ESG activities at the NRI Group

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Feb. 22, 2023
## Sustainability Strategy (Materiality)

### Extending ESG to the supply chain

<table>
<thead>
<tr>
<th>Management Basis (ESG)</th>
<th>2030 Goals</th>
<th>Initiatives</th>
</tr>
</thead>
</table>
| **Contribute to global environment** through collaboration with business partners | In collaboration with business partners with Scope 3 vision, create a sustainable environment globally and conserve natural capital while promoting more sophisticated use of renewable energies | • Reduce greenhouse gas emissions, and promote renewable energy use (Scope 1+2)  
• Take measures to reduce greenhouse gas emissions in Scope 3, etc. |
| **Fulfill our social responsibilities** through strengthening of relationships with stakeholders | Fulfill social responsibilities in the entire supply chain, such as good relationships with stakeholders, creating a healthy workplace, and commitment to human rights | • Employee well-being  
• Initiatives concerning human rights and labor practices (including AI ethics, etc.)  
• Build and strengthen partnerships with business partners, stakeholders and communities, etc. |
| **Evolve governance** through realization of strategic risk control | Strive for balanced governance, including strategic risk-taking, to control risks with long-term perspective | • Maintain/operate group-wide governance and internal control  
• Enterprise risk management  
• Strengthen quality control and information security management  
• Promote disclosure and improve transparency  
• Enhance compliance, etc. |
Inter-department collaboration: Subcommittee of the Sustainability Activities Committee

Materiality Subcommittee: Established in FY2022 to revise our materiality aligned with our new long-term vision V2030.

Two sustainability-related meeting bodies: Value Co-Creation Promotion Committee & Sustainability Activities Committee

Value Co-Creation Promotion Committee
Promoting social value creation based on our corporate philosophy

Sustainability Activities Committee
Promoting activities that comprise business infrastructure from the ESG perspective

Example topics for investigation:
- Revising our materiality
- Linkage with vision & medium-term plan
- Scope 3 decarbonization considerations
- Data centers Renewable energy procurement
- Coordinating carbon neutrality-related information
- WBCSD participation
- TCFD scenario analyses
- External evaluations for ESG & information disclosures
- Sustainability briefings & dialogues
- Human rights due diligence
- Instilling human rights policy internally
- Diversity & inclusion-related
- Informing about procurement policy & code of conduct
- Addressing supply chains
- Dialogues with partners

Office Sustainability & Responsibility Group
ESG activities at the NRI Group: Environment
Environmental (E) initiatives and key future measures

**Past activities**

- Engage in progressive efforts for high evaluations from outside evaluation organizations
- Issued Japan’s first-ever yen-denominated green bonds [Sep. 2016]
- Releasing TCFD scenario analysis results [From Feb. 2019]
- Target of 1.5°C validated by the international recognition organization SBTi [Feb. 2021]
- Issued sustainability-linked bonds [Mar. 2021]
- Switched to renewable energy for power used at major data centers [from Aug. 2021]
- Set net-zero Scope 1+2 target for 2030 [Feb. 2022]
- Supporting business partners*1 to set environmental goals [from FY2022]
- Participating in TNFD Forum*2 [from FY2022]
- Expert dialogue with CDP executive [November 2022]
- WBCSD climate-related project [from Nov. 2022]
- Considered a net zero target for 2050 that includes Scope 3 [Feb 2023]

**Future priority**

- Working on climate change risks and information disclosures as the focus of efforts to address Scope 3
- Efforts to achieve net zero (bolstering support for business partners)
- More sophisticated means of renewable energy procurement
- Disclosures of information on natural capital aligned with TNFD
- Involvement in WBCSD-related project workstream

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*1 Business partners: Companies that NRI procures from, including systems development contractors, real estate agents, and equipment distributors

*2 TNFD: Taskforce on Nature-related Financial Disclosures. An international organization in which private companies and financial institutions properly evaluate and build frameworks for disclosing risks and opportunities related to natural capital and biodiversity

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**ESG activities at the NRI Group TCFD Disclosures**

**TCFD: Continuous scenario analyses and considering a disclosure system**

- **TCFD scenario analysis since FY2018**, including risks and opportunities identification. The financial impact of climate change in sustainability briefings and integrated reports for investors on annual basis.

