

**NRI**

# ESG Databook 2022

〈Year ended 31 March 2022〉

Environment

Social

Governance

Nomura Research Institute

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■ Symbol legend

Symbols in the table

–	Data not available
n/a	Not applicable

Symbols for the data coverage

a	NRI group
a-	NRI group (Some ranges excluded)
b	NRI group (Domestic)
b-	NRI group (Domestic, some ranges excluded)
c	NRI (Not consolidated)
c-	NRI (Not consolidated, some ranges excluded)
d	Others

► Sustainability management policy

**NRI sustainability management policy**

NRI provides support to clients to solve social challenges in their business and wishes to become a company that co-creates social values together with the customers. This wish has resulted in NRI to approve and participate in the United Nations Global Compact (UNGC), the Task Force on Climate-related Financial Disclosures (TCFD) and others.

“NRI Group Medium-Term Management Plan (2019 – 2022)” states the “solving of social challenges through co-creation of values” and has set to promote the co-creation of three social values, “Co-create a thriving future society by driving new value”, “Co-create an ideal society by effectively utilizing its resources”, and “Co-create a safe and secure society by advancing its infrastructure” at its core to promote business.

To be able to be trusted by the society from now on and to respond to such expectations, we must ride the tide of new technology ahead of time while making changes to ourselves, and promote business that will lead to solving the challenges in future society to contribute to creating a sustainable future society, and fulfil our social responsibility.

Furthermore, we will listen sincerely to the voices of diversified stakeholders, both domestic and overseas, and control our own actions.

**NRI Group Sustainability Management**



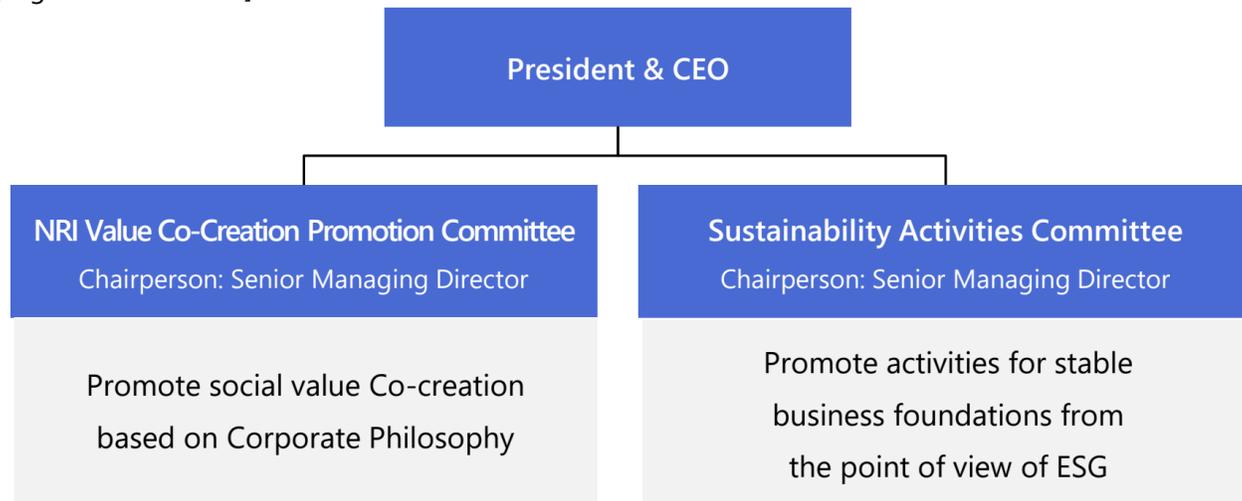
<p>Link Files</p>	<p>Sustainability Management "ESG Briefing"  <a href="https://www.nri.com/en/sustainability/management/esg/2018">https://www.nri.com/en/sustainability/management/esg/2018</a></p> <p>Vision2022 and NRI Sustainability Management Policy  <a href="https://ir.nri.com/en/ir/library/report/main/013/teaserItems1/01/link/ar2022_e_print.pdf#page=22">https://ir.nri.com/en/ir/library/report/main/013/teaserItems1/01/link/ar2022_e_print.pdf#page=22</a></p> <p>Sustainability Management  <a href="https://www.nri.com/-/media/Corporate/en/Files/PDF/sustainability/library/Sustainability_Book2022_e.pdf#page=6">https://www.nri.com/-/media/Corporate/en/Files/PDF/sustainability/library/Sustainability_Book2022_e.pdf#page=6</a></p>
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▶ Sustainability management structure

Sustainability management structure

NRI has established the "NRI Value Co-Creation Promotion Committee" and "Sustainability Activities Committee" as president's special mission for promoting sustainability, and based on the investigations and discussions in both committees, makes recommendations to the management meeting.

[Organizational chart]



▶ Participation in the initiatives

Participation in the initiatives

- United Nations Global Compact (UNGC)
- Japan Climate Initiative (JCI)
- World Business Council for Sustainable Development (WBCSD)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Science Based Targets initiative (SBTi)
- Renewable Electricity 100% (RE100)
- Business Ambition for 1.5°C
- Japan Business Federation (Keidanren) "Charter of Corporate Behavior"
- COOL CHOICE
- GX League Basic Concept
- Race to Zero

## ► Our stakeholders

### Our stakeholders

The NRI Group's stakeholders range from a core of "Customers," "Employees/Families," "Shareholders/Investors," and "Business Partners," to also include "Consumers," "Media," "Local Communities," "Industry Organizations / Industry Peers," "Government," "Education and Research Institutes," "Students," and "NGO/NPOs."

We will continue to create a better future society and build stronger relationships of trust with society, all the while maintaining close communication tailored to the peculiarities of each stakeholder.

## ► Stakeholder dialogue

### Stakeholder dialogue

The NRI Group values the opportunities in its daily business activities to listen to the opinions of and communicate with stakeholders in a variety of ways.

Furthermore, in addition to our daily discussions, we engage in dialogue with opinion-maker and rule-maker experts to understand global sustainability trends and reflect them in management strategies and risk management.

In FY2019, NRI held its third overseas stakeholder dialogue in Paris, France.

We visited BNP Paribas Asset Management, the asset management division of BNP Paribas Group, a world-leading financial institution in the field of sustainable finance, and Vigeo Eiris, an international ESG rating agency.

In this dialogue, experts from each company and several NRI employees exchanged opinions on the "tide of international sustainable finance" and "evaluation of the company's efforts toward the SDGs."

In FY2020, we held a dialogue with the World Benchmarking Alliance, an international NGO promoting the Sustainable Development Goals (SDGs). In the dialogue, we mainly exchanged opinions on corporate evaluations from the perspective of SDGs and how human rights initiatives should be disclosed.

\* The dialogues were conducted on-line due to COVID-19.

In the expert dialogs held in FY2021, we exchanged opinions with three experts, mainly on the themes of the positioning of sustainability in our Medium-Term Management Plan, the promotion of diversity, and ESG trends.

### Link Files

Stakeholder Dialogue

<https://www.nri.com/en/sustainability/management/dialogue>

Sustainability Management "ESG Briefing Session"

<https://www.nri.com/en/sustainability/management/esg/2018>

Dialogue

<https://www.nri.com/>

[/media/Corporate/en/Files/PDF/sustainability/library/Sustainability\\_Book2021\\_e.pdf#page=50](https://www.nri.com/media/Corporate/en/Files/PDF/sustainability/library/Sustainability_Book2021_e.pdf#page=50)

## ▶ Materiality

**Materiality**

NRI's 15 material issues (materiality) were identified based on international standards and guideline categories from ISO 26000, GRI\* G4 Guidelines, Dow Jones Sustainability Indices (DJSI), and the SASB (United States Sustainability Accounting Standards Board), and the United Nations Global Compact. (Identified in 2010, revised in 2017)

Reduction of environmental impact for preserving global environment

- Response on climate change
- Consumption of sustainable energy
- Recognize responsibility and protect the environment
- Show consideration for environments in our supply chain

Provision of opportunities for all kinds of professionals to take on challenges

- Diversity of human resources
- Dialogue with society
- Communication with customers
- Sound hiring practices and labor-management relations
- Respect for human rights

Compliance with laws, regulations and risk management to increase trust from society

- Strengthening corporate governance
- Risk/crisis management
- Prevention of overseas
- Appropriate disclosure of information to customers

Provision of NRI quality to support safe and secure information society

- Information security / system management
- Access to information society

\* GRI: Global Reporting Initiative

**Identification process of materiality****Step1 Clarification of issue elements based on international standards**

Clarify elements that may be issues to be considered for sustainable growth based on guidelines for international standards, etc., and prepare an exhaustive list.

**Step2 Identification of materiality**

Extract and identify highly important elements clarified from management (horizontal axis) and external stakeholders (vertical axis) perspectives.

**Step3 Hearings with experts and management review**

Adjust highly material elements based on the opinions from external experts, securing the reliability and objectivity of the elements, and identify through management review.

## Materiality

A03

### Key performance indicators of materiality

#### Reduction of environmental impact for preserving global environment

Target material issue

Response on climate change

Long-term target

By FY2030, NRI Group will Net-zero greenhouse gas emissions (Scope1+2).

Target year

FY2030

Progress

FY2021: Greenhouse gas emissions reduction rate 72.1% (compared to FY2013)

#### Provision of opportunities for all kinds of professionals to take on challenges

Target material issue

Diversity of human resources

Long-term target

1. Increase the female manager ratio to at least 8.5% by the end of FY2022 (add more than 100 female managers)
2. Make women's recruitment rate over 30%
3. Conduct awareness raising regarding diversity management for managers

Target year

FY2022

Progress

FY2021: Female managerial ratio 8.3%, female recruitment ratio 33.2%

#### Provision of NRI quality to support safe and secure information society

Target material issue

Information security / system management

Long-term target

NRI manages the result of the security review of the client system and corrective situation, and the audit result and corrective situation for each business base and business partner as indicator.

Target year

FY2022 (Continue to work toward the yearly goals set each fiscal year.)

Progress

FY2021: There were no information system incidents that had serious financial and social impacts.

KPI

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of IT infrastructure incidents that had serious financial and social impacts	0	0	0	0	0
Coverage	c	c	c	c	c

## ▶ Structure of disclosure of information

### Information disclosure system

Integrated report (booklet and PDF)	An overall picture of NRI's corporate value creation activities is explained in concise and clear manner.
ESG Databook (PDF)	We disclose in detail non-financial information relating to the Environmental (E), Society (S), and Governance (G).
Sustainability Book (booklet and PDF)	An overview of the year's sustainability promotion activities is explained in an easily understood manner.
Website	Information about the NRI Group, shareholder and investor information, CSR information, and other information are disclosed in detail.

Link Files	Approach to Disclosure
	<a href="https://www.nri.com/en/ir/policy">https://www.nri.com/en/ir/policy</a>
	Integrated Report (Annual Report)
	<a href="https://ir.nri.com/en/ir/library/report.html">https://ir.nri.com/en/ir/library/report.html</a>
Sustainability	<a href="https://www.nri.com/en/sustainability">https://www.nri.com/en/sustainability</a>
	Sustainability Report (Library)
	<a href="https://www.nri.com/en/sustainability/library/report">https://www.nri.com/en/sustainability/library/report</a>

## ▶ Scope of reporting / Reporting period / Independent assurance

### Scope of reporting

The disclosure of financial and non-financial information applies as a general rule to the NRI Group (Nomura Research Institute, Inc., and its consolidated subsidiaries). Some of the non-financial information targets a specific range, in which case said range is clearly specified separately.

### Reporting period

Content is mainly focused on initiatives from FY2021 (from April 1, 2021 to March 31, 2022), but may also include some background information, activities after April 1, 2022, or planned future activities.

### Independent assurance

We have obtained certification from third-party certification organizations for some environmental data and social contribution activity data.

Link File	<a href="#">Independent Assurance Report (p.136)</a>
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## ▶ Guidelines referenced for the disclosure of information

## Guidelines referenced for disclosure

- The International Integrated Reporting Framework by the International Integrated Reporting Council (IIRC)
- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- Environmental Reporting Guidelines (2018 version) of the Ministry of the Environment of Japan
- UN Guiding Principles Reporting Framework
- Corporate Human Rights Benchmark

Link File

[GRI Standards Content Index \(p.137\)](#)

## ▶ External evaluation

## External evaluation

Inclusion in ESG stock indices

- Dow Jones Sustainability World Index (2018 –)
- Dow Jones Sustainability Asia/Pacific Index (2016 –)
- MSCI ESG Leaders Index (2016 –)
- FTSE4Good Developed Index (2006 –)
- MSCI Japan ESG Select Leaders Index (2017 –)
- MSCI Japan Empowering Woman Index (2017 –)
- FTSE Blossom Japan Index (2017 –)
- FTSE Blossom Japan Sector Relative Index (2022–)
- SOMPO Sustainability Index (2012 –)
- S&P/JPX Carbon Efficient Index (2018 –)
- Euronext Vigeo World 120 Index (2021–)

Sustainability related evaluation

- Silver Class of the Sustainability Award 2022 by S&P Global (2021–)

Climate change related evaluation

- CDP climate change A list company (FY2019 –)
- CDP Supplier Engagement Leaderboard (FY2019 –)
- MSCI ESG Ratings AAA (FY2021)

Diversity related evaluation

- Selected as “Nadeshiko Brand” (The Ministry of Economy and the Tokyo Stock Exchange) (2017 –)
- Received the highest level of “Eruboshi” (The Ministry of Health, Labor and Welfare) (2017 –)
- Kurumin Mark (The Ministry of Health, Labor and Welfare) (2007 –)
- Platinum Kurumin Certification (The Ministry of Health, Labor and Welfare) (2018 –)

Health and productivity management related evaluation\*

- Certified as “Excellent Enterprise of Health and Productivity Management\* (White 500)” (2017 –)
- Japan Productivity Center “Work-Life Balance Awards” (2016)

### Material issues of NRI related to this management approach

"Strengthening of corporate governance" and "Dialogue with civil society"

### NRI's approach to material issues

NRI works to enhance corporate governance in accordance with the basic approach outlined below, based on the recognition that corporate governance consists of mechanisms for transparent, fair, timely, and accurate decisionmaking based on the perspective of stakeholders, including society, customers, employees, business partners, and shareholders.

#### 1. Cooperation with stakeholders

NRI respects the interests of stakeholders and cooperates with them in an appropriate manner. In particular, with regard to shareholders, NRI takes the proper measures so that rights are substantially secured, in addition to ensuring substantial equality.

#### 2. Information disclosure and communication

NRI discloses information as stipulated by laws and by the regulations of the Tokyo Stock Exchange, and information that assists its stakeholders in understanding NRI and its operations properly, in a timely, accurate, and fair manner, to secure transparency as well as to engage in constructive dialogue with its shareholders.

#### 3. Corporate governance system

NRI is strengthening its management monitoring functions based on the Audit & Supervisory Board System through the appointment of Independent Directors and Independent Audit & Supervisory Board Members, as well as the establishment of bodies that are mainly composed of Independent Directors appointed to advise the Board of Directors.

NRI have made the NRI Corporate Governance Guidelines public to outline our basic approach and action policy regarding corporate governance.

### Priority activities / Medium- to long-term targets

In the domestic market, the NRI Group has grown through establishing a customer base in the financial and retail industries and providing a business platform in the financial field. In the global market, we have grown through the response to Japanese companies' globalization and M&A mainly in Australia and North America.

Furthermore, client companies are taking COVID-19 as an opportunity for IT investment related to digital transformation (hereinafter referred to as "DX"), and are rapidly progressing from the stage of transforming business processes to the stage of transforming business models themselves.

In order to realize further growth in the future, the NRI Group needs to enhance its competitive advantage in existing business areas both at home and abroad, establish its position as a trusted partner in the DX area, and enlarge transactions with customers.

To that end, it is necessary to secure personnel who will promote the DX business and the global business, and it is important to strengthen recruitment and development.

Although the percentage of consolidated overseas sales is 8.8%, NRI's foreign ownership ratio is about 30%, and the NRI Group's overseas workforce ratio is 26.2%.

In light of the above, we are promoting the enhancement of corporate governance from the following perspectives.

### Progress / Achievements / Challenges

We improved transparency and independence by increasing the number of independent outside directors from two to three in 2015, and began evaluating the effectiveness of the Board of Directors annually from 2016.

In 2017, the company established a Nomination Committee with independent outside directors as the principal members, and also changed the principal members of the Compensation Committee from outside experts to independent outside directors.

In terms of sustainability, we established a Sustainability Activities Committee in 2017 to create a system to incorporate a sustainability perspective in management decision making and supervision.

As for the diversity and universality of global governance, we are proceeding to share the corporate philosophy of NRI, along with the group's corporate behavior principles and standards of conduct, while at the same time respecting the corporate culture and climate of overseas subsidiaries that have newly joined the NRI Group.

#### Link Files

Corporate Governance

<https://www.nri.com/en/company/governance>

NRI's Corporate Governance

[https://ir.nri.com/en/ir/library/report/main/013/teaserItems1/01/link/ar2022\\_e\\_print.pdf#page=104](https://ir.nri.com/en/ir/library/report/main/013/teaserItems1/01/link/ar2022_e_print.pdf#page=104)

Financial Results (In Japanese only)

<https://ir.nri.com/jp/ir/library/securities.html>

## ▶ Corporate governance policy

## Policy and objectives concerning the independence of the Board of Directors

NRI is strengthening its management monitoring functions based on the Audit & Supervisory Board System through the appointment of Independent Directors and Independent Audit & Supervisory Board Members, as well as the establishment of a body with a majority of members Independent Directors appointed to advise the Board of Directors.

The Board of Directors has a well-balanced composition of executive directors, non-executive directors, and outside directors, which is intended to facilitate the realization of appropriate decision-making and oversight of the Board of Directors that take into consideration multiple perspectives, including the viewpoints of business execution, supervision, and outside parties.

In order to realize this, we ensure that at least one third of the Board of Directors is made up of independent directors.

The independence of the Board of Directors is stipulated in Articles 11, 13, 17, 19, 21, 22 and 23 of the NRI Corporate Governance Guidelines.

## Reference

NRI Corporate Governance Guidelines  
<https://www.nri.com/en/company/governance>

## ▶ Members of the Board

## Number of Members of the Board and Audit &amp; Supervisory Board Members (Beginning of July)

	unit	2018	2019	2020	2021	2022
Total number of Members of the Board	no. of person	7	9	9	9	9
Female directors	no. of person	1	1	1	1	1
Non-Japanese directors	no. of person	0	0	0	0	0
Executive internal directors	no. of person	3	3	3	3	4
Non-executive internal directors	no. of person	1	3	3	3	2
Outside directors	no. of person	3	3	3	3	3
Total number of Audit & Supervisory Board Members	no. of person	5	5	5	5	5
Female directors	no. of person	0	0	0	0	1
Non-Japanese members	no. of person	0	0	0	0	0
Outside Audit & Supervisory Board Members	no. of person	3	3	3	3	3
Coverage		c	c	c	c	c

## Chairperson of the Board of Directors

The Chairperson of the Board of Directors serves as a non-executive director, thereby achieving the separation of business execution and oversight.

(Ref. NRI Corporate Governance Guidelines Article 13. Chairperson of the Board of Directors)

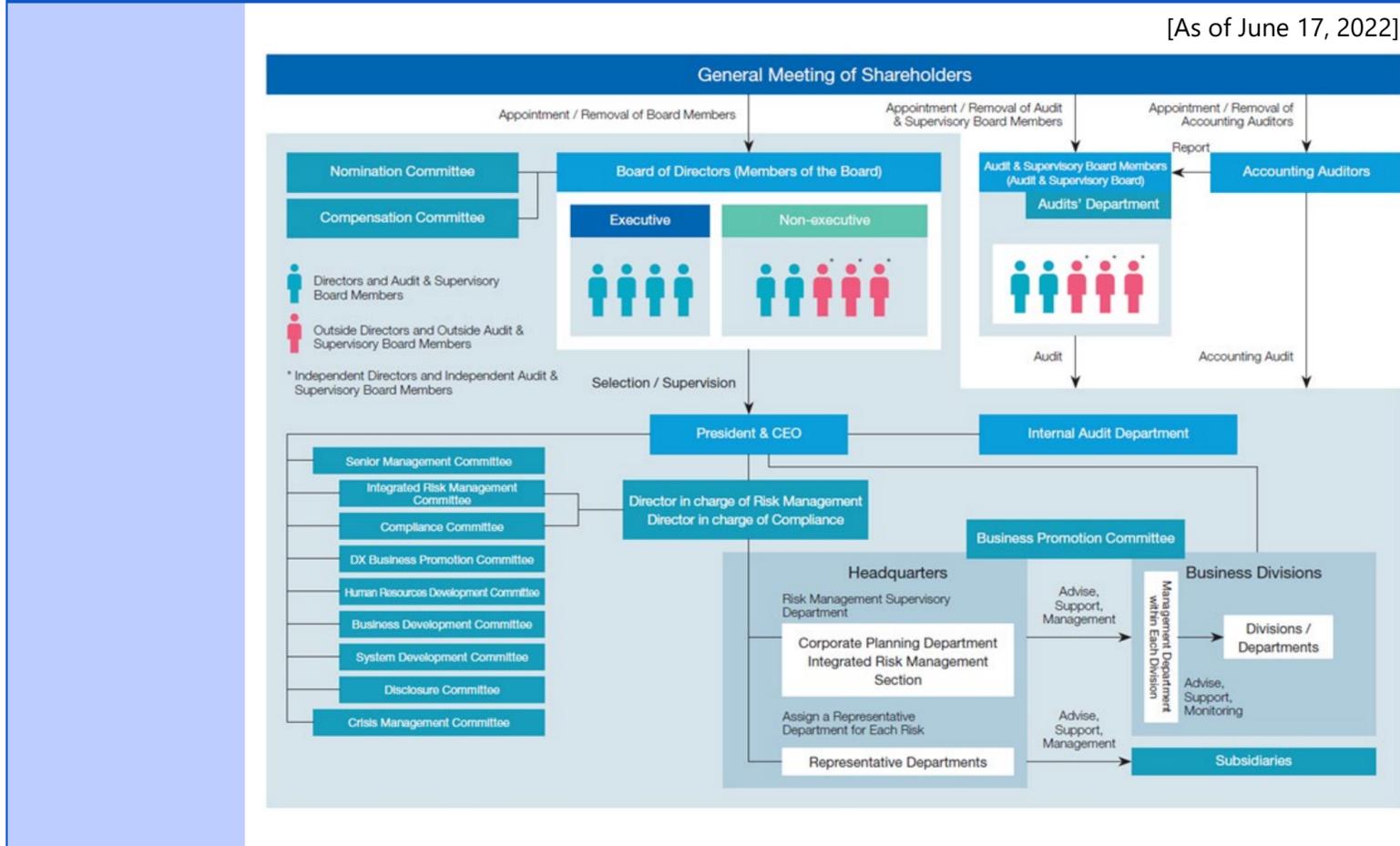
## Number of Senior Management Directors, etc. (Beginning of July)

	unit	2018	2019	2020	2021	2022
Senior Management Directors*	no. of person	40	38	41	40	43
Female	no. of person	0	1	1	2	2
Management Directors	no. of person	10	10	9	8	7
Female	no. of person	1	1	1	0	1
Research Directors	no. of person	2	2	2	3	3
Female	no. of person	0	0	0	0	0
Coverage		c	c	c	c	c

\* Including members who also serve as executive internal directors

Corporate governance structure

Corporate governance structure



Criteria and process for nomination of Members of the Board and Audit & Supervisory Board Members

Process for nomination of Members of the Board and Audit & Supervisory Board Members

The Board of Directors includes up to 15 members that are appointed based on gender, internationality, career experience/expertise, and a good balance of experience related to the NRI business, corporate management, risk management, finances/accounting, and overseas business, according to our the medium to long-term management strategy, and realizes appropriate decision-making and supervision based on diverse perspectives and values.

To ensure independence, NRI elects at least two Independent Audit & Supervisory Board Members. And at least one of the appointed Audit & Supervisory Board Members must have considerable knowledge of finance and accounting.

Criteria for nomination of Members of the Board and Audit & Supervisory Board Members

Candidates for Members of the Board must have extensive practical experience, high capabilities, understanding, and the ability to contribute to the enhancement of corporate value over the mid- to long-term in a manner consistent with the NRI's corporate philosophy.

Candidates for Audit & Supervisory Board members must have extensive practical experience, high capabilities, understanding, and can be expected to perform audits from a neutral and objective viewpoint and contribute to the maintenance of the soundness of management.

## ▶ Functions and committees

**The highest governing body**

Overview	<p>Board of Directors</p> <p>NRI has delegated to considerable authority and responsibility for business execution to Senior Managing Directors and other Directors.</p> <p>The Board of Directors is exclusively responsible for fundamental decision-making that are the basis for the Company's business execution and for overseeing the execution of duties by Members of the Board. (Ref. NRI Corporate Governance Guidelines Article 11, System of Board of Directors and Others)</p>
Committee Chair	Yasuo Fukami, Vice Chairman, Member of the Board (Non-Executive Director)
Members	Shingo Komoto (President & CEO, Chairman, Member of the Board, Representative Director), Yo Akatsuka (Vice Chairman of the Board), Hidenori Anzai (Senior Executive Managing Director, Member of the Board), Ken Ebato (same as above), ShujiTateno (Senior Executive Managing Directors), Hideki Omiya (Non-Executive, Outside and Independent Director), Shinoi Sakata (same as above), Tetsuji Ohashi (same as above)

**Function for compensation**

Overview	<p>Compensation Committee</p> <p>With a majority of its members Independent Directors, the Committee annually deliberates on topics such as the formulation/operation of the President successor plan and the selection of the President and Director and Independent Audit &amp; Supervisory Board Member candidates from the standpoint of fairness and transparency in light of the basic management policy and the selection criteria for each officer. In the event that there is any doubt about the performance of the current directors or the president&amp;CEO, the committee deliberates on the appropriateness of dismissal. (Ref. NRI Corporate Governance Guidelines Article21, Compensation Committee)</p>
Committee Chair	Yasuo Fukami, Vice Chairman, Member of the Board (Non-Executive Director)
Members	Hidenori Anzai (Senior Executive Managing Director, Member of the Board), Hideki Omiya (Non-Executive, Outside and Independent Director), Shinoi Sakata (same as above), Tetsuji Ohashi (same as above)

**Function for nomination**

Overview	<p>Nomination Committee</p> <p>The Committee is mainly composed of independent directors. The appointment of directors and corporate auditors is deliberated from the perspective of fairness and transparency in light of the basic management policy and selection criteria for each officer.</p> <p>In addition, if any doubt arises in the activity results of the board member, the appropriateness of dismissal will be discussed.</p> <p>(Article 21 Nomination Advisory Committee of NRI Corporate Governance Guidelines)</p>
Committee Chair	Yasuo Fukami, Vice Chairman, Member of the Board (Non-Executive Director)
Members	Shingo Kinomoto (Chairman and President & CEO, Representative Director, Member of the Board), Hideki Omiya (Non-Executive, Outside and Independent Director), Shinoi Sakata (same as above), Tetsuji Ohashi (same as above)

**Function for audit**

	Audit & Supervisory Board
Overview	The Audit & Supervisory Board oversee the execution of duties by Members of the Board. And discusses and decides auditing policies and other important matters related to auditing and formulate and expresses audit opinions. (Ref. NRI Corporate Governance Guidelines Article 11, System of Board of Directors and Others)
Committee Chair	
	Takuhito Sakata, Audit & Supervisory Board Member
Members	Motoya Nishimura (Audit & Supervisory Board Member), Kenkichi Kosakai (Outside and Independent Audit & Supervisory Board Member), Naruhito Minami (same as above), Yasuko Takazawa (same as above)

**Function for strategy**

	Senior Management Committee
Overview	The Committee deliberates on important matters of company management in order to centralize the intention of business execution.
Committee Chair	
	Shingo Konomoto, President & CEO, Chairman, Member of the Board, Representative Director
Members	Hidenori Anzai (Senior Executive Managing Director, Member of the Board), Ken Ebato (same as above), ShujiTateno (Senior Executive Managing Director), Shigeki Hayashi (same as above), Hiroshi Masutani (same as above), Tomoshiro Takemoto (same as above), Hirofumi Tatematsu (same as above), Fumihiko Sagano (same as above), Namiki Kubo (Senior Corporate Managing Directors), Susumu Nishimoto (same as above), Yoshihiko Sunaga (same as above), Takeshi Hihara (Senior Managing Director), Kaga Yanagisawa (same as above)

**Function for risk management**

	Integrated Risk Management Committee
Overview	The Committee deliberates on important issues related to risk management of the Group, such as system failures and information security and business continuity, based on the instructions of the President & CEO.
Committee Chair	
	Hironori Anzai, Senior Executive Managing Director, Member of the Board, Representative Director
Members	Ken Ebato (Senior Executive Managing Director, Member of the Board), ShujiTateno (Senior Executive Managing Director), Shigeki Hayashi (same as above), Hiroshi Masutani (same as above), Tomoshiro Takemoto (same as above), Hirofumi Tatematsu (same as above), Fumihiko Sagano (same as above), Namiki Kubo (Senior Corporate Managing Director), Susumu Nishimoto (same as above), Yoshihiko Sunaga (same as above), Takeshi Hihara (Senior Managing Directors), Kaga Yanagisawa (same as above)

**Function for compliance**

	Compliance Committee	
Overview	The Committee deliberates on the issues concerning the promotion of ethical and compliance management covering the improvement of structures to comply with corporate ethics and laws and the prevention of violation reoccurrences, based on instructions given by the President & CEO.	
Committee Chair	Hironori Anzai, Senior Executive Managing Director, Member of the Board, Representative Director	
Members	Ken Ebato (Senior Executive Managing Director, Member of the Board), Shuji Tateno (Senior Executive Managing Director), Hajime Ueda (same as above), Shigeki Hayashi (same as above), Hiroshi Masutani (same as above), Tomoshiro Takemoto (same as above), Hirofumi Tatematsu (same as above), Fumihiko Sagano (same as above), Namiki Kubo (Senior Corporate Managing Director), Susumu Nishimoto (Senior Corporate Managing Directors), Yoshihiko Sunaga (same as above), Takeshi Hihara (Senior Managing Director), Kaga Yanagisawa (same as above), Takao Yamaguchi (Managing Director), Hirofumi Miyatake (same as above)	

**Function for sustainability**

	NRI Value Co-Creation Promotion Committee / Sustainability Activities Committee					
Overview	NRI established the NRI Value Co-Creation Promotion Committee that promotes social value creation based on corporate philosophy and the Sustainability Activities Committee that promotes activities for stable business foundations from the point of view of ESG, as a special appointment at the direction of the President & CEO to promote overall sustainability management.					
Committee Chair	<table border="0"> <tr> <td>NRI Value Co-Creation Promotion Committee</td> <td>Ichiro Morisawa, Senior Managing Director</td> </tr> <tr> <td>Sustainability Activities Committee</td> <td>Takeshi Hihara, Senior Managing Director</td> </tr> </table>		NRI Value Co-Creation Promotion Committee	Ichiro Morisawa, Senior Managing Director	Sustainability Activities Committee	Takeshi Hihara, Senior Managing Director
NRI Value Co-Creation Promotion Committee	Ichiro Morisawa, Senior Managing Director					
Sustainability Activities Committee	Takeshi Hihara, Senior Managing Director					

**Function for DX business promotion**

	DX Business Promotion Committee	
Overview	Based on the instructions given by the President & CEO, the Committee deliberates on important issues concerning promotion of the digital transformation (DX) business.	
Committee Chair	Hiroshi Masutani, Senior Executive Managing Director	
Members	Tomohiko Noguchi (Senior Corporate Managing Directors), Fumihiko Sagano (Senior Executive Managing Director), Akira Matsumoto (Senior Corporate Managing Directors), Shigekazu Ohmoto (same as above), Sonoko Kitagawa (Senior Managing Director), Ichiro Morisawa (same as above), Kotaro Gunji (same as above), Masakazu Amamiya (Managing Directors, President & COO of NRI Digital, Ltd.), Fumihiko Kamio (Research Director)	

**Function for human resources**

Overview	Human Resources Development Committee
	The Committee deliberates on important issues concerning ability development and training of employees, based on instructions given by the President & CEO.
Committee Chair	
	Hironori Anzai, Senior Executive Managing Director, Member of the Board, Representative Director
Members	
	Kaga Yanagisawa (Senior Managing Director), Ken Ebato (Senior Executive Managing Director, Member of the Board), Shuji Tateno (Senior Executive Managing Director), Hajime Ueda (same as above), Shigeki Hayashi (same as above), Hiroshi Masutani (same as above), Tomoshiro Takemoto (same as above), Hirofumi Tatematsu (same as above), Fumihiko Sagano (same as above), Namiki Kubo (Senior Corporate Managing Director)

**Function for business development**

Overview	Business Development Committee
	The Committee deliberates on important issues concerning investments in research and development, planned businesses and investments, such as the acquisition of securities, based on instructions given by the President & CEO.
Committee Chair	
	Yoshihiko Sunaga, Senior Corporate Managing Director
Members	
	Shigeki Hayashi (Senior Executive Managing Director), Hiroshi Masutani (same as above), Takeshi Hihara (Senior Managing Director), Kaga Yanagisawa (same as above)

**Function for systems development**

Overview	Systems Development Committee
	The Committee deliberates on important issues concerning proposals and quotations to clients, as well as on their development and release of IT solution-related systems, based on instructions given by the President & CEO.
Committee Chair	
	Susumu Nishimoto, Senior Corporate Managing Director

**Function for disclosure**

Overview	Disclosure Committee
	The Committee deliberates on important issues concerning the disclosure of Annual Securities Report and other documents, based on instructions given by the President & CEO.
Committee Chair	
	Yoshihiko Sunaga, Senior Corporate Managing Director

**Function for crisis management**

Overview	<p>Crisis Management Committee</p> <p>The Committee will develop and support a prompt system in the event of a crisis such as natural disasters and infectious diseases, system failures, and information security failures, based on instructions given by the President &amp; CEO.</p>
Committee Chair	Hironori Anzai, Senior Executive Managing Director, Member of the Board, Representative Director
Members	<p>Susumu Nishimoto (Senior Corporate Managing Director), Kaga Yanagisawa (Senior Managing Director), Ken Ebato (Senior Executive Managing Director, Member of the Board), Shuji Tateno (Senior Executive Managing Director), Hajime Ueda (same as above), Shigeki Hayashi (same as above), Hiroshi Masutani (Senior Executive Managing Director), Tomoshiro Takemoto (same as above), Hiroshi Tatematsu (same as above), Fumihiko Sagano (same as above), Namiki Kubo (Senior Corporate Managing Director), Tohru Yasumaru (same as above), Yoshihiko Sunaga (same as above), Tetsuro Watanabe (same as above), Takeshi Hihara (Senior Managing Director)</p>

**Function for promotion of internal control**

Overview	<p>Business Promotion Committee</p> <p>The Committee involves administrative departments from the headquarters and management departments within business divisions and seeks to establish highly effective and efficient internal controls.</p>
Committee Chair	Yoshihiko Sunaga, Senior Corporate Managing Director

**Effectiveness of the Board of Directors**

Status of the Board of Directors	unit	FY2021
Number of board meetings held*	times	14
Attendance rate of Board of Directors	%	99
Term of office of directors	years	1
Average tenure of directors	years	2.7

\* Duration from the 56th Ordinary General Meeting of Shareholders, 18 June, 2021, to 57th Ordinary General Meeting of Shareholders, 17, June, 2022.

**Evaluations of the Board of Director's effectiveness**

**1. Evaluation process**

We evaluate the effectiveness of the Board of Directors via a series of five processes: (1) Evaluation preparations, (2) Evaluation, (3) Evaluation & Analysis, (4) Reporting/disclosure, and (5) Operational improvement. Regarding the evaluation in (2), we conduct a questionnaire for all Director and Independent Audit & Supervisory Board Members, and to understand more specific issues, exchange views with Independent Directors via discussion and individual interviews.

