

December 26, 2025

Press Release

Daiwa Securities Group Inc.

Revision of the "Environmental and Social Policy Framework"

Daiwa Securities Group Inc. (the “Group”) formulated the "Environmental and Social Policy Framework" (the “Framework”) in June 2021 to strengthen our environmental and social risk management. Today, we announced a revision of the Framework, including the stricter policy outlined below.

The Group will continue to work with stakeholders to create a prosperous future and enhance corporate value through financial and capital markets under the management vision “Vision 2030”.

(Reference) Daiwa Securities Group's Sustainability Initiatives:

https://www.daiwa-grp.jp/english/sustainability/?cid=ad_eir_ensdgspress

1. Key changes to the Framework

1) Addition of Woody biomass power generation

We will add “woody biomass power generation” among the restrictions defined in the Framework and clarify that financing decisions will be made after ESG due diligence.

(Excerpt from the Framework)

Previous	Revised
-	<p>When providing financing for a project where the use of proceeds is directed toward the new construction of woody biomass power generation or the expansion of existing facilities, we will carry out ESG due diligence, carefully assessing the sustainability of fuel sources, GHG emissions throughout the entire lifecycle, and the human rights of local residents. We will utilize these results in making decisions.</p> <p>Woody biomass power generation includes both single-fired and co-fired plants.</p>

2. Effective date

This revision will take effect from January 1, 2026. We will continue to review the Framework regularly based on trends in Japan and overseas, changes in the business environment, and operational status.

End

Daiwa Securities Group "Environmental and Social Policy Framework"

1. Introduction

As awareness of environmental and social issues such as climate change and human rights violations continues to grow in Japan and overseas, the Daiwa Securities Group (the "Group") is committed to playing its role, as a comprehensive securities group, in supporting the realization of a sustainable and prosperous society in order to meet the environmental and social goals of all stakeholders.

The Group established its "Environmental Vision" in 2012 and, based on the "Environmental Principles" and the "Basic Environmental Policies" announced at the same time, it has been working to solve environmental issues and continuously reduce the environmental burden throughout its business activities. Furthermore, in May 2021, the Group established its management vision "Vision 2030". It clarifies its intention to work proactively towards the promotion of the transition to a carbon-neutral society and the realization of a resilient society.

In addition, the Group has formulated the "Environmental and Social Policy Framework" (the "Framework") in order to strengthen its management and governance system for environmental and social risks, such as the conservation of the global environment / biodiversity, and respect for human rights. We will create a better society in partnership with our stakeholders by acknowledging the risks for businesses that may have negative impacts on the environment and society, and taking appropriate measures through engagement.

The Group will actively support innovation and technological initiatives that will lead to the realization of carbon neutrality, and will focus on providing a variety of financial solutions, including transition finance, to support these.

2. Governance on this Framework

The Group discusses SDGs and ESG issues related to the environment and society at the Sustainability Promotion Committee, chaired by the President and CEO. The results of these discussions are reported to the Board of Directors as appropriate, and important matters are passed through the Board of Directors as resolutions, which strengthens the system of supervision by the Board of Directors. This Framework was approved by the Board of Directors following discussions with the Sustainability Promotion Committee.

This Framework will be assessed regularly, with the aim of strengthening it, based on the experience of its implementation and changes in the external environment.

3. Applicable products and services

This Framework covers new investments and loans, and the underwriting of bonds and stocks issuance (hereinafter, financing) made by Daiwa Securities Group Inc. and its major group companies.

4. Applicable business

(1) Prohibition

- Projects that negatively impact UNESCO-designated World Heritage Sites
- Projects that negatively impact wetlands designated under the Ramsar Convention
- Projects violating the Washington Convention
- Projects involving child labor, forced labor or human trafficking

(2) Restriction

1) Indigenous communities

When providing financing for a project, we will carry out ESG due diligence including environmental and social risk assessments ("ESG due diligence"), carefully assessing whether they will cause serious cultural, social, or economic damage to indigenous communities and whether appropriate measures are taken to mitigate them. We will utilize these risk assessments in making decisions.

2) Land expropriation that leads to involuntary relocation of residents

When providing financing for a project, we will carry out ESG due diligence, carefully assessing whether they result in land expropriation that forces residents to relocate against their wishes and whether appropriate measures are taken to prevent them. We will utilize these results in making decisions.

3) Coal-fired power generation

We prohibit any financing where the use of proceeds is directed toward the new construction of coal-fired power generation or the expansion of existing facilities.