- Easier-to-understand information disclosures since FY2022 while continuous main scenario analysis project

<table>
<thead>
<tr>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>From FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenarios Identified risks/opportunities</td>
<td>Scenario analysis for highly important businesses</td>
<td>Scenario analysis for profit-center departments</td>
<td>Expanded target businesses of scenario analysis</td>
<td>Continuing scenario analysis &amp; new disclosure system</td>
</tr>
<tr>
<td>✓ Identifying risks/opportunities for the 2°C and 4°C scenarios</td>
<td>✓ For the data center business</td>
<td>✓ For asset management solution business and consulting business</td>
<td>✓ For securities solution business</td>
<td>✓ Continuing scenario analysis&lt;br&gt; ✓ Framework for more evolved information disclosures</td>
</tr>
</tbody>
</table>

Further disclosure evolution from FY2023 onward

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Easier-to-understand TCFD disclosures going forward

- Re-evaluate the risks and opportunities at the NRI Group based on the existing scenario analysis for each major business and on internal & external trends
- Pursue easier-to-understand, systematic information disclosures also based on the TCFD framework

Past efforts at the NRI Group

<table>
<thead>
<tr>
<th>Governance</th>
<th>Strategy</th>
<th>Risk Management</th>
<th>Indicators &amp; targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organized the Sustainability Activities Committee which reported to the Board of Directors multiple times per year</td>
<td>Identified risks &amp; opportunities</td>
<td>Data centers: ISO, internal &amp; external audits</td>
<td>Set Scope 1+2 target: Net zero in 2030</td>
</tr>
<tr>
<td>Scenario analysis for the highly important data center business</td>
<td>Continued scenario analysis for each major business</td>
<td>Main offices in Japan &amp; overseas: NRI-EMS (environmental management system)</td>
<td>Also set Scope 1+2+3 target: Net zero in 2050</td>
</tr>
</tbody>
</table>

Policy or future efforts at the NRI Group

- **Re-evaluate the risks and opportunities** at the NRI Group based on the scenario analysis for each major business
- **Easier-to-understand information disclosures** based on the TCFD’s framework
- **Governance structure** for sustainability (meeting bodies, compensation design, etc.)
- **Consistency & coordination with TNFD** (potential scenario integration)

* Taskforce on Nature-related Financial Disclosures
**ESG Activities of the NRI Group**

**Revised NRI Group Environmental Targets**

**Achieve our new environmental target: Net zero Scope 1+2+3 in 2050**

- Revised to levels that can meet the SBTi’s Net-Zero Standard
- Set overall reduction targets and net-zero targets including Scope 3 by 2050

(Currently submitted for SBTi validation)

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2030 targets</th>
<th>FY2050 targets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current target</td>
<td>New target</td>
</tr>
<tr>
<td><strong>Scope 1+2</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net zero greenhouse gas emissions in the NRI Group (vs. FY2013)</td>
<td>Net zero greenhouse gas emissions* in the NRI Group (vs. FY2019)</td>
<td></td>
</tr>
<tr>
<td>100% renewable energy usage in the NRI Group</td>
<td>100% renewable energy usage in the NRI Group</td>
<td></td>
</tr>
<tr>
<td><strong>Scope 3</strong></td>
<td>FY2023 targets</td>
<td>FY2030 targets</td>
</tr>
<tr>
<td>* Emissions of Category 1 (purchased products/services) and Category 2 (capital goods) business partners only currently extend to tier-one</td>
<td>70% or more of NRI Group suppliers have set an environmental target at the SBTi level (applies to: categories 1, 2, and 11 of Scope 3)</td>
<td>Reduce emissions of employee business trips and commuting by 25% (applies to: categories 6 and 7 of Scope 3)</td>
</tr>
<tr>
<td><strong>FY2023 targets</strong></td>
<td><strong>FY2030 targets</strong></td>
<td><strong>Net Zero</strong>* (vs. FY2019)</td>
</tr>
<tr>
<td>Greenhouse gas emissions in the NRI Group (Scope 3)</td>
<td>Reduce by 30% (vs. FY2019)</td>
<td></td>
</tr>
</tbody>
</table>