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graph LR
    A[1. Preparation] --> B[2. Evaluation]
    B --> C[3. Evaluation and Analysis]
    C --> D[4. Reporting and Disclosure]
    D --> E[5. Operational Improvement]
    E --> A
  
```

- 1. Preparation**
  - Study of evaluation methods
  - Design of questionnaire
- 2. Evaluation**
  - Respond to questionnaire
  - Opinion exchange and interviews
- 3. Evaluation and Analysis**
  - Identify issues
  - Study of measures
- 4. Reporting and Disclosure**
  - Reporting at Board Meetings
  - Disclosure
- 5. Operational Improvement**

**2. Review of the evaluation method for the current fiscal year**

In the evaluation preparations for (1), we had interviews with Outside Directors and Independent Audit & Supervisory Board Members in March 2022, and upon considering the questions and composition of the questionnaire based on the opinions received and the results of the questionnaire for the previous year, we changed the composition of the questionnaire to expand the section for written answers, in order to identify a wider range of issues. Based on the answers, we held discussions on effectiveness at Independent Director meetings, and exchanged further opinions on the views expressed by individual directors in the questionnaire. Based on these results, we conducted an analysis and evaluation at Board of Directors meetings and discussed issues from each evaluation perspective.

**3. Efforts to tackle issues identified in the previous fiscal year**

We conducted the following efforts for the various issues identified in the effectiveness evaluation of the previous fiscal year.

(1) Further improvement in the quality of discussion due to increased opportunities for providing information to Outside Directors and efforts made to improve such methods

- We started sharing Senior Management Committee materials and minutes to provide information regarding debate on the executive side.

(2) Promoting continuous debate on the composition and diversity of the Board of Directors

- Of the Directors whose term will expire in June 2022, we selected one female as a successor candidate for an Audit & Supervisory Board Member.

(3) Holding further debate on digital transformation and global business, which is a business strategy based on our Medium-Term Management Plan

- We debated our strategy in the North American and Australian markets and the status of specific globalization projects that accelerate the expansion of the fields of business we are involved in.

(4) Enriching debate on the role of group governance

- We categorized our group companies according to their strategic position, business characteristics, and risks, formulated a policy for pursuing a good balance of business promotion, governance, and internal control, and started creating the essentials for implementing governance.

(5) Enhancing debate on future risks due to changes in the business environment and the promotion of our strategies

- We debated the risks facing the company in regard to our next long-term management vision.

#### 4. Overview of evaluation results

The Board of Directors determined that its effectiveness is generally maintained and that its administration is being steadily improved. An overview of evaluation results is indicated below.

##### a. Structure/status of Board of Directors

- A good balance of both inside executive/non-executive directors and Independent Directors with diverse specialized knowledge and experience is maintained, and a system for ensuring appropriate decision making and supervision is provided.

We recognized the necessity of continuously debating the composition and diversity of the Board of Directors based on the future business situation and our management strategy.

- Constructive discussions and the exchange of opinions are carried out by the entire Board of Directors, including active opinions and recommendations from Outside Directors. We expect a further improvement in the quality of discussion due to efforts made to improve the methods for providing information to Outside Directors and further clarification of the points of discussion found in meeting materials.

##### b. Assistance for Directors

- Outside Directors have opportunities for obtaining the required information by receiving explanations from the executive side where required, such as participation in the management strategy meetings of the NRI Group.

- In order to further stimulate discussion at the Board of Directors meetings, it is desirable to provide opportunities for the free and open exchange of opinions between Outside Directors themselves and between Outside Directors and Executive Directors.

##### c. Management strategy

- Debate regarding the key Medium-Term Management Plan theme of digital transformation and global business and the exchange of opinions regarding the formulation of our next vision and Medium-Term Management Plan are being conducted continuously and appropriately.

- The strengthening of human resource management and the allocation of resources are the foundation of growth, and it is desirable that we further enrich debate on these topics.

##### d. Internal control, risk management, and group governance

- Active debate and exchange of opinions is performed regarding group governance, and the status and issues facing company-wide efforts are appropriately shared.

With the increase in Group Companies, we recognized the importance of continuing debate on enhancing governance while clarifying the basic rules on governance and confirming that the essentials of the basic rules are being implemented and that overseas Group Companies are making progress with such initiatives.

- Internal control and risk management are for the most part functioning effectively and being reported on appropriately. It is desirable to further strengthen the internal control and risk management at Group companies via detailed inspections and other efforts.

- With the rise in geopolitical risks, it is desirable to enrich debate on relevant countermeasures.

##### e. Committees

- In regard to the Nomination Committee and Compensation Committee, discussions and the exchange of opinions on the succession plan for the president, Director candidate selection and cultivation process, and method for determining Director compensation are carried out appropriately and the committees are functioning effectively, despite being voluntary.

Based on the above analysis and evaluation, we will continuously aim to improve the effectiveness of the Board of Directors.

## ▶ Executive compensation

Executive compensation amounts	No. of eligible individuals (person)	unit	Total compensation	Basic compensation	Performance-linked compensation		Other
					Bonus	Restricted stock-based compensation	
Members of the Board	12	millions of yen	738	264	205	265	2
Outside Members of the Board	4	millions of yen	43	43	–	–	–
Audit & Supervisory Board Member	6	millions of yen	181	111	51	16	1
Outside Audit & Supervisory Board Member	4	millions of yen	70	53	17	–	0

Notes:

1. The above includes three auditor who retired at the end of the 56nd Ordinary General Meeting of Shareholders held on 18 June 2021.
2. "Other" refers to contributions to the defined contribution pension plan and insurance premiums for casualty insurance.

Compensation amounts for each executive		Official position	unit	Total compensation	Basic compensation	Performance-linked compensation		Other
Name						Bonus	Restricted stock-based compensation	
Shingo Konomoto	President & CEO, Chairman, Member of the Board, Representative Director	millions of yen	178	53	52	71	0	
Yasuo Fukami	Members of the Board	millions of yen	105	34	26	44	0	

Note : Limited to those whose total amount of consolidated compensation is JPY 100 million or more.

**Policy for determining the amount of compensation for Members of the Board or the calculation method**

The maximum compensation total for Members of the Board: 1,000 millions of yen per annum (Although, this shall not include employee salaries of Members of the Board who concurrently serve as employees). Based on the Plan, the compensation provided for granting restricted stock to Eligible Members of the Board shall take the form of monetary compensation claims, Stock-based compensation as long-term incentives: within the limit of 120 million yen per annum, stock-based compensation as medium-term incentives: within the limit of 280 million yen per annum, and total of not more than 400 million yen per annum.

To improve transparency of directors' compensation and others, NRI has established the Compensation Committee, comprised mainly of Independent Directors, as an advisory body to the Board of Directors. The committee deliberates on the system and standards of executive compensation from the standpoint of fairness and transparency. Using the results of the committee's inquiries, the Board of Directors sets policies for the determination of compensation for Members of the Board and other matters.

The compensation system for Members of the Board is based on executive position, but in the interest of enhancing business results, the system emphasizes connections to business performance. The standards employed by the system have been set with reference to market standards and trends and other factors, with the goal of establishing standards appropriate for a leading company in the information services industry.

a. Director compensation policy

- i. We will secure incentives that will motivate the achievement of mid- to long-term management goals in order to achieve a sustainable increase in corporate value with a highly performance-based compensation system.
- ii. Meet the standards required for a leading company in the information service industry.

b. Composition of compensation for directors

Compensation for directors (excluding outside directors) is a system system based on job title, and consists of basic compensation, bonuses, and stock-related compensation (hereinafter referred to as "compensation elements"). Considering the role of supervision and advice for the management of the Group based on an objective standpoint, only basic compensation will be paid to outside directors. In order to establish a highly performance-based compensation system, emphasis is placed on bonuses<sup>\*1</sup> and stock-related compensation<sup>\*2</sup>. The composition ratio of compensation elements will be linked to the consolidated performance of bonuses for a single year and stock-related compensation depending on the stock price at the time of grant. The approximate ratio of the components of compensation to directors, etc. in FY2020 is 2.2 for performance-linked compensation because the bonus is 0.7 and the stock-linked compensation is 1.5 when the fixed compensation (basic compensation) is 1.

(Fixed compensation) Basic compensation 【1】	(Performance-based compensation) 【2.5】	
	(Short-term performance-based compensation) Bonus 【0.9】	(Medium- to long-term performance-based compensation) Stock-related compensation 【1.6】

\* 1. Calculated as the average value of directors (excluding outside directors, retired directors, and incumbent directors) for the FY2021.

\* 2. Stock-related compensation uses the total amount of monetary compensation receivables that are invested in kind in exchange for restricted stock.

( I ) Basic compensation (Fixed compensation)

It is composed of a salary as a compensation according to the career and work history of each director, and a role-based salary based on the position and duties of each director during the term of office, and is paid as a fixed compensation for the performance of duties.

The basic compensation for each Member of the Board is decided by the Board of Directors according to the results of the Compensation Committee inquiries, based on the policy for determining compensation, etc. for Members of the Board.

( II ) Bonus

Members of the Board bonuses are positioned as short-term incentive compensation for achieving medium- to long-term management goals. Operating profit and current profit (current profit attributable to owners of parent), which are the performance indicators that we place the most importance on, are linked to performance index increase/decrease rate to decide the rate of change in Member of the Board bonuses from the previous year. The specific calculation method is indicated below.

The bonuses for each Member of the Board are decided by the Board of Directors according to the results of the Compensation Committee inquiries.

$$\begin{array}{c}
 \boxed{\text{Amount of bonus payment for each director}} = \boxed{\text{Base year bonus } (\alpha)} \times \left[ 1 + \boxed{\text{Change rate of performance indicators } (\beta)} \right] \times \boxed{\text{Position points } (\gamma)} \\
 \leftarrow \text{Varies from 0\% to 200\%} \rightarrow
 \end{array}$$

(α) Base year bonus

The amount of bonus paid by the president in the previous year.

(β) Change rate of performance indicators

The final change rate of performance indicators is decided by the Board of Directors according to the results of the Compensation Committee inquiries.

The values of performance indicators for this fiscal year used to calculate the change rate of performance indicators are as follows, and the performance index increase/decrease rate to decide the rate of change in Member of the Board bonuses for this fiscal year calculated using the evaluation weights for each performance index was +25.0%. We have applied the International Financial Reporting Standards (IFRS) since FY2020. A certain amount of adjustment has been performed on the operating profit for the comparison year of FY2020 because the operating profit for that year included temporary factors causing variation in performance.

Performance indicator (Japanese standard)	FY2020	FY2021	YoY change	Evaluation Weight
Operating Profit	86.5 billion yen	106.2 billion yen	21.4%	75.0%
Profit attributable to owners of parent	52.9 billion yen	71.4 billion yen	35.1%	25.0%

Note : The operating profit increase/decrease rate without the above adjustment for temporary factors causing variation in performance was 31.5%.

- (γ) Position points  
President and CEO set to 1.0, and other directors set points based on each position.

(III) Stock-related compensation (Stock compensation with transfer restrictions)

There are the following two types of restricted stock compensation for directors, excluding outside directors, for the purpose of providing medium- to long-term incentives for the sustainable improvement of our corporate value and promoting value sharing with shareholders. Note that, based on the Stock Ownership Guidelines for Executive Officers, Members of the Board except for Outside Directors are expected to hold more than a certain number of shares of NRI's stock, in accordance with their respective positions.

Type	Transfer restriction period
Long-term incentive stock compensation	From the date of allocation until the retirement of officers of the Company or its subsidiaries
Medium-term incentive stock compensation	3 to 5 years from the date of allocation

**c. Clawback system, etc.**

We have adopted a system (clawback system) that enables us to request bonuses to be repaid in full or in part if the values in the financial report that was used to calculate the bonuses paid over the past three years are revised. The restricted stock allocation contract contains a provision (malus provision) that enables all stock granted by the company to be reclaimed free-of-charge if the recipients of restricted stock in the restricted stock compensation plan have violated the law or the company rules, etc. or deemed to have done so by the Board of Directors.

**d. Decision process for Member of the Board compensation, etc.**

In regard to Member of the Board compensation, the Compensation Committee, an advisory committee for the Board of Directors made up mostly of Independent Directors, conducts inquiries on matters such as the system, level, determination policy and procedure for compensation and individual compensation, and the Board of Directors makes decisions on the policy for determining Member of the Board compensation and individual compensation based on the results of those inquiries.

\*From fiscal year 2023 (from April 2023), a system has been introduced to take into account the status of initiatives for sustainability indicators, including GHG reduction and human capital expansion, in determining medium-term equity compensation for directors and executive officers.

CEO to employees pay ratio	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Compensation of the President & CEO	millions of yen	113	115	131	149	178
Ratio of compensation	ratio	9.7	9.4	10.6	12.2	14.4

## ▶ Executive stock ownership requirements

### Guidelines of Executive stock ownership

Based on the Stock Ownership Guidelines for Executive Officers, Members of the Board (Excluding outside directors. The same applies hereinafter.) are expected to hold more than a certain number of NRI shares, in accordance with their respective positions. More specifically, it is stipulated that they must hold at least three times the number of shares with restriction on transfer granted in a single year.

In the fiscal year ended March, 2022, shares with restriction on transfer equivalent to approximately 1.7 times the basic remuneration (based on the fair value of the NRI shares at the time of granting) were granted to each Member of the Board, which equates to each Member of the Board having shares equivalent to approximately 5.1 times the basic remuneration, when based on the fair value of the shares. As of the end of March 2022, Chairman and President & CEO Shingo Konomoto has NRI shares equivalent to approximately 18 times the basic remuneration (based on the fair value of NRI shares on the same day) and Members of the Board (excluding external Members of the Board) have average NRI shares equivalent to 13 times the basic remuneration.

■ Risk Management - Management Approach

G02M

Material issues of NRI related to this management approach

It is related to all materiality of 15, but in particular "Risk / crisis management"

NRI's approach to material issues

The NRI Group defines the possibility of detriment to the Group's capital due to an unforeseen circumstance that occurs in business operations, or something that prevents the preservation or improvement of enterprise value due to a phenomenon that hinders business operations as business operational risk.

These risks conform to the ERM framework (COSO Enterprise Risk Management-Integrated Framework) developed by the USA's COSO (The Committee of Sponsoring Organizations of the Treadway Commission), divided into the 11 categories of management strategy risk, business continuity risk, compliance risk, information security risk, systems impairment risk, project management risk, external outsourcing / procurement risk, subsidiaries / affiliate company risk, business resource risk, information disclosure risk, and reputational risk, and are subject to integrated management.

In recent years, we recognize that the response to risks of social issues such as climate change or human rights will have a major impact on the sustainable growth of the company over the medium to long term. The NRI Group will also respond to these ESG risks within the integrated risk management framework.

The NRI Group has appointed a Risk Management Director and established a Risk Management Supervisory Bureau in order to establish an internal controls system and aim for continual improvement. Furthermore, at the direction of the President & CEO, the Integrated Risk Management Committee has been established and conducts appropriate inspections of the status of the entire company's internal controls.

The Integrated Risk Management Committee reports several times a year to the Board of Directors. Supervisory bureaus have been established for each of the main risks that accompany business activities, and when necessary, deliberations take place at specialist meetings, with the supervisory bureaus taking measures for appropriate responses in collaboration with business departments.

Priority activities / Medium- to long-term targets

NRI annually inspects and assesses risk for the entire company, based on results from a company-wide monitoring of compliance with regulations as well as from internal audits, after which management sets priority themes to be tackled.

We strive to reinforce our business continuity plan (BCP) and disaster recovery (DR) measures by regularly monitoring risk countermeasures required for business continuity, targeting significant business and service lines.

[Priority themes for FY2022]

- (1) Continue proper management quality risks
- (2) Further strengthen the management of project risks
- (3) Improve the management preparedness of information security
- (4) Establish internal control system for the NRI Group
- (5) Create comfortable working environment
- (6) Improve the quality of our labor environment that adapts to diverse workstyles

## Progress / Achievements / Challenges

The items and results of the priority themes of the Integrated Risk Management Council for the FY2021.

- (1) Continue proper management quality risks  
Refresh knowledge on basic operations, level-up enhanced work knowledge, and continue training for shortening recovery time via meetings for eliminating system trouble, including at Group companies.
- (2) Further strengthen the management of project risks.  
Investigate, rectify, and enhance the security settings of public cloud services to prepare against threats such as cyberattacks and unauthorized access.
- (3) Improve the management preparedness of information security  
Continue system assessment in line with the increasing number of high-risk projects at Group companies and the continuing high number of projects.
- (4) Develop governance systems suitable to increasing globalization  
Create and maintain "operating procedures" that define the concepts of the parent company's contribution and support for Group companies and the operations performed at those companies
- (5) Appropriate preparations for fulfilling our business continuity responsibility  
Continue COVID-19 countermeasures, ensure business continuity, and make preparations by conducting CP reviews, etc. Challenges responding to geopolitical risks
- (6) Providing an environment that makes it easy-to-work  
Establish a system for responding to new workstyles. Aim to improve quality by establishing operation, ensuring compliance at Group companies, and handling communication problems

Link Files	<p>Basic policy for building an internal control system (In Japanese only)  <a href="https://www.nri.com/jp/company/internal">https://www.nri.com/jp/company/internal</a></p> <p>Business and Other Risks  <a href="https://www.nri.com/en/company/risk">https://www.nri.com/en/company/risk</a></p>
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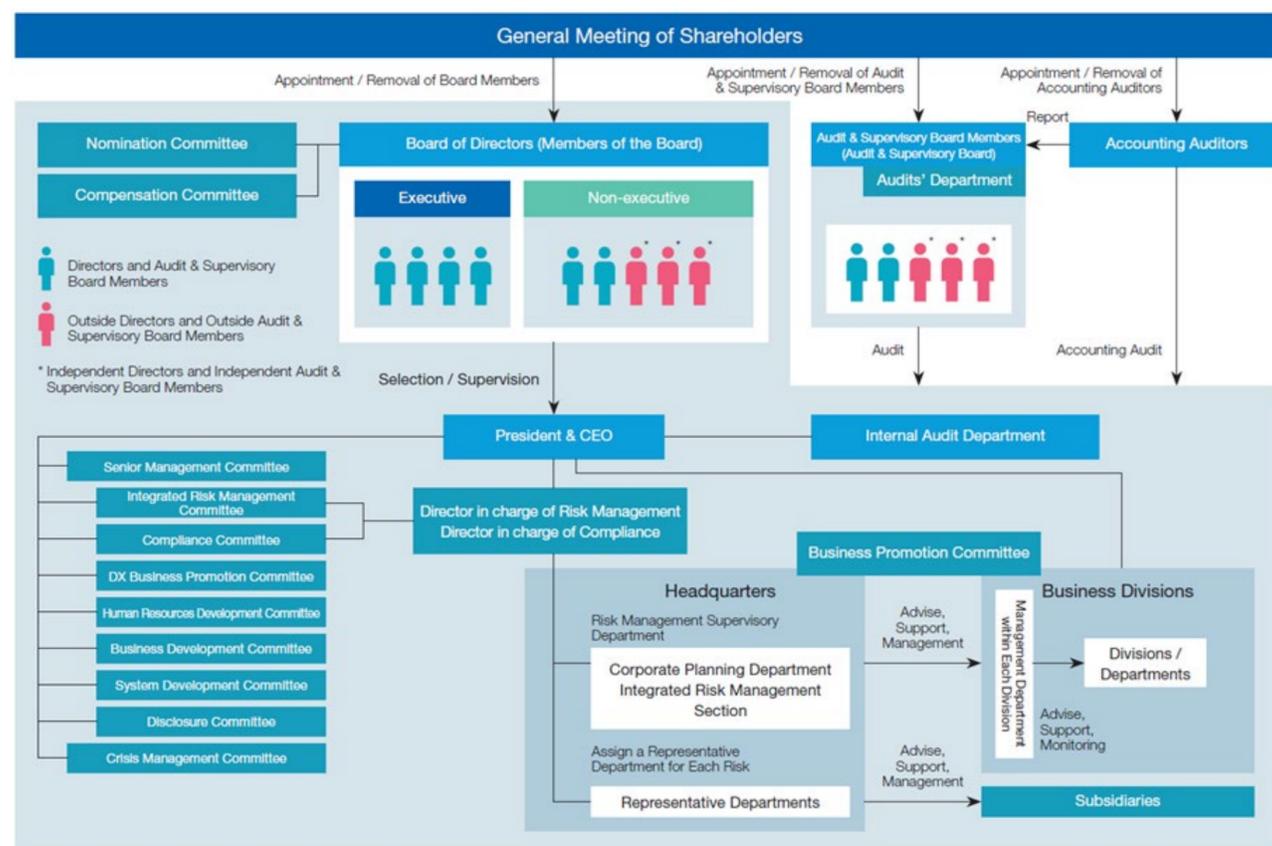
► Risk management system

Risk management system

NRI has established a basic policy for building an internal control system, while appointing a director in charge of risk management and setting up a department for supervising risk management. Furthermore, the Integrated Risk Management Committee has been established and conducts appropriate inspections of the status of the entire company's internal controls. With regard to the main risks associated with business activities, we have established departments in charge of each risk, deliberate as necessary at expert meetings, and take appropriate measures in cooperation with the departments in charge. An internal audit department (20 employees) under the direct control of the president audits the effectiveness of the risk management system, the compliance system, and the system for streamlining the efficiency of directors' execution of duties. The audit results are reported to the president and other directors, and when corrections or improvements are needed, the Risk Management Division, the representative department, and the business divisions work together to make improvements. In addition, the internal audit department cooperates with the accounting auditor to regularly exchange opinions on the implementation plans and results of internal audits.

[Corporate governance structure]

[As of June 17, 2022]



Officer in charge

Responsibility for risk management

Hidenori Anzai

Senior Executive Managing Director in charge of Supervising of Corporate Administration\*, Representative Director, Member of the Board

\* Including risk management and compliance.

Responsibility for monitoring and auditing risk management performance

Norihiro Suzuki

General Manager of the Internal Audit Department

■ Risk Management - Data

G02D

Responsible committee	Integrated Risk Management Committee
Independence of risk management function and involvement of the Board of Directors	<p>In order to achieve overall optimization of risk management, a resolution of the board of directors established rules for risk management for the entire NRI Group, and has appointed a director in charge of risk management and setting up a department for supervising risk management.</p> <p>In addition, an Integrated Risk Management Committee has been established in order to deliberate on important matters related to risk management in the NRI Group based on the instructions of the President &amp; CEO.</p>

▶ Risk assessment

Risk assessment measures	
	<p>The NRI Group has established, based on the instructions of the President &amp; CEO, an Integrated Risk Management Committee to deliberate important matters related to risk management.</p> <p>The Integrated Risk Management Committee monitors the major risks at the NRI Group, and after comprehensive analysis, classifies them as either medium to long-term risks or short-term risks.</p> <p>The risks are then managed by comprehensively taking into account the importance of each risk and setting priority risk topics every year.</p> <p>The risk assessments and monitoring details are reported and presented to the board of directors several times a year.</p> <p>Furthermore, we regularly provide trainings about the risk management including the industry specific risks to directors.</p>
Risk items subject to risk management	<ul style="list-style-type: none"> <li>Strategy risk</li> <li>Business continuity risk</li> <li>Compliance risk</li> <li>Information security risk</li> <li>Systems impairment risk</li> <li>Project management risk</li> <li>External outsourcing / procurement risk</li> <li>Subsidiaries / affiliate company risk</li> <li>Business resource risk</li> <li>Information disclosure risk</li> <li>Reputational risk</li> </ul>

Link Files	<p>Internal Controls, Corporate Ethics and Compliance  <a href="https://ir.nri.com/en/ir/library/report/main/013/teaserItems1/01/link/ar2022_e_print.pdf#page=118">https://ir.nri.com/en/ir/library/report/main/013/teaserItems1/01/link/ar2022_e_print.pdf#page=118</a></p> <p>Business and Other Risks  <a href="https://www.nri.com/en/company/risk">https://www.nri.com/en/company/risk</a></p>
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▶ Long-term risk

Long-term risk 1

Business impacts	<p>M&amp;A associated risk: ESG risks of a company that NRI acquires.</p> <p>Moving ahead with global business is stated as one of the goals in the Medium-term Management Plan of NRI, indicating that M&amp;A in overseas business will become active more than ever. Review of business risks and financial risks will be duly conducted prior to the acquisition, however if any long-term potential ESG risks that cannot be recognized at the time of acquisition emerge, that would cause reputation damage and negative impact to the business continuity of NRI.</p>
Mitigating actions	<p>Prior to actual M&amp;A, ESG risk related due diligence is conducted including environmental and human rights risk, in addition to due diligence for financial risks and legal risks. Also, after acquisitions, in order to enhance corporate governance, we provide principle-based education including dissemination of the NRI Group business philosophy to the management and employees of the acquired company.</p>

Long-term risk 2

Business impacts	<p>The climate change risks associated with CO2 emission by electricity use of the Data Centers</p> <p>Greenhouse gas emissions from electricity usage at NRI's five data centers account for about 70% of the NRI Group's total emissions. Along with rapidly proceeding international consensus on climate change, there is a risk of increase in operation costs of data centers that emit large amounts of green house gases due to introduction of new regulations and tax systems such as the carbon tax.</p>
Mitigating actions	<p>We are working to reduce power consumption and greenhouse gas emissions by raising the environmental performance of data centers to the top level in the world. All data centers have acquired ISO14001 certification and improve environmental management level continuously by using a PDCA cycle. In FY2021, we switched the power used by the three largest of the five data centers owned by NRI (Tokyo Data Center I, Yokohama Data Center II, and Osaka Data Center II) to renewable energy. This means that we are expected to achieve, ahead of schedule, our target of 70% renewable energy at NRI Group data centers by FY2030, which was formulated in February 2021. By continuing to increase our rate of renewable energy, we will respond to the transition risk of climate change.</p>

## ▶ Response to risk

**Integrated risk management structure**

NRI divides risk into three categories: 1) Company-wide risks; 2) Business activity risks; and 3) Disaster or accident-related risks. We have developed a risk management structure for each type of risk, working closely together as an organization to conduct integrated risk management.

Periodically we perform assessments of this risk management structure, making improvements when necessary.

We have instituted business continuity and disaster recovery plans especially for those businesses and services which may have a significant impact on society.

**Response plans for large-scale disasters, accidents and incidents, and epidemics**

In the event of a disaster or accident, we will ensure the safety of group employees, protect important information systems and information assets of our customers, and strive to continue operations.

In preparation for large-scale natural disasters, infectious diseases and contingencies of the NRI Group, the risk management department and related risk departments work together to consider preventive measures as necessary.

Their work also includes examining preventive action plans.

On the intranet, we post an emergency action guideline and a contact system to ensure thorough internal awareness.

In addition, we carry out drills every year for quick response by utilizing the "Emergency Safety Confirmation System" that allows us to confirm the safety and attendance status in case of a disaster by e-mail or telephone.

In order to decrease the ratio of work at the office due to COVID-19 and ensure that work can continue in the event of a large-scale natural disaster where it is not possible to go to the office, we have built a crisis handling system compatible with working from home and are continuously reviewing our business continuity plan.

**Crisis management**

We have created an "emergency response plan" that summarizes the basic response system and procedures for emergency situations.

In the event of a natural disaster such as a large-scale earthquake, the spread of infectious diseases, large-scale system failure, information security failure, etc., we will establish a company-wide crisis management system at an early stage and consider measures in cooperation with our customers.

For large-scale system failures and information security failures, we will implement measures such as failure recovery, investigation of causes, disclosure of information, and consideration of recurrence prevention measures, while taking into account the status of the failure.

▶ Emerging risks

Emerging Risks 1	
Content of risk	<p>Human rights risks in system development using artificial intelligence(AI)</p> <p>In the future, NRI will increase contract development of system using AI. Our clients include financial institutions or retail companies, and it is expected that AI will be used for credit scoring, targeting advertising, and direct marketing by profiling. There will be concerns about the negative impacts on personal information protection or right to privacy, and the occurrence of discrimination or social exclusion by using AI.</p>
Business impact	<p>Advances in AI technology will increase the demand for building business strategic systems which will possibly increase our sales.</p> <p>On the other hand, these advances in AI technology and related strategic systems demand will cause social issues related personal information protection, right to privacy, discrimination, social exclusion, etc. which may damage our reputation and reduce our sales.</p>
Measures	<p>We need to establish processes and regimes that enable the development of reliable and high quality AI systems.</p> <p>We aim to develop technology for high-quality AI that secures reliability, privacy, security, and dependability by ensuring fairness, accountability, transparency, etc., and establish operation standards and systems.</p> <p>NRI formulated the "AI Ethics Guideline" in FY2019, which summarizes the ideas and guidelines for developing and utilizing AI while referring to international principles such as The OECD AI Principles and Ethics guidelines for trustworthy AI.</p> <p>Going forward, we will continue to study and develop a system within the company so that the ideas expressed in these guidelines can be appropriately reflected in NRI Group activities.</p>

Emerging Risks 2

	<p>Risk of cyber-attacks by the government's digital transformation</p>
<p>Content of risk</p>	<p>NRI operates important infrastructure that supports society, such as finance and distribution infrastructure, and we hold information assets received from our clients and business partners, in addition to our own information assets.</p> <p>As an private sector enabler of digital government policies, which in Japan have fallen behind other places such as Denmark and Taiwan, we strive to realize and popularize services that support an autonomous and sustainable digital society, while building a foundation for cooperation between government and the private sector. We provide various services related to national identification number cards that are essential for creating a digital society, such as the "e-BANGO" national identification number management service and the "e-NINSHO" personal identification service.</p> <p>The government plans to expand penetration of national identification number cards to 100% by the end of FY2022. Because the cards will expand to include information on family structure, assets, medical records, public allowances, and so forth, it is expected that companies involved in digital government, including national identification number cards, will become targets of more advanced and sophisticated cyber-attacks in the future.</p>
<p>Business impact</p>	<p>NRI works on various types of digital transformation (DX) including the digitization of government services, including national identification number cards, which have become an important type of social infrastructure in Japan. As a company in charge of system development related to important information assets, we require more advanced security measures than ever before.</p> <p>Although promotion of the DX business can create a more convenient society, the collection of data across different companies and industries, IoT, and cloud services entail increased risk of cyber-attacks. Companies involved in system development and operation such as NRI will hold a greater responsibility than before and be required to maintain secure systems while keeping an eye on the latest trends. Even one instance of a cyber-attack on a client company will damage our reputation as a system development company.</p>
<p>Measures</p>	<p>NRI has appointed a Chief Information Security Officer and appoints personnel in charge of and responsible for information security in all business divisions and group companies, which enable rapid and accurate responses to emergencies, such as information security failures and cyber-attacks.</p> <p>The NRI Group also includes NRI Secure, a company that focuses on security, which provides one of the few security monitoring services in Japan. We have a regional headquarters in California, which is known for cybersecurity technologies, and have established a system that enables us to keep track of cutting-edge security technologies. Our employees include "white hat hackers" (ethical hackers) that have won global hacking competitions, and they utilize their expertise to reduce security risks in the system development conducted throughout the entire NRI Group.</p> <p>In April 2022, NRI Secure, together with other companies with a wide range of knowledge in the field of cybersecurity, established a membership organization called the Cyber Security Initiative for Japan, in order to support countermeasures for the cybersecurity risks faced by companies in Japan.</p>

<p>Link Files</p>	<p>NRI Secure Technologies, Ltd.  <a href="https://www.nri-secure.com/">https://www.nri-secure.com/</a></p> <p>LAC, NRI SecureTechnologies, and GSX jointly establish the "Cyber Security Initiative for Japan". (In Japanese only)  <a href="https://www.nri.com/-/media/Corporate/jp/Files/PDF/news/newsrelease/cc/2022/220412_1.pdf">https://www.nri.com/-/media/Corporate/jp/Files/PDF/news/newsrelease/cc/2022/220412_1.pdf</a></p> <p>Integrated Report (Annual Report)2021 P.52  <a href="https://ir.nri.com/en/ir/library/report/main/010/teaserItems1/00/link/AR2021_e_print.pdf#page=28">https://ir.nri.com/en/ir/library/report/main/010/teaserItems1/00/link/AR2021_e_print.pdf#page=28</a></p>
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## ▶ Risk culture

**Training and awareness on risk management**

We conduct training for each hierarchy level, educate all employees via e-learning, and raise awareness through compliance-awareness surveys.

**Evaluation and financial incentives**

An oversight department is established for each of the risks associated with business activities, and the results of risk management are directly reflected in the performance evaluations of the heads of the oversight departments. Other risks\*<sup>1</sup> may be reflected in the evaluation for the head of a department, depending on whether they are responsible for the risk.

Furthermore, in regard to human rights and labor risks\*<sup>2</sup> for employees supervised by those in management positions, the same is directly reflected in performance evaluations as the results of managerial risk management.

\*1 Compliance risks, human rights and labor risks related to employees, etc.

\*2 Health and safety, extended work periods, discrimination and harassment, etc.

**Finding and reporting of potential risk by employees**

When an employee of a NRI group found all risk including an incident on the law breaking and the information securities, it's required to report it to a risk supervision department based on a usual report line and also it's required that a risk supervision section concerned will report it to a risk management charge official.

We have established an external-service hotline (attorney's office) for the purpose of discovering and correcting any risks, including illegal activities.

**Feedback process on potential risk**

Ability to respond to risk is raised by a business promotion committee's by holding in twice for each of every quarter of the year developing a risk case promptly for all fields also sharing information during a section. Eleven business promotion committee meetings were held in FY2021.

## ■ Compliance - Management Approach

G03M

### Material issues of NRI related to this management approach

It is the basis of all materiality of 15, but in particular "Prevention of overseas corruption"

### NRI's approach to material issues

With the expansion of the global economy, societal demands for companies to engage in fair and transparent business activities are becoming more and more relentless. In particular, laws and regulations are being strengthened worldwide for issues that transcend borders and have a large social impact, such as anti-corruption, unfair competition, and tax compliance. The NRI Group aims to expand its global-related business in its "Vision2022" medium-term management plan, and will strengthen its global compliance system, prioritizing thorough compliance with laws and regulations above all else. Furthermore, we recognize that it is the premise of sustainable business activities to not only comply with laws and regulations, but also act in accordance with international social norms.

### Priority activities / Medium- to long-term targets

NRI respects and practices the spirit of the Charter of Corporate Behavior as a member of the Keidanren (Japan Business Federation). The NRI Group has established the "NRI Group's Code of Business Principles" and the "NRI Group Employees' Code of Business Conduct" as standards for all directors and employees to comply with. Furthermore we established "NRI Group Policy on Human Rights," "NRI Group AI Ethics Guidelines," "NRI Group Anti-Bribery Policy," "NRI Group Competition Law Compliance Policy," and "NRI Group Global Tax Policy" to strengthen global compliance.

► Compliance policy

<p>Compliance policy</p>	<p>The NRI Group is sincere in its observation of ethics and laws and regulations, and strives to ensure thorough compliance. we have also formulated a policy on the prohibition of bribery and compliance with antitrust laws.</p> <p>The "NRI Group Employees' Code of Business Conduct," which was established to realize the "Corporate Philosophy" and the "NRI Group's Code of Business Principles," establish that "employees shall not have any relationship whatsoever with antisocial forces, such as violent organizations, nor with any individual or groups engaging in criminal activity."</p> <p>Furthermore, by establishing a mechanism for the proper processing of reports concerning organizational or personal violation of laws and regulations from persons engaged in the NRI Group's business (including not only company employees, but also employees of partner companies), we will aim for prompt detection and rectification of such misconduct, thereby strengthening compliance management.</p> <p>In addition, NRI Group has a policy on human rights, AI ethics, anti-bribery, competition law compliance, and tax.</p>
<p>Applicable scope</p>	<p>All directors, officers and employees of NRI Group</p>
<p>References</p>	<p>Corporate Philosophy  <a href="https://www.nri.com/en/company/c_philosophy">https://www.nri.com/en/company/c_philosophy</a></p> <p>NRI Group's Code of Business Principles  <a href="https://www.nri.com/en/company/company_code">https://www.nri.com/en/company/company_code</a></p> <p>NRI Group Employees' Code of Business Conduct  <a href="https://www.nri.com/en/company/business_code">https://www.nri.com/en/company/business_code</a></p> <p>NRI Group approach to compliance  <a href="https://www.nri.com/en/sustainability/social/policies">https://www.nri.com/en/sustainability/social/policies</a></p>

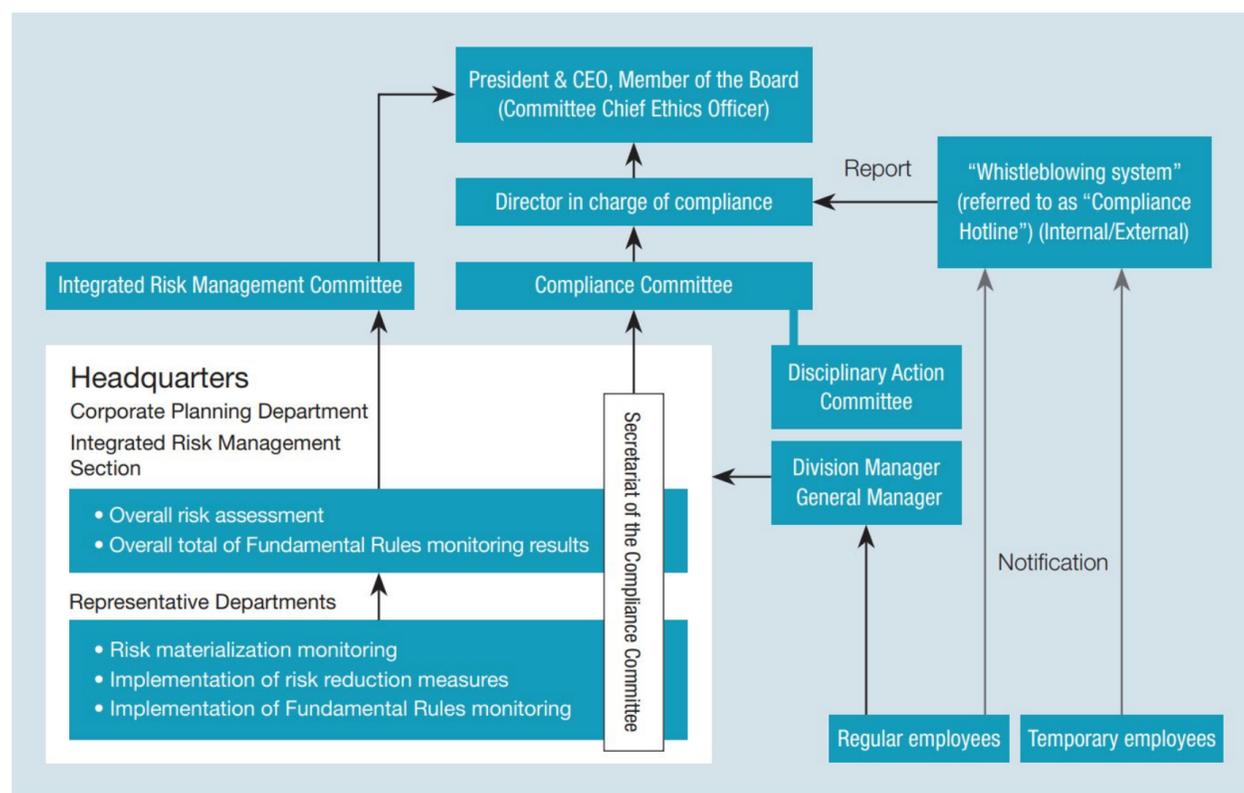
► Compliance system

Compliance system of the NRI Group

To secure effectiveness of management in observation of ethics and compliance, in addition to the Chief Ethics Officer and a Director in charge of Compliance being assigned and a Compliance Committee being established and operated, its settlement and improvement in its effectiveness has been targeted by continuously conducting training and enlightenment activities.

In addition, a basic policy has been established for anti-social forces, not to have any relations, including business transactions, with them, with the representative department undertaking information gathering as well as management and response to prevent any transactions.

[Compliance system]



Officer in charge

Chief Ethics Officer : Shingo Konomoto  
President & CEO, Chairman, Member of the Board, Representative Director

Director in charge of Compliance : Hidenori Anzai  
Senior Executive Managing Director in charge of Supervising of Corporate Administration, Member of the Board, Representative Director

Responsible committee

Compliance Committee

Compliance hotlines

We have set up a number of reporting desks, including an external reporting desk (attorney's office), to provide for anonymous reporting and consultation relating to violations of laws and regulations. In addition, protections for whistleblowers are in place, including the prohibition of disadvantageous treatment such as dismissal or termination of contract based on said whistleblowing. Measures are taken in the event of such reports, including those for prompt handling after investigating the facts, and also those preventing any recurrence of the situation.

Third-party audit of compliance system

As part of the creation of an internal control audit report, the compliance system is audited annually by an auditing firm.

► Compliance situation

System of thorough compliance

Every year, management set important risks that should be prioritized the following year as "major themes" based on the results of company-wide monitoring of compliance with regulations and the results of internal audits, and the NRI Group is focusing on compliance with the rules.

The "major themes" are reflected in a booklet that is distributed to all employees of the NRI Group entitled "The NRI Group Rule Book: Fundamental Rules for Executive Officers and General Staff", which explains the nature of the rules and their legal basis, as well as providing examples.

The state of compliance with respect to the rules included in the booklet is regularly monitored, and if any issues are found, the head office organization and business divisions work together to make improvements.

Compliance awareness surveys for all NRI Group employees are conducted in principle every other year. In addition to training for each hierarchy level and executive training, confirmation testing relating to the "The NRI Group Rule Book: Fundamental Rules for Executive Officers and General Staff" is also carried out (in an e-learning format).

