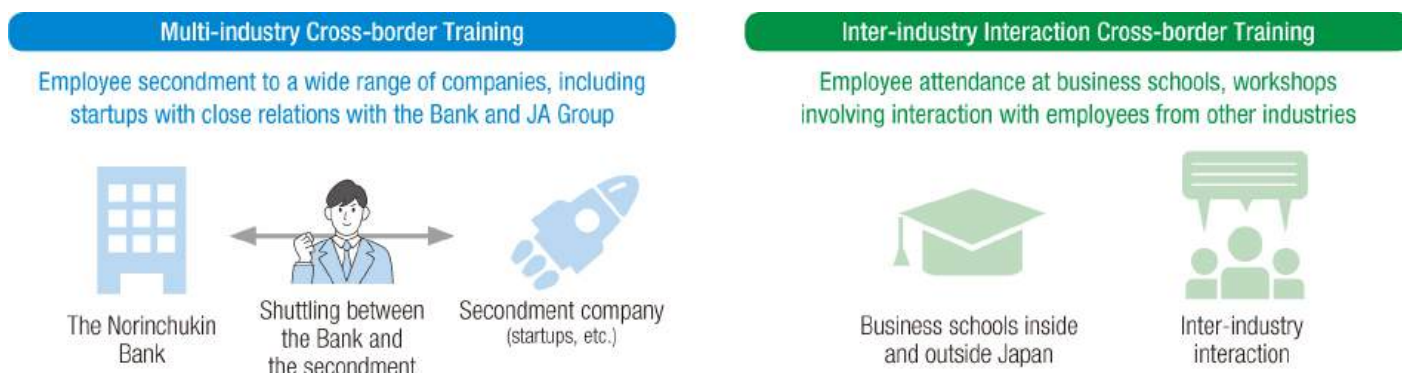
Fostering the abilities of those in leader and management grade roles is key to developing our human resources based on our human resource management policy. The Bank has instituted a system of training programs tailored to each role level to help Leaders and Managers learn how to support the development of their subordinates through effective dialog. By linking the programs to workplace practices, we hope that Leaders and Managers will really assimilate what they learn, rather than seeing training as something purely separate from daily working life.

Example: Training for New Managers



(2) Acquiring a Diverse Range of Experiences and Ideas

The Bank also provides cross-border training (opportunities to transcend the boundaries of the organization and gain experience in other industries as well as for learning and co-creation through interaction with employees from other industries) so that employees can encounter ideas, values and working practices that do not exist within our organization, thereby making for a more diverse workforce.



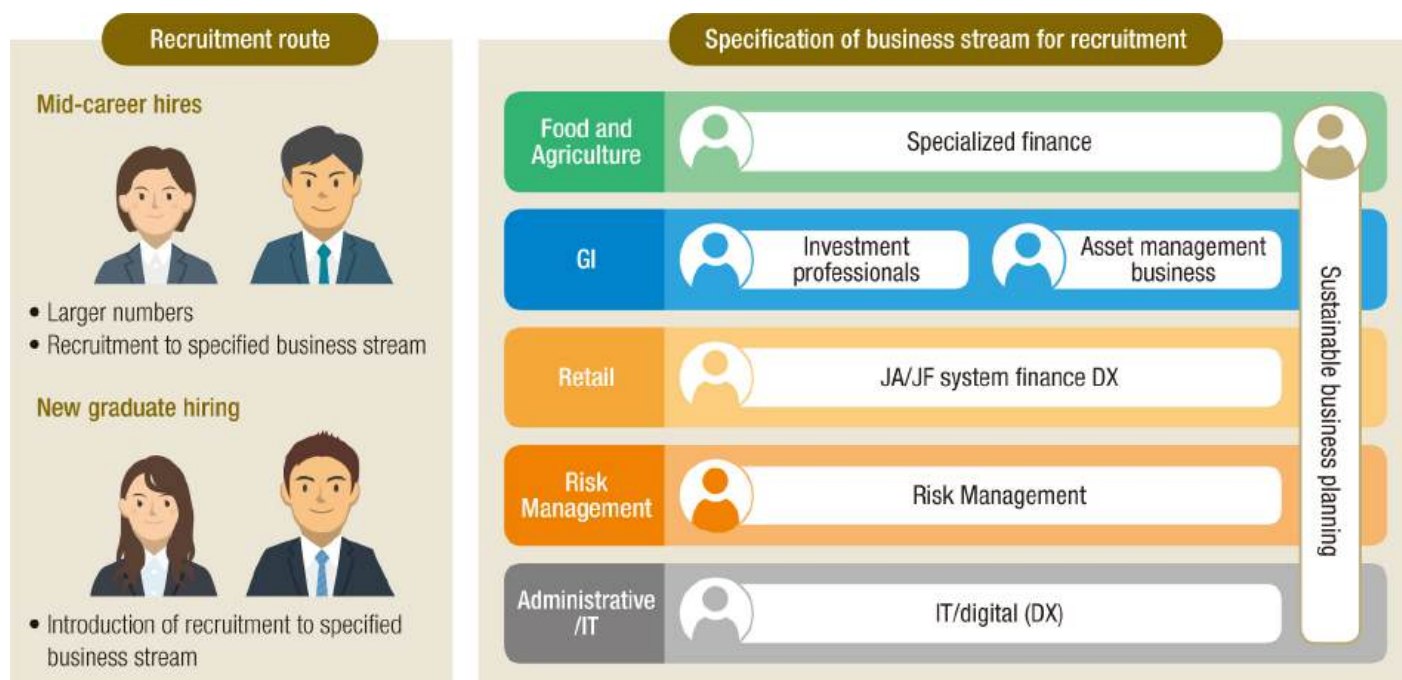
(3) Autonomous Career Development

The Bank facilitates autonomous career development for its employees in all business streams by providing support for upskilling, reskilling and career autonomy. We also have an overseas trainee program enabling employees to gain experience working in overseas bases and offer opportunities to study overseas (for an MBA or LL.M) through open recruitment.



Recruitment Initiatives

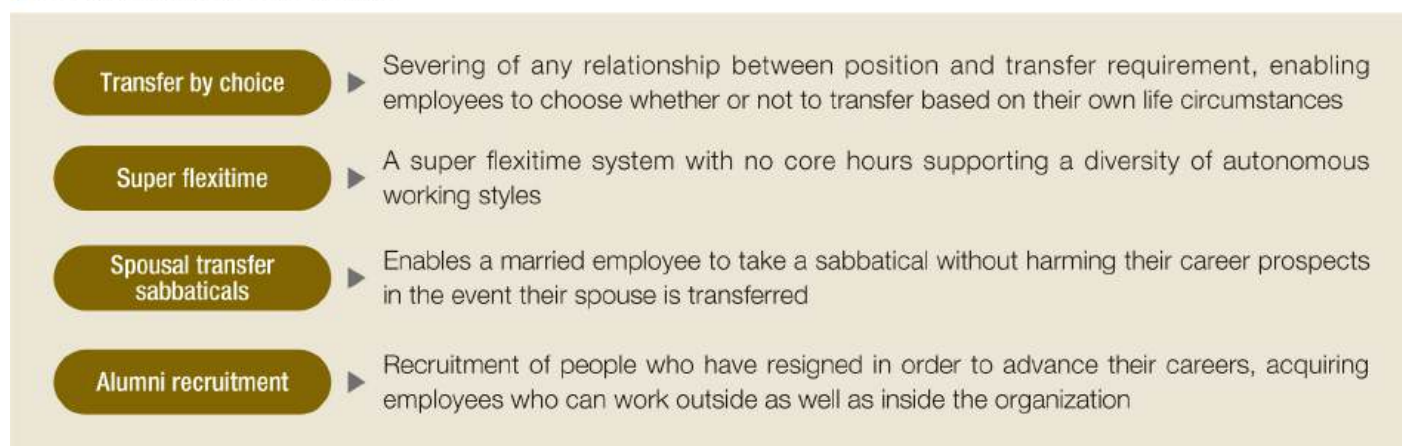
Based on our human resource portfolio strategy, the Bank is stepping up mid-career hiring as one means of acquiring specialist and diverse human resources and strengthening particular areas of human resource capability where necessary. Specifically, we have increased our fiscal 2024 target for mid-career hires by fifty percent compared to fiscal 2023. We are also broadening our recruitment methods and recruiting to specified business streams in order to increase hiring in different business areas. Further, we are hiring new graduates to work in specified divisions for those individuals who already know what area they want to specialize in.