*Residual emissions: Emissions that cannot be reduced in the NRI Group’s value chain at the time of the net-zero targets

Neutralize: Using CO2 removal technologies and other means to cancel out residual emissions outside the value chain.
ESG Activities of the NRI Group

NRI Group’s new environmental targets (Applied starting in FY2023)

Revised NRI Group Environmental Targets

**Scope1+2**

- **FY2030**
  - **Scope 1+2 Net zero**
    - 97% reduction, neutralize residual emissions*
  - **Scope 3 Reduce by 30%**
    - Renewable energy usage rate 100%

- **FY2050**
  - **Scope 1+2+3 Net zero**
    - 90% reduction, neutralize residual emissions*

**Scope3**

- **FY2030**
  - **Net zero**
    - 97% reduction, neutralize residual emissions*

- **FY2050**
  - **Net zero**
    - 90% reduction, neutralize residual emissions*

* Emissions could be changed based on future revisions to calculation methods

**Key measures (transition plan)**

**Priority measures until 2030**

- Collaboration & support for reducing business partners’ emissions
- Switch to Renewable Energy Contracts for power used in offices
- Neutralize through CO2 removal technologies and forest absorption measures

**Long-term measures until 2050**

- Promote green procurement of network equipment & other devices used by clients
- Consider internal carbon pricing (ICP)
- Green procurement of equipment used by NRI

*Residual emissions: Emissions that cannot be reduced in the NRI Group’s value chain at the time of the net-zero targets

Neutralization: Canceling out residual emissions through the use of carbon dioxide removal technologies and other means
Concept of NRI’s Net-Zero Journey

- Reduce Scope 3 emissions and achieve both economic growth and a sustainable future society with business partners on the journey toward net-zero in 2050

Roadmap

<table>
<thead>
<tr>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2030</th>
<th>2040</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan (Government targets)</td>
<td>Carbon Neutral Declaration</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

FY2030 targets

- Emissions reduction: -46% (vs. FY2013)
- Renewable energy usage: 36-38%

Business partners

Formulate greenhouse gas emissions reduction targets

Implement emissions reductions

Zero Scope 1 + Scope 2 emissions

Further reductions

Achieve net-zero
ESG activities at the NRI Group

Engagement & aim to achieve net-zero together with business partners

[Explanations & support to partners]

<table>
<thead>
<tr>
<th>Main target</th>
<th>Overview of effort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 80% of suppliers by procurement amount</td>
<td>• Share the NRI Group’s sustainability management vision</td>
</tr>
<tr>
<td>Key suppliers in Japan and overseas</td>
<td>• Explain the concept of NRI’s Net-Zero Journey</td>
</tr>
<tr>
<td>For high-ranked companies by procurement amount without environmental targets</td>
<td>• Request that business partners set their own environmental targets</td>
</tr>
<tr>
<td>Management of suppliers</td>
<td>• Support by NRI consultants at workshops</td>
</tr>
</tbody>
</table>

A. Briefings (October 2022)
B: Briefings for key suppliers (November 2022)
C. Workshops (December 2022-January 2023)
D. Dialogues with partners (January 2023)

● Overview of workshops held 4 times overall, 30 participant companies

● Emissions calculation and target setting proceed before and after the workshops

- 1st workshop (12/2)
  - Emissions calculation (1)
- 2nd workshop (12/21)
  - Emissions calculation (2)
- 3rd workshop (1/13)
  - Consider targets
- 4th workshop (1/20)
  - Internal talks to formulate targets

- Have set targets but not disclosed them
- Currently under internal negotiation
- Set targets but have not yet coordinated them internally
- Finished calculating emissions but have not set targets yet
- Data for calculation has been collected but emissions are not yet calculated
- Have not yet gathered data for calculation

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ESG activities at the NRI Group：Social
**ESG activities at the NRI Group**