	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Completion Rate for Compliance Confirmation Testing*	%	–	–	97.9	–	97.8
Coverage				b-		b-
Collection Rate for Compliance Awareness Surveys*	%	–	–	–	82.5	–
Coverage					b-	
Numbers of Internal Reports/Consultations		2	4	3	4	3
Number of Harassment Consultations		–	–	–	–	31
Coverage		b-	b-	b-	b-	b-

\*Compliance confirmation testing was conducted in FY2021. Compliance awareness surveys were conducted in FY2020.

Breaches of laws and regulations

In FY2021, there were no compliance breaches including harassments related incidents, that had a significant impact on the management of the NRI Group.

In any case of a violation of regulations or compliance including harassment of any kind, NRI takes disciplinary measures including pay cuts and/or suspension of employment based on rules established by each Group company.

Depending on the case, the results are reflected in personnel assessment processes.

▶ Anti-corruption

Anti-bribery policy	
	<p>In order to pursue business fairly and in compliance with the laws and social norms, NRI Group will comply with the Japanese Unfair Competition Prevention Law, the US Foreign Corrupt Practices Act, the UK Bribery Act 2010, the Chinese Criminal laws on anti-bribery, and other applicable anti-bribery laws and regulations (hereinafter collectively called "anti-bribery laws and regulations").</p> <p>By preventing any acts of bribery and any acts that may be considered as bribery, NRI Group will maintain its reputation as a company that is trusted by the customers and the society.</p> <p>NRI Group has established the following code of conduct "NRI Group Anti-Bribery Policy", applicable to all directors, officers and employees of NRI Group.</p> <p>NRI Group requires its agents and partners to comply with such standards.</p> <p>In addition, through the "RULE BOOK: Cornerstone Rules of Executive Officers and Employees," distributed annual basis, NRI Group's global executives and employees are informed of the NRI Group Employees' Code of Business Conduct (eliminating inappropriate business, moderation in interactions, etc.) and individual rules (promoting appropriate interactions with public officials, preventing bribery, etc.).</p>
Applicable scope	All directors, officers and employees of NRI Group, and business partners.
Reference	<p>NRI Group Anti-Bribery Policy</p> <p><a href="https://www.nri.com/en/sustainability/social/policies#anticorruption">https://www.nri.com/en/sustainability/social/policies#anticorruption</a></p>

Breaches of anti-corruption	
	No cases of corruption and bribery or disputes were identified in FY 2021.

▶ Political contribution

Political contribution policy	
	<p>In the NRI Group Employees' Code of Business Conduct stated that "Employees shall not give political contributions and election campaign support to politicians, candidates and political body directly through their corporate activities".</p>
Applicable scope	All directors, officers and employees of NRI Group
Reference	<p>NRI Group Employees' Code of Business Conduct</p> <p><a href="https://www.nri.com/en/company/business_code">https://www.nri.com/en/company/business_code</a></p>

Political contribution amount	
	NRI group does not make political contributions.

▶ Fair competition

Fair competition policy	
	<p>In order to pursue fair competition, NRI Group will comply with the Japanese Anti-Monopoly Law, the Subcontract Proceeds Law and other Japanese Laws, the US Antitrust Law, the EU Competition Law, the Chinese Anti-Monopoly Law and other applicable competition laws and regulations.</p> <p>NRI Group has established the following code of conduct "NRI Group Competition Law Compliance Policy", applicable to all directors, officers and employees of NRI Group.</p> <p>NRI Group requires its agents and partners to comply with such standards.</p>
Applicable scope	All directors, officers and employees of NRI Group
Reference	<p>NRI Group Competition Law Compliance Policy</p> <p><a href="https://www.nri.com/en/sustainability/social/policies#antitrust">https://www.nri.com/en/sustainability/social/policies#antitrust</a></p>

■ Compliance - Data

G03D

Breaches of fair competition

Nothing applicable.

► Tax risk and compliance

Tax policy

The NRI Group's policy on taxation has been defined in the "NRI Group Global Tax Policy," and stipulates the basic policy, tax compliance, tax governance, tax risk control, tax planning, and relationship with tax authorities.

The NRI Group strives to achieve sustainable growth and enhance its medium to long-term corporate value while observing all applicable laws, regulations, social norms, and its own internal rules, and conducting its business in a fair and highly transparent manner. We are working to continuously enhance tax governance, such as establishing a tax system and developing transfer pricing policies in response to the expansion of our global business.

The NRI Group observes international tax rules and regulations as well as the tax laws of each country in which we operate, while considering the intended spirit of those laws and paying appropriate taxes in the appropriate jurisdictions where we operate based on the value which is created through our business activities.

This policy has been authorized by the executive in charge of finance at NRI.

Applicable scope

NRI Group

Reference

NRI Group Global Tax Policy

<https://www.nri.com/en/sustainability/social/policies#zeimu>

Tax governance

The NRI Group is working to enhance tax governance in order to properly manage tax risks and costs in the entire group.

NRI's CFO is responsible for NRI Group tax governance. The results of tax audits are reported to the management and corporate auditors, and important matters are reported to the Board of Directors.

We have established and operate the "NRI Group Transfer Pricing Policy" regarding transactions between NRI Group companies.

The transaction price between NRI group companies is set according to the arm's length price in accordance with the OECD Transfer Pricing Guidelines and the relevant transfer pricing policy.

Taxes paid by region

	unit	FY2019	FY2020	FY2021
Japan	100 millions of yen	163	332	211
(Ratio)	%	95.5	97.7	91.6
Rest of the world	100 millions of yen	7	7	19
(Ratio)	%	4.5	2.3	8.4
Total	100 millions of yen	170	339	230
	Coverage	a	a	a

Note: Tax paid are classified according to the amount of tax paid by each company in NRI Group.

■ Supply Chain Management - Management Approach

G04M

Material issues of NRI related to this management approach

"Dialogue with civil society" and "Show consideration for environments in our supply chain"

NRI's approach to material issues

The NRI Group believes that its business is built on collaboration with its business partners such as its external contractors and suppliers. For that reason, the NRI Group's basic policy is to build business relationships that comply with both the law and sound business practices, to the benefit of both parties. In order to maintain the services that it delivers that act as foundations for the society, it is essential that the NRI Group continues to have good relationships with its business partners, and to grow together as partners. To that end the NRI Group:

- Shares its management policies with its business partners.
- Provides information and opportunities for its business partners to grow together with the NRI Group.
- Provides rules and procedures to maintain a sound operating environment with its business partners, which it also monitors periodically.

Furthermore, in conducting business both in Japan and overseas, there are now strong demands for engagement with respect to a "responsible supply chain," and in addition to responsibility with respect to legal-compliance, product quality. And information-security aspects, there is a need to work together with our business partners to also tackle ESG issues such as environmental protection, proper labor practices, and respect for human rights, etc.

Accordingly, the practice of ESG procurement has been clearly stated in the "NRI Group Procurement Policy," we formulated the new NRI Group Business Partner Code of Conduct in April 2021, and we have shared our policy of observing laws, regulations and social norms while simultaneously engaging in procurement activities that are considerate of the environment and human rights, etc., and working together with our business partners in contributing to the creation of a sustainable society.

Priority activities / Medium- to long-term targets

As an environmental initiative, we are currently making progress with setting environmental targets in supply chains. For our business partners that correspond to Category 1 (Purchased Products/Services), Category 2 (Capital Goods), and Category 11 (Sold Products and Services) in Scope 3, which has a large impact on greenhouse gas emissions, we are also working to have them set targets for greenhouse gas emission reductions based on SBT standards. We ask our major business partners to agree to the NRI Group Business Partner Code of Conduct and conduct self-assessments, so that we can implement sustainable procurement throughout the entire supply chain. In FY2021, we received written agreements on the NRI Group Business Partner Code of Conduct from 243 business partners, which account for 82% of non-consolidated procurement costs. A self-assessment was also conducted at 14 companies.

Progress / Achievements / Challenges

NRI conducts "Sustainability study sessions" with business partners every year to prepare for the ESG activities that will be demanded of the entire supply chain in the future. At the meetings we share information and exchange opinions on ESG trends in domestic and foreign companies, as well as on the status of ESG activities of participating companies, including NRI. Above all, much time is devoted to human rights. In FY2021, 67 business partners participated. In FY2022, we plan to encourage active participation in "Sustainability study sessions" in order to continue dialogue and awareness-raising with business partners in order to achieve our supply chain goals.

## Supply chain management policy

Policy to apply to suppliers	
	<p>The NRI Group has, through its NRI Group Procurement Policy, made stipulations concerning partnership creation and fair selection with respect to business partners such as outside contractors and suppliers. Furthermore, in order to require business partners to take activities that take into consideration ESG (environmental, social, governance) factors, we have established an item "Practice of Sustainable Procurement" in our procurement policy.</p> <p>In April 2021, we formulated the new NRI Group Business Partner Code of Conduct and are promoting activities for achieving a sustainable future within our entire supply chain.</p>
Applicable scope	Directors, officers and employees of NRI Group, and business partners such as outside contractors and suppliers.
Reference	<p>NRI Group Procurement Policy  <a href="https://www.nri.com/en/company/partner">https://www.nri.com/en/company/partner</a></p> <p>NRI Group Business Partner Code of Conduct  <a href="https://www.nri.com/en/company/partner_code">https://www.nri.com/en/company/partner_code</a></p>

## Supply chain situation

Supplier overview																																				
	<p>The below are the NRI Group's two main kinds of business partners:</p> <p>(1) Partner companies (outside contractors)</p> <p>(2) Vendors (hardware suppliers)</p> <p>Speaking from the perspective of systems integration, the NRI Group accepts orders from clients (customer corporations) seeking the construction and operation of information systems. In such cases, the NRI Group takes charge of the upstream processes such as design, while the downstream processes are subcontracted to partner companies.</p> <p>There is no difference between the NRI Group and its partner companies, in the sense that they form a group of systems engineers.</p>																																			
	<table border="1"> <thead> <tr> <th></th> <th>unit</th> <th>FY2017</th> <th>FY2018</th> <th>FY2019</th> <th>FY2020</th> <th>FY2021</th> </tr> </thead> <tbody> <tr> <td>Number of Chinese partner companies</td> <td></td> <td>18</td> <td>18</td> <td>20</td> <td>19</td> <td>20</td> </tr> <tr> <td>Approx. no. of partner employee in Japan</td> <td>no. of person</td> <td>7,000</td> <td>7,000</td> <td>7,500</td> <td>7,000</td> <td>8,000</td> </tr> <tr> <td>Approx. no. of partner employee in China</td> <td>no. of person</td> <td>3,500</td> <td>4,000</td> <td>5,000</td> <td>5,000</td> <td>6,000</td> </tr> <tr> <td>Coverage</td> <td></td> <td>c</td> <td>c</td> <td>c</td> <td>c</td> <td>c</td> </tr> </tbody> </table>		unit	FY2017	FY2018	FY2019	FY2020	FY2021	Number of Chinese partner companies		18	18	20	19	20	Approx. no. of partner employee in Japan	no. of person	7,000	7,000	7,500	7,000	8,000	Approx. no. of partner employee in China	no. of person	3,500	4,000	5,000	5,000	6,000	Coverage		c	c	c	c	c
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Coverage		a	a	a	a	a																														

**Critical supplier**

We also sign “e-partnership” agreements with companies that possess particularly sophisticated operational knowhow and IT capabilities.  
 We work closely with these businesses on project management to ensure thoroughness in their information security management and to improve their levels of quality management, as well as to provide assistance with their human resources development.  
 As of March 31, 2022, we had 7 such e-partners in Japan and 7 in China.  
 In FY2008, we set up a system for certifying “extended e-partners” (“e-e partners”) in recognition of their ability to undertake enhancement service reforms for their company as a whole and not just for specific projects with us. As of March 31, 2022, we have 2 e-e partners in Japan.

	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of e-partners	Number of companies	13	13	15	14	14
Japan	Number of companies	8	8	8	7	7
China	Number of companies	5	5	7	7	7
Number of e-e partners	Number of companies	3	3	3	2	2
Japan	Number of companies	3	3	3	2	2
	Coverage	c	c	c	c	c

**Utilization of offshore development**

Our offshore partner companies now account for around 40% of the total number of operations we outsource for developing systems.  
 The NRI Group is proceeding to diversify its outsourcing destinations.  
 We are promoting nearshore development\*1 in Japan and offshore\*2 development in Southeast Asia as China Plus One.

\*1 Nearshore development: To outsource software development and system construction to a company or subsidiary in a remote area in Japan.

\*2 Offshoring: Outsourcing software development and systems development to companies and subsidiaries overseas.

**Supply chain risk assessment**

**Supply chain risk assessment measures**

Before consigning the development of any NRI system to a potential partner, we conduct a comprehensive assessment of the company, investigating among other matters its technological capabilities; the quality, delivery timeframes and cost of its products and/or services; its human resources and its organizational structure; its financial position; and its measures on compliance and information security management.  
 With a potential overseas partner in addition we conduct such investigations as are required by law, for example under the Foreign Exchange and Foreign Trade Act.  
 Regarding information security, to ensure that our partner companies provide the same level of security as NRI do, NRI requires them to sign confidentiality agreements and memoranda on the handling of personal information.  
 In addition, NRI requests that they comply with its Security Guidelines, and also conducts regular checks on these companies by performing assessments of all aspects of their management of security and privacy.  
 We have also provided hands-on training in dealing with phishing emails for those of their employees who are engaged full-time on security issues.

**Supply chain risk assessment results**

After evaluating risk in the supply chain, the NRI Group believes that there are the following two risks with respect to partner companies:

**1. Good business relationships with subcontractors**

In the fiscal year ended 31st March, 2022, our subcontractors were responsible for about 50% of NRI's actual production. It is essential to secure top-level subcontractors and maintain a good business relationship with them in order to carry out the NRI group's operation.

At the NRI group, we strive to secure superior subcontracting business partners by performing corporate screening regularly and searching for new collaborating business partners both domestically and overseas.

Furthermore, we are conducting activities to raise productivity and quality, including activities with subcontracting partners, through such measures as sharing of project risks with e-Partner Contracts, a contracted business partner with high levels of specialized business expertise, and demands for greater security and thorough information management on the part of subcontracting partners.

Our subcontracting partners are not only in Japan, but also in various overseas locations, including China. Currently, Chinese companies account for about 20% of subcontracting costs.

We are therefore striving to strengthen this system of cooperation by regularly dispatching executives and employees to China to visit subcontracting partners and check the status of projects.

In spite of all these efforts, in case we fail to secure superior subcontracting partners or maintain a good business relationship with them, we might not be able to conduct business smoothly.

Especially in subcontracting to a subcontracting partner overseas, an unexpected event might occur caused by political, economic, or social factors which are different from those in Japan.

**2. Contract work**

There have been calls for appropriate responses in compliance with labor-related laws when contracting business outsourcing work is carried out under service contracts.

The NRI group have formulated guidelines relating to contract work to raise common awareness of this problem and to allow the awareness to take root in the NRI group. In addition, we host meetings to explain our policies to contracting business partners as part of our drive for entirely appropriate business outsourcing.

If despite these efforts, work outside the scope of the contract work is carried out and disguised contract issues and so forth arise, NRI may lose credibility.

► Fair trade

**Fair business relationship with business partners**

In accordance with antitrust legislation, the NRI Group prohibits employees from abusing their dominant position as outsourcers.  
 Furthermore, with respect to compliance with the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, outsourcing to subcontractors is in thorough compliance with the law, including with respect to the exchange of order documents, and payment dates.  
 In addition, we inform our partner companies in writing that we decline offers of gifts and entertainment, and we thoroughly ensure our employees at the NRI Group are aware of the same.

**Voluntary inspection for appropriate subcontracted operations**

The partner companies engaged in business with NRI employ just over 13,000 employees between them, and around 40% are full-time at NRI's facilities.  
 Appropriate measures in accordance with labor-related laws are required for outsourcing under a contract contract.  
 Work with these subcontracted employees to maintain proper contract work, separate the subcontracted employee's workplace from the NRI employee's workplace, and conduct annual voluntary inspections of the contract work guidelines to prevent spoofed contracts.

Voluntary inspection results	FY2017	FY2018	FY2019	FY2020	FY2021
Number of inspected projects*	939	926	1,206	1,186	1,195
Coverage	c	c	c	c	c

\* The target of inspection is the number of persons in charge of execution from FY2019.

► Information security of supply chain

**Strengthening management of information security at our business partners**

To ensure that our partner companies provide the same level of security as we do, NRI requires them to sign confidentiality agreements and memoranda on the handling of personal information. In addition, NRI requests that they comply with its Security Guidelines, and also conducts regular checks on these companies by performing assessments of all aspects of their management of security and privacy.

Assessments of business partners	FY2017	FY2018	FY2019	FY2020	FY2021
Number of assessed projects	81	76	95	780	700
Coverage	c	c	c	c	c

► Supplier screening criteria

**Supplier screening criteria**

We provide opportunities for fair competition to all of our business partners and comprehensively evaluate the status of environmental, societal, and governance efforts from the perspectives of business conditions, product and service quality, delivery, and cost, and perform selection in a fair and transparent manner.

## ▶ Capacity building and incentives for suppliers

### Efforts toward mutual development with partner companies

When the NRI Group outsources part of the operations for a project concerning the development or operation of information systems to a partner company in or outside Japan, the status of the outsourced processes as a whole, along with any issues and anticipated risks, are identified during regular joint meetings of the project team and responsible officers.

With our principal partner companies, quality management officers from both sides also meet regularly, and aim to ensure and raise quality levels.

The NRI Group is engaged in enhancement services reforms\* to further improve quality and productivity. We are undertaking these activities in each project on an ongoing CSR Activities and Stakeholder Engagement basis in collaboration with our e-partners and other partner companies.

In fiscal 2008, we set up a system for certifying "extended e-partners" ("e-e partners") in recognition of their ability to undertake enhancement service reforms for their company as a whole and not just for specific projects with us.

The management seminar for fiscal 2021 was held online.

	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of partner companies participating in the training		14	15	16	12	13
Number of participants from partner companies (cumulative number of people)	no. of person	390	306	511	402	546
Number of partner companies participating in management seminars		103	110	113	—	93
Number of participants in management seminars from partner companies	no. of person	231	226	223	—	147
Coverage		c	c	c	c	c

\* Enhancement: the term we use to describe our maintenance and operation services for information systems.

Since enhancement also includes improvements and proposals, we see it more as a full service operation providing support for our clients' entire business operations and systems.

■ Client Relationship Management - Management Approach

G05M

Material issues of NRI related to this management approach



"Communication with customers" and "Appropriate disclosure of information to customers"

NRI's approach to material issues



Throughout the entire value chain, companies are responsible for continuing to provide products and services that meet the needs of customers and users in a safe and reassuring way. The NRI Group provides information systems to various industries and government agencies, and has a responsibility to not only direct customers, but also to think about the impact on general consumers and users who benefit from information systems and the impact information systems have on society. The NRI Group will provide the highest standard of information-systems services through advanced technologies and organizational systems relating to information system quality and information security, and through consulting and IT solutions will create the foundation for industry and technology innovation in the future and connect the same to economic and societal development.

Note: Please refer to the "Information System Quality" and "Information Security" sections below.

Priority activities / Medium- to long-term targets

NRI Group has set “Discerning new social paradigms and assuming the role of implementing such paradigms” and “Building client’s trust and prospering together with clients” in its corporate philosophy as its mission, indicating its intent to “co-create future society” together with the customers. We shall aim for sustained growth of NRI Group and the creation of a sustainable future society through “value co-creation” with our customers.

Long Term Management Vision “Vision 2022”

Under the abovementioned corporate philosophy, we have established “Vision 2022”, the long-term management vision till the end of FY2022. “Share the Next Values!”, the vision statement for Vision2022 expresses the intent of NRI Group to continuously make challenges for the realization of new values together with our customers.

Thoughts Concentrated in “Share the Next Values!”

- Share: The diverse variety of personnel within and outside the NRI Group join together to pool their collective effort, and share the achievements and joy of contributing to a vibrant future society together with our clients.
- Next: With the mentality of being ahead of the times, we pioneer globally, digitally, and into the realm of the future, to create new business models for the next generation.
- Values: We refine our strengths and create value by providing various types of services to clients and to society, giving birth to new future-minded business models.

Medium-Term Management Plan (2019 – 2022)

“Medium-Term Management Plan (2019 – 2022)” has been established as a plan for the four year period for the latter half of Vision2022.

This plan not only refers to growth strategy and numerical targets, but also on the three social values to be “co-created” with clients, indicating our intent to promote “sustainability management”.

Growth Strategies (Priority Themes)

- DX strategy: Use technology to transform customer business models and processes
- Business platform strategy: Evolve business platforms (BPFs) in finance
- Cloud strategy: Modernize legacy systems by using cloud
- Global strategy: Achieve more global business growth, seeking sales of 100 billion yen
- Human resources strategy: Strategic recruiting, talent development and collaboration with partners to bolster NRI’s competitiveness.

Numerical Targets

	FY 2021 Record	FY 2022 Target
• Sales	611.6 bn. yen	670 bn. yen or more
• Operating profit	106.2 bn. yen	100 bn. yen
• Operating profit margin	17.4 %	14 % or more
• Overseas sales	76.5 bn. yen	100.0 bn. yen
• EBITDA margin	23.9 %	20 %
• ROE	21.3 %	14 % *

\* Aiming for higher capital efficiency continuously

3 Social Values

- Co-create a thriving future society by driving new value
- Co-create an ideal society by effectively utilizing its resources
- Co-create a safe and secure society by advancing its infrastructure

## Client Relationship Management - Management Approach

G05M

Key performance indicator	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Operating profit	billions of yen	65.1	71.4	83.1	80.7	106.2
Operating profit margin	%	13.8	14.3	15.7	14.7	17.4
Overseas sales	billions of yen	43.5	53.0	46.7	44.6	76.5
ROE	%	12.9	12.3	20.3	18.2	21.3
	Coverage	a	a	a	a	a
Client satisfaction (percentage of "satisfied client")	%	84.6	86.9	83.8	86.4	88.7
	Coverage	c	c	c	c	c

Note : Because we have applied the International Financial Reporting Standards (IFRS) since FY2020, figures for FY2020 and beyond are based on IFRS.

Link Files	
	NRI Group Corporate Philosophy <a href="https://www.nri.com/en/company/c_philosophy">https://www.nri.com/en/company/c_philosophy</a>
	NRI Group's Code of Business Principles <a href="https://www.nri.com/en/company/company_code">https://www.nri.com/en/company/company_code</a>
	NRI Group Employees' Code of Business Conduct <a href="https://www.nri.com/en/company/business_code">https://www.nri.com/en/company/business_code</a>
	Management Vision Driving toward Further Growth."Vision 2022" <a href="https://www.nri.com/en/company/vision">https://www.nri.com/en/company/vision</a>

**Fiduciary duty**

**Comprehensive deliberation on new contracts**

In response to business contract requests from clients, we decide to accept them by conducting the examinations.

We make our final decision after thoroughly considering the fiduciary duty on quality and delivered date, as well as legal, ethical and operational risks for the contract.

- Credit screening tapping into information from research firms
- Project-by-project deliberation at the Senior Management Committee and each division meeting
- Comprehensive assessment on the future potential, growth potential and social effects of the business

**Client satisfaction**

**Client satisfaction surveys**

NRI conducts client satisfaction surveys for each project and has clients evaluate the entire project. We also obtain specific feedback from clients on our proposal-making skills and incident-management procedures.

The quality control department analyzes the overall trend through the survey results.

The project department will also receive survey feedback from the quality management department and follow up to implement measures to improve service quality.

**Areas receiving a favorable assessment**

- Communication
- Leaders' management skills
- Flexible response to demands
- Productivity and reliability of system operation work (routine work)
- Specialized knowledge and skills relating to systems
- Polite responses to queries

**Areas of expectations for improvements**

- Greater intelligibility of manuals
- Ease of understanding and using screens and forms
- Clarity of the basis for estimates

	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Client satisfaction* <sup>1</sup> (percentage of "satisfied client")	%	84.6	86.9	83.8	86.4	88.7
Percentage of clients surveyed* <sup>2</sup> (percentage of business units)	%	100.0	100.0	100.0	100.0	100.0
<b>Coverage</b>		c	c	c	c	c

\*1 Calculating the weighted average as the percentage of clients who are "satisfied" with the top 2 stages out of 5 evaluation criteria.

\*2 The survey is conducted for all business units of consulting business and IT solution business, clients and project service subject to the survey are extracted on a certain basis for each business unit.

## ▶ Innovation management policy

## Approach to research and development

To create a sustainable society, companies are greatly expected to create innovation and contribute to solving social issues.

The NRI Group uses its high-quality study capabilities and R&D structures to pursue innovation-creating research and development.

In order to make use of that innovation generated in the form of actual systems that operate societies, the NRI Group publishes recommendations for new national schemes and rules.

We also put resources into communicating our study and research results so that innovations become widely recognized by members of the public and absorbed in their minds.

As R&D focus areas, NRI conducts R&D for different segments. Our Consulting R&D looks at next-generation business and strategies.

Finance & Industry R&D looks at promotion of DX and promotion of de facto standard business platform-ization.

IT Platform Services R&D involves continually monitoring cutting-edge technologies, and strengthening IT's power to provide solutions that apply those technologies to people's lives and to society at large.

## ▶ Research and development system

## Research and development system

The NRI Group promotes research and development in the three fields of "digital society infrastructure," "development and acquisition of leading technologies," and "business development".

The NRI organizations responsible for the various areas of our R&D are as follows, but as needed they engage in collaboration with different organizations both within and outside our Group.

**Research & Development Committee:**  
As well as propose and discuss R&D strategies, this Committee manages individual projects from a whole-company perspective, from planning through to application of the results.

**Center for Strategic Management & Innovation:**  
Responsible for government policy recommendations and advanced research functions, this Center conducts surveys on new systems for society.

**Digital Transformation Production innovation Division:**  
Responsible for the NRI Group's technologies development, this Division conducts research into cutting-edge technologies and base technologies in the area of information technology.

**Our business divisions:**  
Responsible for medium- to long-term business development and new product (service) development, these investigate product business feasibility, conduct product development, and undertake demonstration projects.

## ▶ Research and development situations

Research and development expense		unit	FY2017	FY2018	FY2019	FY2020	FY2021
Total amount		millions of yen	5,170	3,665	4,310	4,468	4,992
Breakdown by segments	Consulting	millions of yen	921	796	824	1,109	1,331
	Financial IT Solutions	millions of yen	2,844	1,694	1,984	1,947	1,783
	Industrial IT Solutions	millions of yen	622	583	714	757	1,150
	IT Platform Services	millions of yen	781	590	781	654	727
Sales ratio		%	1.1	0.7	0.8	0.8	0.8
	Coverage		a	a	a	a	a

## ▶ Open innovation

## Open innovation case 1

NRI and Nomura Holdings, Inc. established BOOSTRY in September 2019 as a joint venture to develop and provide a platform for exchanging rights to securities using blockchain technology. BOOSTRY brings together personnel from both NRI and Nomura Holdings with expertise in areas including finance, law, blockchain technology, and IT solutions to pioneer the business of building a new platform for businesses and other entities to issue and distribute securities and other rights. Using the blockchain technology of BOOSTRY, NRI issued digital asset bonds and digital bonds in Japan in March 2020. The bonds use blockchain technology to manage the bond register, which makes it possible for the issuer to continuously identify bondholders, something that is difficult to do with conventional bonds.

## Reference

News Release (September 2, 2019) :

Nomura and Nomura Research Institute Establish Joint Venture Company

[https://www.nri.com/en/news/newsrelease/lst/2019/cc/0902\\_1](https://www.nri.com/en/news/newsrelease/lst/2019/cc/0902_1)

News Release (March 30, 2020) (In Japanese only) :

NRI issued the first "digital asset bonds" and "digital bonds" in Japan that utilize blockchain technology.

[https://www.nri.com/jp/news/newsrelease/lst/2020/cc/0330\\_1](https://www.nri.com/jp/news/newsrelease/lst/2020/cc/0330_1)

## Open innovation case 2

"Dokokani Mairu" is a mileage service for domestic flights in Japan that was developed in 2018, jointly between Japan Airlines Co., Ltd. (hereinafter, "JAL") and NRI. It enables users to go to one of four randomly displayed destinations ("dokoka" i.e., "somewhere") for less miles than usual. An algorithm that was developed on the basis of a patent held by NRI is used in this service. NRI and JAL established a joint venture, JAL Digital Experience, in 2019 to further advance these new service co-creation initiatives. The company is engaged in experience-based services that propose enriching experiences and new lifestyles tailored to the latent needs of each customer, with travel as the foundation, while leveraging the NRI Group's digital technologies including data analytics and AI. As well as expanding customer travel opportunities and offering new experiences, it is also a service that will help people rediscover the appeal of various regions in Japan and lead to regional revitalization - an innovation in which NRI's capabilities in analytics contributes to solving social issues.

## Reference

NRI JOURNAL : Why is JAL's "Go Somewhere Miles" successful? (In Japanese only)

<https://www.nri.com/jp/journal/2017/0526>

Co-creating new value with clients

<https://www.nri.com/->

[/media/Corporate/en/Files/PDF/sustainability/library/back\\_number/Sustainability\\_Book2019\\_e.pdf#page=14](https://www.nri.com/-/media/Corporate/en/Files/PDF/sustainability/library/back_number/Sustainability_Book2019_e.pdf#page=14)

Joint news release (February 4, 2019) (In Japanese only) :

Japan Airlines and Nomura Research Institute Joint Venture "JAL Digital Experience" established

[https://www.nri.com/-/media/Corporate/jp/Files/PDF/news/newsrelease/cc/2019/190204\\_1.pdf](https://www.nri.com/-/media/Corporate/jp/Files/PDF/news/newsrelease/cc/2019/190204_1.pdf)

Open innovation case 3

	<p>TORANOTEC Asset Management Ltd., TORANOTEC’s wholly-owned subsidiary, offers a service called "TORANOCO" for investing using change. This is a service that allows anyone to invest with a small amount of money.</p> <p>NRI has supported smooth service provision for "TORANOCO" by providing its investment account management system service and its back-office operations support service for asset management companies. Going forward, through this investment, NRI will work on the further evolution of "TORANOCO" and the development of new investment services. Specifically, by adapting "TORANOCO" to existing banks where NRI provides an account management system, it enables new approaches to young and inexperienced people who have not had investment experience so far.</p> <p>We will also promote the development of new asset management services for smallscale investment for financial institutions.</p> <p>Creation and acquisition of new market: By bringing young people and investmentexperienced people into the financial market, it can lead to the development of new financial system and service markets.</p>
Reference	<p>Integrated Report 2018:Investment in TORANOTEC that is involved in asset management and applivation development</p> <p><a href="https://ir.nri.com/en/ir/library/report/main/02/teaserItems1/00/linkList/016/link/AR2018_e.pdf#page=41">https://ir.nri.com/en/ir/library/report/main/02/teaserItems1/00/linkList/016/link/AR2018_e.pdf#page=41</a></p>

► Process innovation

Process innovation

Overview	<p>Introduction of development tools of information systems</p> <p>We have built a tool for integrated management of both product quality improvement and operational efficiency in large-scale information system development.</p> <p>This tool is a "collaboration solution" that integrates the functions of project management such as quality management, progress management, and issue management to improve teamwork and productivity by accumulating and sharing knowledge and activating communication.</p> <p>It is composed of multiple solution packages such as "DevOps solution" that realizes continuous integration/delivery required for advanced software development.</p> <p>By introducing this tool, it has become possible to achieve both system management project sophistication and project member operational efficiency, as well as modernization and efficiency of the system development process.</p> <p>We have been selling this tool as a service called "aslead", and as of April 2022, we are providing eight solutions, and we plan to continue providing new solution packages.</p> <p>It is expected that the results of NRI's process innovation will spread widely to the entire IT industry through "aslead".</p>
Efficiency gains	<p>Improvement in efficiency by introduction of this tool is expected to create about 55 minutes surplus time per person, which will result in a cost saving effect of about 10% as a whole.</p>

■ Innovation Management - Data

G06D

Reference	<p>News Release (In Japanese only)                  Started marketing of development tools of information systems "aslead"  <a href="https://www.nri.com/jp/news/newsrelease/lst/2017/cc/1019">https://www.nri.com/jp/news/newsrelease/lst/2017/cc/1019</a></p> <p>What's New (February 26, 2021) (In Japanese only) :                  We have entered a partner agreement with GitLab to start selling the first leading DevOps solutions focused on GitLab as an official distributor in Japan.  <a href="https://www.nri.com/jp/news/info/cc/lst/2021/0226_1">https://www.nri.com/jp/news/info/cc/lst/2021/0226_1</a></p> <p>What's New (March 16, 2021) (In Japanese only) :                  Received the "2020 Best Solution Partner" award from Elastic  <a href="https://www.nri.com/jp/news/info/ips/lst_ips/2021/0316_1">https://www.nri.com/jp/news/info/ips/lst_ips/2021/0316_1</a></p> <p>What's New (November 19, 2021) :                  NRI Launches Solution to Help Build Corporate Privacy Governance —Partnership Agreement Concluded with OneTrust—  <a href="https://www.nri.com/en/news/info/cc/lst/2021/1119_1">https://www.nri.com/en/news/info/cc/lst/2021/1119_1</a></p> <p>aslead (official site, In Japanese only)  <a href="https://aslead.nri.co.jp/">https://aslead.nri.co.jp/</a></p>
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▶ Environmental innovation

Environmental innovation						
Overview	<p>Significant Reduction in CO<sub>2</sub> Emissions Due to Shared Online Services</p> <p>The usage of Shared Online Services leads to drastically reduced environmental impact. When multiple companies use a single system jointly, they can markedly reduce power consumption, CO<sub>2</sub> emissions and costs, more so than when each company independently developed their own system. Estimates show that THE STAR, a back-office system for retail brokerage firms, enables the user to lower its CO<sub>2</sub> emissions by 73.9%.</p>					
Effects of environmental innovation	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Sales ratio of Shared Online Services	%	21	20	19	19	18
Coverage		a	a	a	a	a

▶ Social innovation

Social innovation						
Overview	<p>Community development through consulting</p> <p>There are about 700 researchers in our consulting division, which is one of the top consulting institutions in Japan in terms of the number of researchers as well as quality. NRI's diverse consulting services, such as companies, local governments, and governments of emerging countries, are all directly related to the resolution of important social issues and can be said to be social innovation.</p>					
Effects of social innovation	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Sales ratio of consulting	%	7.7	8.2	7.3	6.8	7.0
Coverage		a	a	a	a	a

## ■ Quality of Information Systems - Management Approach

G07M

### Material issues of NRI related to this management approach

"Information security / system management"

### NRI's approach to material issues

Information systems are widely and deeply ingrained in modern society in a variety of ways, and have become indispensable infrastructure for our convenient and comfortable lives.

They are also cornerstones in the realization of new systems and services, and contribute greatly to societal innovation.

On the other hand, when an information system fails, it has a large impact on economic activity and civic life.

Since its establishment, the NRI Group has consistently focused on the quality of its information systems, from design through to maintenance and operation, with an emphasis on information services not stopping unexpectedly.

In addition, all possible measures have been taken in providing backup and business-continuity systems in case of an emergency information system failure.

### Priority activities / Medium- to long-term targets

The NRI Group provides total support, extending to maintenance and Operation, for the systems that we produce for a variety of business sectors, including the securities, banking, insurance, distribution, and communications industries.

As well as develop a high-quality system within the time and for the cost agreed with the client, another important role for the NRI Group is ensuring the quality of our maintenance and operation of the system once it is up and running.

From this perspective, in order to increase the reliability of our information systems, we at the NRI Group are directing our efforts towards the following priorities:

- Quality management in the development of information systems
- Quality management in the maintenance and operation of information systems
- Increasing the reliability of the data centers that support the systems' operation

Progress / Achievements / Challenges

NRI is certified to ISO9001, the international standards for Quality Management System, in January 2002, which apply to information systems construction projects of a certain size or greater. In addition, in order to successfully guide projects building large and complex information systems to completion, we have established a project supervision system that systematically carries out risk management and project support.

Data center results

NRI is certified to ISO20000 and ISO27001, the international standards for IT service management, for four data centers\* it owns and manages. In addition, three data centers (Tokyo Data Center I, Yokohama Data Center II, Osaka Data Center II) have acquired M&O certification, which is a global standard for data center operation established by the US non-profit organization Uptime Institute. "Tokyo data center I" was the first data center in Japan to acquire the certification (acquired December 2014).

\*With the suspension of services provided by Yokohama Data Center I in FY2021, we now own and manage four data centers.

KPI

	FY2017	FY2018	FY2019	FY2020	FY2021
ISO9001 Certification Status	Acquired	Acquired	Acquired	Acquired	Acquired
ISO/IEC 20000 , ISO/IEC 27001 Certified Data Centers	5	5	5	5	4
ISO/IEC 27017 Certification Status	-	Acquired	Acquired	Acquired	Acquired
Data Centers with M&O Stamp of Approval	3	3	3	3	3
Failure Response Drills in Data Centers	approx. 3,400	approx. 4,600	approx. 4,100	approx. 4,000	approx. 3,900
Overall Operational Drills with Staff Involved in Data Center Operations	5	5	5	5	5
Coverage	c	c	c	c	c

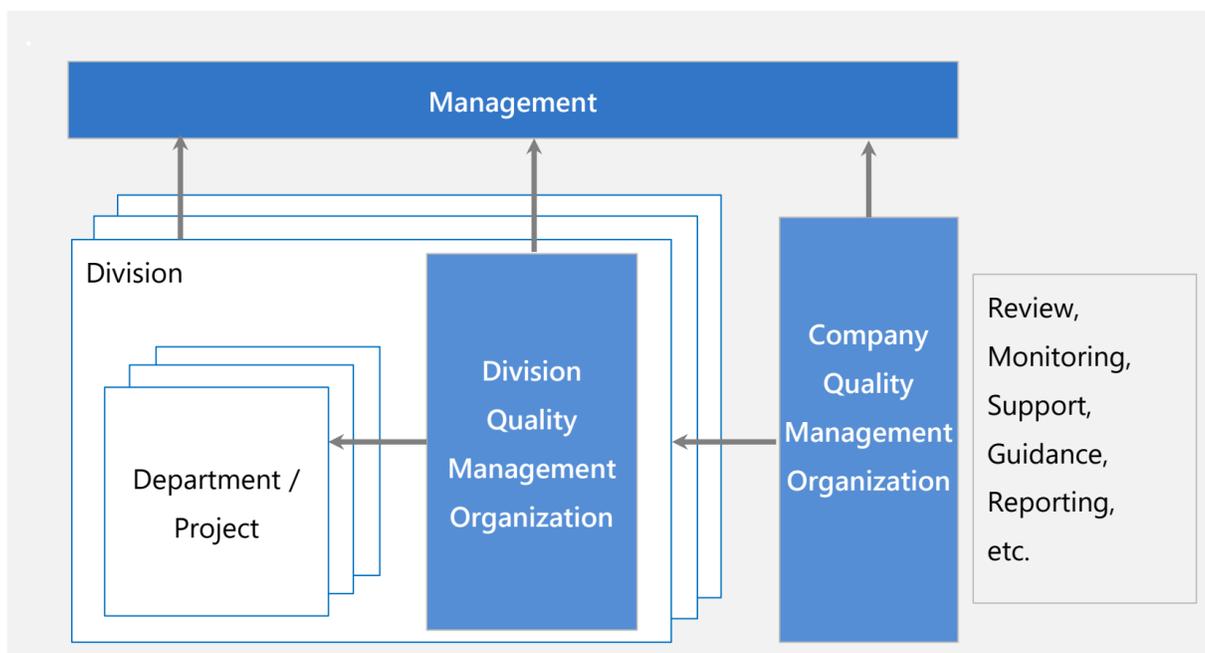
Link File

NRI JOURNAL: Keeping the Supply Chain Moving  
<https://www.nri.com/en/journal/sustainability/2017/01>

Management structure for improving the quality of information systems

Management structure for improving the quality of information systems