Work-style Diversification Initiatives

As part of our development of specialist and diversified human resources, the Bank seeks to provide an environment that allows employees to choose a style of working that fits their own individual life circumstances, such as those surrounding marriage and child-bearing, parenting or other caring responsibilities, and to autonomously carve out a career path unique to them.

Working Practice Reforms



Promoting the spread of our corporate culture

In order to remain an organization in which directors and employees have a shared sense of purpose, the Bank pursues a range of initiatives to permeate a set of shared values throughout the organization as the foundation on which day-to-day business to realize our purpose is based. Examples include the following.

My Purpose Project

The Bank launched the My Purpose Project in fiscal 2022 to provide an opportunity for directors and employees to reconfirm for what purpose and for whom they work. As a part of the project, the Bank's directors and employees have visited farmers to do farm work by joining the JA Farming Support Team. A total of 603 directors and employees had participated in the team's 23 visits as of 31 March 2024.



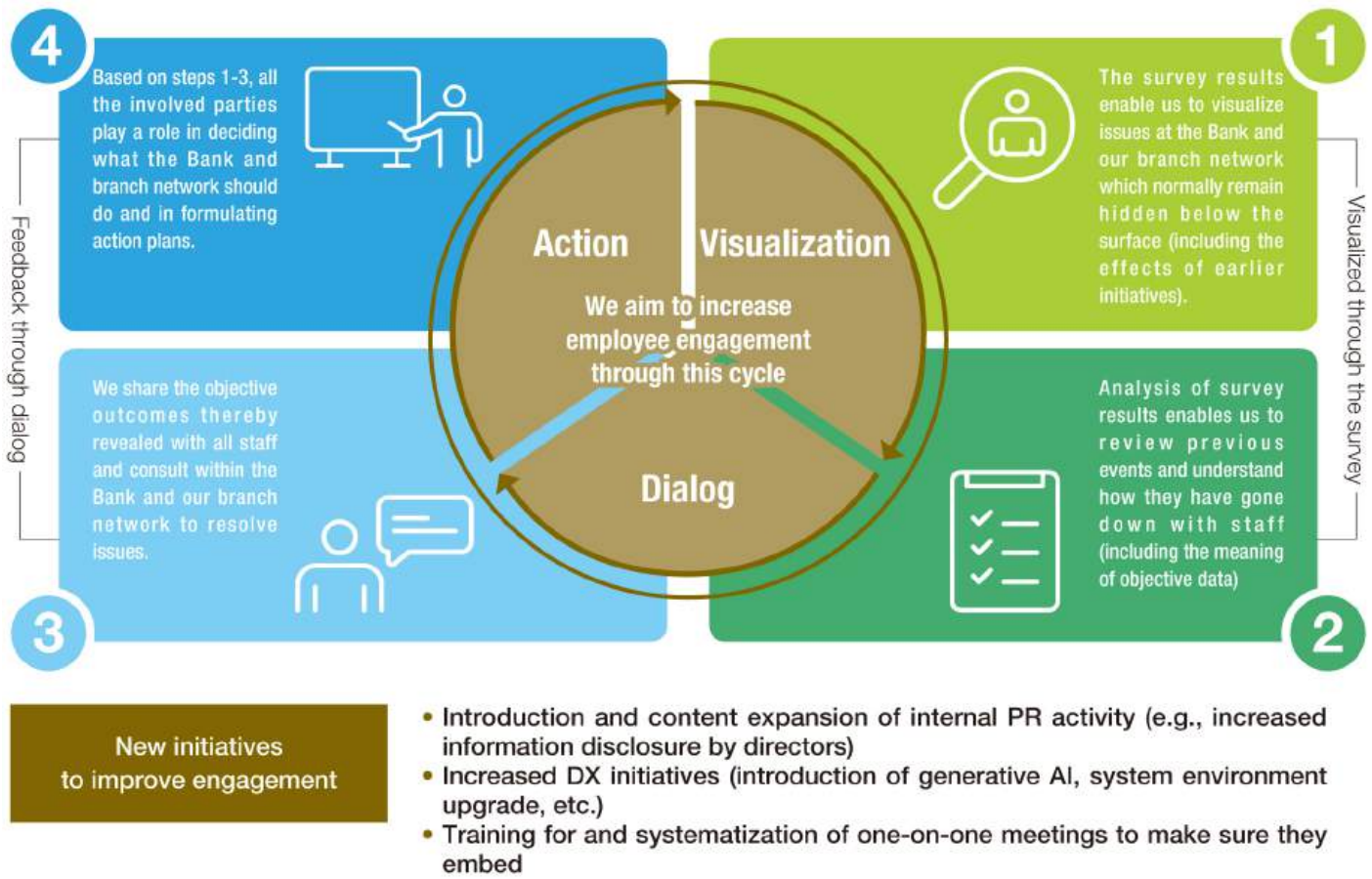
JA Farming Support Team

Internal Public Relations Initiatives

The Bank started internal PR activities through a corporate portal, with the aim that such delivery of internal information and communication among directors and employees would help them identify with the Bank's purpose and see it as their own personal purpose. This information communicates best-practice examples of how staff are implementing our shared values and how diverse people are working actively within the Bank. In fiscal 2023, internal information was delivered 74 times.

Improving Employee Engagement

The company conducts a survey on employee engagement at least once a year. The results of these surveys are reported to the Board of Directors and other relevant bodies. Through analysis of the survey results and identification of issues, we discuss and implement effective measures to ensure that employees feel valued in their work and work environment, increasing their engagement and, as a result, we aim to enhance the vitality of the organization.



Anti-Harassment Measures

To prevent sexual or power harassment as well as harassment on the basis of pregnancy, childbirth and child- or nursing-care leaves, we engage in a wide range of activities such as providing e-Learning and position-by-position education, guidance and consultation by the persons in charge of human rights issues throughout the organization, and external contacts for consultation. We have established and are operating a harassment hotline with which employees can conduct individual consultations, and are

seeking to ensure a broad awareness that employees can quickly access the harassment hotline whenever they need to. Further More, we strive to protect the privacy of the persons concerned and to take prompt action.

So that we can ensure psychological safety in the workplace, we are focusing our initiatives on preventing harassment and strengthening the harassment hotline function.

| Occupational Health and Safety

The Norinchukin Bank engaged in developing working environments where employees can perform their duties in good health and with a sense of security.

Our health management policy is formulated each year by the Occupational Hygiene Committee. This policy prescribes measures to be taken to reinforce the management of the physical and mental health of employees and help promote their health.

While ensuring that all employees take regular health checkups, we urge their families to take health checkups as well. According to the results of these checkups, health guidance is provided by industrial doctors and medical staff. Efforts are also being made to reduce working hours, considering the possible adverse impact of long hours of labor on employee health.

As part of its efforts to ensure mental health at the workplace, we advise self-care methods for employees, offer counseling and other consultation opportunities, and conduct position-by-position mental health education. In addition, we carry out stress checks, offer readily available self-checking functions and have the Mental Health Consultation Room in place to provide consultations as required at the medical office in the head office of the bank.

To increase the health consciousness of employees and establish the practice of doing moderate exercise on a regular basis, we offer a wide range of educational programs and welfare services. Specifically, we subsidize sports club memberships and have health leaders lead health promotion activities.

| Labor Relations

The Norinchukin Bank has an employee union as a counterpart organization to its management. In addition, this employee union employs a union shop system. As a general rule, all employees become union members on joining the Bank.