**Social (S) initiatives and key future measures**

### Past activities

- **NRI Group Policy on Human Rights** [Feb. 2019]
- Guidelines for AI ethics [October 2019]
- Promoting diversity and inclusion [From FY2019]
- Regular surveys about human rights risks and actual circumstances within the NRI Group [From FY2019]
- Disclosures of social information & assuring social data [From FY2020]
- "CEO Guide to Human Rights" of the WBCSD [Jan. 2020]
- NRI Group Business Partner Code of Conduct [Apr. 2021]
- **Obtaining letter of intent** for the NRI Group Business Partner Code of Conduct [From Aug. 2021]
- Disclosures and external assurance of social data [FY2022]

### Future priority

- Expand the **NRI Group Business Partner Code of Conduct** to partners of group companies
- Human rights due diligence & understand trends in AI ethics
- **Self-assessments** for business partners
- Assurances of social data for outside parties

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### ESG activities at the NRI Group

#### Human Rights activities: Main focuses on NRI non-consolidated & the domestic group, and new issues going forward

<table>
<thead>
<tr>
<th>Activities required of companies by UNGP*¹</th>
<th>Examples of initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy commitment</strong></td>
<td></td>
</tr>
<tr>
<td>Human rights policy</td>
<td></td>
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<tr>
<td><strong>Practicing human rights due diligence</strong></td>
<td></td>
</tr>
<tr>
<td>Impact on human rights</td>
<td></td>
</tr>
<tr>
<td>Prevention / Mitigation process</td>
<td></td>
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<tr>
<td>Monitoring</td>
<td></td>
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<tr>
<td>Disclosure</td>
<td></td>
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<tr>
<td><strong>Remediation processes</strong></td>
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<tr>
<td>Grievance Mechanism</td>
<td></td>
</tr>
</tbody>
</table>

### Examples of FY2022 initiatives at the NRI Group

- Revised part of NRI Group Human Rights Policy
- Business & Human Rights training (NRI non-consolidated, domestic group companies)
- Human rights policy deployment via the NRI Group Rule Book (NRI non-consolidated, domestic group companies)
- Interview-based survey on potential and actualized human rights risks (some of NRI non-consolidated)
- Risk assessment of potential and actualized human rights risks*² (NRI non-consolidated, domestic group companies)
- Awareness of business-related human rights via ESG e-learning (NRI non-consolidated)
- AI ethics at new employee training company-wide
- Risk assessments*², verified changes in risk status (second time for domestic group companies)
- Human Rights Report
- Gathered information, learned about world trends

**From FY2023 onward, improve accuracy of investigations into risk status, including our supply chains in Japan and overseas**

*¹: UNGP: United Nations Guiding Principles on Business and Human Rights
*²: Risk assessments: Survey to understand human rights risks within NRI itself

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ESG activities at the NRI Group

Building deeper relationships with stakeholders

- Efforts toward ESG overall through engagement with business partners (suppliers)

  **Informing business partners of policies**
  
  - **NRI Group Business Partner Code of Conduct**: Code of conduct which we ask business partners to observe
    - Posted on NRI’s official website and communicated to business partners via portal sites
    - Continuing engagement through annual partner dialogues (dialogue held Jan. 27, 2023 had 182 participants from 89 companies)

  **Incorporation into contracting processes**
  
  - When entering into agreements, etc.
    - Submit letters of intent for the NRI Group Business Partner Code of Conduct
      - [since Aug. 2021]
    - Letters of intent obtained from 399 companies (as of Feb. 2023)

  **Implementing self-assessments**
  
  - Monitoring sustainability status for the environment, human rights, health and safety, etc.
    - Self-assessments (questionnaires) (as of Feb. 2023: received responses from 48 of 52 companies)
  - Exchanges of views
    - Conducted based on questionnaire results (as of Feb. 2023: conducted at 4 companies)
ESG activities at the NRI Group

Increase ESG data disclosures and further expand our assured data items

- Produced the ESG Databook of comprehensive ESG information according to GRI guidelines, and published it on our website
- Disclosures of HR-related information have increased items of assured data from 54 last fiscal year to 65

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2021</th>
<th>Assured Number of items</th>
<th>FY2022</th>
<th>Assured Number of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment</td>
<td>65</td>
<td>47</td>
<td>79</td>
<td>54</td>
</tr>
<tr>
<td>Social</td>
<td>227</td>
<td>7</td>
<td>300</td>
<td>11</td>
</tr>
<tr>
<td>Governance</td>
<td>113</td>
<td>0</td>
<td>105</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>405</td>
<td>54</td>
<td>484</td>
<td>65</td>
</tr>
</tbody>
</table>

