

# NRI



## • • • Human Rights Report

*Share the Next Values!*

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# Message from the President



Since its inception about 50 years, as Japan's premier IT and consulting firm, we have always stayed ahead of the times as we give policy recommendations, propose corporate strategies and conduct business such as the development and operation of information systems.

In order to continue to achieve sustainable growth going forward, we must be an indispensable company that continue to deliver value to our customers and society. To ensure this, we works to prevent the large number of social issues such as climate change and human right violations that occur at the global level and continue to deliver value to our customers and society.

We operates globally, but in order to contribute to a creating a sustainable tomorrow, understanding our business' effects on human rights and respect for those rights is a core value in our business activities.

That is why we formulated "NRI Group Policy on Human Rights" that is based on international guidelines such as the International Bill of Human Rights and the UN Guiding Principles on Business and Human Rights in 2019.

We understand the direct and indirect human rights thorough our business activities. Under this policy, we pledge to work diligently to avoid causing or contributing to human rights violations which could occur in our business activities and in the event it causes adverse human rights impacts through its business activities, we has made it clear it will take appropriate actions to correct them.

In order to implement the above policy, we are currently assessing our impact on human rights, while also identifying human rights themes to focus on and investigating and executing concrete measures.

We published this report to give our stakeholders an understanding of our concept of human rights and the status of our approach, as well as promote communication inside and outside the company and promote improvements in our efforts.

The situation of human rights has also been changing in recent times due to the development of technology and changes in the social environment. We will review the human rights themes that we must focus on according to such changes in the situation, and based on dialog with stakeholders and rights holders\*, while further intensifying our efforts.

\*Those stakeholders or groups that hold human rights that may be affected by our corporate activities.

Nomura Research Institute, Ltd.  
Chairman and President & CEO,  
Representative Director,  
Member of the Board

A handwritten signature in black ink that reads "Shingo Konomoto".

# Overview of the NRI Group

## Corporate Philosophy

# 未来創発

Dream up the future.

Nomura Research Institute is creating a new future.

Dream up the future. That's the Nomura Research Institute Group Corporate Philosophy.

In our desire to create a positive future by thoroughly considering the possibilities facing society in this era of rapid change where predictions cannot easily be made, we hope to contribute to society by creating new value. The NRI Group will continue our endeavors in meeting never-ending challenges as a "company creating future society."

### Consolidated sales

**501.2** billion yen



(Fiscal year ended March 31, 2019)

### Number of employees (consolidated)

**12,578**



### Consolidated subsidiaries

**56**



### Ratio of female managers

**7.1%**



(as of April 1, 2019)

### Worldwide offices

**41** offices in **15** countries and regions



(as of June 2019)