Our employee union has the authority to negotiate with management on important matters such as the maintenance and improvement of labor conditions for its members. Furthermore, surveys are conducted with members to aid in negotiation with management, and forums have been established for offering various recommendations to management. For any changes in personnel and labor-related systems that would exert significant impact on the lives and work styles of union members, management is required to come to an agreement with the employee union, whether through the management committee, the labor committee or other negotiations.

Diversity, Equity & Inclusion

Home > Sustainability > Social > Diversity, Equity & Inclusion

Initiatives to Promote Diversity, Equity & Inclusion (DE&I)

The Bank is focusing on the promotion of diversity, equity and inclusion (DE&I) to support a corporate culture in which individuals can develop expertise and work and grow as employees autonomously.

The Bank aspires that its employees “respect and welcome their different attributes and views of the world, enjoy and actively accept different views and ideas, and frankly and actively exchange ideas and opinions with each other in a psychologically safe environment, thereby creating new ideas and ways of thinking and putting them into practice.” The Bank is implementing a range of measures to further DE&I by combining our diversity initiatives with the perspectives of “inclusion” (acceptance and inclusion of diversity) and “equity” (the provision of due support and care to each individual).

Diversity & Inclusion Book



Since 2022, when our Diversity Year One began, the Bank has introduced and promoted a wide range of DE&I initiatives relating to women in the workplace, inclusivity, disability, older workers, different nationalities and LGBTQ+ employees in a visual, lively, easy-to-understand way.

Our DE&I initiatives embody our aspirations for an active workforce and our corporate evolution.

Diversity & Inclusion Book eBook
https://www.nochubank.or.jp/en/sustainability/di_book/2023/

▶

Diversity & Inclusion Book PDF
https://www.nochubank.or.jp/en/sustainability/backnumber/pdf/2023/di_book.pdf

▶

Initiatives Supporting the Raising of Next-Generation Children and Promoting the Active Participation of Women

The Bank received the Platinum Kurumin Certification for Childcare Support Company for its efforts in realizing a worklife balance and supporting the balance between work and childrearing, including a support program for employees who take childbirth and childcare leave, infertility leave, shortened work hours for parents, and use of a corporate childcare facility. In addition, the Bank is working to promote and embed measures to drive work-style reform, such as flexible working hours, paid leave by the hour, a defined minimum interval between work hours, and teleworking. As well as increasing the proportion of women in our new graduate intakes, the Bank is supporting female career advancement through external mentoring programs and external cross-industry seminars, one-on-one meetings between the Chief Diversity Officer and female Leader grade employees and help with building female employee networks. We are also implementing initiatives that raise awareness among Bank officers and employees by inviting outside lecturers to provide seminars on promoting women’s participation and work-style reform.

Initiatives for Hiring People with Disabilities

The Bank is working to create opportunities and a workplace environment where people with disabilities can continue to work with peace of mind and play an active role while fully demonstrating their abilities and individuality, and to deepen mutual understanding among employees. In 2023, the Bank signed a sponsorship agreement with the Japan Agricultural Cooperative Association, and has been working towards resolving social issues by supporting the Association's drive to expand and develop its initiatives.



Initiatives for Global Human Resources

With globally diversified investments being a pillar of the Bank's business, its globalization is progressing further by locally employing staff with high expertise.

In this context, the Bank is currently working to bring its overseas operations into closer alignment with its senior management perspective. In 2023, head office instituted a working group, bringing together the overseas bases led by the Chief Diversity Officer. The group has had a lively exchange of ideas on the theme of how to further DE&I globally, including the use of AI-based communication and seminars about different cultures to deepen mutual understanding.



Initiatives for Senior Human Resources

Senior employees are active in a variety of fields, making the most of their rich knowledge, experience and abilities. The Bank provides support for career and capacity development through training and other programs to enable each employee to choose a career that would make them continuously active inside and outside the organization in line with their own career perspectives and working styles, while autonomously enhancing their expertise. We also hold seminars on topics including nursing care to help employees balance working life with nursing care and other such demands and to support their continued activity.

Deepening Understanding of LGBTQ+ Issues

The Bank holds externally run training programs for all staff to create a workplace where employees can work as they like regardless of their sexual orientation or gender identity and remain free from harassment and discrimination. It is also working to raise awareness through internal information delivery and e-learning. Top management has endorsed the Pride1000 Ally Network and is working to deepen LGBTQ+ understanding among all staff.

Development and Skills Enhancement of Cooperative Member Human Resources

[Home](#) > [Sustainability](#) > [Social](#) > Development and Skills Enhancement of Cooperative Member Human Resources

Development and Skills Enhancement of Cooperative Member Human Resources

In alliance with Norinchukin Academy Co., Ltd., a training specialist for cooperative members, The Bank is working to develop human resources that meet the trust and expectations of individual members and customers, targeted at the senior management and employees of JA Bank, JF Marine Bank and JForest Group, by pursuing initiatives to 1) nurture and strengthen the power of Reform Leaders who promote the practice of prefectural and JA strategies and 2) promote the acquisition and enhancement of specialized skills and knowledge. We have offered online personnel training sessions to reduce the risk of COVID-19 infection, in addition to gatherings in the conventional meeting format.

Strengthened Human Resource Training Initiatives to Achieve JA Bank Medium-Term Strategies

We continue to hold the JA Bank Central Academy–Managers Course targeted at directors in charge of JA’s banking business, the Senior Executives Course targeted at senior managers in charge of JA’s banking business, the Seminar for JA Presidents/Board Chairpersons targeted at JA presidents/board chairpersons and Intensive Management Strategy Course targeted at JA’s branch managers and mid-career employees. Through these training courses designed to develop human resources who can lead the reform of JA and JA Shinnoren, we have supported the business reform of JA Bank.

We are also engaged in the development of the human resources required to promote the measures of the JA Bank Medium-Term Strategies by offering training options allowing them to acquire specialized skills and financial knowledge, including group trainings, correspondence courses and qualifying tests.

Human Resource Training Initiatives at JF Marine Bank

For JF Marine Bank, we are focused on developing the human resources necessary to enhance the fishery financial function by continuing its group trainings, such as the JF Marine Bank Innovative Leader Training: Course targeted at store managers of JF Shingyoren and the Step-Up Seminar targeted at fishery industry financial consultants and other staff, as well as offering online training that allows trainees to learn a variety of basic knowledge required for fishery finance.

Supporting Human Resources Training at the JForest Group

We support JForest Group’s organizational reform initiatives by helping to nurture the human resources leading the organization. We do this through holding the Seminars for JForest targeting top executives at JForest and JForest Moriren (Prefectural Federations of Forestry Cooperatives), as well as JForest Cooperatives Counsellor Training aimed at personnel holding the title of counsellor, who support the backbone of JForest’s practical management.

Personnel Exchanges between the Bank, JA, and JA Shinnoren

The Bank is enhancing personnel exchanges with JA, JA Shinnoren, and others to promote mutual understanding and sharing of know-how as JA Bank.

Moreover, we second staff to cooperative organizations (e.g., JA and JA Shinnoren) in order to deepen their understanding of the actual work of cooperatives from the point of view of employees of the central organization for cooperatives and of a financial institution for farmers, fishermen and foresters.

Sustainability Management	Agriculture, Fishery, Forestry Industries, and Regions	Environment	Social	Governance
---------------------------	--	-------------	--------	------------

Business Management

[Home](#) > [Sustainability](#) > [Governance](#) > Business Management

Please see Business Management on the Bank’s website.

<https://www.nochubank.or.jp/en/governance/>

Compliance

Home > Sustainability > Governance > Compliance

Compliance Initiatives

Basic Compliance Policies

As a financial institution whose business is founded first and foremost on trust and confidence, the Bank recognizes that the creation of an enhanced and more effective compliance framework is an increasingly important management objective, especially considering strong public criticism of corporate and other organizational improprieties and the significant public expectations of corporations today.