- Items of data published
- In addition to environmental data, obtain independent assurance of disclosure data in the social (S) domain
  (Examples of items assured this fiscal year)
  - Average tenure male/female, ratio of female managers, number of persons with disabilities employed, real ratio of persons with disabilities employed, ratio of continuous employment among females/ratio of continuous employment among males
- Increase assured items going forward

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ESG activities at the NRI Group: Governance
ESG activities at the NRI Group

Governance (G) initiatives and key future measures

Past activities

Implement various systems while working to improve our corporate governance

- NRI Corporate Governance Guidelines [October 2015]
- Evaluations of the Board of Directors' effectiveness [FY2016]
- Nomination Committee composed of independent directors from the Compensation Committee
- Restricted Stock Compensation Plan as medium- to long-term incentive for directors [FY2018]
- Evaluated efforts for value co-creation at the division level, and added it to bonuses [FY2020]
- Adopted clawback & malus provisions* [FY2020]
- Revised the NRI Corporate Governance Guidelines [Dec. 2021]
- Revamping & upgrading our group governance system [From FY2021]
- Improving governance-related disclosures [From FY2022]

(main deliberations, year schedules, and effectiveness evaluation results for Board of Directors meetings, skills matrices of directors and Audit & Supervisory Board Members, etc.)

Future priority

More efficient governance with sights on external trends and achieving the new vision

- Deliver more information disclosures in the group & globally
- Build a governance system for sustainability
- Compensation design for Directors and Audit & Supervisory Board Members that accelerates sustainability management
Looking ahead to the future
Initiatives we are a part of

**United Nations Global Compact**
May 2017
A voluntary initiative for creating a global framework to achieve sustainable growth via the responsible leadership of companies and other groups.

**Task Force on Climate-related Financial Disclosures**
July 2018
We endorse the TCFD Final Report, established by the Financial Stability Board, an international organization for the stabilization of the global economy.

**Science Based Targets Initiative**
September 2018
An initiative that requests companies to set reduction targets based on science-based knowledge in order to keep the average global temperature increase below 2°C.

**Renewable Electricity 100%**
February 2019
An initiative established to reduce the environmental impact of business activities. Aims to use 100% renewable energy for the power required for business operation.

**World Business Council for Sustainable Development**
January 2019
A CEO association of approximately 200 companies aiming for sustainable development, which works together to contribute to the shift to a sustainable society.

**Business Ambition for 1.5°C**
May 2020
A commitment that requires companies to reduce their carbon emissions to effectively zero by the year 2050, in order to keep the global temperature increase below 1.5°C.

**GX League Basic Concept**
February 2022
An industry-government-academia collaborative mechanism to create groups of companies that challenge themselves at transitioning to a carbon neutral society and beating international business competitors. The Ministry of Economy, Trade and Industry announced the Basic Concept in February 2022.

**TNFD Forum**
July 2022
Launched concurrently with the Taskforce on Nature-related Financial Disclosures (TNFD), this group of companies and institutions was organized to support the considerations of the TNFD.

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Major external recognition in FY2022

August 2022

Grand Prize at the Sustainable Japan Award 2022 by the Japan Times

- Highest award of Grand Prize at the Japan Times Sustainable Japan Award 2022 organized by the English language newspaper publisher The Japan Times, Ltd. (sponsored by the Ministry of Economy, Trade and Industry, Ministry of the Environment, and the Financial Services Agency).
- Efforts at “solving social issues through business” that have been ongoing since NRI’s founding were recognized.

March 2022

“Excellent TCDF disclosures” by domestic stock investment asset managers

- GPIF asked domestic stock investment asset managers to give evaluations based on the 2021 revision of the Corporate Governance Code.
- NRI was selected based on evaluations of disclosures for strategy, risk management, and indicators & goals.

Feature article “Sustainable Japan Award 2022” in the October 22, 2022 issue of the Japan Times.

March 23, 2022 release on the GPIF website.