### Ratio of employees at worldwide offices

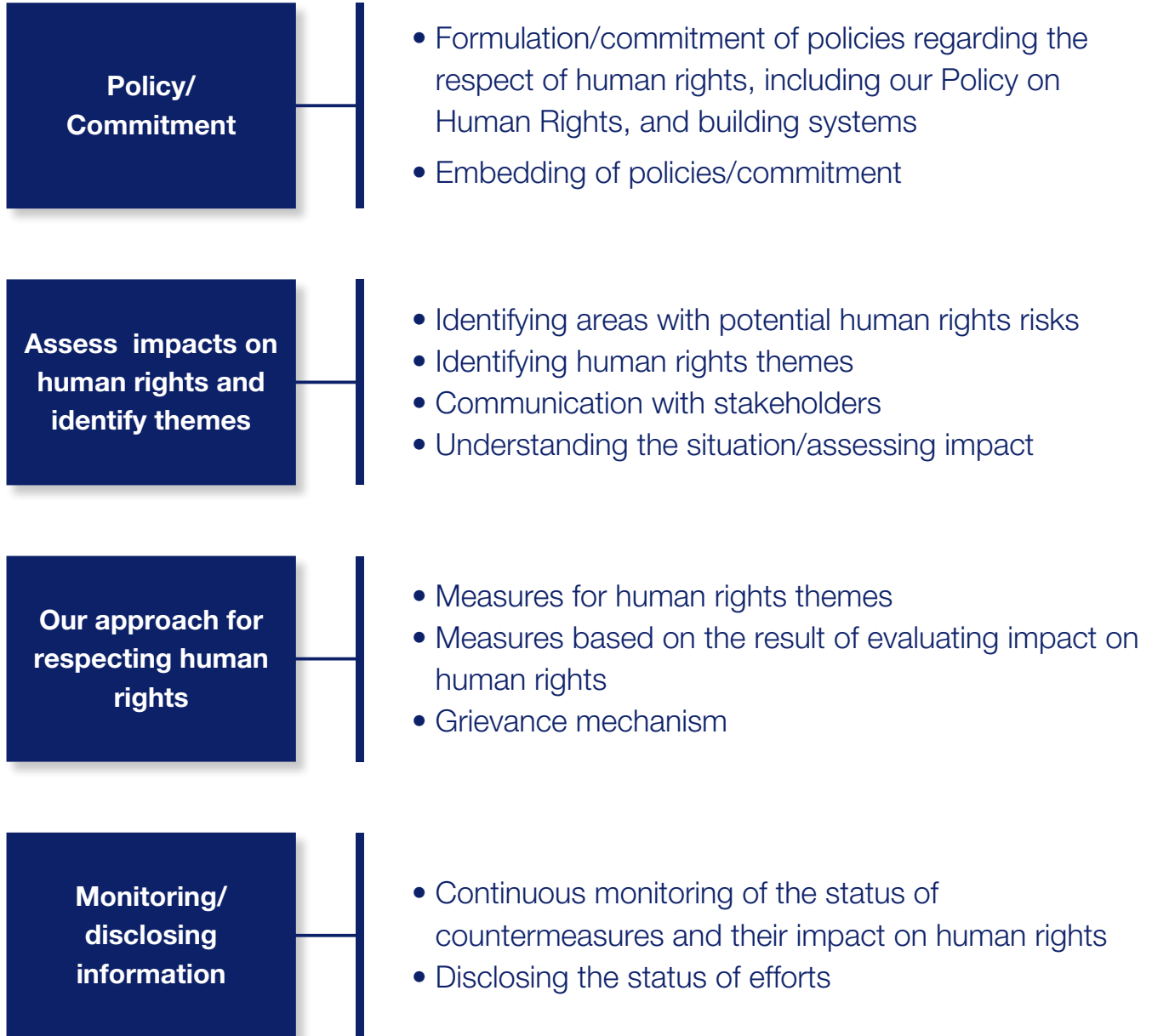
**28.4%**



\*Unless otherwise noted, numerical values listed here are all current as of March 31, 2019.

# Our process for Respecting Human Rights

## Our process for respecting human rights



The NRI Group promotes efforts for respecting human rights based on international standards such as the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, as well as the UN Guiding Principles on Business and Human Rights.

We promote approach for respecting human rights via the process of policy/commitment, assessing impacts on human rights/identifying themes, efforts for respecting human rights, and monitoring/disclosing information.

## ⋮ Policies

### **NRI Group Employees' Code of Business Principles**

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The NRI Group has defined the NRI Group Employees' Code of Business Principles, which indicates the behavior expected of NRI Group companies and their executives and employees. The code indicates that our employees must understand internationally recognized human rights, recognize the possibility of the NRI Group business activities impacting human rights, and promote efforts for respecting human rights.

### **NRI Group Policy on Human Rights**

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The NRI Group supports international standards on human rights, such as the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Ten Principles of the United Nations Global Compact.

We formulated the NRI Group Policy on Human Rights in February 2019 based on these standards and the UN Guiding Principles on Business and Human Rights.

We are currently promoting deployment of this policy so that it is appropriately implemented within the group as guidelines for promoting efforts for respecting human rights by NRI Group companies and their executives and employees.

We also keep requesting that all of our business partners understand and comply with the content of this policy and encourage them to conduct efforts for respecting human rights together with us.

### **NRI Group Procurement Policy**

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As the NRI Group also respects human rights in procurement activities, we formulated the NRI Group Procurement Policy in 2016.

This policy defines “Respecting ESG” that means the practice of ESG procurement, declares that NRI Group companies conduct procurement activities that consider the environment and human rights, and stipulates that we conduct business transactions in view of the status of efforts for the environment, society, and governance at our business partners.

We will also monitor the status of approach for the environment, society, and governance at our business partners after business transactions start, and strive to ensure ESG procurement, particularly in Japan.