Regarding the underwriting of bonds and stocks issuance, however, issuers that announce a target for net zero greenhouse gas (GHG) emissions by 2050, or projects adopting new technology aligned with the goals of the Paris Agreement, may be considered on a case-by-case basis.

4) Weapons of mass destruction / inhumane weapons manufacturing

We prohibit any financing where the use of proceeds is directed toward this type of

project. Weapons of mass destruction include nuclear weapons, chemical weapons, and biological weapons. Inhumane weapons include cluster munitions and antipersonnel land mines.

5) Palm oil plantation development

When providing financing for a project, we will carry out ESG due diligence, carefully assessing whether uncontrolled development may lead to the loss of wildlife habitat and biodiversity, whether there are any land conflicts with indigenous peoples, or human rights violations such as child labor/forced labor/human trafficking, and whether appropriate measures are taken to prevent them. We will utilize these results in making decisions.

In addition, we will confirm if RSPO (Roundtable on Sustainable Palm Oil), an international certification system for palm oil, has been acquired. If it is not obtained, we will encourage our clients to obtain certification. Also, we will encourage our clients to make environmental and human rights policies such as NDPE (No Deforestation, No Peat and No Exploitation) or other compatible policies.

Regarding new investments and loans, we will encourage our clients to enhance their supply chain management and traceability to ensure that similar initiatives will also apply to their supply chain.

6) Deforestation

When providing financing for a project, we will carry out ESG due diligence, carefully assessing whether appropriate measures will be taken to prevent a negative impact on the environment caused by the destruction of ecosystems, and whether illegal logging is carried out. We will utilize these results in making decisions.

In addition, we will encourage our clients to obtain FSC (Forest Stewardship Council), an international forest certification system or other compatible certifications, and to make environmental and human rights policies such as NDPE or other compatible policies.

Regarding new investments and loans, we will encourage our clients to enhance their supply chain management and traceability to ensure that similar initiatives will also apply to their supply chain.

7) Coal mining

We prohibit any financing where the use of proceeds is directed toward projects using the mountaintop removal (MTR) method, the new development of thermal coal mining, the expansion of existing thermal coal mining, or the new development and expansion of infrastructure dedicated to thermal coal mining.

Regarding the underwriting of bonds and stocks issuance, however, issuers that announce a target for net zero GHG emissions by 2050 may be considered on a case-by-case basis.

When providing financing for a project, we will carry out ESG due diligence, carefully assessing whether appropriate measures are taken to ensure occupational safety and a sanitary environment to prevent cave-in accidents, flood accidents, gas explosions, and human rights violations such as illegal labor. We will utilize these results in making decisions.

8) Large-scale hydroelectric power generation construction

When providing financing for a project, we will carry out ESG due diligence, carefully assessing whether appropriate measures will be taken to address destruction of the environment and ecosystems and negative impacts on local residents due to the construction of a dam. We will utilize these results in making decisions.

9) Oil and gas development

When providing financing for a project, we will carry out ESG due diligence, carefully assessing whether appropriate measures have been taken to address impacts on the environment, ecosystems, and local communities. We will utilize these results in making decisions. In particular, we will make careful decisions when providing financing to development projects in the Arctic, oil sands and shale oil and gas development projects, pipeline projects which may have significant negative impacts on the environment and society.

10) Woody biomass power generation

When providing financing for a project where the use of proceeds is directed toward the new construction of woody biomass power generation or the expansion of existing facilities, we will carry out ESG due diligence, carefully assessing the sustainability of fuel sources, GHG emissions throughout the entire lifecycle, and the human rights of local residents. We will utilize these results in making decisions.

Woody biomass power generation includes both single-fired and co-fired plants.

5. Assessment process

When providing financing for applicable projects, we will carry out initial ESG due diligence. If it is determined that further verification is required as a result of the assessment, we will apply enhanced ESG due diligence to determine whether to provide financing. If the implementation of the project may have a serious impact on the corporate value of the Group, the executive management will discuss further and make a final decision on whether to provide

financing.

In addition, even after new investments and loans have been provided, we will perform regular screenings to ensure that projects do not involve child labor, forced labor, or human trafficking. If we detect credible evidence of child labor, forced labor, or human trafficking, we will request corrective and preventive measures through dialogue. If no measures are taken, we will carefully consider whether to continue our investments and loans.

Revision on December 26, 2025