As a global financial institution that plays a central role in Japan’s financial system, and the national-level financial institution serving as the umbrella organization for JA Bank and JF Marine Bank, the Bank is committed to fulfilling its basic mission and social responsibilities. To prove itself worthy of its customers’ and members’ trust and expectations considering changes in the social and business environment, the Bank continues its unceasing efforts in the area of compliance by managing its business in accordance with societal norms, for instance, by fully complying with laws and regulations based on the principle of total self-reliance. We are also constantly working to achieve a higher degree of transparency by emphasizing proper disclosure and accountability.

As part of this effort, the Bank has defined its basic compliance policy in its Code of Ethics, Environmental Policy and Human Rights Policy. In addition, the Bank disseminates the “Code of Conduct” to all senior management and employees to show the criteria for judgment and action to ensure good faith and fair execution of duties as a prerequisite for business operations and advises specific ways of thinking to put shared values into action. These measures will ensure that compliance awareness is thoroughly understood and practiced by all directors and employees as they go about their daily business. In addition, we regularly conduct internal audits related to the appropriateness of matters including initiatives for the dissemination of compliance and sound risk culture. Further, in response to recent growing societal demand for greater customer protection, based on its Customer Protection Management Policy, the Bank has taken steps to reinforce its management systems as part of its compliance efforts aimed at winning customer trust. These steps include providing explanations to customers, handling customer complaints and inquiries, managing customer information, managing contractors in the case of outsourcing customer-related business and managing transactions that might involve a conflict of interest with customers.

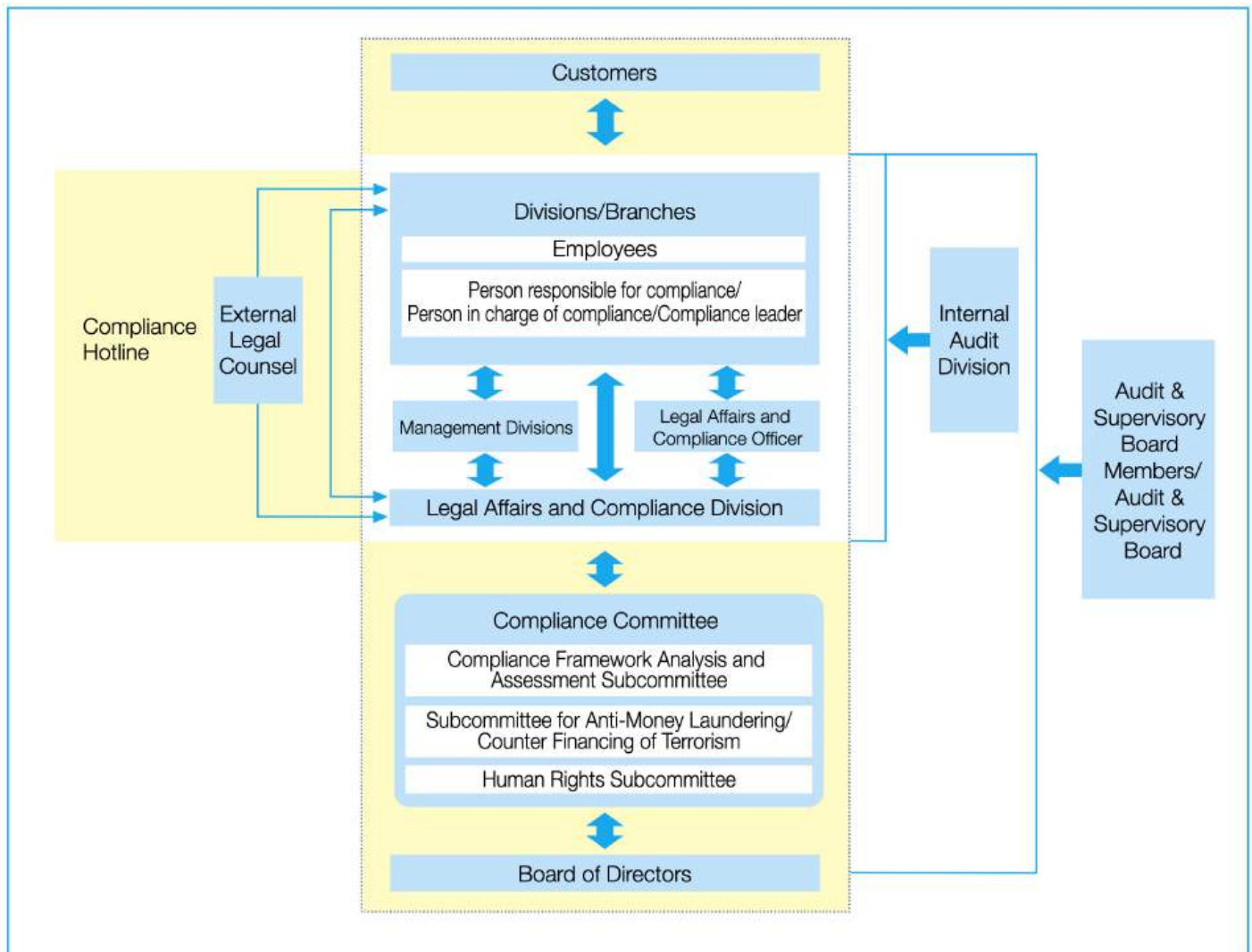
> [Code of Ethics](#)

Compliance Activities Directly Linked to Management

The Bank’s compliance framework comprises the Compliance Committee, the Compliance Division (Legal Affairs and Compliance Division), Legal Affairs and Compliance Officer and the management divisions of relevant businesses, as well as personnel responsible for compliance, those in charge of compliance and compliance leaders assigned to the Bank’s divisions and branches. The Compliance Committee has been established as a body under the Board of Directors to deliberate on the Bank’s basic compliance issues. Topics of high-level importance discussed by the Compliance Committee are subsequently approved by or reported to the Board of Directors.

In addition, the PDCA cycle pertaining to the operation of the framework is being strengthened by the Subcommittee for Anti-Money Laundering/Counter Financing of Terrorism and the Human Rights Subcommittee, which are subcommittees under the Compliance Committee. The Bank also has clarified its efforts to disseminate a sound risk culture and systematically prevent inappropriate behavior as part of its risk handling policy in the RAF.

Compliance Framework



Compliance Practices within the Bank

The Bank's compliance framework at branches and divisions is based on the combined efforts of each employee, primarily centered on the General Manager of each branch or division and other equivalent persons who are responsible for compliance, together with a person in charge of compliance and a compliance leader.

Directly appointed by the General Manager of the Legal Affairs and Compliance Division, persons in charge of compliance oversee all compliance-related matters at their branches or divisions. They are expected to handle requests for advice or questions from other members of staff, to organize branch or divisional training and educational programs, and to liaise with, report to and handle requests to the Legal Affairs and Compliance Division. Legal Affairs and Compliance Officers appointed in the Food & Agri Banking Business, the Retail Banking Business, the Global Investments and the Corporate & Shared Services headquarters have been responsible for supporting each headquarters' operations from the aspect of compliance.

The Legal Affairs and Compliance Division, supervising overall compliance activities, acts as the secretariat for the Compliance Committee. It strives to strengthen the Bank's compliance framework by conducting compliance reviews, responding to requests from branches and divisions for compliance-related advice, and conducting compliance monitoring, which includes visiting branches and divisions to verify their compliance practices directly while providing guidance. The Legal Affairs and Compliance Division supervises compliance activities in the area of customer protection as well and ensures that branches and divisions are practicing compliance while collaborating with other related divisions.

Whistleblower System

The Legal Affairs and Compliance Division has also installed the Compliance Hotline to enable directors and employees to report on compliance issues. The Compliance Hotline offers several contacts to report to the Legal Affairs and Compliance Division or outside lawyers while enabling the reporter to choose anonymity or non-anonymity. When a compliance issue is reported, the Bank maintains close contact with the whistleblower, makes necessary improvements and implements corrective measures. The Bank's compliance operation prioritizes protecting whistleblowers such as prohibiting disadvantageous treatment of a whistleblower and keeping the information of reported content secret. These are necessary efforts to improve directors' and employees' trust in the Bank. In

FY2023, 15 cases were reported to the internal and external reporting channels at the bank, and the status of the responses and other matters are reported to the Audit & Supervisory Board Members.