Each business division is responsible for quality control when implementing projects. Moreover, in addition to supervising and promoting such activities company-wide, as organizations providing separate support, the Quality Management Division and the Center for Systems Development Innovation set objectives and formulate plans relating to quality, and also build quality management systems, provide standard guidelines and advise on projects. We are also actively engaged in resolving issues concerning the improvement of productivity, based on the idea that "improvements in quality improve productivity, which leads to further improvements in quality."



Initiatives for improving the quality of information systems

Project support system for improving the quality of information systems

Each division is responsible for quality management over system development, maintenance and operations, and consulting services projects. In addition, NRI has an organization which proposes and supports quality management activities for each division.



NRI-QMS\* (Quality management system)

This is a quality management system built on the basis of know-how cultivated over many years of quality improvement activity. It involves the company having established internal rules, guidelines and models for business processes to ensure quality for individual projects, and is also a mechanism that seeks continuous improvement in quality through periodical reviews of the NRI-QMS itself based on customer satisfaction surveys and audit results. NRI is certified to ISO9001, the international standards for Quality Management System, for applicable information system construction projects that require a minimum prescribed amount of labor.

\* QMS: an abbreviation of "Quality Management System."

NRI Standard Framework

These are guidelines that containing standard processes for projects, as well as the activities and tasks to be carried out in each process, so that project quality and productivity increase through effective and efficient design and development in accordance with internal rules, project management, and review meeting audits taking place.

These guidelines are shared with all employees through the intranet.

They include tools and checklists to help improve quality and productivity, as well as samples, creation guides and case-studies for the eliverables (documents) that should be created in each process, and play a role in instilling practical know-how in the company.

Project supervision

In order to successfully build large-scale and complex information systems, for projects involving building new information systems, we support each business division from both the "monitoring function" and "promotion and support function" sides.

Separate from the "management" required for the implementation and success of each project, we are aiming for improved project quality by promoting "project supervision activities" that support early detection and responses for problems.

We constantly monitor the status of each project and provide assistance for project-manager tasks through support activities aimed at risk avoidance/mitigation, while also providing guidance on improving development processes and deliverables to enhance quality.

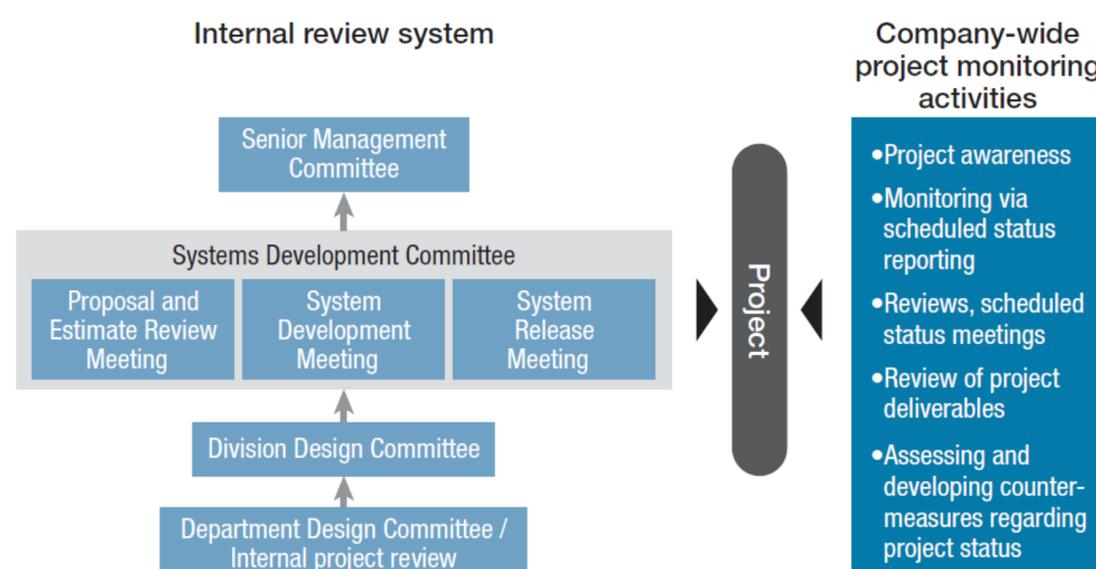
Furthermore, in order to understand and evaluate the risks relating to the quality, delivery, and income/expenditure for each project and respond appropriately, we conduct various review meetings in accordance with our internal rules at each critical juncture for the projects, including the proposal, estimate, construction, and release stages.

There are three levels for the review meetings: company, division, and department, and the size, characteristics, and difficulty of the information system being built will determine the review meetings allocated to it.

Each review meeting is not merely a process-checking opportunity; it is a place for a company expert who is well versed in areas such as project

management, quality control, and information technology to ensure high quality is realized by conducting a rigorous examination down to the details of the system and also provide appropriate guidance and support to the person in charge of the project, including advice and know-how.

The risks associated with each project are divided into five levels of impact, which are reported to the management meetings, and immediate or mid-to long-term measures are taken as required.



#### Production innovation

NRI has been building and maintaining systems by selecting the appropriate combination of technologies from the variety of technologies available to meet the needs of our customers. Based on that experience, we are endeavoring to improve productivity from the following perspectives. One is not only utilizing new functions when adopting new technologies, but also forming a group of experts for each technology to quickly acquire the expertise to ensure the quality and productivity of development using new technologies.

Another is making progress with improvements in productivity that focus on shared processes that are not technologydependent in the maintenance and operation of the many systems NRI supports that apply various technologies from various time periods.

We are aiming for "Production Innovation" by combining multiple policies in these two areas.

#### Information system failure management

NRI has created a company-wide system for reducing information system failures, with focused initiatives that have reduced the incidence of failures.

At present, we are working to improve the quality of the system by appropriately implementing measures in the event of a failure along with measures to prevent recurrence, by establishing common rules throughout the company to ensure that action focusing on disaster reduction targeting the specific challenges at each location is continuously being taken.

We manage failure impact levels in five stages according to the impact range of the failure, and have established reporting procedures for each failure impact level and created a mechanism that shares information without delay after a failure's occurrence.

Failures that do occur are subject to deep and thorough analysis to clarify the root causes and allow relevant improvements to be made. We also have prepared a training curriculum on how to analyze failures and are working to improve the abilities and awareness of our employees and partners.

#### Enhancement service reforms

We will continue to support our customers' business, from the start of operation of information systems until they are retired. During that time, by improving functions according to business changes, system revisions, or advances in technology, a highly cost-effective system can be used for a longer period of time.

NRI believes that it is important to continue to improve functionality while maintaining stable operation of information systems, and refers to the postoperation process commonly called maintenance as "Enhancement". Because enhancement continues over a long period of time, there is a high risk of loss due to unattended problems and unresolved issues can have a negative impact on quality, but improvements can also have a significant impact.

Therefore, in order to promote improvement activities throughout the company, we have established the slogan of "Enhancement Service Reforms," and we are continuing activities to create and realize a improvement plan for each system every fiscal year. Good examples of activities and business know-how are shared with all employees via the intranet.

## ▶ Quality management in the maintenance and operation of information systems

### Overview of quality control

In order for created information systems to be utilized effectively, stable system operation is indispensable.

The NRI Group has been offering reliable-quality system operation services 24 hours each day, 365 days each year for many years.

NRI's Data Center Service Division has built an IT service management system called "System Operation ITSMS" based on that accumulated experience and ITIL\*, and has been working to obtain ISO 20000 Certification, an international standard for IT service management, for the information systems it is entrusted with in its data centers.

In accordance with the System Operation ITSMS, we are working to improve the quality of system operation and IT services by utilizing the results of customer satisfaction surveys and failure records.

\* ITIL: an abbreviation of "Information Technology Infrastructure Library. "A systematic standardization of business processes and methods for performing the operation and management of information systems. A registered trademark of AXELOS Limited.

### Policy

We provide high quality data-center facilities and operation services to all internal and external customers.

### ISO/IEC 20000 Scope

1. Data-center system operations management, system monitoring and data-center facility management

#### Relevant Locations

- Yokohama Center
- Tokyo Data Center I
- Yokohama Data Center II
- Osaka Data Center
- Osaka Data Center II
- Otemachi Operating Office
- Yokohama Landmark Tower Operating Office
- Osaka Center

2. IT service management systems supporting the provision of customer-oriented IT general control services and service desk services in the Operations Service Promotion Department, the Data Center Service Division

#### Relevant Locations

- Sapporo ITSM Center
- Yokohama Nomura Building

### Efforts to improve operations quality and reduce system failures

In operation services for information systems, obstacles such as equipment failure, processing delays from sudden increases in data amounts, or malfunctions due to improper operation cannot be completely avoided.

The system operation department is working on a variety of initiatives aimed at reducing these obstacles to increase productivity, including the strengthening of collaboration with the information system construction department, promoting standardization, automation, and labor-saving of operational tasks, and improving operator skills.

#### Strengthening Collaboration with the information systems construction department

In order to improve the quality of information system operations, NRI is strengthening its approach with focus on operational quality from the systems construction stage.

Firstly, we are collaborating with the information system construction department and moving forward to standardize the operational tasks to ensure stable and efficient systems operation.

Items relating to operations have been established in the NRI Standard Framework as a part of the outcome.

Secondly, in the event of a failure, the operation department cooperates with the information system construction department in the effort to clarify its cause and to take countermeasures.

We also cooperate with the departments in charge for other systems, where there are concerns of similar failures, in order to establish countermeasures to prevent the occurrence of such failures.

#### Promotion of Standardization, Automation, and Labor-Saving for Operations Tasks

NRI is promoting automation in order to eliminate failures due to human error, such as task omission or procedural errors in the operation of information systems.

We are using our own proprietary "Senju Family" operation management tool to make progress with automation, labor-saving, and mistake-reduction in systems operation, while at the same time achieving advance prevention of failures and prompt and appropriate responses if they do occur by standardizing tasks using other tools and leveraging collections of failure-response case-studies.

#### Promoting improvements for operation quality

At NRI, we handle approximately 500 projects each year for improving the quality and efficiency of system information together with NRI and business partner employees involved in the operation of information systems.

We aim to increase the motivation of system operators by establishing a system where employees who are well-versed in system operation work review these improvement activities and award good examples.

#### Operational Skill Improvements aimed at Automation and Labor-Saving

In order to operate information systems stably, skill improvement of operators who operate the computers and network equipment is an important factor.

In particular, as automation and laborsaving— progress, it will be necessary for operators to acquire a high level of expertise to be able to cope with various failures with fewer people.

Accordingly, NRI conducts group and e-learning training for operators to improve their skills and awareness. Furthermore, to promote the desire of operators to improve and to have them acquire skills of a certain level or higher, a proficiency assessment system to judge proficiency through examination has been introduced since 2005.

Silver or Gold certifications are awarded depending on the skills and support improving operator skills and motivation.

## ▶ Increasing the reliability of the data centers that support the information systems' operation

## Increasing the reliability of the data centers

The stable operation of information systems requires not only the quality of the information system itself, but also the quality of the data center facility that operates and manages the information system.

In order to ensure stable operation of information systems, and to provide safe and secure quality of services, NRI visualizes the risks related to data center services, conducting training for each type of issue that could be anticipated.

Furthermore, global-standard Management and Operation certification (M&O Stamp of Approval) relating to data center equipment and facility operation prescribed by Uptime Institute\* has been obtained for three data centers, ("Tokyo Data Center I", "Yokohama Data Center II", and "Osaka Data Center II"), providing an objective appraisal of global standard in terms of high reliability.

The "Tokyo Data Center I" in December 2014 was the first example in Japan, and as of March 2021, only 6 data centers including 3 NRI data centers have been certified in Japan.

\* Uptime Institute: A United States private organization that provides research, education, and consulting services for data center design, construction, and operation with the aim of supporting improved data center performance and efficiency.

As one of the world's leading independent organizations, it operates globally through locations worldwide (United States, Mexico, Costa Rica, Brazil, UK, Spain, UAE, Russia, China, Taiwan, Singapore, and Malaysia), creating tier standards for data center equipment and overseeing M&O certification.

## M&amp;O Stamp of Approval

Tokyo Data Center I (first obtained in December 2014, updated in November 2021, and updates reviewed every three years)

Yokohama Data Center II (first obtained in February 2016, updated in January 2021, and updates reviewed every three years)

Osaka Data Center II (first obtained in December 2017, updated in December 2019, and updates reviewed every three years)



## References

Global quality standards for data center operation - meaning of M&O Stamp of Approval and efforts of NRI - (In Japanese only)

<https://www.nri.com/>

[/media/Corporate/jp/Files/PDF/knowledge/publication/it\\_solution/2016/09/ITSF160903.pdf](https://www.nri.com/-/media/Corporate/jp/Files/PDF/knowledge/publication/it_solution/2016/09/ITSF160903.pdf)

Tokyo Data Center I acquires M&O Stamp of Approval for the first time in Japan (In Japanese only)

<https://www.nri.com/-/media/Corporate/jp/Files/PDF/news/newsrelease/cc/2014/141225.pdf>

Yokohama Data Center II acquired M&O Stamp of Approval

[https://www.nri.com/-/media/Corporate/en/Files/PDF/news/info/cc/2016/160425\\_1.pdf](https://www.nri.com/-/media/Corporate/en/Files/PDF/news/info/cc/2016/160425_1.pdf)

Uptime Institute LLC

<https://uptimeinstitute.com/>

## ▶ Issuance of SOC2 report

## Issuance of SOC2 report

SOC2 reports are reports expressing the opinion of an auditing company on internal control for the confidentiality, security, and availability of a service in service provision work, based on guidance\* from the American Institute of Certified Public Accountants (AICPA).

Because the system services provided by NRI often require a high level of reliability and security, in addition to receiving certification based on the above guidelines, we receive an annual SOC2 report expressing the opinion of an auditing company on whether some of our other services conform to the safety measure standards for computer systems at financial institutions, etc. published by the Financial Information Systems Center (FISC).

NRI was also the first in Japan to issue SOC2 reports on FISC safety measure standards in 2012.

\* Reporting on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality or Privacy / AICPA

## ▶ Risk management on information systems

## Risk management on information systems

As advance preparation for emergencies, the NRI Group has created an "NRI Group Contingency Plan" containing the basic response system and procedures in the event of an emergency situation.

## Risk Management in Information Systems in the Maintenance and Operation Phase

In the event of a large-scale system failure, we will promptly set up an emergency response headquarters to coordinate with the relevant divisions and customers.

Based on the circumstances of the failure, we will implement measures such as disaster recovery, investigation of point of origin, disclosure of information, and analysis of preventive measures.

## Risk Management in Data Centers

NRI's data centers have a Data Center Contingency Plan to support their customers' critical data.

In case of an emergency, such as a power outage due to a large-scale earthquake disaster or trouble with system-related equipment, we carry out regular comprehensive inspections and crisis response drills.

### ► Certification for management system related to services provided by NRI Group

ISO9001	Company	Acquisition date	Acquisition object
	NRI	January 2002	Systems design and development planning and subcontracting for projects with anticipated workloads above a certain size
	NRI System Techno	September 2001	System maintenance, operation and development for subcontracted projects
	DSB Co.	November 2016	Back office operations
	DSB Information System Co.	TBC	TBC
	Nippon Securities Technology Co.	December 2003	TBC

ISO/IEC 20000	Company	Acquisition date	Acquisition object
	NRI	March 2008	IT service management systems supporting the provision of customer-oriented IT general control services and service desk services in the Operations Service Promotion Department, the Data Center Service Division
		April 2009	Data-center system operations management, system

### ► NRI Group's information communication on quality management of information systems

Book of lectures	Book name	Publisher	Issued date
	IT ROADMAP 2022 <a href="https://www.nri.com/jp/knowledge/book/1st/2022/o_book249">https://www.nri.com/jp/knowledge/book/1st/2022/o_book249</a>	Toyo Keizai	March 2022
	Enterprise Guide for IT Infrastructure Design on Google Cloud <a href="https://www.nri.com/jp/knowledge/book/1st/2021/o_book227">https://www.nri.com/jp/knowledge/book/1st/2021/o_book227</a>	Nikkei Business Publications	March 2022
	Introduction to Zero Trust Networks <a href="https://www.nri.com/jp/knowledge/book/1st/2022/o_book246">https://www.nri.com/jp/knowledge/book/1st/2022/o_book246</a>	Gijutsu-Hyohron	March 2022
	Advanced AWS Certification and Networking <a href="https://www.nri.com/jp/knowledge/book/1st/2022/o_book247">https://www.nri.com/jp/knowledge/book/1st/2022/o_book247</a>	Mynavi Publishing	February 2022
	Illustrated Introduction to the System of Amazon Web Services <a href="https://www.nri.com/jp/knowledge/book/1st/2022/o_book244">https://www.nri.com/jp/knowledge/book/1st/2022/o_book244</a>	SB Creative	February 2022
	IT Navigator 2022 Edition <a href="https://www.nri.com/jp/knowledge/book/1st/2021/o_book241">https://www.nri.com/jp/knowledge/book/1st/2021/o_book241</a>	Toyo Keizai	December 2021
	The Impact of Embedded Finance <a href="https://www.nri.com/jp/knowledge/book/1st/2021/o_book239">https://www.nri.com/jp/knowledge/book/1st/2021/o_book239</a>	Toyo Keizai	December 2021
	Introduction to Data Science <a href="https://www.nri.com/jp/knowledge/book/1st/2021/o_book237">https://www.nri.com/jp/knowledge/book/1st/2021/o_book237</a>	Nikkei Business Publications	December 2021
	Introduction to AWS Container Design and Construction <a href="https://www.nri.com/jp/knowledge/book/1st/2021/o_book238">https://www.nri.com/jp/knowledge/book/1st/2021/o_book238</a>	SB Creative	October 2021
	Basics of Web Production and Operation <a href="https://www.nri.com/jp/knowledge/book/1st/2021/o_book233">https://www.nri.com/jp/knowledge/book/1st/2021/o_book233</a>	SB Creative	May 2021
	Practical Data Science and Machine Learning with R and Python (Revised Edition) <a href="https://www.nri.com/jp/knowledge/book/1st/2021/o_book232">https://www.nri.com/jp/knowledge/book/1st/2021/o_book232</a>	Gijutsu-Hyohron	May 2021

Information Security - Management Approach

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Material issues of NRI related to this management approach

"Information security / system management"

NRI's approach to material issues

As information systems penetrate into every corner of economic activity and civic society, the risks associated with information security, such as cyber-attacks targeting social infrastructure, companies or government offices, or large-scale data-breaches, are growing all over the world. The NRI Group operates important information infrastructure that supports society, such as that for finance and logistics. In order to maintain service continuity and protect this valuable information, we are engaged in a variety of efforts to prevent information security failures in advance. In addition, in the unlikely event an information security failure does occur, we have implemented measures to minimize any impact.

Priority activities / Medium- to long-term targets

Recognizing information security risk as an issue that should be addressed at the highest level in terms of technology and systems, the NRI Group has taken the following key measures:

- Advance prevention of information security failures
- Creation of a solid governance system for information security

Progress / Achievements / Challenges

**Advance prevention of information security failures**

In order to reduce the risk of a client's business data being leaked, we have established rules for each project concerning access to the live system environment and the removal of business data, which are continuously improved using the PDCA cycle. In addition, system responses are in place as preventive measures against cyber-attacks, and include the use of antivirus software and EDR\*, encryption for hard disks, and a variety of security devices, and we are also promoting systematic activity to collect and evaluate vulnerability and attack information in advance and enable prompt and appropriate responses.

**Creation of a solid governance system for information security**

A Chief Information Security Officer has been appointed, along with managers and personnel responsible for information security in all business divisions and group companies, to establish an information security management system for the whole organization. In addition to promoting information security measures, we are continuing our activities to enable rapid and more secure responses to emergencies, such as information security failures and cyber-attacks.

KPI	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of information security failures (year-on-year)		About 11% decrease	About 11% decrease	About 27% increase	About 40% decrease	About 11% increase
Number of major information security failures		0	0	0	0	0
Costs incurred due to major information security failures	millions of yen	0	0	0	0	0
Number of complaints regarding breaches of customer privacy or loss of customer data, from outside parties including regulatory authorities		0	0	0	0	0
Coverage		c	c	c	c	c

\* An abbreviation for Endpoint Detection and Response A solution that detects suspicious behavior on PCs and servers (end points) and supports swift responses

Link File Declaration of Information Security Measures  
[https://www.nri.com/en/site/security\\_declare](https://www.nri.com/en/site/security_declare)

Information security policy

Information security policy	
	Nomura Research Institute, Ltd., and its group companies declare that the NRI Group shall observe all applicable laws and ordinances and shall fully recognize the roles that companies offering information services should play. The NRI Group has established a framework of advanced information security management that can serve as a social model to enable its companies to continue to be worthy of customer and public trust.
Applicable scope	NRI Group
Reference	Declaration of Information Security Measures <a href="https://www.nri.com/en/site/security_declare">https://www.nri.com/en/site/security_declare</a>

Information security management

Governance system for the information security

NRI has appointed a Chief Information Security Officer, who has developed a system of information security management for our organization as a whole.

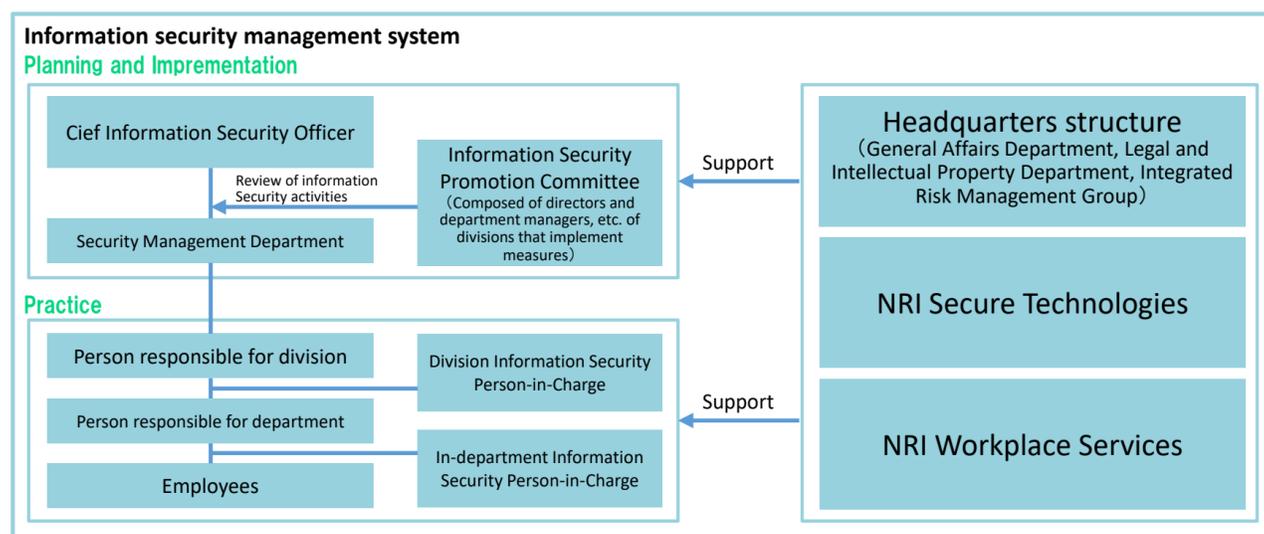
All business divisions and Group companies have appointed an information security manager and information security person-in-charge (PIC), who have developed a mesh structure that allows security measures to be undertaken on a cross-organizational basis. As well as furthering the implementation of our information security policies, this structure will enable us to respond swiftly, accurately, and reliably in the event of cyber-attacks and other security emergencies.

The NRI Group contains specialist organizations that conduct surveys and research of the latest information technologies, as well as NRI SecureTechnologies, Ltd. that engages exclusively in information security business.

We will draw on their technology, know-how and knowledge when preparing and implementing our information security policies.

We have appointed an information security manager and an information security PIC at each of our overseas and domestic Group companies, who are directing the development of an effective information security system and the drafting of an information security enhancement plan at their company.

In addition, the NRI Group has set certain information security protection standards, and engages in improvement drives designed to meet those standards.



Officer in charge	Chief Information Security Officer : Susumu Nishimoto, Senior Corporate Managing Directors
Responsible committee	Information Security Promotion Committee

**Maintenance of rules for the information security**

In response to laws and regulations related to information security and the advance of information technologies, we establish or revise management rules as appropriate, including the Information Security Management Rules, Confidential Information Management Rules, Personal Information Management Rules, Specific Personal Information Management Rules, and Information Asset Management Rules. In addition, we have prepared operating procedures, guidelines, manuals, etc. for each of these management rules to ensure that consistent and effective information security management is conducted.

**Training and awareness on information security**

NRI conducts ongoing information security education to raise the awareness of information security, instill regulations, and improve the quality of security during design and development. In addition to conducting specific training tailored to the particular characteristics of our Divisions and Group companies, we arrange training for our overseas offices that can be undertaken in English and/or Chinese. We also actively incorporate group training and e-learning methods into our training programs.

Number of information security training participants	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Training for new employees	no. of person	392	515	557	450	424
Training on response to cyber-attacks	no. of person	78	83	56	–	–
Training for information security	no. of person	–	–	–	6,387	6,354
Personal information management training	no. of person	5,997	6,116	6,252	6,387	6,354
Security training for temporary employees	no. of person	1,641	1,695	1,686	1,795	2,041
Coverage		b	b-	b-	b-	b-
Security training for overseas offices	no. of person	2,597	2,739	2,417	2,705	2,856
Coverage		d	d	d	d	d

Measures to prevent occurrence of information security failures

Information security in client's information system

In order to reduce the risk of business data being leaked, we have established rules for each project concerning access to the live environment and the removal of business data, which are continuously improved using the PDCA cycle.

For example, for projects that handle large amounts of personal information or projects that store information that would have a large impact on the client in the event of a leak, the oversight departments conduct individual inspections to confirm that operation is taking place in accordance with the rules.

In addition, the oversight departments also check the validity of any initiatives concerning handling of any data alteration from cyber-attacks, or system service suspensions.

Audits undertaken to ensure the security of clients' systems	Object	FY2017	FY2018	FY2019	FY2020	FY2021
Verification assessments conducted of project security rules	no. of audits	230	165	141	110	221
Audits of public Web system	no. of audits	84	77	83	67	98
Audits of responses to cyber-attacks, and corrections	no. of audits	145	148	149	158	182
Audits of live productions and development management, and corrections	no. of audits	10	11	147	12	135
Surveys of the use of AWS <sup>*1</sup> and making any corrections	no. of audits	30	48	169	193	190
Surveys of the use of BPO <sup>*2</sup> operations and making any corrections	no. of audits	1	3	4	1	6
Coverage		c	c	c	c	c

\*1 Amazon Web Service. The collective name for the online services provided by Amazon.com.

\*2 Business Process Outsourcing. An organization contracts an external specialist company to perform some of its business process

Strengthening management of information security at our business partners

To ensure that our partner companies provide the same level of security as we do, the NRI requires them to sign confidentiality agreements and memoranda on the handling of personal information.

In addition, NRI requests that they comply with its Security Guidelines, and also conducts regular checks on these companies by performing assessments of all aspects of their management of security and privacy.

Assessments of business partners	FY2017	FY2018	FY2019	FY2020	FY2021
Number of projects conducting audits	81	76	95	780	700
Coverage		c	c	c	c

Measures for domestic group companies

The NRI Group conducts regular information security assessments and supports improvement activities.

	Object	FY2017	FY2018	FY2019	FY2020	FY2021
Audits of public Web system	no. of audits	28	24	22	12	39
Audits of responses to cyber-attacks, and corrections	no. of audits	107	19	154	167	193
Audits of live productions and development management, and corrections	no. of audits	4	6	7	7	7
Surveys of the use of AWS <sup>*1</sup> and making any corrections	no. of audits	58	22	34	45	74
Surveys of the use of BPO <sup>*2</sup> operations and making any corrections	no. of audits	3	2	1	1	3

\*1 Amazon Web Service. The collective name for the online services provided by Amazon.com.

\*2 Business Process Outsourcing. An organization contracts an external specialist company to perform some of its business process

Measures for overseas group companies

The NRI Group conducts regular information security assessments and supports improvement activities.

	FY2017	FY2018	FY2019	FY2020	FY2021
No. of rollouts of information security packages for overseas offices	16	17	17	18	18
Audits of public Web system	7	3	1	4	1
Audits of responses to cyber-attacks, and corrections	14	4	3	0	0

Company-wide responses to cyber-attacks

The NRI Group uses system-based defences against cyberattacks, such as installing anti-virus (anti-malware<sup>\*1</sup>) software, hard drive encryption, and installing different security measures (such as firewalls, WAF<sup>\*2</sup>, and network behavior analysis technology<sup>\*3</sup>).

With cyber-attacks, however, it is the attackers who have the upper hand, and NRI is well aware that just system responses alone are not enough for defense, and to that end it is putting in place a Computer Security Incident Response Team (CSIRT<sup>\*4</sup>).

A CSIRT acts like a fire extinguisher, denying further success to any attack that does in fact strike a system.

It collects, evaluates and shares information on vulnerabilities and attacks, and takes action that is organized, swift, and appropriate.

We also conduct for our employees education and training, such as ongoing real-life training against phishing emails.

\*1 Malware, or "malicious software," is a software program that upon infecting a computer automatically takes remote control of that computer, either stealing data that it stores or causing it to attack other computers.

\*2 WAF: Web Application Firewall. A system that detects attacks that exploit vulnerabilities in Web applications and protects against those attacks.

\*3 Network behavior analysis (NBA) technology: Malware used in a phishing attack is often produced to target a specific company alone, which means it may not be possible for general anti-virus software to detect and eliminate it. NBA technology works by running software suspected of being malware in a highly restricted environment called a "sandbox." Checks are then made to see if the software is engaging in behavior such as information exploitation or preparatory activity to that end, and if it is, it is eliminated.

\*4 CSIRT: Computer Security Incident Response Team. This is the entity (a team) that takes the appropriate response when it receives notice of a computer security incident. Alternatively CSIRT refers to the functions of that entity.

Information Security - Data

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Managing human error

We have implemented layer upon layer of defenses designed to prevent email-related problems, such as installing software that prevents emails being sent to the wrong recipients, applying rigorous management of emails being sent to multiple destination, formulating rules for work that involves a lot of email transmission, and the use of secure file sharing services (Cryptobin from NRI SecureTechnologies), etc. In projects involving the handling of highly sensitive information, we sometimes also require employees to get their supervisor’s approval before sending certain emails.

► Penetration Test

Penetration Test

NRI conducts a penetration test on our website every month in cooperation with NRI SecureTechnologies, a group company, as part of measures against cyber attacks. We also carry out vulnerability analysis, including simulated hacker attacks.

► Policies for minimizing the impact of information security failures

Policies for minimizing the impact of information security failures

The NRI Group has rolled out a centralized information security failure management system. A feature of this system is that a failure is not just reported one-way from where it has occurred - the system employs interactive communication, which allows decisions to be made based on a bigger picture formed from a range of perspectives. As well as achieving swift and appropriate responses to an individual failure, this feature helps to extend the take-up of improvement policies throughout the company. We have put in place a response system (which includes a Crisis Management Committee) based on the scenario of a cyber-attack. We have also drafted a Contingency Plan and conduct response training drills, helping us to be prepared for unexpected situations.

► Certification on Information Security Management System (ISMS<sup>\*1</sup>)

ISMS certification acquired Name of company, office, or division

- Yokohama Center
- Tokyo Data Center I
- Yokohama Data Center II
- Osaka Data Center
- Osaka Data Center II
- Otemachi Operation office
- Yokohama Landmaerk Tower Operation office
- Osaka Center
  
- Systems Consulting Division (partial business)
- Data Center Service Division (partial business)
- Cloud Service Division (partial business)<sup>\*2</sup>
- Insurance Solution Division (partial business)
  
- NRI SecureTechnologies, Ltd.
- NRI System Techno, Ltd. (partial business)
- DSB Co., Ltd. (partial business)

\*1 Certification based on JIS Q 27001 (ISO/IEC 27001)

\*2 Certification based on ISO/IEC 27017 Cloud Service Security Management System

► Personal data protection

Policy for personal data protection	
	<p>NRI has a Personal Data Protection Statement, and it has made its Privacy Policy available to the public. In accordance with the Statement and Policy, our employees comply with the Act on the Protection of Personal Information Held by Administrative Organs; the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (the "My Number Act"); and other relevant laws and regulations. NRI demonstrates flexibility in its responses to changes demanded by the public, such as keeping abreast of rules and guidelines on the protection of personal information issued by regulatory authorities by the Personal Information Protection Commission.</p> <p>We have established personal information management regulations, and if executives and employees violate these regulations, we take disciplinary actions in accordance with our internal rules.</p>
Applicable scope	NRI
References	<p>Personal Data Protection Statement (Applicable scope: NRI)  <a href="https://www.nri.com/en/site/security">https://www.nri.com/en/site/security</a></p> <p>Privacy Policy (Applicable scope: NRI Group)  <a href="https://www.nri.com/en/site/privacy">https://www.nri.com/en/site/privacy</a></p>

► Management on protection of personal information

Governance System for the Protection of Personal Information

	<p>We entrust a "Personal Information Protection Manager" with the responsibility and authority to implement and operate the personal information protection management system. The "Personal Information Protection Auditor" is appointed by the President &amp; CEO, and is in an impartial and objective position independent of the Personal Information Protection Manager with the responsibility and authority to conduct audits and make reports.</p> <p>At NRI, we periodically conduct internal audits regarding the protection of personal information as defined in JIS Q15001 (Personal information protection management systems - requirements), with the General Manager of the Internal Audit Department as the Personal Information Protection Auditor. The "Personal Information Protection Education Manager" assists the Personal Information Protection Manager, and has the responsibility and authority to implement education initiatives for employees and report on the same.</p>
Officer in charge	This role is assumed by Chief Information Security Officer.

Maintenance of rules for the Protection of Personal Information

	Included in the "Maintenance of rules" section of "Information security management".
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Training and awareness on protection of personal information

	Included in the "Training and awareness on information security" section of "Information Security Management."
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Personal information held by NRI

	<p>We have introduced a "Personal Information Management Register System," and are aware of the status of personal information with respect to its registration, use, or disposal. In addition, the oversight departments conduct yearly checks regarding whether personal information is being handled properly or not.</p> <p>The personal information in our possession includes information concerning company directors, employees, and temporary staff, persons in charge of our corporate clients, persons in charge of our business partners (outside contractors and suppliers), and participants in NRI Group events. Personal information held by clients may also be handled in system processing.</p>
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■ Information Security - Data

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Point of contact for external inquiries

General inquiries from the outside are handled by the public relations department.

Strengthened Personal Information Protection Management for Partner Companies

When partner companies handle personal information held by NRI, we request that they enter into a "Confidentiality Agreement" and "Memorandum of Understanding on the Handling of Personal Information" and also comply with our "Security Guidelines."

▶ Risks related to protection of personal information

Percentage of Personal Information or Customer Information Used for Secondary Purposes (Internal or Commercial Purposes)

Not applicable.  
While the NRI Group may handle personal information held by a corporate client, the NRI Group does not directly possess or use said information.

Number of Requests for Submission of Personal Information from Government or Legal Authority, and Response

Not applicable.  
In FY2021 NRI has not received any requests for customer information from the government and legal authorities. If such requests were to be made, it would be handled in accordance with current regulations and in accordance with the principles set forth in the company's Privacy Policy.

Status of Countries and Regions at Risk of Government Control over the Protection of Personal Information in Information Systems

We understand the situation in each country and region, and take appropriate measures.

Number and Details of Violations relating to the Protection of Personal Information, and Measures Taken

None have occurred.

▶ About Privacy Mark

About Privacy Mark

In August 1999, we acquired the Privacy Mark, and in August 2021, we updated our Privacy Mark certification.  
Privacy Mark certification is awarded to offices that are certified by a third party organization to maintain appropriate measures for protecting personal information and conform with the Japanese Act on the Protection of Personal Information and JIS Q15001 (Personal information protection management systems - requirements), the Japanese industrial standard that defines how organizations such as corporations should securely and appropriately manage personal information in business.

The following five companies of the NRI Group have acquired the Privacy Mark.

- NRI
- NRI Netcom, Ltd.
- NRI Data iTech, Ltd.
- DSB Co, Ltd.
- DSB Information System Co., Ltd.

Reference

Privacy Mark System  
<https://privacymark.org/>

## ■ Environmental Management - Management Approach

E01M

### Material issues of NRI related to this management approach

"Response on climate change", "Consumption of sustainable energy", "Recognize responsibility and protect the environment", and "Show consideration for environments in our supply chain"

### NRI's approach to material issues

The rapid development and widespread use of information technology has meant that the amount of electricity consumed by information and communications technology (ICT) businesses as a whole, as well as the CO<sub>2</sub> emissions this represents, has become a serious global issue. Taking responsible action to help prevent global warming has therefore become a pressing obligation for the ICT sector.

The NRI Group is actively working to solve global environmental problems from both approaches of "Green by NRI" and "Green of NRI".

Green by NRI refers to our contributions to help reduce impacts on environment by improving the efficiency and productivity of both our clients' businesses and societal systems through the services and policy proposal activities we provide.

As an example of the great impact of "Green by NRI" activities, by expanding the provision of "Shared Online Services" that utilize one information system in multiple companies, the amount of CO<sub>2</sub> emissions is greatly reduced as measured by society as a whole.

Green of NRI refers to the NRI Group's efforts to further mitigate our own environmental impact by making NRI's data centers, office buildings and IT equipment more energy efficient and through environmental measures such as energy saving efforts of each of our employees.

As an example of the great impact of "Green of NRI" activities, we are promoting the reduction of energy consumption by raising the environmental performance of the data center which accounts for about 80% of the electricity consumed in the business to the world's highest level.

### Priority activities / Medium- to long-term targets

The NRI Group has engaged continuously in efforts to reduce greenhouse gas emissions, from moving our systems to a new data center with high environmental performance, to moving our main offices, including our Head Office, to office buildings better energy efficiency.

NRI signed the Business Ambition for 1.5°C in May 2020, formulated a new greenhouse gas emission reduction target, and obtained certification for the 1.5°C target by the SBT Initiative in February 2021.

During FY2021, we switched the power used by the three largest of the five data centers owned by NRI (Tokyo Data Center I, Yokohama Data Center II, and Osaka Data Center II) to renewable energy. This enabled us to achieve our greenhouse gas emission reduction target formulated in February 2021 ahead of schedule, so we formulated the following new target in February 2022.

[Major targets]

- 1) Achieving Net-Zero greenhouse gas emissions (Scope 1 and Scope 2) of the NRI Group by FY2030
- 2) Using 100% renewable energy at the NRI Group by FY2030

Progress / Achievements / Challenges

NRI was selected as a "Climate Change A List" company for two consecutive years by CDP, an international non-profit organization that assesses and rates companies on their disclosure of climate change initiative. This recognizes that the greenhouse gas emission reduction and climate risk mitigation efforts of the NRI Group have been highly appraised internationally. In addition, in 2021, we were also selected by CDP to be on their Supplier Engagement Leaderboard. This is the third year that we were selected, which certifies that our efforts to achieve greenhouse gas emission reduction targets over the entire NRI supply chain, efforts to reduce climate change risks, and support for our business partners achieving greenhouse gas emission reductions were befitting that of a global leader.