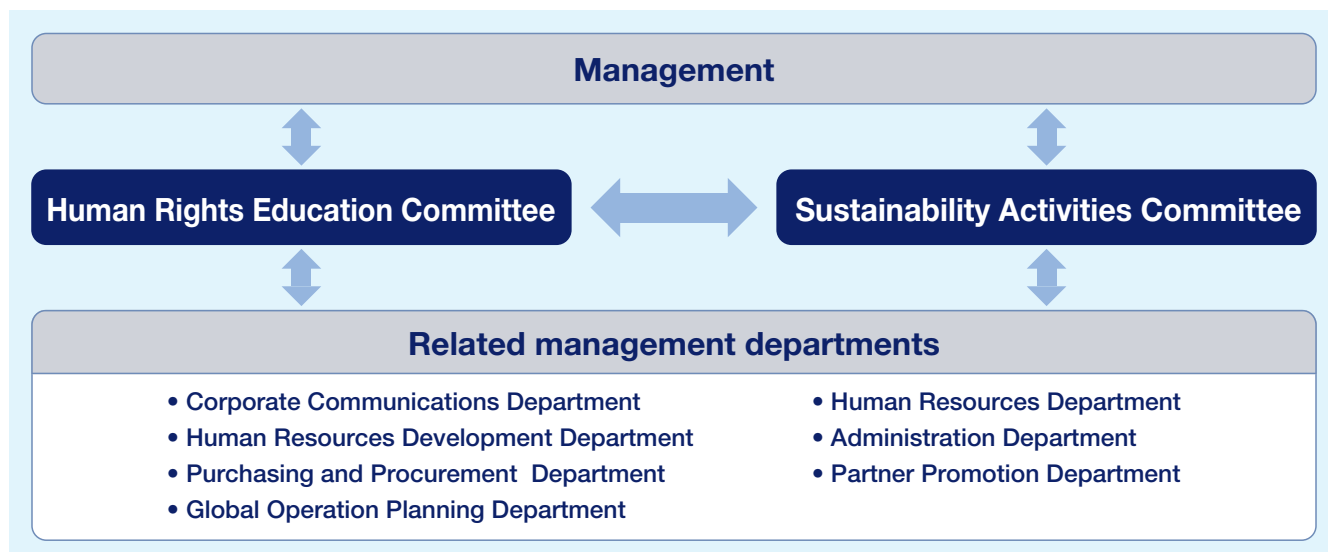
### **NRI Health Declaration 2022**

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NRI pledges to assist each and every one of its employees in their proactive efforts for long-term QOL improvement based on correct knowledge and understanding of their own health. The declaration aims to promote work-life balance while reducing lifestyle diseases, stress, and smoking, so that NRI employees can continue to actively work with sound body and mind, and we are promoting efforts for the realization of this goal.

## Structure for promoting the respect of human rights

NRI promotes efforts for respecting human rights via the cooperation of a Human Rights Education Committee and Sustainability Activities Committee.



The Human Rights Education Committee is led by the Senior Corporate Managing Director and holds discussions once a year mainly regarding human rights issues and items for tackling. The Sustainability Activities Committee is also led by the Senior Corporate Managing Director, holds discussion on promoting sustainability at NRI every two months, and reports to the Senior Management Committee once a year. A team handling business and human rights will also be established within the Sustainability Activities Committee to promote efforts focused on business and human rights.

## Meetings of Human Rights Education Committee and Sustainability Activities Committee

### Human Rights Awareness Promotion Committee

Date	Reports/Deliberation on Human rights
November 2019	<ul style="list-style-type: none"> <li>• Status of human rights in the NRI Group (Harassment, birth/childrearing, LGBT rights, the disabled, etc.)</li> <li>• Future trends</li> </ul>

### Sustainability Activities Committee

Date	Reports/Deliberation on Human rights	Date	Reports/Deliberation on Human rights
May 2019	<ul style="list-style-type: none"> <li>• Reviewing FY2018 activities regarding business and human rights</li> <li>• FY2019 plan</li> </ul>	September 2019	<ul style="list-style-type: none"> <li>• Progress of assessing human rights impact</li> <li>• Status of investigating NRI Group AI Ethics Guidelines</li> </ul>
June 2019	<ul style="list-style-type: none"> <li>• Status of investigating NRI Group AI Ethics Guidelines</li> <li>• Organizing of the current status of education and hotline</li> </ul>	January 2020	<ul style="list-style-type: none"> <li>• Status of authorizing/deploying NRI Group AI Ethics Guidelines</li> <li>• Summarizing previous efforts regarding business and human rights</li> </ul>
July 2019	<ul style="list-style-type: none"> <li>• Status of investigating awareness activities</li> <li>• Progress of assessing human rights impact</li> <li>• Status of investigating NRI Group AI Ethics Guidelines</li> </ul>	February 2020	<ul style="list-style-type: none"> <li>• Status of deploying NRI Group AI Ethics Guidelines</li> <li>• Trend report (status of National Action Plan, etc.)</li> </ul>



## Education/dissemination

### Education via stratified training

NRI conducts employee education on the importance of respecting human rights via opportunities such as stratified training. We provide a wide range of explanations on topics such as the importance of respecting human rights in executive training, training for new employees when they enter the company, and stratified compliance training. From FY2019 we have also conducted training on focused themes to provide opportunities to think about human rights, such as emotional compliance training for general managers, diversity & inclusion seminars for general managers and managers, and anti-harassment seminars.