Compliance Program

Each fiscal year, the Bank institutes a Compliance Program incorporating its management frameworks for compliance and customer protection, as well as promotion of initiatives, education and training plans for them. The Legal Affairs and Compliance Division implements the Compliance Program and monitors its progress to further reinforce the Bank's compliance framework.

Cooperation with Group Companies

The Bank is taking steps to strengthen its group's compliance systems by promoting a common awareness of compliance issues discussed at regular meetings with compliance divisions at its group companies.

Measures to Prevent Money Laundering

The bank has the "Anti-Money Laundering Policy" in place at the Board of Directors to ensure that the entire group complies with the relevant laws and regulations and fulfills its sound financial intermediary function.

Group-wide Basic Policy

The Bank and the Bank Group comply with all applicable laws and regulations, take robust confirmation measures when accepting customers to exclude antisocial elements, terrorists, etc., and implement continuous customer management measures based on a risk-based approach. The Bank ensures the maintenance of its effective management system to prevent money laundering, in accordance with the characteristics of the Bank and the Bank Group.

Customer Management Policy

With an appropriate internal system to prevent money laundering and other risks, the Bank takes the following measures according to the risk-based approach.

- Strict confirmation before each transaction using various information gathered when accepting customers initially, and the preservation of confirmation records
- Management measures to reduce money laundering and other risks, such as monitoring of transactions based on business characteristics, notification of suspicious transactions, and analysis and management thereof
- Control measures in accordance with the magnitude of money laundering and other risks for each customer, such as strict control of additional confirmation for customers with high money laundering and other Risks
- Review of customer management measures based on the results of periodic investigation and analysis of all customer transactions
- Measures such as terminating transactions if appropriate customer management cannot be implemented or for other reasons
- Measures such as freezing assets of terrorists
- Confirmation of the anti-money laundering measures within foreign banks with which the Bank concludes correspondent agreements
- Continuous management and review of the above Measures

Internal Management System Policy

The Bank takes the following measures to improve its internal management system to prevent money laundering and other risks.

- Establish and implement policies, procedures and plans for the prevention of money laundering and other risks; inspect and verify the status of compliance; and continually improve the system based on the results of such inspection and verification
- Promote all directors and employees awareness of the importance of their roles in preventing money laundering and other risks and foster a corporate culture of such awareness, through guidance and FY2023, 15 cases trainings
- Appoint managers in charge
- Clarify the roles of the divisions such as business divisions/branches that handle customers, operation management divisions, and audit divisions
- Report to the management on the status of measures to improve the management system over the entire the Bank Group, including its overseas offices; the status of customer management and other updates; and continue improvement measures
- Other necessary measures

Measures to Combat Bank Transfer Fraud

The Bank has established policies to prevent money laundering and other fraudulent activities and is strengthening preventive measures in this area as part of an increasingly necessary international cooperative effort.

Measures to Eliminate Antisocial Elements

Under the Code of Ethics, the Bank takes a strong and resolute stance against antisocial elements that pose a threat to social order and security, and in order to block all relationships with such antisocial elements, the Bank has established a systematic exclusionary system, in line with the following basic principles, and strives to ensure sound management.

(1) Response as an organization

The Bank has established the foundation of express provisions under the Code of Ethics and will respond as an entire organization, from the top management downward, and not simply leave it to the personnel or department in charge.

In addition, the Bank will guarantee the safety of employees who are asked to respond to unjustified demands from antisocial elements.

(2) Cooperation with outside agencies

In preparation for unjustified demands from antisocial elements, the Bank endeavors to establish continuing cooperation with outside agencies such as the police, the National Centers for Removal of Criminal Organizations and lawyers.

(3) Blocking of relationships including business transactions

The Bank shall block all relationships with antisocial elements including business relationships. In addition, unjustified demands from antisocial elements will be rejected.

(4) Civil and criminal legal responses in times of emergency

The Bank shall reject unjustified demands from antisocial elements and take legal action, if necessary, on both a civil and criminal basis.

(5) Prohibition of secret deals and provision of funds

Even in cases where the unjustified demands from antisocial elements are based on misconduct related to business activity or involving an employee, the Bank will absolutely not engage in secret deals. Furthermore, the Bank shall absolutely not provide funds to antisocial elements.

Bribery and Corruption Prevention

The Bank's "Rules on Gift and Hospitality," which are set forth under the Code of Conduct, clearly state that the Bank is committed to preventing corruption in all its forms, including extortion and bribery. Bribery includes the act of providing or offering to provide goods or other things (including non-monetary benefits) with the intention of influencing the recipient, and the act of accepting or requesting goods or other things with the intention of offering benefits to the provider.

In accordance with the said rules, the Bank stipulates the necessary procedures to ensure the appropriateness of gifts and hospitality acts involving the Bank or its directors and employees and ensures that all directors and employees are fully aware of these procedures. When those acts are conducted, the Bank ensures that the personnel responsible for and in charge of compliance confirm in advance that there are no problems from such perspectives as appropriateness and legal compliance.

In addition, the Legal Affairs and Compliance Division periodically monitors the status of gifts and hospitality acts and reports to the Compliance Officer, the Compliance Committee and the Board of Directors.

Moreover, the Compliance Hotline is in place to enable directors and employees to whistleblow on compliance issues, including corruption and bribery, by telephone or e-mail.

Responding to Customer Consultations and Complaints

The Bank takes consultations and complaints from customers seriously, responds to them promptly and systematically, and reflects them in its business operations in a positive manner to improve customer convenience.

Sustainability Management	Agriculture, Fishery, Forestry Industries, and Regions	Environment	Social	Governance
---------------------------	--	-------------	--------	------------

Information Security

Home
>
Sustainability
>
Governance
>
Information Security

Information Security Initiatives

The Bank utilizes a variety of information obtained during transactions with customers, etc., for various kinds of operations. Amid the increasingly diverse environments and purposes for information handling due to the rapid progress and evolution of information technology, the Bank is focused on information security measures to protect and manage customers’ information appropriately.

The Bank’s Board of Directors has the ultimate responsibility for establishing and maintaining an information security management system. The Bank works systematically to enhance its information security, which is led by the Legal Affairs and Compliance Division with overall responsibility for information security planning, promotion and progress management, together with the persons responsible for information security (General Managers) and other personnel in charge of information security at each branch or division. Also, important matters related to the improvement of the information security management frameworks are discussed mainly at the Operational Risk Management Committee.

Regarding the handling of personal information, the Bank has set out the Personal Information Protection Declaration and has established the security framework that complies with Japanese legal requirements as a Personal Information Handling Business Operator and Person in Charge of a Process Related to an Individual Number as defined under “Act on the Protection of Personal Information.” For all its employees, the Bank provides trainings on the appropriate handling of personal information to raise their awareness of the handling of customers’ personal information. The Bank’s policy extends to suppliers (outsourcing contractors) to ensure their appropriate personal information management in case outsourced work involves personal information. Specifically, the Bank’s “Basic Policies for Risk Management” stipulates that processes and contractual relationships must be established to ensure the same level of risk management as if the Bank were performing the tasks internally.

Overseas, the Bank has established a privacy policy applicable to the Bank’s London Branch and Norinchukin Bank Europe N.V., as well as a privacy policy for residents in the United States.

Sustainability Management	Agriculture, Fishery, Forestry Industries, and Regions	Environment	Social	Governance
---------------------------	--	-------------	--------	------------

Cybersecurity

[Home](#) > [Sustainability](#) > [Governance](#) > [Cybersecurity](#)

Cybersecurity Initiatives

The Bank is strengthening its cybersecurity measures as it recognizes the threat of increasingly sophisticated and intricate cyberattacks as an important managerial risk.