KPI	unit	FY2013	FY2017	FY2018	FY2019	FY2020	FY2021
GHG emissions (Scope1 + 2)	1,000t-CO <sub>2</sub>	108	75	66	60	55	30
GHG emissions reduction rate (compare to base year FY2013)	%	(Base year)	30.0	38.2	43.8	48.7	72.1
Energy consumption amount in Data Centers	1,000kWh	—	103,815	98,550	95,779	95,523	95,220
Renewable energy consumption amount	1,000kWh	—	75	72	75	1,570	54,180
Renewable energy utilization rate	%	—	0.1	0.1	0.1	1.6	56.9
Coverage		a	a	a	a	a	a

Link Files	
	<p>Green by NRI</p> <ul style="list-style-type: none"> <li>• Significantly reducing CO<sub>2</sub> emissions from the use of shared online services</li> <li>• Policy proposal activities to boost data center energy efficiency</li> <li>• Contribution to mitigating environmental impact through consulting activities</li> </ul> <p><a href="https://www.nri.com/en/sustainability/environment/Green_by_NRI">https://www.nri.com/en/sustainability/environment/Green_by_NRI</a></p>
	<p>Green of NRI</p> <ul style="list-style-type: none"> <li>• Data centers that boast advanced environmental performance</li> <li>• Energy conservation and environmental impact reduction activities in offices</li> <li>• Environmental training for executives and employees</li> <li>• Environmental activities by executives and employees (In Japanese only)</li> </ul> <p><a href="https://www.nri.com/en/sustainability/environment/Green_of_NRI/data_center">https://www.nri.com/en/sustainability/environment/Green_of_NRI/data_center</a></p> <p><a href="https://www.nri.com/en/sustainability/environment/Green_of_NRI/saving">https://www.nri.com/en/sustainability/environment/Green_of_NRI/saving</a></p> <p><a href="https://www.nri.com/en/sustainability/environment/Green_of_NRI/education">https://www.nri.com/en/sustainability/environment/Green_of_NRI/education</a></p> <p><a href="https://www.nri.com/jp/sustainability/environment/Green_of_NRI/activities">https://www.nri.com/jp/sustainability/environment/Green_of_NRI/activities</a></p>
	<p>NRI Green Bond</p> <p><a href="https://www.nri.com/en/sustainability/environment/greenbond">https://www.nri.com/en/sustainability/environment/greenbond</a></p>
	<p>Sustainability-Linked Bonds</p> <p><a href="https://www.nri.com/jp/sustainability/environment/sustainability_linked_bond_01">https://www.nri.com/jp/sustainability/environment/sustainability_linked_bond_01</a></p>
	<p>Participation in a Program to Protect Asian Elephants</p> <p><a href="https://www.nri.com/-/media/Corporate/en/Files/PDF/ir/library/AR2017e.pdf#page=51">https://www.nri.com/-/media/Corporate/en/Files/PDF/ir/library/AR2017e.pdf#page=51</a></p>

■ Environmental Management - Data

E01D

▶ Environmental policy

Environmental policy	
	<p>NRI formulated the NRI Group Environmental Policy based on a recognition that tackling environment problems such as climate change and pollution is a common challenge facing the entire world. We have also formulated a Biodiversity Action Agenda, which defines our actions to take to promote the conservation and sustainable use of biodiversity.</p> <p>To ask its business partners, such as external contractors and suppliers, to engage in activities that take into consideration the environment, social and governance (ESG), NRI has a procurement policy containing the clause "Respecting Sustainable procurement." We have promoted procurement in a manner that considers the environment while also complying with the law and social norms.</p>
Applicable scope	All directors, officers and employees of NRI Group
References	<p>NRI Group Environmental Policy  <a href="https://www.nri.com/en/sustainability/environment/policy">https://www.nri.com/en/sustainability/environment/policy</a></p> <p>Biodiversity action agenda  <a href="https://www.nri.com/en/sustainability/environment/biodiversity">https://www.nri.com/en/sustainability/environment/biodiversity</a></p> <p>NRI Group Procurement Policy  <a href="https://www.nri.com/en/company/partner">https://www.nri.com/en/company/partner</a></p>

▶ Environmental management system

Environmental management structure	
	<p>At the direction of the President &amp; CEO, the NRI Group has formed the Sustainability Activities Committee as organizations responsible for sustainable operation, including climate change issues, and presents sustainability initiatives and management proposals to the Senior Management Committee and the Board of Directors several times during the fiscal year.</p>
Officer in charge	Takeshi Hihara, Senior Managing Director
Responsible committee	Sustainability Activities Committee

Status of introduction of environmental management system (EMS)

	<p>NRI has acquired ISO 14001 certification, an international standard on environmental management systems, for its data centers which are considered to be main sources of CO2. (NRI owns 5 data centers in Japan, one of which was closed at the end of FY2021. The closed data center did not acquire ISO 14001 certification, which resulted in a lower EMS coverage ratio compared to previous year's 70.5%.)</p> <p>As for NRI offices, we are introducing NRI-EMS, an environmental management system unique to NRI, starting from FY2015.</p> <p>In FY2018, China's Zhiming Group was added to the scope of NRI-EMS, and four new bases were added. We will continue to consider introducing it to other overseas bases.</p>		
	EMS Coverage (based on energy consumption)	unit	FY2021
		%	85.9
	Data centers (ISO 14001 introduction rate 87.8%)	%	61.5
	Office (NRI-EMS introduction rate 85.7%)	%	24.0
	Overseas bases (NRI-EMS introduction rate 21.2%)	%	0.4
	Coverage		a

## ■ Environmental Management - Data

E01D

### Environmental audit

With ISO 14001, which we have adopted at our data centers, we must conduct an internal audit and external audit once a year. With NRI-EMS, which is adopted at our main offices in Japan and overseas, we conduct an internal audit once a year and implement continuous improvements via the PDCA cycle of EMS.

### Environmental disclosure

NRI discloses environmental efforts via our website, Integrated Reports, and Annual Securities Report. Our environmental data refers to international standards such as the GHG protocol when conducting calculations. From FY2014, our environmental information has been certified by a third-party organization, and our items for certification increase each year.

In July 2018, we expressed our support for the TCFD final report, and have been disclosing appropriate information based on the TCFD framework since then. NRI performs scenario analysis on a business division basis, and we calculate the financial impact on each business while changing the target business division each year. The results of the scenario analysis are announced at the ESG briefing held each year in February, and disclosed on our website and in integrated reports. These efforts were well received, and in March 2022 we were selected as a company with excellent TCFD disclosure by the GPIF's asset managers entrusted with domestic equity investment.

### Environmental training

NRI has been pursuing NRI Green Style activities in order to raise environmental awareness of each director and employee, as well as engage in business operations that are environmentally friendly. We conduct an ESG (environmental, social, governance) e-learning test for all directors and employees in February each year, and it is taken by more than 90%. In November 2020, we also opened the "ESG Site" on the company intranet for disseminating and raising awareness on the knowledge and expertise required for ESG and rules that should be observed. The ESG Site contains animated videos for learning basic ESG knowledge and is shared with NRI Group employees.

Since FY2016 we have been participating in forest improvement activities\* in Tadami Town, Fukushima Prefecture, and joining family-oriented environmental experiences at the Takao Nature School in Hachioji City, Tokyo. (Canceled in FY2020 and FY2021, due to COVID-19)

In order to ensure that our environmental management system is operated appropriately, we provide EMS training including e-learning to employees in charge of and responsible for EMS at our offices.

\* In March 2016, NRI donated to a development project named "Tadami Experience and Observation Forest of Heavy Snow Forestry" in Tadami-machi.

### Breaches of environmental laws and regulations

Not applicable.

### Environmental mass balance

Environmental mass balance of NRI Group							Assur- ance	
INPUT		unit	FY2017	FY2018	FY2019	FY2020	FY2021	
Energy consumption	Total	1,000GJ	1,492	1,390	1,328	1,290	1,269	✓
	Electricity* <sup>1</sup>	1,000kWh	136,518	127,773	121,926	119,574	118,616	✓
	Gas, kerosene, cooling, steam, heat* <sup>2</sup>	1,000GJ	167	150	144	130	118	✓
	Renewable energy consumption* <sup>1</sup> * <sup>a</sup>	1,000kWh	621	743	886	3,926	59,968	✓
Water consumption	Water works* <sup>2</sup>	1,000m <sup>3</sup>	201	212	185	154	152	✓
Paper rehuses use	Business paper* <sup>2</sup>	t	213	190	174	80	62	✓
OUTPUT		unit	FY2017	FY2018	FY2019	FY2020	FY2021	
Greenhouse gas	Total	1,000t-CO <sub>2</sub>	75	66	60	55	30	✓
	Electricity* <sup>1</sup> * <sup>b</sup>	1,000t-CO <sub>2</sub>	68	60	54	49	24	✓
	Gas, kerosene, cooling, steam, heat* <sup>2</sup>	1,000t-CO <sub>2</sub>	6	6	6	5	5	✓
Drainage for business* <sup>3</sup>	Volume of wastewater	1,000m <sup>3</sup>	35	37	34	32	32	✓
Waste paper* <sup>2</sup>	Whole waste	t	269	193	173	95	90	✓
	Final disposed volume	t	0	0	0	0	0	✓
	Recycling rate	%	100	100	100	100	100	✓
Industrial wastes* <sup>4</sup>	Whole waste	t	2,365	1,414	539	418	1,007	✓
	Final disposal volume	t	75	40	25	33	65	✓
	Recycle rate	%	96.8	97.2	95.4	92.1	93.5	✓
Coverage			(notes-2)	(notes-2)	(notes-2)	(notes-2)	(notes-2)	

## Notes:

- 1) Past figures are shown as figures for which impacts due to important acquisitions, etc. have been recalculated according to "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard – Chapter 5. Tracking Emissions Over Time."
- 2) Data coverage is as follows.
  - \*1 NRI Group
  - \*2 NRI Group companies with a Head Office in Japan
  - \*3 NRI Group's Data Centers
  - \*4 NRI Group Data Centers and Buildings
- 3) Renewable energy
  - \*a Total amount of electricity generated from self-consumption (solar power), Green Power Certificates, FIT Non-Fossil Certificates, green electricity products from energy supplier, and overseas renewable energy certificates.
- 4) Greenhouse gases (electricity)
  - \*b Results of calculation based on the location standard: 51 [1,000 t-CO<sub>2</sub>]

## ► Governance for climate change

### Governance system

#### Officer in charge

Takeshi Hihara, Senior Managing Director

#### Responsible committee

Sustainability Activities Committee

#### Incentives for management on climate change

Sustainability initiatives, including efforts to address climate change, are partially reflected in the individual bonus evaluations of main Senior Managing Directors.

NRI annually conducts a quantitative and qualitative integrated evaluation of the business performance and CSV performance of each division including respond to climate change, and select several divisions with excellent results. The evaluation of these divisions is reflected as additional bonus payments for the Senior Managing Directors (General Managers and Deputy General Managers) and employees.

To ensure certain operation of the NRI Group environment management system, NRI encourages employees to obtain various external qualifications related to climate change such as ISO14001 internal auditor and energy manager qualifications. For employees who obtain such qualifications, the NRI Group provides examination fees and also recognizes their achievement in employee performance assessments. To realize the NRI Group corporate statement "Dream up the future," NRI has a program for commending employees who contribute to enhancing the prestige of the NRI Group and achieving its vision every year. This program recognizes not only employees who are involved in activities to disseminate information for social recommendations and the development of new business and technologies but also employees who contribute to improving corporate value through ESG (environmental, social, governance) and sustainability activities.

#### Risk management on climate change

The NRI Group defines the possibility of detriment to the Group's capital due to an unforeseen circumstance that occurs in business operations, or something that prevents the preservation or improvement of enterprise value due to a phenomenon that hinders business operations as business operational risk.

The NRI Group has appointed a Risk Management Director and established a Risk Management Supervisory Bureau in order to establish an internal controls system and aim for continual improvement.

Furthermore, at the direction of the President & CEO, the Integrated Risk Management Committee has been established and conducts appropriate inspections of the status of the entire company's internal controls.

The Integrated Risk Management Committee reports several times a year to the Board of Directors.

Supervisory bureaus have been established for each of the main risks that accompany business activities, and when necessary, deliberations take place at specialist meetings, with the supervisory bureaus taking measures for appropriate responses in collaboration with business departments.

With respect to responding to ESG issues, including climate change risk, in addition to the Integrated Risk Management Committee and at the direction of the President & CEO, the Sustainability Activities Committee, which mainly promotes sustainable management, and the NRI Value Co-Creation Committee, which promotes CSV (Creating Shared Value) operation, have also been established.

These three bodies work in a triangle-structure to promote and engage in management strategies for not only ESG risks, but also ESG opportunities.

With respect to climate-related risks (including business continuity risk due to a natural disaster or similar), the Sustainability Activities Committee, which has responsibility for business-foundational ESG, undertakes management to control the impact of the burden on society. The NRI Group has identified the materialities on which it should engage, and one of the 4 materialities is "the creation of a future society with a low environmental burden."

In alignment with the relevant materialities, climate change risk is managed by setting and publishing external environmental targets for each of the themes of "response to climate change," "sustainable energy consumption," "environmental responsibility and preservation," and "supply-chain environmental consideration."

Furthermore, as foundational climate change management, PDCA has been implemented, with ISO14001 introduced in all 5 data centers and NRI's original environment management system (NRI-EMS) introduced in major offices.

► Climate-related targets

Climate-related targets

Targets

Because the NRI Group is expected to achieve our 1.5°C target certified by the SBT Initiative in FY2020 ahead of schedule, we created a new target for reducing greenhouse gas emissions.

	SBT1.5°C targets (established in February 2021)	New targets* (established in February 2022)
Category	FY 2030 targets	FY 2030 targets
Scope1 + 2	<ul style="list-style-type: none"> <li>•NRI Group greenhouse gas emissions reduced by 72% (compared to FY2013)</li> <li>•Data center renewable energy use of 70%</li> </ul>	<ul style="list-style-type: none"> <li>•NRI Group Net zero greenhouse gas emissions**</li> <li>•NRI Group 100% use of renewable energy</li> </ul>
	FY 2050 targets	
	<ul style="list-style-type: none"> <li>•NRI Group's Net Zero greenhouse gas emissions</li> <li>•NRI Group's 100% use of renewable energy</li> </ul>	
Scope3	FY 2023 targets	
	<ul style="list-style-type: none"> <li>•70% or more of NRI Group business partners have set an environmental target at the SBT level*** (target : categories 1, 2, and 11 of Scope 3)</li> </ul>	
	FY 2030 targets	
	<ul style="list-style-type: none"> <li>•Reduce emissions of employee business trips and commuting by 25% (target : categories 6 and 7 of Scope 3)</li> </ul>	

\* We plan to obtain SBT certification for the new target, according to future SBT initiative standards

\*\* In regard to Scope 1 emissions, we will consider countermeasures in line with future SBTi guidelines and technological trends.

\*\*\*The emissions coefficient is multiplied by the amount of transactions for Category 1 and 2 and the product power consumption for Category 11.

Progress

	unit	FY2013	FY2017	FY2018	FY2019	FY2020	FY2021
CO <sub>2</sub> emissions (Scope1 + 2)	1,000t-CO <sub>2</sub>	108	75	66	60	55	30
Reduction rate (compared to base year)	%	(Base year)	30.0	38.2	43.8	48.7	72.1
Energy consumption amount at Data Center	1,000kWh	–	103,815	98,550	95,779	95,523	95,220
Renewable energy consumption amount	1,000kWh	–	75	72	75	1,570	54,180
Renewable energy utilization rate	%	–	0.1	0.1	0.1	1.6	56.9
Supplier's environmental target setting rate	%	–	4.6	18.1	21.6	30.5	33.6
Emissions related to business travel and commuting	1,000t-CO <sub>2</sub>	7	9	11	28	5	4
Reduction rate (compared to base year)	%	(Base year)	–	–	–	–	32.1
Coverage		a	a	a	a	a	a

## ▶ Climate-related risks

## Risks due to changes in regulations

The world has accelerated towards decarbonization. In October 2020, then-Prime Minister Suga declared Japan's goal of becoming carbon neutral by 2050 in his policy speech.

On the other hand, in Japan, the amount of electricity generated from renewable energy sources is currently in the 20% range, and the target of 36-38% renewable energy sources in 2030 as indicated in the 6th Basic Energy Plan approved by the Cabinet in October 2021 is not sufficient to achieve carbon neutrality by 2050, and the 2030 target is not high compared to other countries.

Therefore, if a high carbon tax, as expected by the IEA, is introduced to realize long-term targets for emission reduction, Japan's electricity prices are expected to rise, and the NRI Group, which owns data centers, also costs risk of increasing. In addition, IT companies in the United States and Europe are turning to zero-emission, which we believe to be a competitive risk.

Therefore, the NRI Group joined RE100 in 2019 and switched the power used at its three data centers with large power usage to renewable energy in FY2021. In addition, while our initial goal was to have all of our power coming from renewable energy sources by 2050, we have moved the target year forward to FY2030 in order to strengthen our competitiveness with a view to future strengthening of laws and regulations. In addition, together with Japanese RE100 member companies, we are making policy recommendations to the government of Japan to increase the supply of renewable energy.

## Risks due to physical impacts

The NRI Group's business (consulting and system developments) is labor-intensive business, and labor costs are the largest cost item. Therefore, if climate change occurs and the number of working days decreases due to heavy rain or intensifying typhoons, new personnel will be needed. Increasing of the labor costs would be a risk for the NRI Group. Currently, about 60% of our 16,500 employees work in Japan, and the rest in Australia, China, and India, and we assume that almost all of these regions will be affected by natural disasters.

In addition, NRI utilizes offshore development in China, led by the securities solutions business, which has the highest sales in the NRI Group. On the other hand, China is highly susceptible to acute physical risks such as flooding. In light of this physical risk, NRI is considering reflecting this in new business plan, anticipating additional costs from alternative development in Japan in the event of an emergency.

In addition, NRI is actively working to reduce risk by relocating and decentralizing offices and introducing teleworking as measures to strengthen BCP, etc. In February 2021, a group company (NRI Process Innovation ,Ltd.) that provides BPO services to asset management companies and other companies will be responsible for the management of the Tokyo metropolitan area. In February 2021, NRI Process Innovation Corporation, a group company that provides BPO services to asset management companies and other companies, opened a new office in Sapporo, a city said to be less susceptible to disasters, in preparation for the event of a large-scale disaster in the Tokyo metropolitan area.

## ▶ Climate-related opportunities

## Climate-related opportunities

The NRI Group owns five data centers in Japan to provide out sourcing services of IT solutions and Shared Online Services. In particular, Shared Online Services allow multiple companies to use the same system jointly, so that they can reduce power consumption and CO<sub>2</sub> emissions. As a green revenue, it accounts for about 20% of sales.

NRI joined RE100 in 2019, and in FY2021, we switched to using renewable energy at our three largest data centers. We have declared a target of using 100% renewable energy at the NRI Group by FY2030 and aim to make the data center business itself a low or zero carbon service.

Such low and decarbonized services are expected to increase demand for these services as society moves toward decarbonization, and we believe that they represent a business opportunity for the NRI Group.

► Action to mitigate climate change

Mitigating climate change through products and services

"Shared Online Services":

Amid concerns over rising power usage by the IT services industry as a whole, NRI has formulated a business plan intended to reduce power usage by the IT activities of the entire value chain, including client companies. Specifically, growing NRI's shared online service revenues will likely serve to curb the carbon dioxide emissions of society as a whole.

Data indicates that using NRI's shared online service can allow our clients to cut their CO<sub>2</sub> emissions by around 70%, compared to if they build and operate their own systems independently.

The CO<sub>2</sub> reduction effect of customers through the use of shared Online Services is monitored quarterly and reported to the Board of Directors as one of the KPIs of the status of CSV efforts. In FY2021, the CO<sub>2</sub> reduction effect for customers through this service was [105,087] tons.

	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Green revenues (revenues from shared online services)	billions of yen	100.1	98.7	103.6	102.9	108.4
Sales ratio	%	21.2	19.7	19.6	18.7	17.7
	Coverage	a	a	a	a	a

"Net zero CO<sub>2</sub> emissions support service for lending and investment portfolios":

NRI has been providing the "Net Zero CO<sub>2</sub> Emissions Support Service for Investment and lending Portfolio" for financial institutions since April 2022. This service is the first solution for financial institutions in Japan to support compliance with various global requirements and standards such as PCAF\*1 through the provision of proprietary CO<sub>2</sub> emissions estimation data and other data specific to Japanese companies. Specifically, the service combines a "CO<sub>2</sub> emissions analysis solution for investment and lending portfolios" with a "consulting service to support engagement with investee companies" to enable financial institutions to significantly reduce the workload associated with reducing the CO<sub>2</sub> emissions of their investment and loan portfolios (to net zero).

"Carbon Tracing System (NRI-CTS)":

NRI has developed a prototype of the "Carbon Tracing System (NRI-CTS)\*2 " that enables companies to trace carbon dioxide and other GHG emission-related information in their supply chains. We are conducting a proof-of-concept (PoC) to apply the NRI-CTS to trace GHG emission status by product and to respond to the TCFD from December 2021.

\*1 Partnership of financial institutions established in the Netherlands in 2015 to develop methodologies and data for measuring and evaluating CO<sub>2</sub> emissions of investment and loan portfolios.

\*2 Patent and trademark pending.

Contribution of climate change mitigation to industry associations and regulations

1. NRI is engaged in policy engagement to improve the renewable energy procurement environment In January 2021, the NRI Group, through the Japan Climate Initiative (JCI), called for an increase in the renewable energy electricity target for FY2030 from the current 22-24% to 40-50%, as set in the Basic Energy Plan. In June 2022, we also called for a 40-50% renewable energy utilization rate in the Japanese government's Clean Energy Strategy.
2. In March 2022, NRI endorsed the Ministry of Economy, Trade and Industry's "GX (Green Transformation) League Basic Concept" and announced its intention to join the "GX League" in March 2023. NRI serves as the secretariat of the GX League and as the overall coordinator, absorbing the diverse needs of Japanese companies toward the realization of GX and reflecting them in policies. In particular, in the area of policy formation, NRI is contributing to GX in Japan through its think-tank and consulting functions. The "Basic Policy for the Realization of GX" approved by the Cabinet in February 2023 also positions the GX League as an important initiative to be developed in stages, with a view to the full-scale operation of an emissions trading system from FY2026. NRI supports the GX League in its efforts to help Japan achieve carbon neutrality by 2050.
3. NRI participates in the WBCSD, a coalition of about 200 CEOs of companies committed to sustainable development, working together to help companies make the transition to a sustainable society. 2022-2023 "Partnership for carbon transparency", "Avoided Emission", and "CFO Network". In the "Partnership for carbon transparency" project, we participated in discussions on the development of the "Pathfinder Framework ver2.0". NRI contributes to this activity as a company with expertise in both consulting and IT solution providers. In "Avoided Emission," the consultants participated in weekly workshops and contributed to the enhancement of the guidance by expressing their opinions on the guidance for Avoided Emissions based on their experience in discussing Avoided Emissions in Japan. WBCSD believes it is important to align with governments and policy authorities, and has developed these guidelines in line with the European Commission's CSRD mandating the development of transition plans in line with 1.5°C. NRI agrees with this stance and is participating in the project to help the world transition to 1.5°C.

## Greenhouse Gas Emissions - Data

E03D

## Greenhouse gas emissions

GHG emissions (Scope1, Scope2)		unit	FY2017	FY2018	FY2019	FY2020	FY2021	Assurance
Direct GHG emissions (Scope1)	Total	1,000t-CO <sub>2</sub>	1	1	1	1	1	✓
	Japan	1,000t-CO <sub>2</sub>	1	1	1	1	1	✓
	Overseas	1,000t-CO <sub>2</sub>	0	0	0	0	0	✓
Indirect GHG emissions (Scope2)*1		unit	FY2017	FY2018	FY2019	FY2020	FY2021	
Market Based	Total	1,000t-CO <sub>2</sub>	73	64	58	53	28	✓
	Japan	1,000t-CO <sub>2</sub>	70	61	56	53	28	✓
	Overseas	1,000t-CO <sub>2</sub>	3	2	2	0	0	✓
Location based	Total	1,000t-CO <sub>2</sub>	73	65	58	57	55	✓
	Japan	1,000t-CO <sub>2</sub>	70	62	56	56	53	✓
	Overseas	1,000t-CO <sub>2</sub>	3	2	2	1	1	✓
Total emissions(Scope1 + 2)		unit	FY2017	FY2018	FY2019	FY2020	FY2021	
Market based	Total	1,000t-CO <sub>2</sub>	75	66	60	55	30	✓
	Japan	1,000t-CO <sub>2</sub>	71	63	58	55	29	✓
	Overseas	1,000t-CO <sub>2</sub>	3	2	2	0	0	✓
Location based	Total	1,000t-CO <sub>2</sub>	75	66	60	59	57	✓
	Japan	1,000t-CO <sub>2</sub>	72	63	58	57	55	✓
	Overseas	1,000t-CO <sub>2</sub>	3	2	2	1	1	✓
	Coverage*1		a-	a-	a-	a-	a-	

\*1 Among the scope of the coverage of Scope 2, the electricity usage is a (NRI Group), cooling, steam · heat is b (NRI Group companies with a head office in Japan)

GHG emissions (Scope3)		unit	FY2017	FY2018	FY2019	FY2020	FY2021	Assurance
	Indirect GHG emissions (Scope3)	1,000t-CO <sub>2</sub>	137	120	180	133	152	✓
Category1	Purchased goods and services	1,000t-CO <sub>2</sub>	69	84	91	97	112	✓
Category2	Capital goods	1,000t-CO <sub>2</sub>	44	12	15	16	23	✓
Category3	Fuel-and-energy-related activities	1,000t-CO <sub>2</sub>	6	5	10	10	10	✓
Category6	Business travel	1,000t-CO <sub>2</sub>	7	8	24	1	3	✓
Category7	Employee commuting	1,000t-CO <sub>2</sub>	2	2	4	3	1	✓
Category11	Use of sold products	1,000t-CO <sub>2</sub>	7	6	34	4	1	✓
Category12	End of life treatment of sold products	1,000t-CO <sub>2</sub>	0	0	0	0	0	✓
	Coverage		a-	a-	a-	a-	a-	

Notes: 1. Among the scope of the coverage of category 3 fuel-and-energy-related activities, the electricity usage is a (NRI Group), cooling, steam · heat is b (NRI Group companies with a head office in Japan)

2. Past figures are shown as figures for which impacts due to important acquisitions, etc. have been recalculated according to "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard – Chapter 5. Tracking Emissions Over Time."

GHG emissions per net sales (Scope 1+2)	unit	FY2017	FY2018	FY2019	FY2020	FY2021
GHG emissions per net sales	t-CO <sub>2</sub> /Millions of Yen	0.160	0.133	0.114	0.100	0.049

## Energy Consumption - Data

E04D

### Energy consumption amount

Energy consumption amount	unit	FY2017	FY2018	FY2019	FY2020	FY2021	Assurance
Energy consumption amount	1,000kWh	172,906	160,866	154,125	148,604	145,082	✓
Electricity	(A) 1,000kWh	136,518	127,773	121,926	119,574	118,616	✓
Kerosene	kl	32	0	52	0	0	✓
Diesel	kl	112	128	113	137	110	✓
Gas	1,000m <sup>3</sup>	569	628	644	587	589	✓
Cooling, steam, heat	1,000GJ	100	85	80	72	64	✓
Renewable energy consumption amount*	(B) 1,000kWh	621	743	886	3,926	59,968	✓
Renewable energy utilization rate	(B/A) %	0.5	0.6	0.7	3.3	50.6	✓
Coverage		a	a	a	a	a	

\* Total amount of electricity generated from in-house solar power generation (solar power), Green Energy Certificates, FIT NFC, EACs, and green electricity products from energy supplier.

### Data center energy consumption

Data center energy consumption	unit	FY2017	FY2018	FY2019	FY2020	FY2021	Assurance
Data center energy consumption	(A) 1,000kWh	103,815	98,550	95,779	95,523	95,220	✓
Renewable energy consumption amount*	(B) 1,000kWh	75	72	75	1,570	54,180	✓
Renewable energy utilization rate	(B/A) %	0.1	0.1	0.1	1.6	56.9	✓
Scope of data center coverage	%	100	100	100	100	100	

\* Figures include solar power generation (all for in-house consumption), Green Energy Certificates, FIT NFC, and green electricity products from energy supplier.

## Resource Use, Waste - Data

E05D

### Water resources

Water use	unit	FY2017	FY2018	FY2019	FY2020	FY2021	Assurance
Water use (total)	1,000m <sup>3</sup>	201	212	185	154	152	
Water works	1,000m <sup>3</sup>	201	212	185	154	152	✓
Recycled water	1,000m <sup>3</sup>	–	–	–	–	–	
Coverage*		b-	b-	b-	b-	b-	

\* b-: The scope of the coverage is NRI Group data centers and centers

Waste water	unit	FY2017	FY2018	FY2019	FY2020	FY2021	Assurance
Waste water (total)	1,000m <sup>3</sup>	35	37	34	32	32	✓
Coverage*		c-	c-	c-	c-	c-	

\* c-: The scope of the coverage is NRI Group's data centers

### Paper resources

Paper use	unit	FY2017	FY2018	FY2019	FY2020	FY2021	Assurance
Paper use (Business paper)	t	213	190	174	80	62	✓
Coverage*		b-	b-	b-	b-	b-	

\* b-: The scope of the coverage is NRI Group data centers, centers and part of offices

Waste paper	unit	FY2017	FY2018	FY2019	FY2020	FY2021	Assurance
Waste paper (total)	t	269	193	173	95	90	✓
Recycle rate	%	100	100	100	100	100	✓
Coverage*		b-	b-	b-	b-	b-	

\* b-: The scope of the coverage is NRI Group data centers, centers and part of offices

### Waste

Waste disposed	unit	FY2017	FY2018	FY2019	FY2020	FY2021	Assurance
Waste disposed (total)	t	2,365	1,414	539	418	1,007	✓
Recycle rate	%	96.8	97.2	95.4	92.1	93.5	✓
Coverage*		b-	b-	b-	b-	b-	

\* b-: The scope of the coverage is NRI Group data centers and centers

## ■ NRI Green Bond (3rd Unsecured) Data

E06D

### Outline of NRI Green Bond

We have announced our corporate statement of "Dream up the future" and promote ESG initiatives for improving corporate value.

One example of NRI-style ESG initiatives are the NRI Green Bonds (Nomura Research Institute, Ltd. 3rd series unsecured corporate bonds) issued in September 2016. By issuing NRI Green Bonds, we aim to lead the realization of a sustainable future society by encouraging green investment in Japan and putting our green investment into practice.

### ► Status of appropriation of fundraising

#### Appropriation of procured funds

	Total	unit	FY2021
Details of procurement fund and appropriated amount		millions of yen	4,287
Funds acquired for trust beneficiary rights making part of the Yokohama Nomura Building a trust asset and capital expenditures for that building		millions of yen	4,000
Construction of Osaka Data Center II Building 2		millions of yen	287
Procurement fund balance		unit	FY2021
Procurement fund balance at start of period		millions of yen	0
Procurement fund balance at end of period		millions of yen	5,713

### ► Impact Reporting

#### Status of Green Building Business

NRI acquired the trust beneficiary right of the Yokohama Comprehensive Center (Yokohama Nomura Building), which is the use of the NRI Green Bond funds in April 2017, and has started using it as a lessee. We sold our trust beneficiary rights in May 2021 and in April 2022. Funds from this sale are managed in a dedicated account until they can be allocated to suitable green projects in the future. We plan to continue using the Yokohama Nomura Building after the partial sales of trust beneficiary rights, and will continue business activities for reducing our environmental impact.

KPI	Field	Item	unit	FY2021
Environment		Industrial waste volume	t	19.8
		Recycling rate	%	86.6
Social		Occupational safety and health: Number of serious occupational accidents (including subcontractors)		0
Governance		ESG related disputes (including subcontractors)		0
Local community contribution		Actions taken for dialogue and interaction with the local community		

•The winter illumination was held from November 11, 2021 to February 13, 2022.  
 •We joined "TOWERS Milight" to illuminate our entire building together with other offices in the Minato Mirai 21 area on Christmas Eve.  
 •We donated 200 sets of emergency rations to children's cafeterias near the Yokohama Nomura Building.

## ■ NRI Green Bond (3rd Unsecured) Data

E06D

## Environmental evaluation of target facilities

Assur-  
ance

Yokohama Center (Yokohama Nomura Building)				unit	FY2017	FY2018	FY2019	FY2020	FY2021	
INPUT	Energy resources use	Total heat	1,000GJ		62	77	83	74	74	✓
		Electricity	1,000kWh		3,086	3,912	4,261	3,887	3,866	✓
		Gas, Cooling, heat	1,000GJ		32	39	42	37	36	✓
OUTPUT	GHG emissions	Total emissions	t-CO <sub>2</sub>		2,953	3,604	3,909	3,450	2,205	✓
		Electricity	t-CO <sub>2</sub>		1,500	1,858	1,994	1,776	566	✓
		Gas, cooling, heat	t-CO <sub>2</sub>		1,453	1,745	1,915	1,674	1,639	✓
		Emissions per floor area	t-CO <sub>2</sub> /m <sup>2</sup>		0.05	0.07	0.07	0.06	0.04	
		Emissions per employee (A)	t-CO <sub>2</sub> /person		0.45	0.54	0.59	0.52	0.33	
Yokohama Minato Center (Dia Building)				unit	FY2017					
OUTPUT	Total heat from energy resources		1,000GJ		51					
	GHG emissions		t-CO <sub>2</sub>		2,537					
	Emissions per floor area		t-CO <sub>2</sub> /m <sup>2</sup>		0.14					
	Emissions per employee (FY2017 : B)		t-CO <sub>2</sub> /person		1.13					
Comparison between Yokohama Nomura Building and Dia Building				unit	FY2017	FY2018	FY2019	FY2020	FY2021	
OUTPUT	Improvements in emissions per employee ((A-B)/B)		%		-60.6	-51.9	-47.8	-53.9	-70.6	

Notes 1. When conducting the environmental assessment on the Yokohama Nomura Building, a comparison was conducted with the Yokohama Dia Building that was the main transfer source.

2. Emissions per employee is calculated based on the standard use area per person of 2.5 tsubo (8.3m<sup>2</sup>) that is prescribed as the office standard for NRI.

3. Because the energy resources for the Yokohama Nomura Building are electricity, gas, and cold water and heat, "total heat", "greenhouse gas emissions", "emissions per floor area", and "emissions per employee" are calculated based on these resources.

## Status of nergy efficiency (Data Center bussiness)

In July 2021, NRI decided to make the construction project for Osaka Data Center II Building 2 a qualified green project. This construction project started in November 2021 and is scheduled to complete in February 2023.

## Environmental evaluation of target facilities

Because Osaka Data Center II has not yet finished construction, it will not improve our environmental performance during the reporting period.

■ NRI Sustainability-Linked Bonds (8th series unsecured straight corporate bonds) Data

E07D

Assur-  
ance

Status of KPIs

NRI has issued "the NRI Sustainability-Linked Bond(SLB)" to implement the code of conduct in "The NRI Group's Environmental Policy". Sustainability-Linked Bonds are financial instruments based on assessments of future performance according to Key Performance Indicators (KPIs) and Sustainability Performance Targets (SPTs) determined beforehand by the issuer. The conditions of the bonds change depending on whether the SPTs set as numerical targets to be achieved for the KPIs are achieved.

The bonds set out 2KPIs as follows.

KPI1 : NRI Group GHG emissions (Scope1 + 2)

KPI2 : Renewable energy utilization rate by NRI Group data centers

KPI	Unit	Base year	Target	Progress	
		FY2013	FY2030	yaer FY2021	
NRI Group GHG emissions (Scope 1 + 2)	1,000t-CO <sub>2</sub>	108	30	30	✓
Renewable energy utilization rate in data centers	%	—	70	56.9	✓

Status of SPTs achievement

The bonds set out 2SPTs as follows.

• SPT1 : 72% reduction in NRI Group GHG emissions by FY2030 from a FY2013 base-year (Scope1 + 2)

• SPT2 : Renewable energy utilization rate by NRI Group data centers by FY2030 : 70%

SPT	Unit	Target	Progress
		yaer FY2030	yaer FY2021
72% reduction in NRI Group GHG emissions by FY2030 from a FY2013 base-year (Scope 1+2)	%	72	72.1
Renewable energy utilization rate by NRI Group data centers by FY2030 : 70%	%	70	56.9

## Material issues of NRI related to this management approach

"Diversity of human resources" and "Sound hiring practices and labor-management relations"

## NRI's approach to material issues

The NRI Group believes that employees respecting each other's diverse values is the cornerstone of a workplace environment where employees can continue to work happily, sound in both mind and body, and that this is indispensable to the company's sustained growth, as it brings about improvements in the productivity and creativity of individual employees and the organization as a whole. In addition, the NRI Group has expanded its overseas business, and one in every three employees now works overseas. Therefore, we promote diversity management in line with international social norms so that our value-diverse employees can become established and active in the NRI Group irrespective of their race, ethnicity, nationality, birthplace, social status, social origin (place of birth), gender, marital status, age, language, disability status, health status, religion, thought, belief, property, sexual orientation. Regardless of gender identity and differences in job types and employment types.

In addition, in order to transform this into growth potential for the company, we are working to create an environment in which employees can demonstrate their abilities fully while also valuing their own health and family life by reducing long working hours and improving work-life balance so that employees can demonstrate their creativity. The above labor policy is communicated to NRI Group's global executives and employees through the "RULE BOOK:Cornerstone Rules of Executive Officers and Employees," distributed annually, along with the NRI Group Employees' Code of Business Conduct (Creating a Good Workplace) and individual rules (Compliance with Labor Management Rules).

In terms of recruitment, too, each individual's various abilities, expertise, and skills are appropriately assessed and decisions made without discrimination based on gender or similar.

In addition to the regular yearly recruitment of new graduates, recruitment is ongoing throughout the year for midcareer hires and opportunities for persons with disabilities. When giving an explanation about the company during hiring, we disclose factual information based on the concept of "RJP" \*.

\* RJP: an abbreviation of "Realistic Job Preview." Recruitment activity carried out using the idea of communicating to job applicants the truth about both the good and bad aspects of the work, its environment, and the corporate culture.

## ■ Labor Practices, Diversity - Management Approach

### Priority activities / Medium- to long-term targets

The NRI Group has established the following objectives and is promoting initiatives related to diversity and inclusion.

[Action plans under the Act on Promotion of Women's Participation and Advancement in the Workplace]

(Target: NRI) Term: April 2019 to March 2023

- |             |  |
|-------------|--|
| Goals       | <ol style="list-style-type: none"> <li>1. Increase the percentage of female managers to at least 8.5% of all NRI managers by the end of FY2022 (appoint no less than 100 additional women to managerial positions).</li> <li>2. Increase NRI's female employee hiring rate to at least 30% of its total recruitment.</li> <li>3. Further heighten management's awareness of diversity management.</li> </ol>   |
| Initiatives | <ol style="list-style-type: none"> <li>1. Continue the Leader Development Program for female employees with the goal of developing them into managers.</li> <li>2. Persist with measures to attract more female student job applicants.</li> <li>3. Heighten management's awareness of their responsibilities from managerial and employee development perspectives with respect to diversity of employee characteristics and values.</li> <li>4. Carry out system reforms aimed to allow all NRI employees to select diverse work style options.</li> </ol> |

In addition, we have also established the following objectives and are promoting initiatives related to supporting work-life balance.

[5th Term Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children]

(Target: NRI)

- |             |  |
|-------------|--|
| Goals       | <ol style="list-style-type: none"> <li>1. Promote use of childcare-related systems while facilitating improvements that make them easier to use.</li> <li>2. Develop a workplace culture that enables diverse talents to flourish, and strive to make improvements in that regard.</li> <li>3. Further improve the working environment to bring about more satisfactory work-life balance.</li> </ol>  |
| Initiatives | <ol style="list-style-type: none"> <li>1-1. Support employees returning to work by promoting operations of the in-office nursery school that opened in June 2017. Also, hold regularly scheduled explanatory sessions regarding the nursery school.</li> <li>1-2. Continuing to build awareness on childcare related systems for pregnant employees and employees with pregnant partners.</li> <li>1-3. Gain a quantitative and qualitative understanding of circumstances surrounding use of the childcare-related systems and employee preferences in that regard, through questionnaires, interviews and other such means to consider improvement measures.</li> <li>2-1. Prevent harassment related to matters such as childcare and nursing care by regularly implementing employment training programs and continue efforts to heighten awareness in that regard.</li> <li>2-2. Support employees taking care of children and those who have returned to work by providing them with greater opportunity to plan their careers. To such ends, continue to engage in initiatives to support work-life balance, encompassing elements such as training and interviews enlisting supervisors together with employees who are expecting and those who have returned to work after having taken childcare leave.</li> <li>2-3. Providing training for supervisors and examples of workstyles to foster an easy-to-work environment for employees that return from childbirth/childcare leave.</li> <li>2-4. Promote greater understanding of diversity by carrying out initiatives that include training sessions and round-table discussions transcending generational divides and job titles.</li> <li>3-1. Promote flexible working styles such that include telecommuting and utilizing various IT tools.</li> <li>3-2. Encourage employees to take paid leave through campaigns and other such initiatives.</li> </ol> |

\* Since we received "Platinum Kurumin Special Exception" from August 2018, instead of formulating an action plan, we announced the implementation status of next-generation upbringing support measures to the Ministry of Health, Labor and Welfare "Holding place for supporting work-life balance".

## Progress / Achievements / Challenges

NRI has been selected as a "Nadeshiko Brand" for the third consecutive year since 2016 as a listed company excellent for promoting female career.

The "Nadeshiko Brand" is a joint initiative by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, and introduces listed corporations that excel in encouraging the empowerment of women as an attractive brand for investors who focus on "enhancing corporate value in the medium- to long-term," and promotes investment alongside initiatives by the companies.

In addition, NRI was recognized by the Minister of Health, Labour and Welfare as a company that showed excellence in implementing initiatives encouraging the empowerment of women, receiving Top-Rank Eruboshi Certification (Stage 3). This certification system is based on the Act on Promotion of Women's Participation and Advancement in the Workplace that came into effect in April 2016, and evaluated NRI's achievements in each of the categories of: 1. Recruitment; 2. Continued employment; 3. Work-style, including hours, etc.; 4. Ratio of women in managerial positions; and 5. Career-path variety.

KPI	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Female managers rate <sup>*1</sup>	%	6.4	6.8	7.1	7.6	8.3
Employment continuation ratio of female / that of male <sup>*2</sup>	%	78.8	72.4	77.7	86.3	96.4
Ratio of average service years of female / that of male <sup>*3</sup>	%	79.8	78.8	79.7	78.8	77.5
Female employee hiring rate <sup>*4</sup>	%	26.7	27.6	28.2	27.2	33.2
Coverage		c	c	c	c	c

\*1 As of the beginning of each fiscal year (April 1)

\*2 As of the beginning of each fiscal year and cover employees hired in the three years preceding the 9-11 fiscal year.