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Expand ESG efforts to the group & globally, and to supply chains

* KPIs to be announced in April 2023 with the new vision and medium-term management plan

Evolve NRI’s distinctive ESG, maintain high external recognition, and earn further trust from stakeholders

Collaborate with business partners for environmental contributions

Stronger relationships with stakeholders to fulfill social responsibilities

Strategic risk control through more advanced governance

Decarbonize throughout entire supply chains

Improve the well-being of stakeholders

Accelerate efforts in the group & globally

- **Efforts to achieve net-zero**
  (cooperate with partners to reduce emissions including Scope 3)

- **Renewable energy usage expansion**
  (More sophisticated means of renewable energy procurement)

- **TCFD-based climate change information disclosures** and **natural capital and biodiversity** information disclosures

- **“Work-in-life”** (balance with personal life) & health and productivity management

- **Expand the NRI Group Business Partner Code of Conduct** to partners of group companies

- Implement human rights due diligence, understand & address trends in AI ethics

- **More information disclosures** befitting of the group global NRI brand

- **Governance system** for sustainability (composition of meeting bodies, etc.)

- **Compensation design for Directors and Audit & Supervisory Board Members** that accelerates sustainability management

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*1: Working toward the NRI Group’s new environmental targets to achieve net-zero Scope 1+2 in FY2030 and net-zero Scope 1+2+3 in FY2050. Considering measures to address residual emissions going forward based on SBTi criteria and technological trends.

*2: Target for FY2030: 100% renewable energy usage in the NRI Group
Appendix
Expert Dialogue: Exchange of views with CDP executive about NRI’s efforts, future outlook

Date: November 11, 2022
Expert: CDP Founder Chair Paul Dickinson
Overview: Dialogue between the CDP’s Dickinson and NRI Chairman and President & CEO Konomoto and Senior Managing Director Hihara

Main discussion topics

- “Growth story & DX 3.0” in NRI Group’s long-term management vision V2030
- The importance of information disclosures amidst the trend of global climate change, and efforts toward decarbonization in Japan
- Expectations on the IT industry for social transformation, including sustainable society and climate change
### ESG activities at the NRI Group  
#### Further efforts toward TCFD disclosures

<table>
<thead>
<tr>
<th>Efforts at the NRI Group</th>
<th>Status in FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governance</strong></td>
<td></td>
</tr>
<tr>
<td>● Based on instructions from the President &amp; CEO, we established the <strong>Sustainability Activities Committee</strong> as an organization responsible for sustainability management encompassing climate-related issues. The committee meets multiple times per year and reports the results of efforts to the Senior Management Committee and Board of Directors.</td>
<td>● Sustainability Activities Committee meetings: April, June, August, October, December, February</td>
</tr>
<tr>
<td>● Reflect a portion of Creating Shared Value (CSV) efforts including measures against climate change in individual bonus evaluations for senior managing directors (other than those on the Board of Directors)</td>
<td>● Reports to the Board of Directors: (status of CSV-related efforts) July, October, January, (committee activities report) February</td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td></td>
</tr>
<tr>
<td>● Identify eight material issues, and advocate “Environmental contributions through collaboration with business partners” as one of them</td>
<td>● Revising our materiality and identifying what is indicated at left</td>
</tr>
<tr>
<td>● Identified risks and opportunities throughout the NRI Group’s business overall (FY2018)</td>
<td>● Holding workshops for business partners on formulating CO2 reductions targets, and bolstering Scope 3 efforts</td>
</tr>
<tr>
<td>● Performed scenario analysis on the data center business which is most vulnerable to the impacts of climate change, and calculated the financial impacts (FY2019)</td>
<td>● Considering the need and method for revising existing scenario analysis results and changing analysis units, revising importance assessments, and other changes, in conjunction with implementing renewable energy significantly earlier than planned and revising targets, etc.</td>
</tr>
<tr>
<td>● Going forward, perform scenario analyses on each business in profit-center departments (from FY2020)</td>
<td></td>
</tr>
<tr>
<td><strong>Risk management</strong></td>
<td></td>
</tr>
<tr>
<td>● Established the <strong>Integrated Risk Management Committee</strong> based on organizational rules. Meets and reports to the Board of Directors multiple times per year</td>
<td>● From a BCP standpoint, continue to conduct comprehensive coordinated inspections and training for operating under large-scale disruptions at each data center</td>
</tr>
<tr>
<td>● Obtain ISO 14001 certification for data centers which are a primary source of CO2. Conducting internal and external audits once per year respectively</td>
<td>● NRI-EMS coverage: 85% (end of FY2021, based on energy consumption)</td>
</tr>
<tr>
<td>● Implement NRI’s original environmental management system NRI-EMS at major offices in Japan &amp; overseas (from FY2015)</td>
<td></td>
</tr>
<tr>
<td><strong>Indicators &amp; targets</strong></td>
<td></td>
</tr>
<tr>
<td>* Base year for all figures is FY2019</td>
<td>● Changed to targets at left, primarily for <strong>Scope 3</strong></td>
</tr>
<tr>
<td>● [FY 2030 Target] Scope 1+2: Net-zero (97% reduction, neutralize residual emissions), Scope 3: 30% reduction, renewable energy usage rate: 100%</td>
<td>● Formulating a migration plan and establishing the issues and specific measures</td>
</tr>
<tr>
<td>● [FY2050 Target] Scope 1+2+3: Net-zero (90% reduction, neutralize residual emissions)</td>
<td>● [FY2022 forecast] Scope 1+2: -80%, renewable energy usage rate: 82%</td>
</tr>
</tbody>
</table>