Basic Policy on Cybersecurity

The Bank has established a basic policy for cybersecurity management in the “Basic Regulations on Cyber Security” to minimize the risk of cyber incidents causing damage to the Bank’s customers and/or disrupting the Bank’s operations or the financial system as a whole.

Cybersecurity Structure

As for organizational structure, we designate the Director in charge of the IT & Systems Planning Division as the “Chief Information Officer” to clarify roles and responsibilities regarding cyber risks. Under the supervision of the Chief Cyber Security Officer, various measures are in place, led by the IT & Systems Planning Division in charge of cybersecurity.

The occurrence of cyber incidents, threat trends and the status of cybersecurity measures in place are regularly reported to the Board of Directors and other management-level meetings such as the Business Infrastructure Committee and the Operational Risk Management Committee, where cybersecurity policies are discussed.

Within the IT & Systems Planning Division is a team specializing in cybersecurity called the “Computer Security Incident Response Team (CSIRT).” The Bank’s CSIRT works closely with the SOC, or Security Operation Center, which is staffed by an external security vendor, and monitors events that could be signs of a cyber incident 24 hours a day, 365 days a year, thereby preparing for an initial response when a cyber incident occurs. The CSIRT also collaborates with the government, law enforcement agencies and various organizations such as ISAC to gather information on cyberattack tactics and new vulnerabilities and to strengthen countermeasures. Furthermore, to ensure cyber resilience, the Bank established procedures and contingency plans for responding to cyber incidents and confirm the roles and procedures of each department through periodic incident response exercises.

Cybersecurity Management Process

Regarding the confidentiality, integrity and availability of its information systems, the Bank assesses system risks, based on the “Security Guidelines on Computer Systems for Banking and Related Financial Institutions” and other information from the Center for Financial Industry Information Systems (“FISC”), and implements necessary control measures.

As a cross-organizational cybersecurity management process, the Bank organizes “cybersecurity programs” in accordance with NIST’s Cybersecurity Framework from the perspectives of “identify,” “protect,” “detect,” “respond” and “recover,” and reviews necessary measures based on external threats such as changes in attackers’ tactics and internal vulnerabilities.

The effectiveness of these cybersecurity management efforts is confirmed through annual internal and external audits, as well as vulnerability assessments and penetration tests.

Education on Cybersecurity

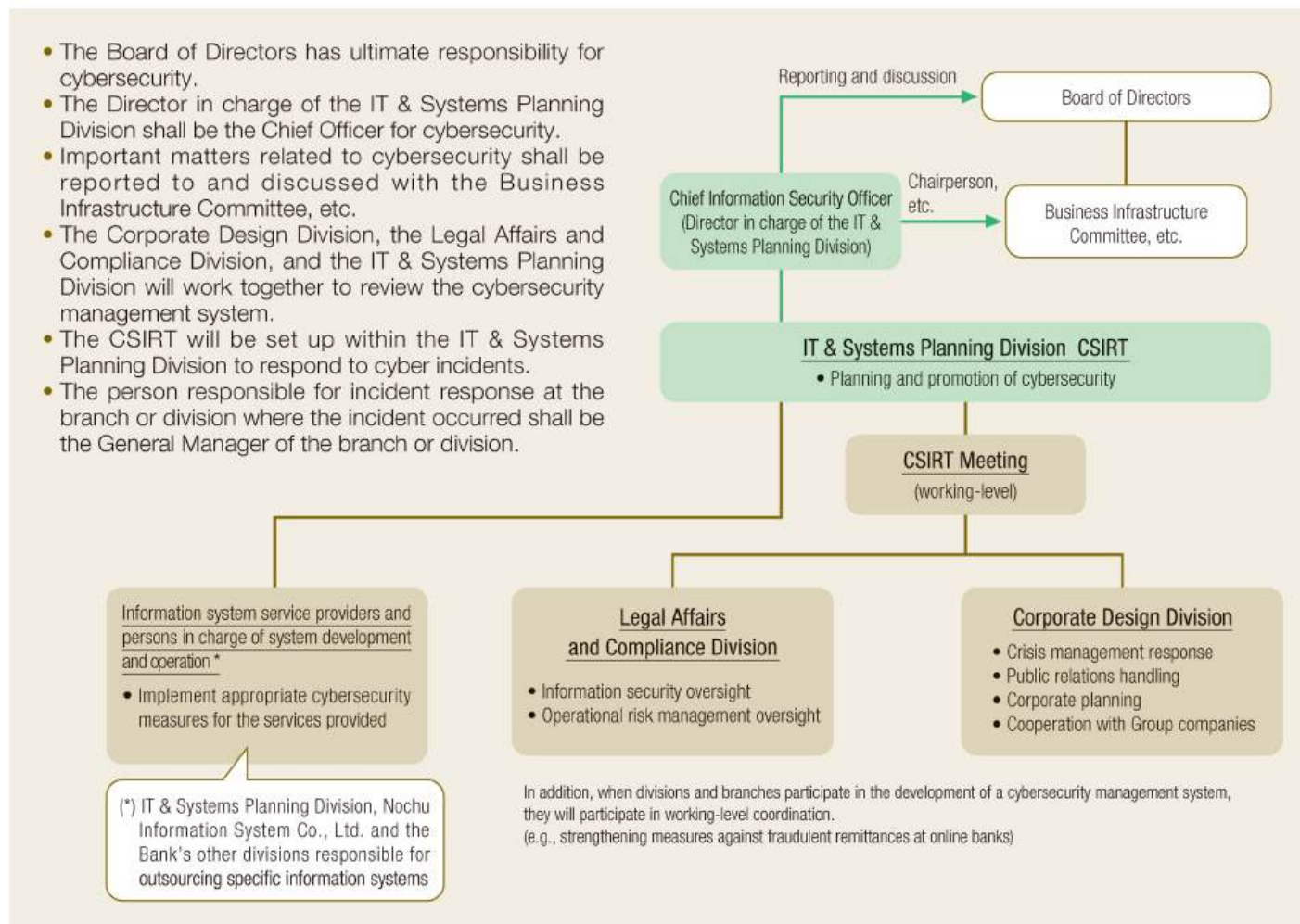
The Bank provides education for different purposes to improve the knowledge and awareness required of each of its directors and employees.

- E-learning for all officers and employees to acquire basic knowledge of security
- Newsletters for presenting cybersecurity-related articles to raise awareness of cybersecurity among all officers and employees
- Suspicious e-mail trainings for all directors and employees to increase their awareness of and readiness for targeted e-mail attacks

- Lectures by experts to improve the knowledge on cybersecurity of directors
- Incident response trainings for directors and staff of relevant departments to confirm response procedures in the event of a cyber incident
- Trainings by external experts to improve CSIRT's forensic skills

The Bank also established an external qualification incentive program to develop cybersecurity specialists and improve their professional skills.

Cybersecurity Structure



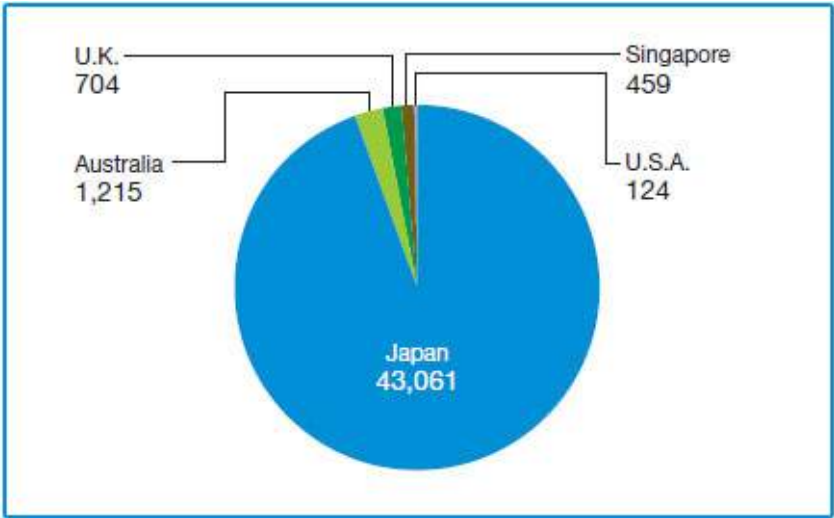
Tax Compliance

[Home](#) > [Sustainability](#) > [Governance](#) > Tax Compliance

Efforts to Enhance Tax Compliance

The appropriate fulfillment of tax obligations is one of the critical social responsibilities of a company. With the business model of globally diversified investments, the Bank exercises its tax obligations not only in Japan but also with awareness of foreign tax laws and regulations concerning overseas lending and investing activities from Japan and business operations at its overseas locations, as well as international initiatives such as the BEPS Actions agreed by major jurisdictions at the OECD and implemented in Japan. The Bank also conducts efforts to enhance tax compliance within the organization with the aim of increasing its medium- to long-term corporate value through sustainable growth. Specifically, the Bank provides its officers and employees with seminars designed to increase their tax literacy and will make continued efforts to increase awareness of tax compliance and reinforce tax governance.