Anti-harassment seminar held in February 2020

### Conducting sustainability and ESG e-learning

NRI has been conducting e-learning on sustainability and ESG since FY2017. It includes an explanation on the topic of business and human rights to promote understanding.



Animated e-learning conducted in FY2019

### Distributing a RULE BOOK

We have created a RULE BOOK that covers important rules including the NRI Group Employees' Code of Business Principles, which we distribute to all executives and employees of group companies to encourage them to bear respect for human rights in mind when they take action.

### Conducting anti-corruption e-learning

The NRI Group considers the prevention of corruption to be an essential part of respect for human rights. We have been providing e-learning from FY 2019 to promote understanding to certain overseas group companies that require particular care of the corruption.



# Human Rights Due Diligence

## Assessing human rights impact

With the cooperation of Verisk Maplecroft and the Caux Round Table Japan, we conducted an assessment for the potential human rights risks in the business of the NRI Group.

### Scope of the assessment for the potential human rights risks

<b>Scope of businesses</b>
<b>Two industry categories of Verisk Maplecroft indices</b> Software/IT service industry (IT service business) Professional service industry (consulting business)
<b>Scope of countries/regions</b>
<b>Mainly countries/regions where the NRI Group conducts business and our partners are located</b> Australia, Brazil, Canada, China, Denmark, Dominican Republic, France, Germany, India, Indonesia, Ireland, Italy, Japan, Luxembourg, Malaysia, Mexico, Micronesia, Mongolia, Netherlands, New Zealand, Norway, Panama, Philippines, Romania, Russia, Singapore, South Africa, South Korea, Sri Lanka, Sweden, Switzerland, Taiwan, Thailand, United Arab Emirates, United Kingdom, United States, Vietnam
<b>Human rights risk issues</b>
<b>10 human rights risk issues defined by Verisk Maplecroft</b> Child labor, Decent wages, Decent working time, Discrimination in the workplace, Modern slavery, Occupational health and safety, Right to privacy, Freedom of association and collective bargaining, Indigenous peoples' rights, and Land, property and housing rights

As a result of the above assessment, we discovered potential human rights risks across our business regarding “Rights to privacy”, “Decent wages”, and “Decent working time”.

<b>Right to privacy</b>	It indicates the risks to business from breaches of privacy, such as arbitrary surveillance operations, arbitrary interception of private correspondence, and excessive retention or accessing of personal data.
<b>Decent wages</b>	It indicates the risk that companies do not pay decent wages to employees.
<b>Decent working time</b>	It indicates the risk that companies violate their employee's decent working time.

Based on these evaluation, we have started an investigation into the actual situation at NRI, group companies, and business partners from FY2019.

In order to conduct this investigation, we have formulated items to survey and methodology to use based on various guidelines, including the ICT Sector Guide on Implementing the United Nations Guiding Principles on Business and Human Rights by the European Commission and the CSR/Sustainable Procurement Self-assessment Tool Set by the Global Compact Network Japan Supply Chain Working Group. We also promote understanding of the laws in each country/region and the internal and external environment, and are reviewing the items to survey and methodology to use.

We will continue conducting investigations in the future and make efforts to review human rights themes and tackle risks that are identified.

## **Content of investigation**

### **Situation in each country/region**

Applicable laws of each country/region, human rights issues and topics in each country/region, etc.

### **Human rights and labor**

Respect for human rights, discrimination, child labor, forced labor, wages, work hours, inhumane behavior, dialog/consultation with employees, situation of measures such as hotlines, worker privacy, etc.

### **Health and safety**

Workplace health and safety, emergency measures, workplace accidents, etc.

### **Human rights in business**

Relationship with contractors, possibility of human rights violations in business (possibility of privacy violations, etc.)

### **Other**

Awareness of issues regarding business and human rights, opinions on NRI, etc.

## **Identifying human rights themes**

Based on the corporate philosophy and vision of the NRI group, the result of assessing the potential human rights risks, and dialog with group companies and business partners, etc., we have identified “Decent work”, “Privacy and Data security”, and “Diversity” as the human rights themes that the NRI Group will focus on tackling.

In the future, we will consider the impact that the business of the NRI Group has on these human rights themes, as well as that of our entire supply chain including business partners, investigate how human rights should be respected, and promote activities accordingly.