\*3 As of the end of each fiscal year (March 31)

\*4 Calculated based on total value for each year

Link Files	<p>Relating the Act on Promotion of Women's Participation and Advancement in the Workplace (In Japanese only)</p> <p><a href="https://www.nri.com/jp/sustainability/social/diversity_mgmt#flag2">https://www.nri.com/jp/sustainability/social/diversity_mgmt#flag2</a></p> <p>Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children</p> <p>Main schemes of NRI for childbirth, parenting and nursing care support (In Japanese only)</p> <p><a href="https://www.nri.com/jp/sustainability/social/diversity_mgmt#flag3">https://www.nri.com/jp/sustainability/social/diversity_mgmt#flag3</a></p>
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## ■ Labor Practices, Diversity - Data

### ► Employee data

Number of employees (Consolidated)		unit	FY2017	FY2018	FY2019	FY2020	FY2021
Overall	Total number of employees	no. of person	12,708	12,578	13,278	13,430	16,512
	(breakdown) male	no. of person	9,285	n/a	n/a	n/a	n/a
		%	73.1	–	–	–	–
	female	no. of person	3,423	n/a	n/a	n/a	n/a
		%	26.9	–	–	–	–
	Non-Japanese	no. of person	3,799	3,493	3,705	3,457	6,208
	%	29.9	27.8	27.9	25.7	37.6	
By region	Japan	no. of person	8,821	9,004	9,495	9,912	10,236
		%	69.4	71.6	71.5	73.8	62.0
	(breakdown) male	no. of person	n/a	n/a	n/a	n/a	n/a
	female	no. of person	n/a	n/a	n/a	n/a	n/a
	Europe	no. of person	14	15	16	12	13
		%	0.1	0.1	0.1	0.1	0.1
	(breakdown) male	no. of person	n/a	n/a	n/a	n/a	n/a
	female	no. of person	n/a	n/a	n/a	n/a	n/a
	Americas	no. of person	392	345	328	218	1,063
		%	3.1	2.7	2.5	1.6	6.4
	(breakdown) male	no. of person	n/a	n/a	n/a	n/a	n/a
	female	no. of person	n/a	n/a	n/a	n/a	n/a
	Asia	no. of person	2,052	1,761	1,860	1,903	1,904
		%	16.1	14.0	14.0	14.2	11.5
	(breakdown) male	no. of person	n/a	n/a	n/a	n/a	n/a
	female	no. of person	n/a	n/a	n/a	n/a	n/a
	of which China	no. of person	1,465	1,168	1,244	1,289	1,323
		%	11.5	9.3	9.4	9.6	8.0
	(breakdown) male	no. of person	n/a	n/a	n/a	n/a	n/a
	female	no. of person	n/a	n/a	n/a	n/a	n/a
	Australia	no. of person	1,429	1,453	1,579	1,385	3,296
	%	11.2	11.6	11.9	10.3	20.0	
(breakdown) male	no. of person	n/a	n/a	n/a	n/a	n/a	
female	no. of person	n/a	n/a	n/a	n/a	n/a	
Overseas total	no. of person	3,887	3,574	3,783	3,518	6,276	
	%	30.6	28.4	28.5	26.2	38.0	
(breakdown) male	no. of person	n/a	n/a	n/a	n/a	n/a	
female	no. of person	n/a	n/a	n/a	n/a	n/a	
Coverage		a	a	a	a	a	

Note: As of the end of each fiscal year

## ■ Labor Practices, Diversity - Data

Number of employees (Non-consolidated)		unit	FY2017	FY2018	FY2019	FY2020	FY2021	Assur- ance
Overall	Total number of employees	no. of person	6,130	6,297	6,353	6,507	6,488	
	(breakdown) male	no. of person	4,947	5,049	5,058	5,152	5,080	
		%	80.7	80.2	79.6	79.2	78.3	
	female	no. of person	1,183	1,248	1,295	1,355	1,408	
		%	19.3	19.8	20.4	20.8	21.7	
	Average age of employees	age	40.2	40.3	40.4	40.5	40.6	
	(breakdown) male	age	40.8	41.0	41.2	41.2	41.5	
	female	age	37.7	37.6	37.6	37.6	37.5	
	Average years of worked	years	14.6	14.6	14.7	14.7	14.8	
	(breakdown) male (a)	years	15.2	15.3	15.4	15.4	15.6	
	female (b)	years	12.1	12.1	12.3	12.1	12.1	
	(b)/(a)	%	79.8	78.8	79.7	78.8	77.5	✓
	Non-Japanese		no. of person	106	112	110	122	112
		%	1.7	1.8	1.7	1.9	1.7	
By age	Below 30 years	no. of person	1,158	1,223	1,258	1,359	1,422	
		%	18.9	19.4	19.8	20.9	21.9	
	(breakdown) male	no. of person	820	858	889	957	969	
		female	no. of person	338	365	369	402	453
	30-39 years	no. of person	2,023	2,044	2,047	2,064	1,963	
		%	33.0	32.5	32.2	31.7	30.3	
	(breakdown) male	no. of person	1,640	1,640	1,615	1,624	1,522	
		female	no. of person	381	383	404	440	441
	40 - 49 years	no. of person	1,624	1,575	1,527	1,497	1,487	
		%	26.5	25.0	24.0	23.0	22.9	
	(breakdown) male	no. of person	1,315	1,268	1,230	1,215	1,230	
		female	no. of person	298	309	307	282	257
	50-59 years	no. of person	1,221	1,338	1,404	1,432	1,415	
		%	19.9	21.2	22.1	22.0	21.8	
	(breakdown) male	no. of person	1,092	1,190	1,231	1,225	1,184	
		female	no. of person	129	148	173	207	231
	Over 60 years	no. of person	104	117	117	155	201	
		%	1.7	1.9	1.8	2.4	3.1	
(breakdown) male	no. of person	80	93	93	131	175		
	female	no. of person	24	24	24	24	26	

Note: As of the end of each fiscal year

## ■ Labor Practices, Diversity - Data

Number of employees (Non-consolidated)		unit	FY2017	FY2018	FY2019	FY2020	FY2021	Assur- ance
By managers position	Total number of managers	no. of person	2,607	2,733	2,844	2,861	2,875	
	(breakdown) male	no. of person	2,441	2,547	2,642	2,643	2,636	
		%	93.6	93.2	92.9	92.4	91.7	
	female	no. of person	166	186	202	218	239	
		%	6.4	6.8	7.1	7.6	8.3	✓
	of which general manager or higher positions	no. of person	211	205	224	225	236	
	(breakdown) male	no. of person	204	197	214	215	226	
		%	96.7	96.1	95.5	95.6	95.8	
	female	no. of person	7	8	10	10	10	
		%	3.3	3.9	4.5	4.4	4.2	
	of which junior management positions	no. of person	2,396	2,528	2,620	2,636	2,639	
	(breakdown) male	no. of person	2,237	2,350	2,428	2,428	2,410	
		%	93.4	93.0	92.7	92.1	91.3	
	female	no. of person	159	178	192	208	229	
		%	6.6	7.0	7.3	7.9	8.7	
	of which management positions in revenue-generating functions	no. of person	2,416	2,537	2,594	2,596	2,607	
	(breakdown) male	no. of person	2,272	2,373	2,416	2,407	2,404	
		%	94.0	93.5	93.1	92.7	92.2	
	female	no. of person	144	164	178	189	203	
		%	6.0	6.5	6.9	7.3	7.8	
	Coverage		c	c	c	c	c	

Note: As of the end of each fiscal year, but "By managers position level" is as of the beginning of each fiscal year

## ► Employment of persons with disabilities

### Promoting employment of persons with disabilities

NRI has been actively working to recruit persons with disabilities. At NRI Mirai, Ltd., a special subsidiary of NRI, Health Keepers (visually-impaired corporate physiotherapists) fulfill their duties by providing relaxation services to NRI Group employees at massage rooms in place at principal offices. Office Supporters, comprising of mentally impaired persons, work actively to provide training assistance, digitize documents, deliver internal mail, keep office space in order and look after equipment and fixtures, among other diverse activities. At the "Sora Cafe Mirai" opened in FY2021, office supporter employees provide hand-drip coffee. We will continue to promote workplace participation of persons with disabilities by discovering further employment opportunities for them.

	unit	FY2017	FY2018	FY2019	FY2020	FY2021	Assur- ance
Number of employees with disabilities	no. of person	134	142	166	170	181	✓
Rate of employees with disabilities*	%	2.19	2.26	2.45	2.35	2.37	✓
Coverage		d	d	d	d	d	

Notes: 1. As of June 1 of each year

2. d: The scope of coverage is based on NRI and its group company to which the special subsidiary system is applied

\* Actual employment rate based on "Act on Promotion of Employment of Persons with Disabilities"

## ■ Labor Practices, Diversity - Data

### ▶ Remuneration

#### Average annual salary

In addition to complying with laws & regulations and upholding the minimum wage, NRI strives to enhance employee's good living by a compensation and wage structure that is appropriate for professionals.

	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Employee as a whole	1,000 yen	11,660	12,217	12,352	12,251	12,320
Coverage		c	c	c	c	c

Note: Including bonus and non-specified salary

New graduates starting monthly salary	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Master's degree	yen	251,500	251,500	251,500	251,500	251,500
Bachelor's degree	yen	221,500	221,500	221,500	221,500	221,500
Coverage		c	c	c	c	c

Note: New graduate recruitment employee who joined the first business day of April of that year

Base Salary and Total Salary per Employee by Gender (Female : Male)			FY2021
Base salary	Managers		1 : 1.05
	Non-management employees		1 : 1.16
Total salary	Managers		1 : 1.07
	Non-management employees		1 : 1.22
Coverage			c

Note: The same salary system is applied to men and women. Any differences are due to age structure, grade structure, etc.

### ▶ Promoting diversity and inclusion

#### Promoting diversity and inclusion

NRI's Diversity & Inclusion promotion activities began with the "NRI Women's Network (NWN)", an activity for promoting women's advancement that started in FY2008.

Currently, we are engaged in various types of diversity such as differences in careers / specialties, generations, lifestyles such as childcare / nursing / health, and understanding of disabilities / SOGI / cultural differences.

From FY2018, we hold a Diversity & Inclusion Seminar once a year for department managers to explain the necessity of diversity management directly from top management and the importance of communication to promote inclusion.

## ■ Labor Practices, Diversity - Data

### Promotion of Women's Participation and Advancement

Since FY2008, NRI has been expanding the activities of the NRI Women's Network (NWN), which are based on the three pillars of "support for female employees in developing their careers," "support for balancing work and parenting," and "fostering a better corporate culture."

Rising ratios of female employees and women continuing to work have become the norm, and in recent years NWN activities have focused on "a more professional approach broadening one's career and continuing to play an active role."

We formulated an action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace, and in FY2016 we started a Leader Development Program and Career Design Seminars to support women's career development. In order to accelerate the appointment of female executives, department heads and the personnel department have conducted progress checks on the appointment of female executive candidates from FY2021.

We are also continuously working on childbirth and childcare initiatives, and are proactively encouraging not only the employee undergoing the life-event, but also their supervisor, including through three-party interviews aimed at pregnant employees and their supervisors, training to support balancing work and childcare attended by employees who have returned from childcare leave and their supervisors as a pair, and our "Support for Balancing Work and Childcare Guide Book for Supervisors."

Thanks to these initiatives, NRI has continued to be selected for the "Nadeshiko Brand" since 2016 as a listed corporation that excels in encouraging the empowerment of women. The "Nadeshiko Brand" is a joint initiative by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, and introduces listed corporations that excel in encouraging the empowerment of women as an attractive brand for investors who focus on "enhancing corporate value in the medium- to long-term," and promotes investment alongside initiatives by the companies. In addition, NRI was recognized by the Minister of Health, Labour and Welfare as a company that showed excellence in implementing initiatives encouraging the empowerment of women, receiving Top-Rank Eruboshi Certification (Stage 3). This certification system is based on the Act on Promotion of Women's Participation and Advancement in the Workplace that came into effect in April 2016, and evaluated NRI's achievements in each of the categories of: 1. Recruitment; 2. Continued employment; 3. Work-style, including hours, etc.; 4. Ratio of women in managerial positions; and 5. Career-path variety.

In addition, NRI has continued to be selected for the "MSCI Japan Empowering Women Index" since 2017. This index is one of the three ESG indices selected for passive operation by the Government Pension Investment Fund (GPIF).



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### Labor-management consultation on diversity & inclusion

Through informal gatherings and group negotiations with the Nomura Research Institute Labor Union, NRI continues to engage in dialogue both regularly and irregularly on topics related to its compensation and treatment, personnel system, and work environment. These dialogues also include discussions on important matters concerning diversity management.

## ▶ Long-term incentives

## Long-term incentives for employees

As long-term incentives for employees, NRI has adopted a NRI Group employee stock ownership plan, trust-type employee holding incentive plan, and retirement allowances (retirement lump sum, defined-benefit corporate pension, and defined-contribution pension).

## NRI Group employee stock ownership plan

This is an employee benefits system in which employees of the NRI Group (NRI and its consolidated subsidiaries) use a self-determined amount of their salary and bonus to regularly purchase shares in NRI, supporting the creation of medium to long-term assets.

Employees are awarded an incentive in the form of NRI shares amounting to 10% of their contribution. The NRI Group employee stock ownership plan also encourages employees to hold NRI shares, which serves as an incentive to improve the corporate value of the NRI Group.

In addition, dividends are re-invested in purchases of NRI shares (after tax is subtracted).

Ratio of the number of shares held by the NRI Group Employee Stock Ownership Group to the total number of NRI issued shares (excluding treasury stock): 4.79% (as of March 31, 2022)

## Trust-type employee holding incentive plan

In order to provide incentives for raising NRI's corporate value over the medium and long terms, and further expand employee benefit packages, NRI adopts the Trust-type Employee Stock Ownership Incentive Plan.

This plan is an incentive plan for all employees participating in the NRI Group Employee Stock Ownership Group, and those employees will benefit from the rise in the NRI stock price.

NRI has set up a specific trust (the Trust) for the NRI Group Employee Stock Ownership Group with a trust bank, and the Trust takes out loans to purchase in advance the amount of NRI stock that is expected to be purchased over the following two years. After that, the Trust will continuously sell the NRI stock to the NRI Group Employee Stock Ownership Group. If gains remain in the Trust at the time it is terminated, the funds will be distributed to qualified employees.

As a result, employees will benefit from the rise in the NRI stock price over the two-year trust period, which is an incentive for the medium to long-term improvement of corporate value.

## ■ Labor Practices, Diversity - Data

### ► Hire and turnover

Hire and turnover		unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of hires	Total	no. of person	339	452	496	543	622
	(breakdown) male	no. of person	256	328	374	406	451
		%	75.5	72.6	75.4	74.8	72.5
	female	no. of person	83	124	122	137	171
		%	24.5	27.4	24.6	25.2	27.5
	New graduate hires	no. of person	266	319	308	393	380
	Mid-career hires	no. of person	73	133	188	150	242
Number of Turnover* <sup>1</sup>	Total	no. of person	266	284	322	297	407
Turnover rate* <sup>1</sup>		%	3.8	3.9	4.3	3.8	5.1
Number of voluntary retirees* <sup>2</sup>	Total	no. of person	161	196	228	176	251
Voluntary employee turnover rate* <sup>2</sup>		%	2.3	2.7	3.1	2.3	3.1
	Coverage		c	c	c	c	c

Note: Fiscal year aggregate value

\*1 Including mandatory retirees

\*2 Not including mandatory retirees

New graduate recruitment		unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of hires		no. of person	266	319	308	393	380
	(breakdown) male	no. of person	195	231	221	286	254
		%	73.3	72.4	71.8	72.8	66.8
	female	no. of person	71	88	87	107	126
		%	26.7	27.6	28.2	27.2	33.2
	of which, Bachelor's degree or above	no. of person	266	319	308	393	380
	(breakdown) male	no. of person	195	231	221	286	254
	female	no. of person	71	88	87	107	126
	of which, Junior college, Vocational school	no. of person	0	0	0	0	0
	of which, High school, Others	no. of person	0	0	0	0	0
	Coverage		c	c	c	c	c

Note: Fiscal year aggregate value

New graduates employees assigned to STEM related departn		unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of hires		no. of person	n/a	n/a	n/a	393	380
	of which employees assigned to STEM* related departments	no. of person	n/a	n/a	n/a	336	329
	(breakdown) male	no. of person	n/a	n/a	n/a	247	219
		%	n/a	n/a	n/a	73.5	66.6
	female	no. of person	n/a	n/a	n/a	89	110
		%	n/a	n/a	n/a	26.5	33.4
	Coverage					b-	b-

\* Science, Technology, Engineering and Mathematics

## ■ Labor Practices, Diversity - Data

Mid-career recruitment		unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of hires			73	133	188	150	242
(breakdown) male		no. of person	61	97	153	120	197
		%	83.6	72.9	81.4	80.0	81.4
female		no. of person	12	36	35	30	45
		%	16.4	27.1	18.6	20.0	18.6
Coverage			c	c	c	c	c

Note: Fiscal year aggregate value

Continued employment 10 years after hiring		unit	FY2017	FY2018	FY2019	FY2020	FY2021	Assur- ance
Employment continuation ratio of female / that of male *		%	78.8	72.4	77.7	86.3	96.4	✓
Coverage			c	c	c	c	c	

\* As of the beginning of each fiscal year and cover employees hired in the three years preceding the 9-11 fiscal year.

New graduate hires retention rate after 3 years		unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of new graduates hired before 2 business years*		no. of person	240	218	265	315	303
(breakdown) male		no. of person	174	164	194	230	216
female		no. of person	66	54	71	85	87
Number of continuing employees in the following fiscal year among new graduates hired before 2 business years		no. of person	224	209	246	291	285
(breakdown) male		no. of person	164	161	183	212	204
female		no. of person	60	48	63	79	81
New graduate hires retention rate after 3 years		%	93.3	95.9	92.8	92.4	94.1
(breakdown) male		%	94.3	98.2	94.3	92.2	94.4
female		%	90.9	88.9	88.7	92.9	93.1
Coverage			c	c	c	c	c

\* Only those who joined on April 1

Average recruiting costs for new full-time employees recruited (new graduates/mid-career employees)		FY2021
Average recruiting costs par person		1,000 yen
Coverage		c

Note: Total recruiting expenses, including advertising, fees for recruiting companies, and seminar operation expenses, etc. divided by the number of new graduates and mid-career hires in FY2021.

## ■ Labor Practices, Diversity - Data

### ▶ Employee satisfaction

#### Employee survey

NRI takes a multifaceted approach to assessing employee awareness, such that mainly involves gauging employee satisfaction using three methods.

Such initiatives target all NRI employees working in Japan and overseas, and the method with the shortest cycle is conducted on a semi-annual basis.

Internet surveys are the primary means of assessment. The items surveyed include job content, remuneration, work-life balance, career support, employee benefits, work environment, work flexibility, and overall satisfaction.

The survey results act as a basis for planning human resource policies and are posted on the company intranet to serve as feedback to employees.

Employee survey results* <sup>1</sup>	unit	FY2016	FY2017	FY2018	FY2019	FY2020
Employee satisfaction* <sup>2</sup>	%	–	80.5	–	81.8	–
(breakdown) male	%	–	80.3	–	81.7	–
female	%	–	81.1	–	82.4	–
Percentage of employees surveyed* <sup>3</sup>	%	–	51.4	–	51.9	–
(breakdown) male	%	–	81.3	–	80.6	–
female	%	–	18.7	–	19.4	–
Coverage* <sup>3</sup>			d		d	

Note: d: NRI's employee working in Japan

\*1 The 4 points-scale of the survey is "satisfied", "rather satisfied", "rather dissatisfied", "dissatisfied". (It was 5 points-scale until last survey in FY2015.)

\*2 The percentage of the survey results above is the proportion of answers of "satisfied" and "rather satisfied".

\*3 Data coverage shows the percentage of subjects surveyed (=NRI employees working in Japan) to the total number of NRI group's employees on a consolidated basis.

## ■ Labor Practices, Diversity - Data

### Overview of employee satisfaction survey (from FY2021)

NRI has been measuring employee engagement<sup>\*1</sup> from FY2021 in order to gauge job satisfaction and create an environment where employees want to work.

The survey uses the "wevox"<sup>\*2</sup> engagement survey tool once a year (in June) and targets employees from NRI itself and the five group companies<sup>\*3</sup> with the highest ratio of employees dispatched from NRI, except those new employees who entered the company in the April of that year (April 2021 this time).

The survey results are used for planning human resource policy and disclosed to employees on the company Intranet for feedback purposes.

Employee survey results <sup>*4</sup>	Unit	FY2021	FY2022
Employee satisfaction <sup>*5</sup>	%	82.9%	84.0%
Breakdown by gender			
Male	%	83.8%	84.9%
Female	%	79.4%	80.4%
Breakdown by age group			
20's	%	83.2%	87.3%
30's	%	84.2%	84.1%
40's	%	84.1%	85.1%
50's	%	79.9%	80.0%
60's	%	77.9%	75.9%
Percentage of employees surveyed	%	49.0%	42.7%
Coverage		d	d

\*1 An index indicating the intent to voluntarily contribute to the organization and the mental state of working autonomously.

\*2 An engagement analysis tool provided by Atrave, Inc. The survey is designed based on nine key drivers including role, health, human relations, organizational culture, and environment.

\*3 NRI Secure Technologies, NRI Workplace Services, NRI Social Information System Services, NRI Digital, and Nomura Management School.

\*4 The 7-points-scale of the survey is "Very satisfied"(7), "Rather satisfied"(6), "Satisfied"(5), "Neutral"(4), "Rather unsatisfied"(3), "Unsatisfied"(2) and "Very unsatisfied"(1).

\*5 "Employee satisfaction" is the ratio of levels (5) to (7) to the total responses.

## ■ Labor Practices, Diversity - Data

### ▶ Work-life balance

#### Work-life balance supports

NRI has established a system covering durations of pregnancy and childcare that is more comprehensive than that prescribed by the Child Care and Family Care Leave Act.

During pregnancy, employees can take a maximum of 10 days of maternity leave in addition to annual paid leave. Shorter working hours and exemptions/limits on overtime because of childcare are available up until the end of the academic year for a child's third year of elementary school.

Meanwhile, these options can be combined with other independent systems, such as shift work or work with selectable start/finish times. We have been working on initiatives to establish an environment for achieving continued balance, including introducing a "Partner Childbirth Leave System" in FY2016 for employees with partners about to give birth, and opening nurseries in our offices in FY2017.

In addition to establishing systems, we are also focusing on providing information and examples ("Examples of working parent workstyles") to help employees select relevant systems in accordance with individual circumstances.

In addition, major offices such as Tokyo and Osaka have in-house mothers rooms that is a rest rooms for pregnant and lactating women.

We are also proactively encouraging a balance between work and childcare for employees, through initiatives such as three-party interviews geared to pregnant employees or employees whose partners are pregnant and their supervisors, and training to support balancing work and childcare attended by employees who have returned from childcare leave and their supervisors as a pair. In FY2021, we expanded our training for female employees to include male employees, as part of our efforts for providing an environment where both sexes can balance work with childcare. In addition, we provide information through regularly held nursing seminars and our nursing-care concierge desk.

NRI has been recognized as a corporation that supports child rearing based on the Act on Advancement of Measures to Support Raising Next-Generation Children, having received the certification mark (nicknamed "Kurumin") since 2007. In addition to having gained the certification for five consecutive terms, in 2018 we also received the "Platinum Kurumin" special certification granted to companies that carry out initiatives which meet even higher standards.



#### Establishment of in-office nurseries

In order to support our employees returning to work at their desired timing and to support the development of their career plans, in June 2017, we opened the Yumeminato Hoikuen as NRI's first in-office nursery, where is equipped with the nursing facilities, in the Yokohama Center (Yokohama Nomura Building).

#### Enhancement of measures to support employees returning to work

During pregnancy, we conduct "three-party interviews" between female employees who are pregnant or employees with a partner who is pregnant, and their supervisor. These interviews promote understanding of company systems that can be utilized during pregnancy and childcare, and provide an opportunity for employees to discuss their workstyle after returning from childcare, in order to assist their smooth transition back to the workplace. We also create a "return to work checklist" that is expected to be used one or two months before employees return to work. This helps employees and their supervisors gain an idea of what their workstyle will be like after returning to the workplace, in accordance with their current status.

We have continued to provide "training to support balancing work and childcare" after an employee returns from childcare leave. This training is for employees that return from childcare leave and their supervisors. It promotes mutual understanding regarding concerns about balancing work and childcare after returning to the workplace, and concerns that supervisors may have about employees who are doing so. We also create opportunities for employees that return to the workplace and their supervisors to discuss medium to long-term career prospects via interviews with and stories told by employees who have previously taken leave and been back at work for several years.

\* Three-party interviews started in FY2011 and training to support balancing work and childcare started in FY2010 for female employees

## ■ Labor Practices, Diversity - Data

### Creation of a system to encourage men's participation in housework and childcare

In January 2017, we introduced "partner childbirth leave" and in 2021, we expanded "training to support balancing work and childcare" to include male employees who return from childcare leave. From 2022, we have expanded "three-party interviews" to include employees with a partner who is pregnant, and provide a system and environment that makes it easier for male employees to participate in childcare. In addition to making the "Support for Balancing Work and Childcare Guide Book for Men" available to all of our employees, we have otherwise been promoting greater understanding of the company's systems relating to childcare by conducting briefing sessions introducing our in-house systems and also providing information containing child-rearing advice of our male and female employees currently raising children. We also hold round-table discussions carried out by our male employees who have taken childcare leave.

Utilization of work-life balance support system	unit	FY2017	FY2018	FY2019	FY2020	FY2021	Assur- ance
Number of employees acquiring Paid maternity leave	no. of person	9	13	8	4	3	
Number of employees acquiring Pre- and post-childbirth leave	no. of person	56	72	78	61	68	✓
Number of employees acquiring Childcare leave	no. of person	85	105	123	149	164	✓
male	no. of person	22	38	53	84	96	✓
female	no. of person	63	67	70	65	68	✓
Number of employees acquiring Childcare leave and Partner childbirth leave	no. of person	252	261	260	273	243	
of which acquired partner childbirth leave only	no. of person	167	156	137	124	79	
Number of employees utilizing shorter work hour system for childcare	no. of person	107	112	103	108	94	
Childcare leave acquiring rate							
male (including partner childbirth leave)	%	59.6	61.0	65.1	68.6	63.8	
male (childcare leave)	%	10.1	11.9	18.2	27.7	35.0	
female*	%	100.0	100.0	100.0	100.0	104.6	
Employees returning to work after childcare leave (female)	%	97.0	96.7	98.1	100.0	97.0	
Employees remaining in work after childcare leave (female)	%	93.3	92.8	96.8	96.5	94.9	
Utilization of work-life balance support system	unit	FY2017	FY2018	FY2019	FY2020	FY2021	
Number of employees acquiring Nursing care leave	no. of person	3	3	0	1	2	
Number of total days of acquiring nursing care leave	days	34.0	16.0	21.5	3.0	11.9	
Number of employees utilizing shorter work hour system for nursing care	no. of person	0	0	2	1	2	
Coverage		c	c	c	c	c	

\* Calculation method changed from FY2021. The rate of taking childcare leave is calculated by dividing the number of female employees that started childcare leave during the year by the number of female employees that gave birth during the year

## ■ Labor Practices, Diversity - Data

### ▶ Support for diverse and flexible working styles

#### Measures to support diverse and flexible working styles

For specialist professions, NRI employs a discretionary labor system in which work formats and hours are to be self-managed at the discretion of the person in question. We furthermore aim for further efficiency and productivity improvements with respect to work accomplishments in specialist professions.

In addition to discretion in terms of time, this has involved putting in place a system to also allow a certain amount of discretion in terms of location, making it possible to schedule work from home or a satellite office.

Moreover, in Sapporo and Fukuoka we recruit for local positions that are based on the premise of working in those locations.

In FY2018, we introduced educational opportunities on a company-wide basis through the Coursera online learning platform, thereby enabling our employees with diverse and flexible working styles to work toward self-study at their own pace regardless of time or location.

#### Encouragement of the taking of paid leave

We have been encouraging employees to schedule consecutive days off, including hot-weather leave and revitalization leave.

Since FY2016, we have been achieving a rate of paid vacation days taken of not less than 70%.

#### Telecommuting system

NRI has had a system in place for some time whereby an employee can work at an NRI office that is different from their usual place of work.

In March 2016, we introduced a telecommuting system to further improve the efficiency of our operations and increase productivity, and in FY2017 and FY2018, NRI was a special participant in the "Telework Days" event implemented by six ministries including the Ministry of Internal Affairs and Communications, in collaboration with the Tokyo Metropolitan Government and the business community, where a total of approximately 6,000 employees engaged in telecommuting during the five days of the event.

During COVID-19, we have utilized our past experience to enable approximately 90% of our employees to work from home, with 50% working at the office during normal times and 30% working at the office in regions subject to a state of emergency or quasi-state of emergency declaration.

#### Second job

NRI has an approval system for side jobs. In granting approval, NRI considers safety, impact on main job, non-competition, confidentiality, and maintenance of the company's reputation, credibility, and relationships of trust.

#### Satellite offices

NRI's main offices have "liaison centers" which are made available as satellite offices for workers with no desks at those locations.

We also have contractual agreements with satellite offices of outside entities in order to provide our employees with efficient and flexible work arrangements.

#### Casual wear

With the objective of increasing productivity by encouraging flexible ideas from relaxed attire, the NRI Group has permitted employees to work in casual wear since 1996, under guidelines such as "wearing a business suit if you are likely to meet clients."

In addition, since 2011, in the interests of power conservation we have relaxed the guidelines for casual wear during the Cool-Biz period from May to September, including not requiring ties to be worn in front of clients, but from FY2021 it applies throughout the year as an activity that contributes to preventing global warming, based on the discretion of individual employees and the situation at the time.

## Occupational Health and Safety - Management Approach

### Material issues of NRI related to this management approach

"Sound hiring practices and labor-management relations" and "Dialogue with civil society"

### NRI's approach to material issues

At the NRI Group, highly specialized personnel are major operational resources.

If a situation in which employees are unable to fully demonstrate their ability in a sound environment due to substandard occupational health and safety occurs, there is a risk that business services, such as the information systems that are important foundations for supporting society, and the provision of consulting services that are deeply involved in client operations and businesses, will be impacted due to the lower productivity and quality of deliverables.

Accordingly, since FY2015, NRI has been aiming to realize "Health and Productivity Management<sup>※</sup>," which contributes to improving the Quality of Life (QOL) of employees and is striving towards achieving its goals based on the NRI Health Declaration 2022.

Healthy Operations considers the management of employee health in terms of managerial perspective and strategic implementation.

The health of our employees also occupies an important position from the standpoint of the company's risk management, and we will try to proactively engage in health management as a company instead of entrusting it to individual employees.

It is extremely important for both the individuals concerned and the company that employees are healthy, and Healthy Operations will bring an injection of energy into the organization in the form of active employees and improved productivity by actively pushing employees to become healthy based on that philosophy, which as a result is expected to lead to improved business performance and corporate value.

[NRI Health Declaration 2022]

Basic policy: Based on correct knowledge and recognition for their own health by each employee, the NRI Group supports active initiatives for improving long-term quality of life (QOL).

NRI is leveraging employee feedback gathered through surveys and from employee unions and is proactively working to improve employee working hours, health conditions, and the workplace environment.

### Priority activities / Medium- to long-term targets

NRI prioritizes the following issues in its management of occupational health and safety issues:

1. Complying with laws and regulations on overtime work and holidays.
2. Eliminating long hours worked consecutively.
3. Ensuring that employees working long hours get seen by the occupational health physician (OHP), and having them comply with doctors' instructions.
4. Reducing the amount of night work that employees perform.
5. Pressing employees to take their paid leave, including ensuring that they are organized and disciplined about taking extended consecutive periods of leave (such as a summer break, and "recharge leave").

In addition, we set goals for the following four items on health management.

- 1 Reduce lifestyle-related diseases
  - Manage employees' reservations and receipts for medical check-ups and health examinations, and encourage them to take these examinations
  - Put in place health management rooms at our principal offices and build a framework for industrial doctors to handle cases
- 2 Lower stress
  - Stress prevention for individual employees and teams
  - Develop a system to enable employees to return to work earlier
- 3 Lower smoking rate
  - Introduce support to help stop smoking
  - Remove smoking spaces inside the office
- 4 Promote work-life balance
  - Reduce overtime and holiday work hours
  - Encourage employees to take paid leave
  - Implement the frontline-driven Smart Work-Style Campaign (SWC) including: streamlining operations and meetings, as well as promoting early morning work

## Occupational Health and Safety - Management Approach

### Progress / Achievements / Challenges

Nippon Kenko Kaigi\* certified NRI as an Excellent Enterprise of Health and Productivity Management (White) acknowledging the Company as a large corporation participating superior health and productivity management.

Started in FY2016, this certification scheme reviews companies for their business philosophy, organizational structure, system and initiative execution, assessment and improvement, compliance and risk management.

NRI acquired this certification for the second consecutive year in FY2016-2021 as it met certification requirements in the Large Corporation category, which applies to large-sized corporation and medical corporations.

\* An entity that aimed to bring about specific action plans in the workplace and local communities, with the goal of realizing excellence on health and productivity management. This is a collaboration between municipalities and private organizations such as business groups, medical associations and the insured.

KPI	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Total working hours per employee per year* <sup>1</sup>	hours/year	2,034.3	2,017.2	2,050.1	2,160.3	2,150.5
Average overtime hours per employees per month* <sup>2</sup>	hours/month	-	-	-	8.1	8.3
Examination rate of regular medical examination	%	100.0	100.0	100.0	100.0	100.0
Regular medical examination presence of findings rate	%	70.1	67.9	70.0	72.4	71.9
Smoking rate	%	15.9	15.2	14.6	13.0	11.7
Exercise habit rate	%	19.0	20.7	20.5	23.3	25.7
Coverage		c	c	c	c	c

\*1 All employees including managers, discretionary labor employees

\*2 Calculated as hours that exceed the statutory working hours (40 hours a week)

"-" indicates that the calculated value does not exceed the statutory working hours

Link Files	
	Health and Productivity Management (In Japanese only) <a href="https://www.nri.com/jp/sustainability/social/health_and_productivity_mgmt">https://www.nri.com/jp/sustainability/social/health_and_productivity_mgmt</a>
	A trial run to assist health and productivity management for workers in the Marunouchi area <a href="https://www.nri.com/-/media/Corporate/en/Files/PDF/ir/library/AR2017e.pdf#page=49">https://www.nri.com/-/media/Corporate/en/Files/PDF/ir/library/AR2017e.pdf#page=49</a>

## Occupational Health and Safety - Data

### Occupational health and safety

#### Occupational health and safety policy

One of the NRI Group's core policies is to provide its employees with safe, sound workplace environments.  
We spare no effort in initiatives to manage our employees' working hours, for putting in place proper workplace environments, and for managing our employees' individual health.

#### Occupational health and safety structure

NRI has established a health and safety committee and has established a sanitation management system in each business division with the aim of achieving an appropriate working environment.  
With these arrangements we are properly maintain the working environment according to the business and characteristics of each business division.

#### Officer in charge

Chief Occupational Health and Safety Officer  
Kaga Yanagisawa, Senior Managing Director (In charge of Human Resources and Human Capital Development)

Chief Health Officer  
Shingo Konomoto, President & CEO, Chairman, Member of the Board, Representative Director

#### Responsible committee

Health and Safety Committee

#### Status of labor-management consultations on occupational safety and health

Through informal gatherings and group negotiations with the Nomura Research Institute Labor Union, NRI continues to engage in dialogue both regularly and irregularly on topics related to work environment and so on.

#### Risk management on occupational health and safety

A workforce of professionals in possession of high expertise is a principal management resource for the NRI Group.

Should it happen that owing to an occupational health and safety issue an employee cannot exploit the full potential of their abilities in a sound workplace, the resulting drop in productivity and/or poorer quality of outcomes may impact on our delivery of the information systems that are important foundations underpinning the society, or of the consulting services that play an important part in our clients' management and businesses.

To avoid such a situation, NRI prioritizes the following issues in its management of occupational health and safety issues:

1. Complying with laws and regulations, including those related to overtime work and holidays.
2. Eliminating long hours worked consecutively.
3. Ensuring that employees working long hours get seen by the occupational health physician (OHP), and having them comply with doctors' instructions.
4. Reducing the amount of night work that employees Perform.
5. Pressing employees to take their paid leave, including ensuring that they are organized and disciplined about taking extended consecutive periods of leave (such as a summer break, and "recharge leave").

We have mechanisms in place to accurately monitor our employees' hours worked. At any time, supervisors can check online the hours that the employees in their charge are working, or the amount of leave that they have taken. In addition, managers are sent a list of employees who performed night work or holiday work the day after it has happened.

Furthermore, we are grasping the risks by thoroughly conducting industrial physician interviews with long-time workers.

## Occupational Health and Safety - Data

Occupational health and safety situation	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of employee work-related deaths	-	0	0	0	0	0
Number of work accidents* <sup>1</sup>	-	0	2	1	0	1
Occupational accident frequency rate* <sup>2</sup>	-	0.00	0.16	0.08	0.00	0.08
Average overtime hours per employees per month* <sup>3</sup>	hours	-	-	-	8.1	8.3
Coverage		c	c	c	c	c

\*1 Number represents the number of either fatal accidents or incidents necessitating 4 or more days' leave due to a casualty accident

\*2 Number of lost worker injuries / number of total working hours × 1 million hours

\*3 All employees including managers, discretionary labor employees.

Calculated as hours that exceed the statutory working hours (40 hours a week).

## Health and productivity management

### Overview of health management

The NRI Group is comprehensively engaged in the maintenance and improvement of employee health, including the promotion of regular checkups and follow-ups on the results, engagement by industrial physicians, the establishment of consultation desks, and the reduction of overtime work.

#### Promotion of medical checkups / comprehensive physical examinations

The NRI Group regularly instructs all employees to undergo a medical examination (for those under 30 years old) or a comprehensive physical examination (for those 30 years of age or older) every year, and checks whether they have or not.

In addition, We also instruct employees who work late into the night to have a health examination every six months and check the status of the medical examination.

#### Establishment of office health-care rooms and engagement by industrial physicians

NRI has established health-care rooms in its main offices, and has in place a proper system for industrial physicians to engage with cases. Industrial physicians check the results of employee medical examinations and comprehensive physical examinations, as well as responding to health consultations from employees.

We also utilize opportunities such as training for promotion and training for newly-appointed managers to provide "health talks" by industrial physicians, which contributes to improving the health literacy of a wide range of employees.

#### Stress checks based on the Health and Safety Act

From FY2016, based on the Industrial Health and Safety Act, the NRI Group introduced a web questionnaire-type stress-check to prevent employees from becoming unwell in terms of their mental health.

This has encouraged employees to notice their own stress situations and talk to an industrial physician if they need to.

In addition, we collate and analyze stress-check results for each organization and use the information to improve the working environments.

Moving forward, we will continue to implement the program every year in accordance with laws and regulations.

#### Consultation desk for work problems

The NRI Group has established various PraNet (Professional Assist Network) consultation desks for employees, and is equipped with a system that can respond to all kinds of issues employees may have. In addition to the consultation desks within the company, we have several company-external consultation desks available to handle a diverse range of counselling, including consultations about work and the workplace overall, consultations on career-development and skill-development, counseling on workplace stress and health, counseling on family health and care, consultations about ethics and compliance. We have established an external "harassment hotline" that is available 24 hours a day, 365 days a year for reporting harassment.

## Occupational Health and Safety - Data

### Reduction of overtime and holiday work

NRI has established internal management standards for working hours, late-night work, and holiday work based on labor laws, etc., and engages in proper labor management.

We have established a system that enables a correct understanding of employee work status, including a system that enables supervisors to check online at any time the working hours of their subordinates and how much vacation time they have taken, and the distribution of a list of employees who engaged in late-night or holiday work to management positions on the following day.

In addition, we regularly check the status of each department using indicators such as a "Health Management Index," which is an index of risks such as long working hours that should be eliminated.

### Reduced smoking rate

From November 2015, NRI introduced its "Quit-Smoking Support," in which the company pays 70% of the costs for treatment to quit smoking (borne by the individual).

Furthermore, NRI halved the amount of office smoking spaces in October 2015, and closed all smoking areas in its major offices around the World No Tobacco Day (May 31) in FY2016.

KPI of health management	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Examination rate of regular medical examination	%	100.0	100.0	100.0	100.0	100.0
Regular medical examination presence of findings rate	%	70.1	67.9	70.0	72.4	71.9
Smoking rate	%	15.9	15.2	14.6	13.0	11.7
Exercise habit rate	%	19.0	20.7	20.5	23.3	25.7
Coverage		c	c	c	c	c