Amount of Tax Payment by Jurisdictions(As of March 31, 2023)





Sustainability Management	Agriculture, Fishery, Forestry Industries, and Regions	Environment	Social	Governance
---------------------------	--	-------------	--------	------------

ESG Data

[Home](#) > [Sustainability](#) > [Report/Index](#) > [ESG Data](#)

Environment

Policy and Approach

Environmental Policy	> Environmental Policy (PDF : 170KB) 
Transition Plan Toward Net Zero by 2050	> Transition Plan Toward Net Zero by 2050
Policy on Environmental and Social Considerations in Financing and Investment Activities	> Policy on Environmental and Social Considerations in Financing and Investment Activities (PDF : 119KB) 

GHG Emissions

		Unit	FY2021	FY2022	FY2023
Scope1 (Direct emissions from owned or controlled sources)	The Bank's business sites	t-CO ₂	★1,259	★1,295	1,402
	Group companies	t-CO ₂	★24	★25	7
	Total	t-CO ₂	★1,283	★1,320	1,409
Scope2 (Indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company)*1	The Bank's business sites	t-CO ₂	★18,590	★15,061	13,141
	Group companies	t-CO ₂	★614	★672	525
	Total	t-CO ₂	★19,204	★15,732	13,666
Total of Scope 1-2	The Bank's business sites	t-CO ₂	★19,849	★16,356	14,544
	Group companies	t-CO ₂	★638	★696	532
	Total	t-CO ₂	★20,487	★17,052	15,075
Scope3 Category1 Purchased goods and services*2	The Bank's business sites	t-CO ₂	-	265	264
	Group companies	t-CO ₂	-	46	45
	Total	t-CO ₂	-	311	309
Scope3 Category3 Fuel- and energyrelated activities	The Bank's business sites	t-CO ₂	744	708	720
	Group companies	t-CO ₂	20	21	19
	Total	t-CO ₂	1,460	729	739
Scope3 Category5 Waste generated in operations	The Bank's business sites	t-CO ₂	-	7	8
	Group companies	t-CO ₂	-	9	4
	Total	t-CO ₂	-	16	12
Scope3 Category6 Business travel	The Bank's business sites	t-CO ₂	450	437	431
	Group companies	t-CO ₂	246	253	275
	Total	t-CO ₂	697	690	706
Scope3 Category7 Employee commuting	The Bank's business sites	t-CO ₂	-	815	803
	Group companies	t-CO ₂	-	471	513

	Total	t-CO ₂	-	1,287	1,316
Scope3 Category15 Investments	Please refer here				
GHG emissions (total of Scope 1–3)	The Bank's business sites	t-CO ₂	20,588	18,589	16,769
	Group companies	t-CO ₂	909	1,496	1,388
	Total	t-CO ₂	21,497	20,085	18,157

Energy Consumption

		Unit	FY2021	FY2022	FY2023
Electric power consumption	The Bank's business sites	kWh	★39,990,982	★37,204,341	36,228,410
	Group companies	kWh	★1,500,164	★1,559,170	1,694,703
	Total	kWh	★41,491,145	★38,763,511	37,923,113
	Of which renewable energy consumption* ³	kWh	★321,036	★4,973,854	6,218,686
Steam consumption	The Bank's business sites	MJ	★8,912,274	★1,890,405	2,001,632
	Group companies	MJ	★0	★0	0
	Total	MJ	★8,912,274	★1,890,405	2,001,632
Cold water consumption	The Bank's business sites	MJ	★897,725	★5,421,202	5,512,049
	Group companies	MJ	★46,342	★48,926	49,774
	Total	MJ	★944,066	★5,470,128	5,561,823
Hot water consumption	The Bank's business sites	MJ	★1,500,055	★2,556,137	1,889,086
	Group companies	MJ	★359	★5,790	6,851
	Total	MJ	★1,500,414	★2,561,927	1,895,937
Kerosene consumption	The Bank's business sites	kl	★84	★82	82
	Group companies	kl	★0	★0	0
	Total	kl	★84	★82	82
Heavy oil consumption	The Bank's business sites	kl	★22	★10	40
	Group companies	kl	★0	★0	0
	Total	kl	★22	★10	40
LP gas consumption	The Bank's business sites	Thousand m ³	★17	★18	17
	Group companies	Thousand m ³	★0	★0	0
	Total	Thousand m ³	★17	★18	17
City gas consumption	The Bank's business sites	Thousand m ³	★433	★486	477
	Group companies	Thousand m ³	★11	★11	3
	Total	Thousand m ³	★444	★498	480
Gasoline consumption	The Bank's business sites	kl	320	305	310
	Group companies	kl	7	9	8
	Total	kl	327	314	318

Use and Discard of Resources

	Unit	FY2021	FY2022	FY2023
Water usage ^{*4}	m ³	63,614	49,629	50,817
Paper quantity consumed ^{*5}	t	169	170	169
Waste generated ^{*6}	t	163	115	85
Recycled volume ^{*6}	t	41	30	28

★Items subject to third-party verification by the Japan Quality Assurance Organization

Greenhouse Gas Emissions Verification Report

> **FY2022:** (PDF : 143KB) 

> **FY2021:** (PDF : 750KB) 

- Report Scope: The Bank's business sites: The Bank's domestic and overseas business sites
Group companies: The Bank's consolidated subsidiaries
- Method of measuring GHG emissions: Used the coefficients according to the "Greenhouse Gas (GHG) Emissions Measurement and Reporting Manual" prepared by the Ministry of the Environment and the Ministry of Economy, Trade and Industry, Government of Japan. For measurement at overseas business sites, the coefficients stipulated by the respective countries were used, in principle.
For Scope 3, used the coefficients according to the "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain" prepared by the Ministry of the Environment and the Ministry of Economy, Trade and Industry, Government of Japan.

*1 Non-fossil certificates from renewable energy sources at the Bank's head office building (Otemachi One Tower) and the use of renewable energy at other facilities are calculated as zero emissions.

*2 Non-fossil certificates from renewable energy sources at the Bank's head office building (Otemachi One Tower) and the use of renewable energy at other facilities are calculated as zero emissions.

*3 Includes purchases of non-fossil certificates derived from renewable energy sources at the Bank's headquarters building (Otemachi One Tower) .


*4 Amount of water consumption at the Bank's head office building (Otemachi One Tower) and Akishima Center, as well as its Group companies and overseas business sites

*5 Amount of copy paper delivered to the Bank's domestic business sites, Group companies and overseas business sites

*6 The amount of waste generated from the Bank's head office building (Otemachi One Tower), Group companies and overseas business sites.