On the other hand, the environment surrounding business and human rights is continuing to change, and we expect to conduct reviews as required, based on the environment inside and outside Japan and inside and outside the company, dialog with stakeholders and rights holders, and the result of investigating human rights risks.

### **Decent Work**

- Achieving worthwhile work that is healthy and humane
- Achieving decent work hours and wages

### **Privacy and Data Security**

- Achieving the protection of privacy that upholds individual dignity and appropriately handling information related to privacy
- Achieving respect for human rights in line with evolution in technology including AI

### **Diversity**

- Achieving an environment that enables human resources from various backgrounds to flourish without any discrimination or harassment

# Our approach for Respecting Human Rights

## ⋮ NRI Group AI Ethics Guidelines

As a company involved in the development and utilization of AI, the NRI Group believes that it is essential to promote the appropriate development and utilization of AI while reducing its adverse impact, and formulated and published NRI Group AI Ethics Guidelines in October 2019. These guidelines for NRI Group companies and their executives and employees are to be followed in order to prevent human rights violations from occurring due to the utilization of AI.

The guidelines were stipulated by members of an investigation team comprised of executives and employees involved in the development and utilization of AI after careful deliberation and based on various other guidelines such as Social Principles of Human-Centric AI, OECD Principles on Artificial Intelligence, and Ethics guidelines for trustworthy AI and trends of leading companies, etc.

In coming days, we will build a framework for ensuring that the ideas indicated in these guidelines are appropriately reflecting in the activities of the NRI Group and promote their adoption inside the company. As part of this, we introduce NRI Group AI Ethics Guidelines in system-related training, in order to raise awareness of AI ethics in daily business and work. From FY2020, we plan on encouraging the recognition of AI ethics in actual work, via efforts such as deploying a check list to be referred to when developing and utilizing AI.

## ⋮ Internal/External Hotlines

The NRI Group has established internal/external hotlines as contact points for NRI Group employees. For example, an internal compliance bureau, and human resources department and external hotline handle inquiries regarding issues such as ethics, compliance, and harassment.

Inquiries are forwarded to the President & CEO upon being deliberated by a Compliance Committee and the main department of the Human Rights Education Committee, etc.

In the future, we will validate the effectiveness of our framework from the perspective of the grievance mechanism required in the Guiding Principles on Business and Human Rights, and investigate the required efforts to make.

## ⋮ Stakeholder engagement

The NRI Group recognizes that it is important to hold dialog with stakeholders and rights holders regarding human rights themes.

We currently have opportunities for communicating with our employees, business partners, and investors regarding sustainability. In the future, we will use these opportunities for communication to actively exchange opinions on human rights themes.

The opinions and information we receive will then be used to review human rights themes and implement measures. We will also realize effective engagement including reports on the results and progress of those measures.

## ⋮ Dialog with business partners

NRI conducts “CSR Study Meetings” on the theme of CSR and sustainability with business partners once a year. At the meetings, we introduce trends relating to sustainability, share the status of sustainability activities at participating companies including NRI, and exchange opinions. In FY2019, we held Sustainability Dialog in January, and 20 of our business partners participated.

From FY2018, business and human rights have also been discussed as an important theme.

We plan to further deepen dialog with business partners to promote the evaluation of human rights impact and identification of human rights risks, while working together to tackle human rights themes and risks.



Sustainability Dialogue held in January 2020

# Appendix

We referred to the UN Guiding Principles Reporting Framework when creating this report.

The table below indicates the items recommended for disclosure in the UN Guiding Principles Reporting Framework and the corresponding pages where the related information is included in this human rights report.

For details on the items, please refer to the website for the UN Guiding Principles Reporting Framework.

<https://www.ungpreporting.org/>

<b>Part A: Governance of Respect for Human Rights</b>		<b>Page number</b>
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A1.2		
A1.3		Page 05, Page 07
A2	Embedding Respect for Human Rights	
A2.1		Page 06
A2.2		Page 06
A2.3		Page 07
A2.4		Page 05, Page 07
A2.5		
<b>Part B: Defining the Focus of Reporting</b>		
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B2	Determination of Salient Issues	Page 08–Page 10
B3	Choice of Focal Geographies	
B4	Additional Severe Impacts	
<b>Part C: Management of Salient Human Rights Issues</b>		
C1	Specific Policies	
C1.1		Page 11, Page 12
C2	Stakeholder Engagement	
C2.1		
C2.2		Page 12
C2.3		
C3	Assessing Impacts	
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C4	Integrating Findings and Taking Action	
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C5	Tracking Performance	
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C6	Remediation	
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C6.3		
C6.4		
C6.5		

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