### ► Status of working hours and acquisition of annual paid leave

Total working hours per employee per year	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Total working hours per employee per year	hours/year	2,034.3	2,017.2	2,050.1	2,160.3	2,150.5
Coverage		c	c	c	c	c

Note: All employees including managers, discretionary labor employees

Average overtime hours per employees per month	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Average overtime hours per employees per month	hours	-	-	-	8.1	8.3
Coverage		c	c	c	c	c

Note: All employees including managers, discretionary labor employees

Calculated as hours that exceed the statutory working hours (40 hours a week)

"-" indicates that the calculated value does not exceed the statutory working hours

Annual paid leave* <sup>1</sup>	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of granted days* <sup>2</sup>	days	21.5	21.4	21.4	21.3	21.2
Number of days acquired	days	15.4	15.3	15.2	13.7	14.2
Annual paid leave acquisition rate	%	71.4	71.3	71.1	64.1	67.1
Coverage		c	c	c	c	c

\*1 Average base for all employees.

\*2 Excluding carryforward

## Occupational Health and Safety - Data

### ► Mental health measures

#### Mental health measures

As measures to safeguard mental health, in addition to reducing late-night work, eliminating continuous long working hours, a thorough system of interviews with industrial physicians for workers who work long working hours, and stress checks based on the Industrial Health and Safety Act, the following initiatives are being implemented.

#### Establishment of consultation desks for workplace stress

Employees can bring consultations about workplace stress to the health-care rooms (staffed by Industrial physicians and counselors).

In addition, under the health insurance association system, employees can receive counseling via telephone, website, or in person, from a professional psychological counselor (free of charge in certain circumstances).

#### Obligatory interviews with industrial physicians for workers who work long working hours

At NRI, out of consideration of the impact on the mind and body of employees whose overtime working hours exceed internal standards, any such employees are required to have an interview with an industrial physician.

#### Stress checks

Since 2016, NRI has implemented a stress check system under the provisions of Article 66, Item 10 of the Industrial Health and Safety Act for the following purposes:

- For employees to deal with stress by knowing their stress status, before too much accumulates
- For employees to get advice from a doctor if they have too much stress
- For the company to take any work-related measures as a result of the interviews
- To make improvements in workplace environments that cause stress

#### Return to work support program

When employees have been absent due to illness, etc., they are only allowed to return to work after a diagnosis by their doctor and a consultation with an industrial physician.

In the case of employees who have been absent more than a set amount of time, NRI is making efforts to have them undergo re-work training that incorporates training conducted by an external professional organization to prevent any relapse, so as to avoid any further time absent from work.

### ► Various systems provided by Nomura Securities Health Insurance Association

#### Nomura Health Dial 24

For health, medical care, nursing care, childcare, or mental health issues, experienced physicians, public health nurses, and nurses are available for free phone consultations at any time of the year, 24 hours a day.

Employees can also avail themselves of a search system that finds nearby medical institutions and medical institutions that provide advanced medical care.

#### Special medical dial

When an employee or member of their family is diagnosed with a serious illness such as cancer, they are eligible for a service that provides them with a referral for a second opinion or to a specialist medical institution (free of charge in certain circumstances).

#### Mental health counseling service

They can receive counseling via telephone, website, or in person, from a professional psychological counselor (free of charge in certain circumstances). From November 2020 we also started an online interview service. These are both free of charge in certain circumstances.

## ■ Human Resources Development - Management Approach

S03M

### Material issues of NRI related to this management approach

"Diversity of human resources"

### NRI's approach to material issues

The NRI Group's corporate philosophy states that "continuing endless challenges with the pride of being a true professional" is our action guideline.

The cornerstone of the NRI Group is its "human assets". In other words, this refers to employees who are professionals possessing advanced expertise, who independently strive to pursue their own goals and are unafraid to innovate and take on difficult challenges.

To achieve objectives of both NRI's long-term management vision "Vision 2022" and the Medium-Term Management Plan, we must have human assets who not only aim to achieve further growth and improve productivity in our existing specialty areas, but who also take on challenges of venturing into unknown areas of business in anticipation of future trends.

To develop such human assets, the NRI Group has been strengthening systems and the business environment for developing hidden talents of highly motivated people and allowing them to produce results on the job.

The Medium-Term Management Plan 2022 approaches human resource management development as a strategic issue under five conceptual themes of the growth strategy encompassing the plan's 1) DX (digital transformation), 2) business platform, 3) cloud, 4) global, and 5) human resources strategies.

We also focus on cultivating core human resources that can achieve the NRI Group's 3 Social Values to aim for management that can contribute to building sustainable futures.

### Priority activities / Medium- to long-term targets

NRI's personnel system is designed to ensure mechanisms and an environment in which diverse professionals are able to play active roles based on the three core pillars of its performance-based salary system, discretionary work system, and personnel assessment and human resources development system.

The personnel assessment and human resources development system is premised on the notion of encouraging employees to pursue expertise and diversify their fields of specialization.

This is based on the belief that by honing their skills in multiple areas of expertise employees become capable of flexibly responding to changes in the business environment in a manner that involves taking a broad-based perspective in collaborating across division lines.

Furthermore, with respect to human resources development, NRI places importance on an organic fusion of three approaches to development: training programs, self-study, and on-the-job training which plays the central role.

NRI believes that providing OJT through work experience is the optimal development tool.

As such, its training programs act as a means of organizing knowledge acquired through such OJT and for deepening understanding.

The training programs are also positioned as means of obtaining knowledge and skills which cannot be acquired through OJT.

Moreover, NRI has also established a system to support self-study for employees seeking to gain qualifications and improve their foreign language skills.

NRI's priority activities entail realizing objectives of its long-term management vision "Vision 2022" and its Medium-Term Management Plan, while furthermore engaging in initiatives which place a focus on "developing core human resources" geared to the next generation along with "developing DX (Digital Transformation) human resources" and "developing global human resources" underpinning the growth strategy of the Medium-Term Management Plan 2022.

## ■ Human Resources Development - Management Approach

### Progress / Achievements / Challenges

Since its establishment as Japan's first private think tank, we have grown into Japan's largest think tank by investing in top-class human resource development of Japanese companies and continuing to develop challenging professionals.

The overwhelming number of official qualifications can be said to be one of the indicators for objectively determining that highly specialized personnel are being developed.

Regarding the training of core human resources, we will strengthen the training of successors, conduct four types of selective training for mid-level employees, managers, section managers, and department managers, as well as strengthen candidates for the next successor.

In "DX human resource development," in addition to conventional training tailored to the career fields and career stages, we are developing and implementing new training systems such as AI, analytics, blockchain, UX design, agile development, and microservices, and are promoting measures for increasing human resources working in important priority fields.

In "Global human resource development," we carry out practical training programs that incorporate actual experience of global operations in order to develop global business leaders who are active in establishing overseas business foundations.

We will enhance our ability to carry out our work through overseas work experience, such as dispatching to a client company or NRI's overseas base for about one year.

Under the overseas trainee system, more than 300 employees have been dispatched to 30 cities in 18 countries and regions so far, and we plan to further enhance and expand these priority activities.

Link File

NRI's Human Resources Strategy

[https://ir.nri.com/en/ir/library/report/main/013/teaserItems1/01/link/ar2022\\_e\\_print.pdf#page=70](https://ir.nri.com/en/ir/library/report/main/013/teaserItems1/01/link/ar2022_e_print.pdf#page=70)

## ▶ Human resources development management

## Human resources development policy (Focus areas)

We regard our people as an essential management resource of the NRI Group and a wellspring of its added value across the board.

Meanwhile, professional initiatives of NRI Group employees are backed by the Group's human resources development framework.

NRI's personnel system is designed to ensure mechanisms and an environment in which diverse professionals are able to play active roles based on the three core pillars of its performance-based salary system, discretionary work system, and personnel assessment and human resources development system.

Of particular importance with respect to human resources development is the notion of organically fusing various aspects of the three elements: 1) on-the-job training, 2) training programs, and 3) self-study, and those three elements combined form the cornerstone of professional development.

OJT provided through work experience is the optimal development tool, and NRI's training programs act as a means of organizing knowledge acquired through such OJT and for deepening understanding. The training programs are also positioned as means of obtaining knowledge and skills which cannot be acquired through OJT.

Our C&A (Challenge & Act) System acts as a mechanism that effectively facilitates OJT.

Through the system employees are able to confirm and evaluate the extent to which they have achieved their individual targets which are precisely set at half-year intervals through interviews with their supervisors, thereby enabling employees to develop their skills and appropriately gain access to performance evaluations carried out by their supervisors.

This system supports the growth of employees according to their respective characters and levels of independence by having them work toward achieving their goals under a supervisor's guidance, while also facilitating communication between supervisors and their subordinates at the regularly scheduled meetings.

The management challenge of developing human resources who are capable of rapidly addressing changes is crucial in the VUCA (volatility, uncertainty, complexity, ambiguity) and DX (Digital Transformation) eras.

As such, we encourage employees to pursue expertise and diversify their fields of specialization in order to ensure that our personnel assessment and human resources development system functions effectively. This is based on the belief that by honing their skills in multiple areas of expertise employees achieve a broad-based perspective and become capable of flexibly responding to changes in the business environment.

We have a career field system and an in-house certification system which both constitute crucial aspects of our efforts to promote human resources development, as guidelines for employee careers and the specialties they should pursue.

## ■ Human Resources Development - Data

### Human resource development program

Human resource development programs include various options, such as group training, e-learning, support for gaining qualifications and foreign language study, opportunities to study abroad, and trainee arrangements.

To achieve our long-term management vision "Vision 2022," we are particularly focusing our efforts on: (1) developing core human resources, (2) developing DX (Digital Transformation) human resources, and (3) developing global human resources.

(1) As for developing core human resources, we implement programs to develop human resources responsible for contributing to building sustainable futures based on the NRI Group mission of "value co-creation", which mainly involves developing executive candidates, developing capacity of operational management, and developing the ability to create new businesses.

Our selective training for senior management aims to broaden our pipeline of executive candidates with our sights set on the next stage of our long-term management vision "Vision 2022." To such ends, the training enlists a curriculum that extensively delves into studies of fundamental knowledge necessary for management personnel. Meanwhile, the curriculum also entails studies departing from a business perspective centered on profit and loss, with respect to maximizing value by coordinating business segments and optimizing company-wide operations, and also enlists a managerial perspective such that includes striking a balance between the balance sheet and profit and loss, and multi-stakeholder engagement.

It also entails performing assessments geared to enabling individuals to develop their abilities.

Our selective training for mid-career employees differs from career development via actual work and encompasses studies of sophisticated managerial knowledge and the business creation process via interaction with diverse human resources both inside and outside the company. We also conduct assessments for developing individual abilities of employees at different stages of their career.

(2) As for developing DX (digital transformation) human resources, we implement programs geared to developing talent that accelerates our DX strategy, which constitutes one of the growth strategies under our long-term management vision "Vision 2022."

This involves establishing venues for studying not only information technology skills but also astute business insights drawing on the latest business use cases with the aim of enhancing capabilities required in the DX era, particularly with respect to AI and analytics, block chain technology, user experience (UX) design, as well as agile software development and microservices.

We lend our support to efforts that include creating forums for our employees conducive to person-to-person networking and activity, which involves establishing venues for sophisticated studies by coordinating with Japanese and overseas universities as well as outside entities such as the Japan Data Scientist Society.

Based on the concept of "+DX", we provide training for consultants and system engineers with conventional abilities to apply their existing skills to the field of DX, rather than simple skill switching. This enables NRI to strategically transition to the human resources portfolio we require for the age of DX.

(3) As for developing our global human resources, we implement programs geared to cultivate human resources that can implement our "Global Strategy", which is one of the growth strategies in the Long-term Management Vision "Vision 2022".

We provide various programs such as an overseas training system and overseas study programs, based on the idea of a "global human resource pool" for cultivating the next generation of business leaders that can play active roles on the global stage, in order to expand the NRI business portfolio. This enables employees with the ambition and suitable skills to play an active role on the global stage to systematically gain experience so that they can flourish in various business domains as global human resources upon returning.

The overseas training system was enhanced in FY2020. In addition to the conventional trainee system called the global business (GB) trainee program, which enables employees to improve their ability to conduct work via actual work experience with highly diverse stakeholders overseas, we have also started the global strategy leader (GSL) trainee program for cultivating management human resources at the worldwide offices and Group companies of NRI.

## ■ Human Resources Development - Data

## Self-study

Self-development is indispensable for career development and is recommended to employees from various aspects including the human resource system.

For special qualifications closely related to NRI's business, such as information processing engineer, project management professional (PMP), and certified securities analyst qualifications, we will provide preparatory courses for employees, subsidize external training expenses, provide reimbursement and financial assistance to help cover registration costs and examination fees with respect to gaining official qualifications that contribute to our business operations, including certified public accountant and small and medium enterprise management consultant qualifications, and in recent years, we have also been enhancing our support for qualifications related to DX (digital transformation), including those in areas such as statistics, data science, artificial intelligence, cloud computing, and agile software development. For language learning, we provide employees with a TOEIC test and support the cost of employees going to a language school.

We are also focusing on efforts in the realm of self-study making use of massive open online courses (MOOCs) such as e-learning services "Cousera" and "Udemy" and the video streaming platform "Gacco" in line with the growing popularity of digital learning.

It is also crucial that we shift to new digital learning approaches in conjunction with progress being made in carrying out work-style reforms.

As such, in addition to making use of MOOCs, we are promoting various reforms with respect to styles of learning in terms of shifting to digital learning environments, shifting to digital communications related to studies, and establishing educational platforms transcending time and space.

The adoption of gacco throughout the company is expanding its opportunities not only for changing training styles, but also for expanding the dissemination of various messages to employees and sharing knowledge and insights accumulated within the company.

## References

NRI's Human Resources Strategy

[https://ir.nri.com/en/ir/library/report/main/013/teaserItems1/01/link/ar2022\\_e\\_print.pdf#page=70](https://ir.nri.com/en/ir/library/report/main/013/teaserItems1/01/link/ar2022_e_print.pdf#page=70)

Human resources development program

Human resources development program 1

NRI has established 22 career fields with the industry-wide Information Technology Skill Standards (ITSS) in mind in order to better make areas and levels of employee expertise clear in-house and outside the company, commensurate with the actual performance of its employees. In so doing, we have defined seven respective levels of employee expertise.

This system acts as a blueprint for employees to better understand their areas and levels of expertise so that they are able to make improvements when pursuing specializations. It also forms the basis for the C&A (Challenge and Act) system for setting goals and confirming results on a semi-annual basis.

Under the system, employees are encouraged to develop their abilities upon having set goals in multiple career fields.

Having multiple specialized fields will not only broaden your horizons and enable you to grow into a cross-organizational human resource that flexibly responds to changes in the business environment, but also lead customers' co-creation.

[Career fields]

1	Corporate Strategy Consultant	12	IT Platform Specialist
2	Business Consultant	13	IT Services Manager
3	Systems Consultant	14	Security Specialist
4	Business Strategist	15	Researcher
5	Sales Representative / Marketing Manager	16	Data Scientist
6	Project Manager (Development)	17	Project Management Specialist
7	Project Manager (Enhancement)	18	Quality Control Specialist
8	Application Architect	19	Business Administration Staff
9	IT Infrastructure Architect	20	Corporate Management / Headquarters Staff
10	Application specialist		
11	Common Application Infrastructure Specialist		

Internal certification system

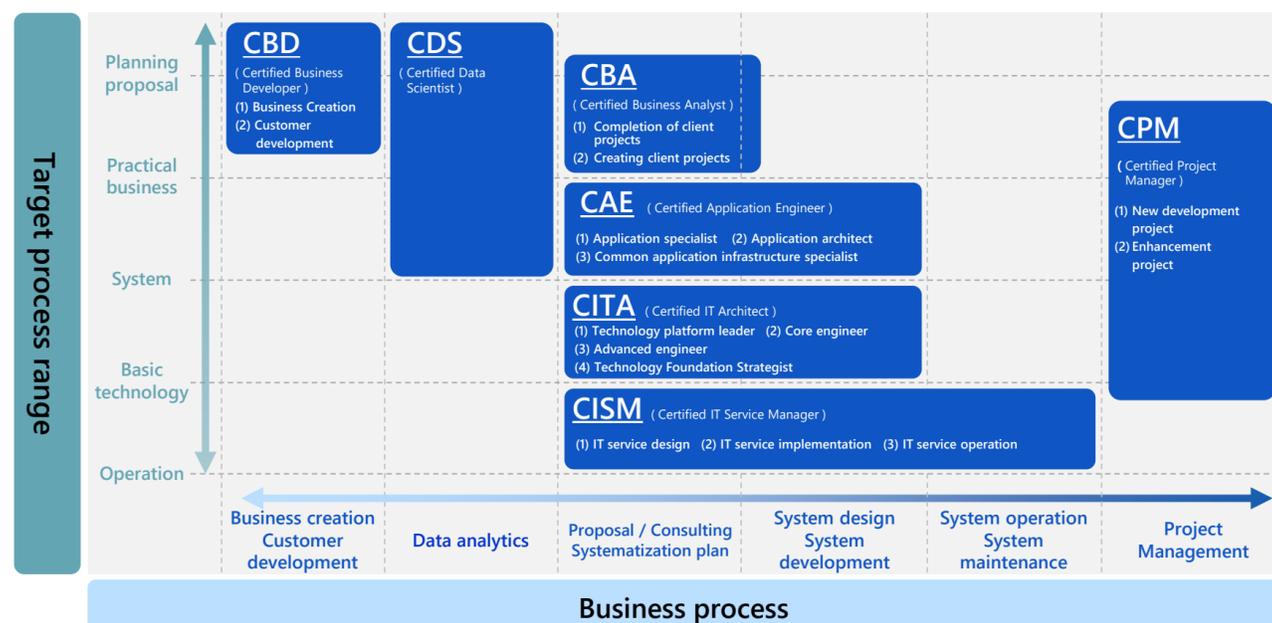
Through the granting of internal certification (NRI Certification) to employees with high levels of expertise who have refined their skills in career fields, NRI offers professional role models while also promoting the development of core NRI human resources in those fields.

NRI has established seven certifications in 16 areas and employees are able to gain multiple certifications. We review twice a year whether it is suitable as a person representing NRI, including not only ability standards but also business performance.

Candidates for NRI Certification receive OJT through appropriate job assignment and curriculum based training matched to the requirements of each certification.

The scope of this system is all NRI employees.

[Internal certification system]



Training program

NRI's training programs implemented company-wide are largely divided into two categories—employment hierarchy-specific training programs and career-specific training programs. In "Level-specific programs", in addition to curricula by level and position, we continually implement and improve programs such as selective management human resource development, job type curriculum, support for women's advancement, and autonomous career assistance for each age group. Programs according to career field provide a variety of training programs that fulfill the diverse needs of employees. They are directed to the development of individual capabilities that are in line with career fields, career development that aims for acquisition of internal certifications and other objectives. Based on the long-term management vision "Vision2022", we are also enhancing "Digital Transformation (DX) human resource development" and "Global human resource development".

In addition to its company-wide training programs, NRI's respective business divisions also develop and implement training programs of their own, and we have a detailed training development system established to cover the businesses and operations of each business division.

[NRI Training Program]

Class		New Talent		Mid-level		Expert ~			
		Member	Associate	Senior Associate					
Stratified	Career program	MCD0		MCD1		MCD2	MCD3	MCD4	MCD5
	At the promotion By Position	New comer	Associate promoted	Senior Associate promoted		Expert promoted	New GM	New Manager	
		Onboarding training for new employees							
Core human resources		Selected Leader Development Program				Selected GM Development Program	Cross-industrial exchange-based human resources development program for management	New Future Creation school	
		Female Leader Development Program		Female Leader training school		Selective training programs for female General Managers & Managers			
Skill Development		New comer training	IT solution skills training	Basic career training	Career practice training	Career practice professional training	Certification selection training		
		Consulting training					General staff training		
		Other skill request program					Lecture for Manager		
		Human Resource Development Program for DX (Digital Transformation)							
		Global Human Resource Development Program							
D & I								D&I seminar for GM, Manager	
		E-learning programs on Unconscious Bias, Caregiving and other topics to promote Diversity and Inclusion							
		Programs to support employees in balancing work and parenting							
Other		Self-study support program							
		Business Division / Programs by Segment							

Business impacts

We are promoting the expansion of human resources who promote strategic fields by showing employees the image of human resources, careers, and training programs in line with the growth strategy of NRI's long-term management vision, Vision 2022. In addition, by visualizing the development status and changes over time, we are able to plan long-term human resources strategies, check our human resources portfolio, and develop highly specialized human resources in a short period of time.

Target employee

All employees

## ■ Human Resources Development - Data

### Human resources development program 2

#### Stratified program

The NRI Group implements various training programs according to the career stage. There are training programs such as promotion of career stage and appointment of positions, and we are implementing a selective training program for each level of employees, from mid-level employees to executives, and are also focusing on the systematic development of management candidates. In particular, regarding the training for promotion to managerial positions, we are currently considering the content of the training that is unique to our company and suitable for the times, and since FY2019, we have been sequentially revising and implementing each level.

As for new training methods, in addition to the conventional group training, we are also working on blended learning that combines group learning with individual learning utilizing original video content. Furthermore, as a diversity initiative, in addition to a selection program for each layer for female employees, we are also focusing on employee awareness and enlightenment activities through diversity and inclusion seminars. In recent years, veteran employees, such as those in their mid-40s, can show their abilities that they have cultivated so far, and organize their thoughts at regular intervals in order to support their work while challenging new fields and skills with an autonomous career outlook. We hold a career design program "my career traing" that allows you to take multiple courses during your career so that you can lead to the next action.

#### Management Human Resource Development Program

We are implementing a program to develop core human resources who are responsible for the growth strategy and business creation of the NRI Group.

The curriculum of these development programs consists mainly of four elements:

- (1) Courses aiming to develop executive candidates,
- (2) Course aiming to develop candidates for organizational head,
- (3) Courses aiming to develop proficiency with respect to managing business drawing on a managerial point of view and a company-wide perspective, and
- (4) Courses aiming to develop the ability to create new businesses.

Our (1) courses aiming to develop executive candidates enlist a curriculum that extensively delves into studies of fundamental knowledge necessary for management personnel.

As a manager, it is a curriculum to deepen and learn business perspectives such as business segment coordination, company-wide optimization to maximize value, BS/PL balance, and multi-stakeholders.

In addition, at an external business school (Nomura Management School, etc.) members selected from senior management participate in exchange meetings with executive members dispatched from companies representing Japan to improve management ability.

In the selection training for mid-career, students will leave the career development in business practice and learn advanced management knowledge and business creation process, as well as the leadership in the DX era, which is important for the growth strategy of the long-term management vision "Vision2022". We provide programs such as cross-industry exchanges with the awareness of "people who can lead customer co-creation".

Participants are selected from each level, including managers and mid-career employees, and through programs such as group training, individual work and workshops, we aim to discover problems related to NRI's management and business, and propose and implement solutions.

Human resource development program for Digital Transformation

NRI implements programs geared to developing talent that accelerates its DX (Digital Transformation) strategy, which is one of the growth strategies under its long-term management vision "Vision 2022". With the aim of strengthening the capabilities required in the DX era, such as AI, Analytics, Blockchain, user experience (UX) design, Agile, and Microservices, in addition to the conventional skill training for the year of joining the company, there is a DX skill acquisition training for each year.

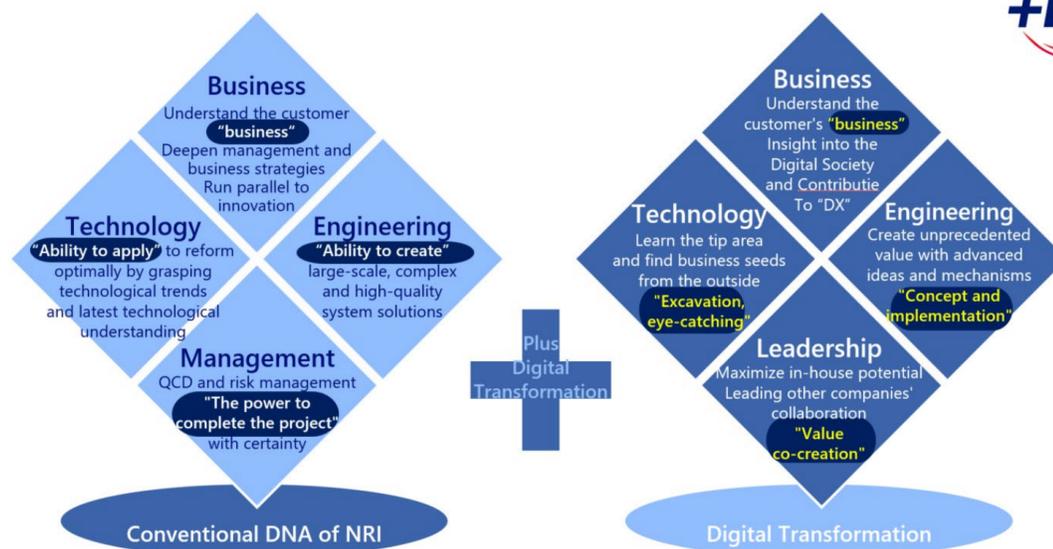
These programs have a variety of business curricula that share basic knowledge and IT skills as well as hands-on know-how, modern business use cases, deep NRI-like insights, and cutting-edge business insights.

By actively collaborating with external institutions and companies such as domestic and overseas research institutions (graduate schools) and Data Scientist (DS) associations, we will incorporate a lot of academic knowledge and advanced cases and provide a more advanced learning space. We also help establish employee networks and create opportunities for success.

These programs are structured so that curriculums are planned and planned around "Learning Opportunities", "Developmental Opportunities", "Connection Opportunities", and "Opportunities for Success", so that you can get more effective skill acquisition opportunities.

[New human resource image for Digital Transformation]

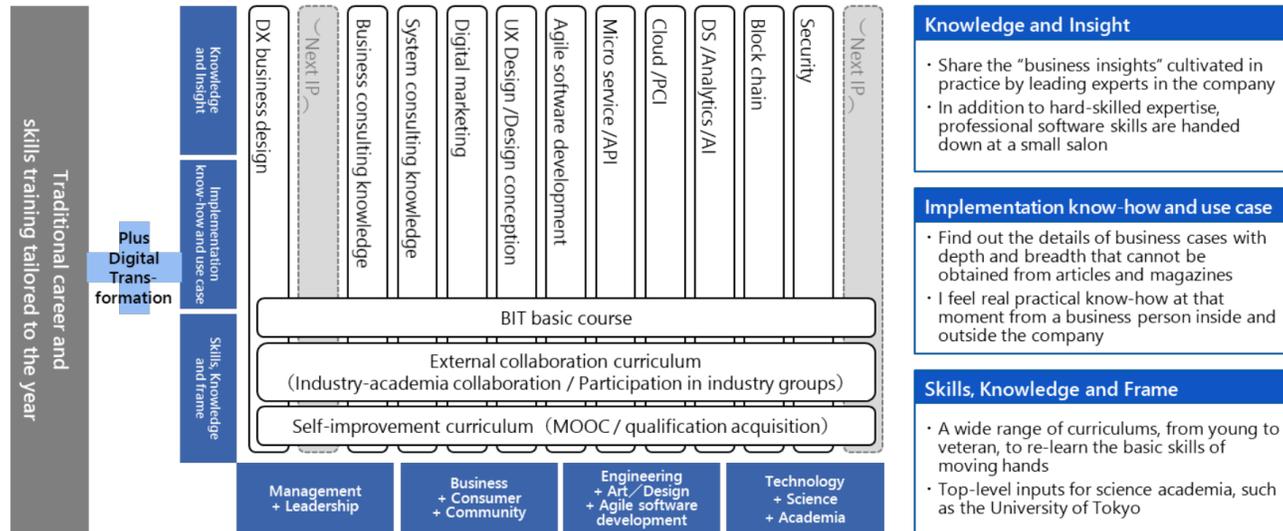
 Leverage our experiences and put them to work in driving "DX"



Human Resources Development - Data

[Human resource development program for Digital Transformation]

Add "DX" skills according to individual's career and intention



**Knowledge and Insight**

- Share the "business insights" cultivated in practice by leading experts in the company
- In addition to hard-skilled expertise, professional software skills are handed down at a small salon

**Implementation know-how and use case**

- Find out the details of business cases with depth and breadth that cannot be obtained from articles and magazines
- I feel real practical know-how at that moment from a business person inside and outside the company

**Skills, Knowledge and Frame**

- A wide range of curriculums, from young to veteran, to re-learn the basic skills of moving hands
- Top-level inputs for science academia, such as the University of Tokyo

[Providing four opportunities for Digital Transformation human resource growth]

Add the essence of surviving the DX age in the learning field. Maximize opportunities for "Self-learning"



**1. Opportunities for Learning**

- In addition to simple skills and case studies, NRI will offer advanced knowledge sharing and training to learn unique insights
- We also offer courses that give the degree of freedom so that you can learn at your own pace depending on the situation of each person, and basics so that even inexperienced people and veterans can easily tackle
- Coursera, University course, Promote self-studying by acquiring qualifications

**2. Opportunity to Participate**

- Opportunities for in-house and external training, as a professor / lecturer / lecturer to industry-academia collaborative universities, and for intern students
- From the NRI number one, build the industry's number one knowledge, develop high-quality content, and lead the development that is really necessary with the on-site skin sensation
- Get more learning through opportunities to teach others

**3. Opportunity for Connect**

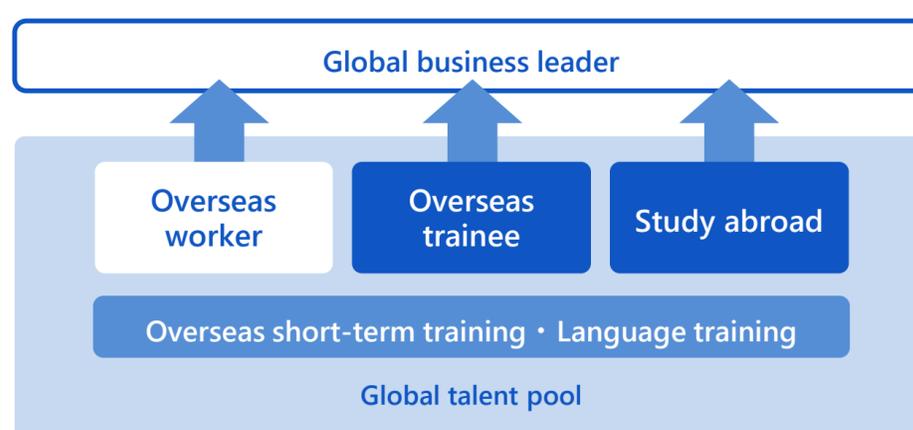
- Participated in the planning of employee training as a member of an expert meeting, and linked with the in-house Center-of-Excellence
- Understand what kind of human resources and projects are there and use them as the basis for collaboration
- It will be a place to find talented personnel, and it will be possible to search for candidates for certification and job assignments.

**4. Opportunities for Achievement**

- External activities through active information dissemination such as external lectures, newspaper articles / Web articles
- Active as a board member or member of an industry association to build a connection to the industry
- Aiming to improve NRI's presence through external activities, increase own name value, and self-growth

Global Human Resources Development Program

NRI implements many training programs geared to developing business leaders who are capable of playing active roles on the global stage. In that regard, we are particularly focusing our efforts on our overseas training system whereby we send our employees to overseas locations of our corporate customers who operate globally for periods of about one year, thereby enabling such employees to gain first-hand experience of global business. In FY2020, we started a new global strategy leader (GSL) trainee program for cultivating human resources that can manage the overseas offices of NRI. Meanwhile, we also offer overseas study programs in order to expose employees to a wide range of teachings and insights, while enabling them to gain sophisticated professional skills. Under such programs, employees learn about international standards of corporate management by acquiring MBA degrees at overseas business schools. Opportunities to earn degrees are also popular, particularly those in computer science (MSE and MCS) and legal affairs (LLM).



Business impacts

With regard to the three core issues of core human resource development, about 210 managers (with the two programs conducted since 2002 and 2020) and about 120 section managers (since 2015 revision) have completed the selective training program, and there are now more cases where those that have completed the manager program also join the general manager program, which has strengthened the pipeline of successor candidates. In "DX Human Resources Development," we are strengthening strategic capabilities such as AI, analytics, blockchain and agile, and promoting the realization of growth strategies by shifting personnel to strategic priority areas. In "Global Human Resources Development," we are promoting the expansion of NRI's global businesses by fostering global business leaders.

Target employee

Senior and middle management

## Human Resources Development - Data

### Inputs for human resources development

Human resources development investment cost			unit	FY2017	FY2018	FY2019	FY2020	FY2021
Total human resources investment cost			millions of yen	3,448	3,632	3,531	3,196	3,983
Coverage				a	a	a	a	a
Human resource development capacity development investment cost per employee			1,000 yen	466	477	446	366	405
Coverage				c	c	c	c	c
Total human resource development hours			hour	269,826	315,630	310,350	348,539	363,188
Human resource development days per person			day/ person	6.0	6.9	6.7	7.3	7.7
Human resource development hours per person			hour / person	45	52	50	55	58
(Breakdown)	By age group	Below 30	hour / person	118	145	158	174	166
		30 to 50	hour / person	18	20	24	21	26
		50 or over	hour / person	7	7	11	9	13
(Breakdown)	By gender	Male	hour / person	36	42	48	51	52
		Female	hour / person	57	69	80	84	95
Coverage*				c'	c'	c'	c'	c'

\* c': NRI employees engaged in Japan and overseas

## Human Resources Development - Data

### Effect of human resources development

#### Measures of the effect of human resources development

NRI places importance on the number of employees with professional qualifications as an index for objectively assessing investment efficiency in development of individuals with highly advanced professional skills.

Number of employees who acquired the professional qualifications	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Information processing engineer (IT strategist)	no. of person	328	354	374	369	399
Information processing engineer (System architect)	no. of person	949	974	990	973	1,009
Information processing engineer (Project manager)	no. of person	869	909	943	934	1,015
Information processing engineer (Network specialist)	no. of person	955	975	1,000	996	1,044
Information processing engineer (Database specialist)	no. of person	843	879	924	912	1,016
Information processing engineer (Embedded system specialist)	no. of person	48	50	55	56	80
Information processing engineer (IT service manager)	no. of person	409	413	433	427	449
Information processing engineer (System audit engineer)	no. of person	354	360	363	350	372
Registered Information Security Specialist* <sup>1</sup> (Successful candidates)	no. of person	108	242	375	377	578
Project Management Professional	no. of person	292	299	320	336	379
ITIL Manager / Expert / Intermediate	no. of person	70	70	68	77	86
Chartered Member of the Securities Analysts Association of Japan	no. of person	245	245	246	246	251
Certified Public Accountant Small and Medium sized	no. of person	9	16	15	12	17
Enterprise Consultant	no. of person	46	46	48	46	47
First-class Registered Architect	no. of person	10	10	10	10	10
Chief Telecommunications Engineer	no. of person	107	107	108	86	108
Number of employees who acquired NRI certification system	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Certified Business Developer	no. of person	18	15	23	27	29
Certified Business Analyst	no. of person	23	22	25	29	39
Certified Data Scientist	no. of person	7	14	17	21	24
Certified Application Engineer	no. of person	19	23	24	28	33
Certified IT architect	no. of person	65	69	66	69	77
Certified IT Service Manager	no. of person	30	33	39	43	45
Certified Project Manager	no. of person	94	93	107	117	130
Coverage		c	c	c	c	c

Note: As of the end of each fiscal year

► In-house education on ESG

In-house education on ESG

Since FY 2017, NRI Group has been conducting e-learning training on sustainability and ESG for employees of NRI and domestic group companies.  
 From FY 2019, we produced and deployed the animated videos related to climate change and human rights and global ESG trends, and strive to promote understanding of ESG and sustainability.

	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Completion Rate for ESG Testing	%	95.1	98.1	98.2	98.2	98.1
Coverage		b-	b-	b-	b-	b-

## ■ Business and Human Rights - Management Approach

S04M

### Material issues of NRI related to this management approach

"Respect for human rights" and "Dialogue with civil society"

### NRI's approach to material issues

We support and respect the International Code of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Guiding Principles on Business and Human Rights, as set out in the NRI Group Policy on Human Rights.

The policy clearly states the respect for basic labor rights and the prohibition of forced labor, child labor, discrimination, and harassment.

In addition, as a company involved in the development and utilization of AI, we have established the "NRI Group AI Ethics Guidelines" intended to promote the development and utilization of AI while reducing the negative impact of AI.

The NRI Group's "Procurement Policy of the NRI Group" declares that human rights are taken into consideration when dealing with business partners such as outsourcers and suppliers. In order to further accelerate sustainable procurement in the NRI Group, we have established the "NRI Group Business Partner Code of Conduct" and are seeking the understanding of business partners such as outsourcers and suppliers.

NRI endorses the United Nations Global Compact and in May 2017 we announced our participation in the 10 principles and four domains of human rights, labor, the environment, and anti-corruption.

Under the commitment of top management, NRI is committed to acting as a good member of society and striving to achieve sustainable growth by observing and practicing the ten principles and demonstrating responsible creative leadership.

### Priority activities / Medium- to long-term targets

As one of the growth strategies in the long-term management vision 'Vision 2022', NRI upholds 'Dramatic expansion of globalization', and positioned the overseas human rights issue as critical business challenge.

### Progress / Achievements / Challenges

In FY2018, We started to conduct human rights due diligence in Sustainability Activities Committee.

In FY2019, we promoted human rights due diligence and identified the current human rights risks of the Group.

In FY2020, we conducted a simple assessment on NRI and group companies in order to clarify the human rights risks of NRI Group companies and our response to them during the COVID-19 crisis.

In FY2021, we surveyed issues and risks related to human rights to identify actual and potential risks at each NRI Group company in Japan.

#### Link Files

NRI Group Policy on Human Rights

<https://www.nri.com/en/sustainability/social/policies#human-rights>

NRI Group Procurement Policy

<https://www.nri.com/en/company/partner>

NRI Group AI Ethics Guidelines

[https://www.nri.com/en/sustainability/social/policies#AI\\_Ethics\\_Guidelines](https://www.nri.com/en/sustainability/social/policies#AI_Ethics_Guidelines)

Human rights report

[https://www.nri.com/-/media/Corporate/en/Files/PDF/sustainability/library/back\\_number/human\\_rights\\_report\\_e.pdf](https://www.nri.com/-/media/Corporate/en/Files/PDF/sustainability/library/back_number/human_rights_report_e.pdf)

► Business and human rights management

Chief officer in charge of human rights

Haname Yanagisawa, Senior Managing Director

Responsible committee

Human Rights Education Committee

Involvement of the Board of Directors with respect to human rights (reporting, deliberation, director evaluation, reflection in remuneration)

Any cases that require the approval of the Board of Directors will be appropriately deliberated and judged by the Board of Directors.

Education and awareness

The Human Rights Education Committee is a committee established to promote education on human rights at the NRI Group. NRI division managers and NRI Group company presidents (representatives) are members of the committee, and all department heads of NRI Group companies are promoters of the committee. The members and promoters notify the various divisions and group companies of the topics raised at the Human Rights Education Committee meetings.

One of the duties of the NRI Group company department heads that work as promoters is defined as "creating a comfortable workplace environment with mutual respect for human rights" and we ensure that this duty is recognized.

In the "NRI Group Employees' Code of Business Conduct", we promote understanding of internationally-recognized human rights and define actions for respecting human rights based on a recognition that the business activities of the NRI Group may impact human rights.

The content of the "NRI Group Employees' Code of Business Conduct" is disseminated via the the "Rules Book:Fundamental Rules for Executive Officers and General Staff" that is reviewed annually. The "NRI Group Employees' Code of Business Conduct" and the "Rules Book:Fundamental Rules for Executive Officers and General Staff" are also communicated via the training for each hierarchy level and position. In the event of a statement or action that violates human rights, the facts of the situation will be investigated and then the relevant employee will be subject to disciplinary action for non-compliance if necessary.

We regularly provide the "Basic rules for working in the NRI Group (for temporary employees)" to our temporary employees and explain that we respect human rights and prohibit discriminatory behavior.

► Efforts to respect human rights

Identification process of human rights risks

The NRI Group is promoting efforts to respect human rights based on international norms such as the International Code of Human Rights, the ILO Core Labor Standards, and the Guiding Principles on Business and Human Rights. We will proceed with our efforts to respect human rights by following the process of "policy/commitment", "human rights impact assessment/theme identification", "approach for respecting human rights", and "monitoring/information disclosure".



## ► Business and human rights policy

### Human rights policy

The NRI Group has established the NRI Group Policy on Human Rights and supports international human rights norms such as the "International Human Rights Bill", "The Declaration of the International Labor Organization on Fundamental Principles and Rights at Work", and "10 Principles of the United Nations Global Compact".

In addition, as a company involved in the development and utilization of AI, we have established the "NRI Group AI Ethics Guidelines" intended to promote the development and utilization of AI while reducing the negative impact of AI.

In FY 2020, in order to further promote sustainable procurement, we reviewed the terms and expressions of the "NRI Group Procurement Policy" and "NRI Group Employee's Code of Business Conduct" and newly established the "NRI Group Business Partner Code of Conduct" .

#### Applicable scope

NRI Group and business partners such as outside contractors and suppliers

#### References

NRI Group Policy on Human Rights

<https://www.nri.com/en/sustainability/social/policies#human-rights>

NRI Group Procurement Policy

<https://www.nri.com/en/company/partner>

NRI Group Business Partner Code of Conduct

[https://www.nri.com/en/company/partner\\_code](https://www.nri.com/en/company/partner_code)

NRI Group AI Ethics Guidelines

[https://www.nri.com/en/sustainability/social/policies#AI\\_Ethics\\_Guidelines](https://www.nri.com/en/sustainability/social/policies#AI_Ethics_Guidelines)