Society

Policy and Approach to Human Resources

Basic Policy on Human Resources Management	> Human Resources Strategy
Diversity & Inclusion	> Diversity & Inclusion
Anti-Harassment Measures Occupational Health and Safety Labor Relations	> Human Rights Policy (PDF : 169KB)  > Human Resources Strategy

Basic Human Resources Data

		Unit	FY2021	FY2022	FY2023
No. of employees ^{*1}		No.	3,536	3,439	3,381
	Men	No.	2,303	2,233	2,171
		%	65.1	64.9	64.2
	Women	No.	1,233	1,206	1,210
		%	34.9	35.1	35.8
No. of non-core employees		No.	545	584	572
	Men	No.	444	465	456
	Women	No.	101	119	116

No. of dispatched employees		No.	67	93	111
	Men	No.	1	0	0
	Women	No.	66	93	111
No. of seconded employees		No.	477	504	487
No. of overseas local hires		No.	169	171	185
Age structure	20s and below	No.	826	754	726
		%	23	22	21
	30s	No.	1,126	1,154	1,145
		%	32	34	34
	40s	No.	832	811	826
		%	24	24	24
	50s	No.	748	716	680
		%	21	21	20
	60s or higher	No.	4	4	4
		%	0	0	0
Average age		Age	39	39	39
	Men	Age	40	40	40
	Women	Age	39	38	38
Average length of service		Years	13.7	14.1	14.1
	Men	Years	13.2	13.6	13.7
	Women	Years	14.7	14.9	14.7
No. of new graduate hires		No.	92	116	125
	Men	No.	54	54	61
	Women	No.	38	62	64
No. of mid-career hires		No.	33	26	28
		%	26	33	18
	Men	No.	26	20	22
		%	33	27	27
	Women	No.	7	6	6
		%	16	9	9
Share of employees retained for 10 consecutive years of service ^{*2}		%	72.3	74.8	75.9
	Men	%	78.7	78.7	79.1
	Women	%	63.9	69.2	70.8
Turnover		%	1	2	2
	Men	%	1	2	2
	Women	%	1	3	3
Average monthly salary ^{*3}		Thousand yen	538	541	552
No. of persons with disabilities hired		No.	130	136	139
Share of persons with disabilities hired ^{*4}		%	2.52	2.60	2.66
No. of post-retirement age employees ^{*5}		No.	299	329	329

*1 Including those who are retiring at the end of the current fiscal year

*2 Percentage of employees hired nine to 11 fiscal years ago who continue to work as of this report

*3 "Equal treatment for equal duty" policy is applied, with no gender discrimination or regional gaps within the country

*4 Aggregate hiring ratio from the Bank, Group subsidiaries and special subsidiaries

*5 Employment using the senior staff and the meister systems

Human Resource Development Data

	Unit	FY2021	FY2022	FY2023
Training investment*	million yen	-	839.9	843.9
Number of persons educated abroad (MBA/LLM)	No.	124	125	121
Number of certified DX translators	No.	-	73	58
Number of sustainability e-learning course participants	No.	3,300	3,175	3,085

* Expenses for various training programs, external training programs, overseas study programs, personal development support (subsidies for language and qualification acquisition, etc.), etc.

Results of Promotion of Active Participation of Women

	Unit	FY2021	FY2022	FY2023
Ratio of women hired	Career track	%	26	43
	Branch career-track	%	-	56
	Business Experts	%	-	100
Share of women managers	%	6.6	7.6	9.1

Wage gap between men and women

	Unit	FY2021	FY2022	FY2023
All workers	%	-	54.3	53.5
Full-time workers	%	-	53.2	52.5
Career track	%	-	58.0	55.7
Branch careertrack	%	-	80.8	79.0
Business Experts	%	-	83.0	89.4
Part- time workers	%	-	54.2	48.0

Period covered:

Fiscal 2022 (April 2022 to March 2023)

Fiscal 2023 (April 2023 to March 2024)

Wages: Includes basic salary, overtime allowance, bonuses, etc., and excludes retirement allowance, commuting allowance, etc.

Full-time workers: Includes workers seconded to outside companies.

Part-time workers: Includes contract workers, excluding trainees, incoming seconded workers, and temporary staff.

〈Supplemental Explanation of Differences〉

We do not consider gender differences in wage rules or evaluation criteria.

Branch career track and Business Expert figures are calculated by applying the new personnel system effective April 2023.

The reason for the lower average annual wages for women than men is due to differences in the ratio of gender in management positions (particularly senior management positions) and differences in age composition.

With regard to women's empowerment, we strive to achieve a 100% male maternity leave utilization rate, engage in work-style reform, and increase the ratio of women among new-graduate hires. These measures are based on our General Employers Action Plan. In addition, we continue to strengthen efforts to create an organization in which a diverse workforce, regardless of gender, plays an active role. We believe these efforts will result in a closing of the wage gaps described above.

Childcare/Nursing-Related Data

	Unit	FY2021	FY2022	FY2023
No. of employees taking childcare leave	No.	155	185	181
	Men	No.	101	112
	Women	No.	54	69
Share of employees taking childcare leave	%	93	105	99
	Men*1	%	93	97

	Women* ²	%	93	113	103
Share of employees returning after childcare leave* ³		%	100	100	100
Days of nursing leave taken		Day	379	626	719
No. of employees taking nursing care leave		No.	2	2	0

*1 The number of employees taking childcare leave divided by the number of dependents of employees giving birth (if leave and childbirth do not fall in the same fiscal year, these figures are counted toward the fiscal year where the leave began)

*2 The number of employees taking childcare leave divided by the number of employees giving birth (if leave and childbirth do not fall in the same fiscal year, these figures are counted toward the fiscal year where the leave began)

*3 Percentage of female employees who gave birth who continued to work (including periods of childcare leave) until their child's first birthday

Workplaces and Work styles Data

		Unit	FY2021	FY2022	FY2023
Workplace and Work-Style Data		hours	1,895	1,886	1,860
	General staff	hours	1,829	1,861	1,841
	Management	hours	2,158	2,092	2,033
Average overtime hours		hours	12.4	12.0	9.8
	All employees track	hours	16.7	15.4	13.0
	Career track	hours	-	-	7.9
	Business Experts	hours	-	-	3.6
Average days of paid leave taken* ¹		Day	14	15	16
Percentage of paid leave taken* ¹		%	69.6	76.1	80.6
	General staff	%	73.6	80.5	84.9
	Management	%	58.4	65.0	68.1
Transfers at the option of the individual* ²	Selection rate of those with transfers	%	-	-	87.2
	Selection rate of no transfers	%	-	-	12.8
No. of employees taking Spouse-transfer leave		No.	-	-	14

*1 Results based on calendar year figures

*2 Selection rate for career-track workers. Positions that, in principle, do not require transfers (branch career-track workers, business experts, etc.) are not included.

Policy and Approach to Human Rights

Human Rights Policy	> Human Rights Policy (PDF : 169KB)  > Respect for Human Rights
Policy on Environmental and Social Considerations in Financing and Investment Activities	> Policy on Environmental and Social Considerations in Financing and Investment Activities (PDF : 119KB) 
Approach to Procurement	> Respect for Human Rights

Customer Consultations and Complaints

	Unit	FY2021	FY2022	FY2023
No. of received customer consultations and complaints	No.	28	16	7

Governance

Policy and Approach on Governance

Basic Policy on The Norinchukin Bank Governance	> Corporate Governance
Risk Appetite Framework (RAF)	> Sustainability Promotion Structure

Policy and approach to compliance

Compliance Initiatives Anti-Money Laundering Measures Bribery and Corruption Prevention	> Compliance
Information Security	> Information Security
Cybersecurity	> Cybersecurity
Tax Compliance	> Tax Compliance

Governance System

	Unit	As of July 1, 2022	As of July 1, 2023	As of July 1, 2024
Supervisory Committee members	No.	17	14	19
Women therein	No.	1	1	1
Directors and Executive Officers	No.	15	15	15
Women therein	No.	1	1	2
Audit and Supervisory Board members	No.	5	5	5
Women therein	No.	1	1	1

	Unit	FY2021	FY2022	FY2023
Number of Supervisory Committee meetings	No.	13	15	14
Average rate of attendance at Supervisory Committee meetings	%	91.8	93.3	90.1

Compliance

	Unit	FY2021	FY2022	FY2023
Number of Compliance Hotline reports	No.	8	8	15