## ► Human rights due diligence

### Implementation of human rights due diligence based on the UN Guiding Principles

NRI Group has established a framework for conducting human rights due diligence, in accordance with the procedures outlined in the UN Guiding Principles for Business and Human Rights.

#### 1. Human Rights Risk Assessment

NRI Group conducted Human Rights Risk Assessment in collaboration with Verisk Maplecroft\*<sup>1</sup> and Caux Round Table Japan\*<sup>2</sup>, which provide globally generally accepted human rights risk assessment methods, and identified the potential human rights risks that NRI Group's business activities may have on human rights.

In accordance with the industry classification of Verisk Maplecroft, this human rights risk assessment covers the software & IT services industry to which the IT service business, the main business of the NRI group, belongs, and the professional services industry to which the consulting business belongs.

The report also covers all 37 countries where NRI, consolidated subsidiaries and Tier 1 suppliers are located, and has identified potential human rights risks that these industries could cause in the covered areas.

With regard to 10 human rights risk indices which selected based on their alignment to the International Labour Organisation (ILO) core labour conventions and relevance to the industries analysed, human rights risks are evaluated with a score of 0 to 10 points and are classified into four risk levels (extreme risk, high risk, medium risk, low risk).

\*1 Verisk Maplecroft is a leading global risk analytics, research and strategic forecasting company.

It provides databased solutions and advice on political, human rights, economic and environmental risks to organizational resilience and sustainable procurement.

\*2 Caux Round Table is a global network of business leaders aimed at ensuring business contributes to a more free, fair and transparent society. Caux Round Table Japan assists companies to promote their human rights activities.

## &lt;Scope of the assessment&gt;

Business activities	Software & IT Services Industry: IT service business (Financial IT Solutions, Industrial IT Solutions, IT Platform Services) Professional Services Industry: Consulting business
Countries and areas	Australia, Brazil, Canada, China, Denmark, Dominican Republic, France, Germany, India, Indonesia, Ireland, Italy, Japan, Luxembourg, Malaysia, Mexico, Micronesia, Mongolia, Netherland, New Zealand, Norway, Panama, Philippines, Romania, Russia, Singapore, South Africa, South Korea, Sri Lanka, Sweden, Switzerland, Taiwan, Thailand, USE, UK, USA, Vietnam
Human Rights Indices	Child labour, Decent wages, Decent working time, Discrimination in the workplace, Modern slavery, Occupational health and safety, Right to privacy, Freedom association and collective bargaining, Indigenous Peoples rights, Land property and housing rights

## &lt;Identified Human Rights Risks&gt;

## Right to privacy

- It was identified as "extreme risk" in 8 countries/regions and "high risk" in 8 countries/regions as human rights risk related to Software & IT Services Industries.
- It was identified as "high risk" in 4 countries/regions as human rights risk related to Professional Services Industry. (Major stakeholder groups related: customers, communities)

## Decent wages

- It was identified as "high risk" in 14 countries/regions as human rights risk related to Software & IT Services Industries. (Major stakeholder groups related: Employees, Suppliers' employees)

## Decent working time

- It was identified as "high risk" in 5 countries/regions as human rights risk related to Professional Services Industry. (Major stakeholder groups related: Employees, Suppliers' employees)

2. Human rights impact assessment

In response to the potential risk assessment results, we have begun to grasp the actual situation for NRI and its group companies and business partners in FY2019.

In order to understand the actual situation, various types such as the ICT Sector Guide on Implementing the UN Guiding Principles on Business and Human Rights of the European Commission and the CSR Procurement Self-Assessment Tool Set of the Supply Chain Subcommittee of global Compact Network Japan The survey contents and methods are formulated with reference to the guidelines.

We are also reviewing the survey contents and methods by promoting an understanding of the laws and regulations of each country and region and the internal and external environment.

In the future, we will continue to conduct surveys to understand the actual situation, review human rights themes, and address the risks discovered.

<Contents of understanding the actual situation>

- Status of each country/region: Laws applicable in each country/region, human rights issues and topics in each country/region, etc.
- Human rights/labor: Respect for human rights, discrimination, child labor, forced labor, wages, working hours, inhumane behavior, dialogue/consultation with employees, hotline status, worker privacy, etc.
- Safety and health: workplace safety and health, emergency response, occupational accident status, etc.
- Human rights in business: Relationship with contractors, possibility of human rights violations through business (possibility of privacy infringement, etc.)
- Others: Awareness of issues related to business and human rights, opinions on our company, etc.

<Identification of human rights themes>

We believe that the NRI Group's priority human rights themes are "Decent Work," "Privacy and Data Security," and "diversity".

The basis is the NRI Group's corporate philosophy, vision, potential human rights risk assessment results, and communication with group companies and business partners.

Looking to the future, we will continue to study and act on ways to respect human rights regarding these human rights themes, not only for the NRI Group but also for the business impact of our business partners and other supply chains.

On the other hand, in the midst of changes in the business and human rights environment, it is envisaged that we will make appropriate reviews based on the results of our understanding of the actual situation of human rights risk, dialogue with stakeholders both inside and outside the company, the environment, stakeholders and rights holders.

**Decent Work**

- Realization of work styles that are healthy and rewarding
- Realization of proper working hours and wages

**Privacy and Data Security**

- Realization of privacy protection that properly handles privacy information and protects personal dignity
- Realization of respect for human rights in line with technological evolution representing AI

**Diversity**

- Realization of an environment in which human resources of diverse backgrounds can play active roles without any discrimination or harassment

FY2020 : Conduct a simple human rights risk assessment

1. Overview

The spread of COVID 19 has impacted corporate business activities and raised new risks of negative impacts on human rights. To correspond this changes, we have conducted a simple assessment on NRI and group companies in order to clarify the human rights risks of NRI Group companies and our response to them during the COVID-19 crisis.

We utilized the " Humanr Rights Due Diligence and COVID-19: Rapid Self-Assessment for Business" that specialized on the COVID-19 crisis created by the United Nations Development Programme (UNDP).

<Scope of the assessment>

Scope	NRI and domestic group companies
Summary of assessment	<ul style="list-style-type: none"> <li>• Health and safety in the workplace</li> <li>• Worker rights</li> <li>• Impact on the environment and community</li> <li>• Protecting privacy</li> <li>• Preventing prejudice and discrimination</li> <li>• Items for investigation in company policy and management</li> </ul>

In the assessment conducted in FY2020, no critical risks were discovered, but we implemented improvements with the relevant departments for the items indicated below.

- Raising awareness of policies that relates to occupational health and safety in COVID-19 crisis among all employees, including those who undertake work on a one-off basis
- Thoroughly inform employees about how to dispose of masks and personal protective equipment
- Consideration for discrimination and prejudice against people who are affected by COVID-19

As a response to discrimination and prejudice against employees who have contracted COVID-19, we provided information on matters that all employees should be aware of and consider regarding those who have contracted COVID-19 on our in-house portal site.

The portal site is accessible by all employees of NRI and 34 group companies including international subsidiaries.

We will take appropriate measures against risks other than the above.

FY2021 : Understanding human rights risk status

1. Overview

In order to comprehensively identify human rights risks at NRI group companies in Japan and list the expected risks facing the NRI Group, we conducted a risk survey at our group companies based on the human rights that companies must respect described in the "Business and Human Rights" document released by the Ministry of Justice.

<Scope of the survey>

Scope	NRI and domestic group companies
Summary of survey	<ul style="list-style-type: none"> <li>• Human rights issues related to technology or AI</li> <li>• Right to privacy</li> <li>• Harassment</li> <li>• Freedom of expression</li> <li>• Human rights issues in the supply chain</li> <li>• Right to access remedies, etc.</li> </ul>

In the human rights assessment conducted in FY2021, although we discovered actual risks regarding employee work hours, health, and harassment (power harassment/sexual harassment), other risks were categorized as potential risks.

In regard to employee work hours, health, and harassment, we have been implementing countermeasures across the entire company in recent years, with a focus on the human resources department. In addition to training provided to general managers, such as the Diversity & Inclusion Seminar and Anti-Harassment Seminar, we provide "anti-harassment classes" to all our employees in Japan.

In regard to potential risks such as privacy problems or human rights problems related to technology and AI, we plan on investigating company-wide countermeasures while cooperating with the various departments.

► Engagement on human rights

System for responding to consultations and reports for employees, temporary employees and partner companies

Reference

We publish our human rights initiatives on our website and in our reports.  
 We published the "Human Rights Report" in FY2019, which summarizes our policies and efforts concerning human rights.  
 This report was prepared with reference to the UN Guiding Principles Reporting Framework, which is a comprehensive guideline for reporting on the response of companies to human rights issues.

Human rights report  
[https://www.nri.com/-/media/Corporate/en/Files/PDF/sustainability/library/back\\_number/human\\_rights\\_report\\_e.pdf](https://www.nri.com/-/media/Corporate/en/Files/PDF/sustainability/library/back_number/human_rights_report_e.pdf)

► In-house education on human rights

Internal education

At the NRI Group, we aim for each and every one of our employees to think about respect for human rights as defined in the "NRI Group Employees' Code of Business Conduct" and be involved in initiatives for promoting understanding. As part of these efforts, we provide e-learning on basic ESG knowledge to all employees at group companies once a year, which include explanations on "business and human rights" to promote understanding. We also widely explain the importance of respecting human rights via opportunities such as training for each hierarchy level, including executive training and compliance training. During new employee on-boarding training, we explain "Human Rights Awareness" and "AI Ethics Guidelines".

Unconscious bias training is mandatory for directors, department heads, Group Managers (section managers), and managers in expert positions, and we always inform them of this requirement at the training for promotion to expert positions. By making managers aware of "unconscious bias," we are striving to reduce human rights risks in the workplace.

In addition, we provide department heads and Group Managers (section managers) with opportunities to think about human rights by sharing how to report and respond to bullying & harassment cases, as well as seminars on diversity & inclusion and anti-harassment measures.

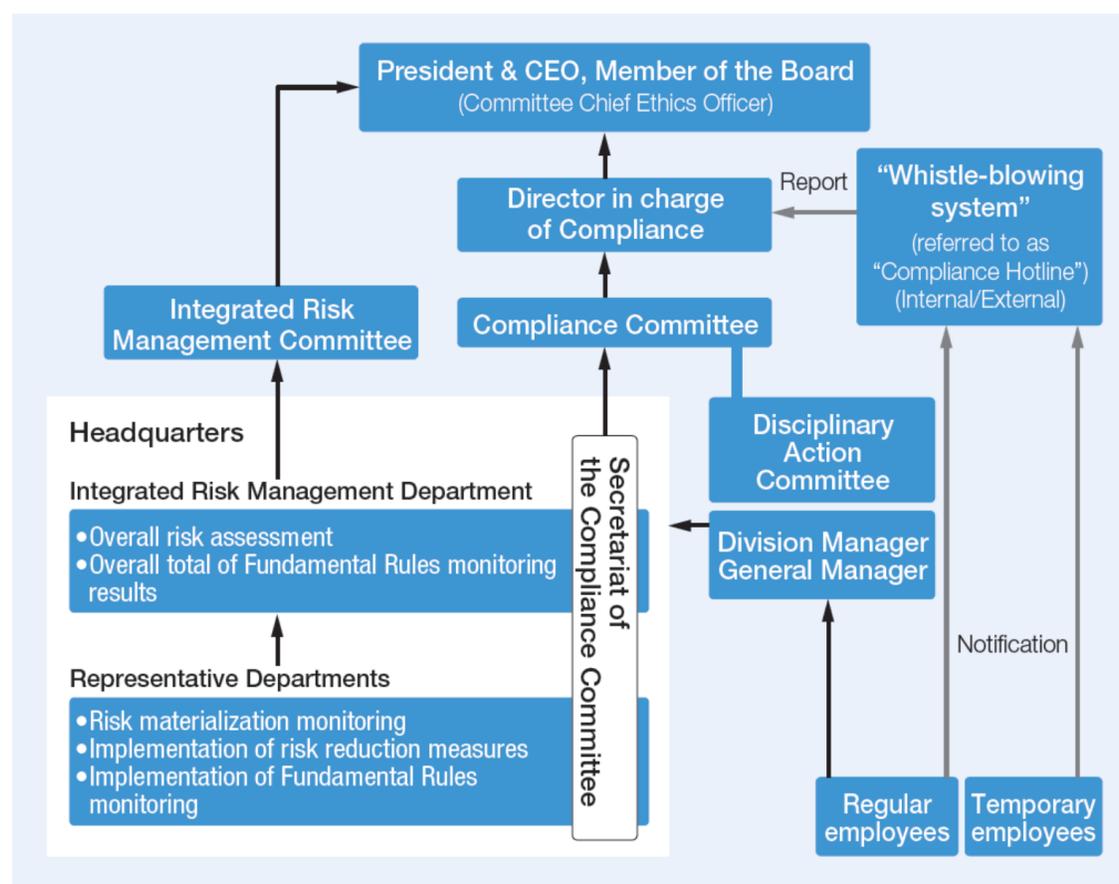
► Response to consultation and report on human rights

System for responding to consultations and reports for employees, temporary employees and partner company employees

For NRI Group employees, temporary employees, and business partners, in the unlikely event that their own human rights or those of someone else have been compromised, or if they notice there may be the risk of the same, there are both internal and external reporting desks available, the contact details for which can be checked on the intranet at any time.

In addition, we strive to keep employees informed by providing explanations during training when joining the company and in the "Rules Book: Fundamental Rules for Executive Officers and General Staff" distributed annually.

Furthermore, temporary employees and employees from business partners who work at NRI Group offices (outside contractors) are provided with an explanation and materials indicating that there is a reporting desk when they first start work.



Applicable scope

NRI Group employees, temporary staff, business partners such as outsourcers and suppliers

## System for responding to external consultations and reports (suppliers, local communities, other)

We have not set up a contact point specializing in human rights complaints against the NRI Group. However, the representative telephone numbers and e-mail addresses that accept general inquiries are open to the public, and the relevant departments will respond through the public relations department of each company.

From April 2021, we established the harassment hotline for business partners.

## Applicable scope

All stakeholders except NRI Group employees, temporary staff, business partners such as outsourcers and suppliers

## ▶ Freedom of association and the right to collective bargaining

## Dialogue with labor union

NRI has a union shop contract with the Nomura Research Institute Labor Union. Through collective bargaining and social gatherings, NRI frequently discusses various issues with unions, such as the economic benefits of union members, personnel systems, and working environment. The results of the "Employee Attitude Survey" conducted by the labor union every year and the problems revealed during the discussions at the labor union branch meetings and seminars will be reported to the NRI management and will be utilized in the formulation of measures.

	unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of labor union members* <sup>1</sup>	no. of person	3,656	3,579	3,667	3,965	4,402
Rate of unionization* <sup>2</sup>	%	100	100	100	100	100
	Coverage* <sup>2</sup>	d	d	d	d	d

\*1 As of the beginning of following fiscal year.

\*2 Rate of unionization is the ratio to the target employee. (NRI adopts the union shop system)

## ▶ Engagement on human rights

## Stakeholder dialogue

## Reference

Every year NRI holds dialogues with experts and strives to grasp ESG risks including human rights risk related to the business activities of the NRI Group.

In previous dialogs, we discussed topics such as respect for human rights through business, human rights issues in the supply chain, and complaint handling mechanisms.

The experts identified human rights risks that NRI should consider, including digital rights, worker rights, discrimination based on sexuality and nationality, human rights in the supply chain, and impact on the community.

We plan to identify our specific human rights risks, evaluate and respond to them.

Stakeholder Dialogue

<https://www.nri.com/en/sustainability/management/dialogue>

## Multi stakeholder engagement

## Issues raised

We are committed to keeping ourselves informed on human rights issues through dialogues with multi-stakeholders including companies, NGOs and NPOs, and industry and academic experts by taking part in the Stakeholders Engagement Program (Human Rights Due Diligence Workshop) organized by the Caux Round Table Japan.

Key human rights issues for the ICT sector (extract)

- The potential for employees to work long hours and / or unpaid overtime when working on developing information systems
- The potential threat from service shutdowns to users' activities and daily lives
- The potential for damage to people's privacy from personal data breaches
- The potential for damage to people's personal rights from malicious websites and / or information and communications technologies (ICT)
- The risk of being unable to resist state demands to hand over personal information
- The potential risk in overseas business activities of bribery and corruption involving government officials
- Environmentally sensitive usage of energy and water
- Exerting a positive influence on improving people's lives by bridging the information divide between communities

## References

2018 Stakeholder Engagement Program in Japan (In Japanese only)

<http://crt-japan.jp/portfolio/she-program/>

2018 Human Rights Due Diligence Workshop (Stakeholder Engagement Programme)

<http://crt-japan.jp/files2018/SHE/Report%20of%20Stakeholder%20Engagement%20Program%20in%20EN.pdf>

## ▶ Corporate citizenship policy

## Corporate citizenship policy

As a overall stakeholder representatives, companies must utilize resources such as people, technology and finance to contribute to the development of local as well a larger communitites in society. NRI positions business activities and social contribution activities as comprehensive activities to realize the corporate philosophy of "pioneering the future."  
 And we have established "human resource development", "society development" and "information dissemination" as priority areas for social contribution activities, and we are engaged in various activities utilizing human resources and technology.  
 This policy applies to all companies of NRI Group.

## References

NRI Student Essay Contest (In Japanese only)  
<https://www.nri.com/jp/news/event/lst/cc/sustainability/contest>

Career education program (In Japanese only)  
<https://www.nri.com/jp/sustainability/edu>

Efforts of NRI Group toward reconstruction from the Great East Japan Earthquake (In Japanese only)  
<https://www.nri.com/jp/act311>

Proposals regarding Coronavirus Infection (COVID-19) measures (Excerpt from the Japanese version)  
<https://www.nri.com/en/keyword/proposal>

Proposals regarding Coronavirus Infection (COVID-19) measures (the Japanese version)  
<https://www.nri.com/jp/keyword/proposal>

## ▶ Focus areas of corporate citizenship activities

## Focus areas of corporate citizenship activities 1

Human resources development for the next generation

## Relevance to business

Human resource development for the next generation is an activity that can utilize the internal resources of NRI's professional human resources, and at the same time, is an essential activity to realize NRI's corporate philosophy, "Dream up the future".  
 In order to realize the NRI Group's corporate philosophy, "Developing Dreams," we believe that it is important to develop young human resources who will lead the next generation and have a ripple effect on future communities.  
 The NRI Group develops various activities utilizing our know-how in providing a wide range of people such as elementary school students, university students, and international students with a place to think about the future through educational programs, dialogues, and essay contests.  
 In addition, we are working to collaborate with educational institutions, including accepting lectures and lectures by employees at universities and training of teachers at private companies.

## Business benefits

Increase brand power and reputation: By maximizing the strengths of our Personal Deveropment, we will improve our brand power as a think tank, which will lead to high praise from students and recruitment of excellent human resources.  
 We hold a dialogue with students every year as a KPI to measure the evaluation of NRI by students.

## ■ Corporate Citizenship - Data

### Social benefits

We have set the transition in the number of student program participants as KPIs for evaluating the social effects of human resource development.

The NRI Student Essay Contest has been held since 2006 as one of the major student programs.

This program was started with the aim of giving the younger generation, who will be responsible for the future of society, an opportunity to focus on the future of Japan and the world.

By widely disclosing the proposals won in this contest to the public, a wide range of generations, including young people, are provided with an opportunity to think about the future of Japan and the world.

The number of paper submissions in 2021 was 3,043 (58% increase from the previous year), and the cumulative number of submissions since 2006 was 22,850.

In addition, another student program, "Career Education Support" reached 131 participants in FY2021.

## Focus areas of corporate citizenship activities 2

### Social development

#### Relevance to business

Supporting economic and social development in emerging and developing countries and reconstruction support for local communities aiming at recovery from natural disasters such as earthquakes are important elements for realizing a sustainable society.

By leveraging the consulting function, one of the most powerful resources of the NRI Group, we support the promotion of structural reforms via digital transformation of regional communities, the development of emerging economies, and reconstruction in earthquake-affected areas. We are also supporting the development of local communities by utilizing the IT solution function, which is another powerful resource.

Furthermore, contributing to the local community through social contribution activities is also an important activity.

#### Business benefits

Social contribution activities related to social development lead to consulting and IT solutions businesses related to local community reconstruction support and development support in emerging and developing countries, and generate revenue.

The results of that activity can be measured on an individual project basis.

#### Social benefits

One of the results of social development is the donations to victims of natural disasters.

A total of 10,316 NRI Group employees will contribute to the recovery efforts for the Great East Japan Earthquake in March 2011, for a total of 264 million yen, including matching gifts from NRI.

A total of 2,350 NRI Group employees contributed to the 2016 Kumamoto Earthquake recovery efforts, for a cumulative total of 35 million of yen including matching gifts from NRI.

For the victims of the heavy rain disaster in July 2018, 626 group employees donated a total of 5,617 thousand yen.

For the victims of the heavy rain disaster in July 2020, 355 group employees donated a total of 3,050 thousand yen.

## Corporate Citizenship - Data

### Focus areas of corporate citizenship activities 3

	Information communication
Relevance to business	<p>Publication of investigation and research activities outcome is indispensable, for disseminating the social innovation that NRI promotes and receiving recognition widely from the society.</p> <p>Since our foundation, we have undertaken investigation and research activities in diverse fields.</p> <p>We use the results of these activities in our business and continue to disseminate them through regular publications, reports, books, forums and other events.</p>
Business benefits	<p>By continuing to disseminate information through forums and events, NRI's reputation as a think tank will increase, leading to cutting-edge innovation-related projects.</p> <p>The result can be measured by research and development expenses as innovation investment.</p>
Social benefits	<p>As a KPI to evaluate the social effect of information transmission, we have set the transmission transition for each information transmission medium.</p> <p>In FY2020, the information dissemination record was 18 books, 353 newspaper and magazine articles, 666 lectures, 227 television and radio appearances, and 86 news releases.</p>

### Inputs for corporate citizenship activities

Social contribution expense		unit	FY2017	FY2018	FY2019	FY2020	FY2021	Assur- ance
Total		millions of yen	717	841	683	780	1,292	
By expense item	Cash contribution	millions of yen	272	395	314	343	310	✓
	In-kind giving	millions of yen	0	0	3	0	0	
	Facility offering	millions of yen	4	4	4	0	0	
	Provision of human resources to management school* <sup>1</sup>	millions of yen	126	127	58	71	72	✓
	R&D expenses* <sup>2</sup>	millions of yen	156	152	174	259	864	
	Others	millions of yen	209	162	132	107	46	
Ratio to ordinary income (Non-consolidated)		%	1.23	1.08	0.90	1.03	1.71	
Coverage			c	c	c	c	c	

\*1 Due to a change in calculation methodology from 2019, there is a discrepancy with the previous year

\*2 Linked to future society and regional development

## ■ Corporate Citizenship - Data

Social contribution expense by category		FY2021	
Total	millions of yen		1,292
Community investments	millions of yen		681
	%		52.7
Charitable donations	millions of yen		10
	%		0.8
Commercial Initiatives	millions of yen		601
	%		46.5
Social contribution expense by type of contribution		FY2021	
Total	millions of yen		1,292
Cash Contributions	millions of yen		310
Time: employee volunteering during paid hours	millions of yen		885
In-kind giving	millions of yen		0
Management costs	millions of yen		97

## ■ Corporate Citizenship - Data

### ► Impacts of corporate citizenship activities

KPI of corporate citizenship activities			unit	FY2017	FY2018	FY2019	FY2020	FY2021
Human resources development for next generation	No. of entries for NRI Student Essay Contest			1,767	1,444	2,300	1,925	3,043
	Career education support	No. of schools conducted		24	31	29	2	4
		No. of participants	no. of person	733	850	704	41	131
Coverage				c	c	c	c	c
Social development	Donation support for disaster-stricken areas	Total	1,000 yen	13,214	16,577	12,000	14,050	7,500
		Great East Japan Earthquake disaster <sup>*1</sup>	1,000 yen	9,000	8,000	12,000	11,000	7,500
		2016 Kumamoto Earthquake	1,000 yen	4,214	2,960	-	-	-
		July, 2018 heavy rain disaster	1,000 yen	-	5,617	-	-	-
		July, 2020 heavy rain disaster	1,000 yen	-	-	-	3,050	-
		Coverage		a	a	a	a	a
	TABLE FOR TWO <sup>*2 *3</sup>	number of meals provided locally		24,041	34,982	31,431	10,576	5,538
Coverage				d	d	d	d	d
Transmission of information	No. of books issued			15	20	21	18	21
	No. of articles in newspapers and magazines			298	306	290	353	309
	No. of lectures given			962	922	911	666	765
	No. of appearances on television and radio			158	267	155	227	244
	No. of news releases <sup>*4</sup>			104	69	80	86	98
Coverage				c	c	c	c	c

\*1 Total value of donation from NRI group employees and matching gift by NRI.

\*2 Total value of donation from eating and drinking person and matching gift of same amount by NRI.

\*3 Including the amount of CUP FOR TWO started from FY2017.

\*4 The publication standard for "News Release" has been revised from FY2018.

### ► Payments Such as to Various Associations

Payments Such as to Various Associations		unit	FY2017	FY2018	FY2019	FY2020	FY2021
Total		1,000 yen	5,400	5,000	5,000	5,000	6,000
	Trade associations/specified public interest promotion cooperations	1,000 yen	5,400	5,000	5,000	5,000	6,000
	Regional organizations/Arbitrary associations	1,000 yen	-	-	-	-	-
	Lobby activities	1,000 yen	-	-	-	-	-
	Others, political contributions	1,000 yen	-	-	-	-	-
Coverage				c	c	c	c

Note: Payments to industry associations in FY2021 were to only one such association, listed as "Trade associations / specified public interest promotion corporations".



### Translation

The following is an English translation of an independent assurance report prepared in Japanese and is for information and reference purposes only. In the event of a discrepancy between the Japanese and English versions, the Japanese version will prevail.

## Independent Assurance Report

June 24, 2022

TO:

Mr. Shingo Konomoto  
Chairman and President & CEO  
Nomura Research Institute, Ltd.

Kenji Sawami  
Engagement Partner  
Ernst & Young ShinNihon LLC  
Tokyo, Japan

We, Ernst & Young ShinNihon LLC., have been commissioned by Nomura Research Institute, Ltd. (hereafter the "Company") and has carried out a limited assurance engagement on the environment and society data and indices (hereafter the "Indicators") of the Company and its major subsidiaries and Yokohama Center (Yokohama Nomura Building) for the year ended March 31, 2022 as included in "Disclosure of Sustainability Information" on the Company's ESG Databook 2022 (hereafter the "Report"). The scope of our assurance procedures was limited to the Indicators marked with the symbol "✓" in the Report.

#### 1. The Company's Responsibilities

The Company is responsible for preparing the Indicators in accordance with the Company's own criteria, that it determined with consideration of Japanese environmental regulations as presented in the Data in III. Method of Calculation on Scope of Data Collection and Method of Calculation for Key Sustainability Performance Indicators. Greenhouse gas (GHG) emissions are estimated using emissions factors, which are subject to scientific and estimation uncertainties given instruments for measuring GHG emissions may vary in characteristics, in terms of functions and assumed parameters.

#### 2. Our Independence and Quality Control

We have met the independence requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is based on the fundamental principles of integrity, objectiveness, professional competence and due care, confidentiality, and professional behavior. In addition, we maintain a comprehensive quality control system, including documented policies and procedures for compliance with ethical rules, professional standards, and applicable laws and regulations in accordance with the International Standard on Quality Control 1 issued by the International Auditing and Assurance Standards Board.

#### 3. Our responsibilities

Our responsibility is to express a limited assurance conclusion on the Indicators included in the Report based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with the *International Standard on Assurance Engagements: Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000")* (Revised), and with respect to GHG emissions, the *International Standard on Assurance Engagements: Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410")*, issued by the International Auditing and Assurance Standards Board.

The procedures, which we have performed according to our professional judgment, include inquiries, document inspection, analytical procedures, reconciliation between source documents and Indicators in the Report, and the following:

- Making inquiries regarding the Company's own criteria that it determined with consideration of Japanese environmental regulations, and evaluating the appropriateness thereof;
- Inspecting relevant documents with regard to the design of the Company's internal controls related to the Indicators, and inquiring of personnel responsible thereof at the Company, Data Centers (2 centers) and Yokohama Center visited;
- Performing analytical procedures concerning the Indicators at the Company, Data Centers (2 centers) and Yokohama Center visited;
- Testing, on a sample basis, underlying source information and conducting relevant re-calculations at the Company, Data centers (2 centers) and Yokohama Center visited;

The procedures performed in a limited assurance engagement are more limited in nature, timing and extent than a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is lower than would have been obtained if we had performed a reasonable assurance engagement.

#### 4. Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Indicators included in the Report have not been measured and reported in accordance with the Company's own criteria that it determined with consideration of Japanese environmental regulations.

NRI's sustainability information disclosure is prepared in accordance with the Core option of the Global Reporting Initiative (GRI) Sustainability Reporting Standards.

◆ General Disclosures

102 : General Disclosures		Reference	Page no.
<b>1. Organizational profile</b>			
102-1	Name of the organization	Integrated Report 2022 - Corporate Data / Share Information	<a href="#">p.133</a>
102-2	Activities, brands, products, and services	Integrated Report 2022 - Business model	<a href="#">p.28</a>
		Integrated Report 2022 - NRI's Four Business Segments	<a href="#">p.120</a>
102-3	Location of headquarters	Integrated Report 2022 - Corporate Data / Share Information	<a href="#">p.133</a>
102-4	Location of operations	Integrated Report 2022 - NRI Group Network	<a href="#">p.132</a>
		NRI official website - NRI Group Companies and offices	<a href="#">(Link)</a>
102-5	Ownership and legal form	Integrated Report 2022 - Corporate Data / Share Information	<a href="#">p.133</a>
102-6	Markets served	Integrated Report 2022 - Competitive Advantages	<a href="#">p.30</a>
		Integrated Report 2022 - NRI's Four Business Segments	<a href="#">p.120</a>
		Integrated Report 2022 - NRI Group Network	<a href="#">p.132</a>
		NRI official website - Solutions & Services	<a href="#">(Link)</a>
		NRI official website - NRI Group Companies and offices	<a href="#">(Link)</a>
102-7	Scale of the organization	ESG Databook 2022 - Labor Practices, Diversity - Employee data	p.88
		Integrated Report 2022 - 10-year Summary Consolidated Financial Statements	<a href="#">p.126</a>
		Integrated Report 2022 - Corporate Data / Share Information	<a href="#">p.133</a>
		Annual Securities Report - 2. Business Status - Management discussion and analysis of the financial situation, management results and cash flow situation. (In Japanese only)	<a href="#">p.19</a>
		Annual Securities Report - 5. Accounting Status - Consolidated Balance Sheet. (In Japanese only)	<a href="#">p.74</a>
102-8	Information on employees and other workers	ESG Databook 2022 - Labor Practices, Diversity - Employee data	p.88
102-9	Supply chain	ESG Databook 2022 - Supply Chain Management - Supply chain situation	p.39
		Integrated Report 2022 -Process of Value Co-Creation	<a href="#">p.24</a>
		Integrated Report 2022 - Cooperation with Business Partners	<a href="#">p.86</a>
102-10	Significant changes to the organization and its supply chain	There is no material changes concerning the supply chain during the reporting period.	
102-11	Precautionary Principle or approach	ESG Databook 2022 - Risk Management - Management Approach	p.23
		ESG Databook 2022 - Risk Management - Data	p.25
		ESG Databook 2022 - Client Relationship Management - Fiduciary duty	p.47
		ESG Databook 2022 - Environmental Management - Management Approach	p.70
		Integrated Report 2022 - Internal Controls, Corporate Ethics, and Compliance	<a href="#">p.116</a>

102-12	External initiatives	ESG Databook 2022 - Sustainability Policy - Participation in the initiatives	p.2
		Integrated Report 2022 - Participation in initiatives	<a href="#">p.95</a>
		NRI official website - Participation in Initiatives (In Japanese only)	<a href="#">(Link)</a>
102-13	Membership of associations	ESG Databook 2022 - Sustainability Policy - Participation in the initiatives	p.2
		Integrated Report 2022 - Participation in initiatives	<a href="#">p.95</a>
		NRI official website - Participation in Initiatives (In Japanese only)	<a href="#">(Link)</a>
<b>2. Strategy</b>			
102-14	Statement from senior decision-maker	Integrated Report 2022 - Top Message	<a href="#">p.10</a>
102-15	Key impacts, risks, and opportunities	ESG Databook 2022 - Risk Management - Long-term risk	p.27
		ESG Databook 2022 - Climate Change - Climate-related risks	p.77
		ESG Databook 2022 - Climate Change - Climate-related opportunities	p.77
<b>3. Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behavior	ESG Databook 2022 - Compliance - Compliance policy	p.33
102-17	Mechanisms for advice and concerns about ethics	ESG Databook 2022 - Compliance - Compliance system	p.34
<b>102 : General Disclosures</b>		<b>Reference</b>	<b>Page no.</b>
<b>4. Governance</b>			
102-18	Governance structure	ESG Databook 2022 - Corporate Governance - Corporate governance structure	p.11
		ESG Databook 2022 - Sustainability Policy - Sustainability management structure	p.2
102-19	Delegating authority	ESG Databook 2022 - Sustainability Policy - Sustainability management structure	p.2
102-20	Executive-level responsibility for economic, environmental, and social topics	ESG Databook 2022 - Sustainability Policy - Sustainability management structure	p.2
102-21	Consulting stakeholders on economic, environmental, and social topics	ESG Databook 2022 - Stakeholders - Stakeholder dialogue	p.3
		ESG Databook 2022 - Client Relationship Management - Client satisfaction	p.47
		Integrated Report 2022 - Active dialogues with Shareholders and Investors	<a href="#">p.87</a>
102-22	Composition of the highest governance body and its committees	ESG Databook 2022 - Corporate Governance - Members of the Board	p.10
		ESG Databook 2022 - Corporate Governance - Functions and committees	p.12
102-23	Chair of the highest governance body	ESG Databook 2022 - Corporate Governance - Members of the Board	p.10
102-24	Nominating and selecting the highest governance body	ESG Databook 2022 - Corporate Governance - Criteria and process for nomination of Members of the Board and Audit & Supervisory Board Members	p.11
102-25	Conflicts of interest	ESG Databook 2022 - Corporate Governance - Corporate governance policy	p.10

102-26	Role of highest governance body in setting purpose, values, and strategy	ESG Databook 2022 - Sustainability Policy - Sustainability management policy	p.1
		ESG Databook 2022 - Sustainability Policy - Sustainability management structure	p.2
		Integrated Report 2022 - System of the Board of Directors and the Audit & Supervisory Board	<a href="#">p.106</a>
102-27	Collective knowledge of highest governance body	ESG Databook 2022 - Sustainability Policy - Sustainability management structure	p.2
102-28	Evaluating the highest governance body's performance	ESG Databook 2022 - Corporate Governance - Effectiveness of the Board of Directors	p.16
102-29	Identifying and managing economic, environmental, and social impacts	ESG Databook 2022 - Sustainability Policy - Sustainability management structure	p.2
		ESG Databook 2022 - Materiality	p.4
102-30	Effectiveness of risk management processes	ESG Databook 2022 - Risk Management - Risk management system	p.25
		ESG Databook 2022 - Risk Management - Risk assessment	p.26
102-31	Review of economic, environmental, and social topics	ESG Databook 2022 - Sustainability Policy - Sustainability management structure	p.2
102-32	Highest governance body's role in sustainability reporting	ESG Databook 2022 - Sustainability Policy - Sustainability management structure	p.2
102-33	Communicating critical concerns	ESG Databook 2022 - Compliance - Compliance system	p.34
102-34	Nature and total number of critical concerns	ESG Databook 2022 - Compliance - Compliance situation	p.35
102-35	Remuneration policies	ESG Databook 2022 - Corporate Governance - Executive compensation	p.19
102-36	Process for determining remuneration	ESG Databook 2022 - Corporate Governance - Executive compensation	p.19
102-37	Stakeholders' involvement in remuneration	–	
102-38	Annual total compensation ratio	ESG Databook 2022 - Corporate Governance - Executive compensation	p.19
102-39	Percentage increase in annual total compensation ratio	–	
<b>5. Stakeholder engagement</b>			
102-40	List of stakeholder groups	ESG Databook 2022 - Stakeholders - Our stakeholders	p.3
102-41	Collective bargaining agreements	ESG Databook 2022 - Business and Human Rights - Freedom of association and the right to collective bargaining	p.129
102-42	Identifying and selecting stakeholders	ESG Databook 2022 - Stakeholders - Stakeholder dialogue	p.3
102-43	Approach to stakeholder engagement	ESG Databook 2022 - Stakeholders - Stakeholder dialogue	p.3
102-44	Key topics and concerns raised	ESG Databook 2022 - Stakeholders - Stakeholder dialogue	p.3
<b>6. Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	Integrated Report 2022 - NRI Group Network	<a href="#">p.132</a>
102-46	Defining report content and topic Boundaries	ESG Databook 2022 - Information Disclosure - Scope of reporting / Reporting period / Independent assurance	p.6
102-47	List of material topics	ESG Databook 2022 - Materiality	p.4

102-48	Restatements of information	Some of the environmental data are shown as figures for which impacts due to important acquisitions, etc. have been recalculated, and note is attached to the relevant part.	–
		ESG Databook 2022 - Environmental Management - Environmental mass balance	p.74
102-49	Changes in reporting	There are no material changes from the past reporting period regarding reporting items and scope.	–
102-50	Reporting period	ESG Databook 2022 - Information Disclosure - Scope of reporting / Reporting period / Independent assurance	p.6
102-51	Date of most recent report	ESG Databook 2022 - Information Disclosure - Scope of reporting / Reporting period / Independent assurance	p.6
102-52	Reporting cycle	ESG Databook 2022 - Information Disclosure - Scope of reporting / Reporting period / Independent assurance	p.6
102-53	Contact point for questions regarding the report	ESG Databook 2022 - Contact information	Back Cover
102-54	Claims of reporting in accordance with the GRI Standards	GRI Standards Content Index	This table
102-55	GRI content index	GRI Standards Content Index	This table
102-56	External assurance	ESG Databook 2022 - Information Disclosure - Scope of reporting / Reporting period / Independent assurance	p.6
		ESG Databook 2022 - Independent Assurance	p.136

◆ Topic-specific Standards 200 : Economic / 300 : Environmental / 400 : Social

200 : Economic		Reference	Page no.
<b>201 : Economic performance</b>			
201-1	Direct economic value generated and distributed	Integrated Report 2022 - Process of Value Co-Creation	<a href="#">p.24</a>
201-2	Financial implications and other risks and opportunities due to climate change	ESG Databook 2022 - Climate Change - Climate-related risks	p.77
		ESG Databook 2022 - Climate Change - Climate-related opportunities	p.77
201-3	Defined benefit plan obligations and other retirement plans	Annual Securities Report - 5. Accounting Status - Retirement benefits (In Japanese only)	<a href="#">p.109</a>
201-4	Financial assistance received from government	–	
<b>202 : Market presence</b>			
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202-2	Proportion of senior management hired from the local community	–	
<b>203 : Indirect economic impacts</b>			
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		NRI official website - Sustainability Topics	<a href="#">(Link)</a>
203-2	Significant indirect economic impacts	NRI official website - Sustainability Topics	<a href="#">(Link)</a>
<b>204 : Procurement practice</b>			
204-1	Proportion of spending on local suppliers	ESG Databook 2022 - Supply Chain Management - Supply chain situation	p.39

205 : Anti-corruption			
103	Management Approach	ESG Databook 2022 - Compliance - Management Approach	p.32
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205-2	Communication and training about anti-corruption policies and procedures	ESG Databook 2022 - Compliance - Anti-corruption	p.36
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206 : Anti-competitive behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	ESG Databook 2022 - Compliance - Fair competition	p.36
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302-1	Energy consumption within the organization	ESG Databook 2022 - Energy Consumption - Energy consumption amount	p.80
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303 : Water			
303-1	Water withdrawal by source	ESG Databook 2022 - Resource Use, Waste - Water resources	p.81
303-2	Water sources significantly affected by withdrawal of water	Not applicable	
303-3	Water recycled and reused	Not applicable	
304 : Biodiversity			
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304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	
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306-3	Significant spills	ESG Databook 2022 - Environmental Management - Environmental management system	p.72
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403-1	Workers representation in formal joint management–worker health and safety committees	ESG Databook 2022 - Occupational Health and Safety - Occupational health and safety	p.103

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103	Management Approach	ESG Databook 2022 - Labor Practice, Diversity - Management Approach	p.85
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**Organizations covered by this report**

Regarding disclosure of financial and non-financial information, in principle, it covers the NRI Group (Nomura Research Institute, Ltd. and its consolidated subsidiary).

There are some non-financial information that covers a specific range, but in that case, the target scope is clearly stated separately.

**Period covered by this report**

This report primarily covers fiscal 2021 (April 1, 2021 through to March 31, 2022), but also describes some events from the past, some activities after April 1, 2022, and certain plans for future activities.

**Guidelines referenced**

- International <IR> Framework of the International Integrated Reporting Council (IIRC)
- G4 Sustainability Reporting Guidelines of the Global Reporting Initiative
- Environmental Reporting Guidelines (2018 version) of the Ministry of the Environment of Japan
- Guiding Principles for Business and Human Rights of the United Nations "Protect, Respect and Remedy" Framework
- The Corporate Human Rights Benchmark

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The web version of the Report contains not only past and present facts about the NRI Group but also plans and forecasts based on information available as of May 2022, the date of publication of the ESG Databook 2022 in Japanese. Changes in assumed conditions may accordingly mean that future outcomes and events for our business activities differ from these plans and forecasts.

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