---

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**External evaluations of the NRI Group (history)**

<table>
<thead>
<tr>
<th>ESG stock indices</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>DJSI World</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>Selected for 5 consecutive years since 2018</td>
</tr>
<tr>
<td>DJSI Asia Pacific</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>7 consecutive years since 2016</td>
</tr>
<tr>
<td>MSCI ESG Leaders Indexes</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>7 consecutive years since 2016</td>
</tr>
<tr>
<td>FTSE 4 Good Developed Indexes</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>17 consecutive years since 2006</td>
</tr>
<tr>
<td>MSCI Japan ESG Select Leaders Index</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>GPIF Selected ESG Indices</td>
</tr>
<tr>
<td>MSCI Japan Empowering Women Index (WIN)</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>GPIF Selected ESG Indices</td>
</tr>
<tr>
<td>FTSE Blossom Japan Index</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>GPIF Selected ESG Indices</td>
</tr>
<tr>
<td>FTSE Blossom Japan Sector Relative Index</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>GPIF Selected ESG Indices</td>
</tr>
<tr>
<td>S&amp;P/JPX Carbon Efficient Index</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>GPIF Selected ESG Indices</td>
</tr>
<tr>
<td>SOMPO sustainability index</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>11 consecutive years since 2012</td>
</tr>
<tr>
<td>Nadeshiko Brand</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>TBA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESG evaluation score</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>DJSI</td>
<td>69</td>
<td>78</td>
<td>82</td>
<td>83</td>
<td>85</td>
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</tr>
<tr>
<td>S&amp;P Sustainability Award</td>
<td>-</td>
<td>Bronze</td>
<td>Silver</td>
<td>Silver</td>
<td>Top 10%</td>
<td></td>
</tr>
<tr>
<td>MCSI</td>
<td>A</td>
<td>AA</td>
<td>AA</td>
<td>AAA</td>
<td>AAA</td>
<td></td>
</tr>
<tr>
<td>FTSE</td>
<td>3.7</td>
<td>4.0</td>
<td>3.9</td>
<td>3.5</td>
<td>3.7</td>
<td></td>
</tr>
<tr>
<td>CDP</td>
<td>B</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td></td>
</tr>
<tr>
<td>CDP Supplier Engagement Ratings (SER)</td>
<td>-</td>
<td>Leaderboard</td>
<td>Leaderboard</td>
<td>Leaderboard</td>
<td>TBA</td>
<td></td>
</tr>
<tr>
<td>Sustainalytics</td>
<td>Change from overall score to risk rating score</td>
<td>16.6</td>
<td>14.6</td>
<td>TBA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vigeo Eiris</td>
<td>-</td>
<td>-</td>
<td>40</td>
<td>52</td>
<td>TBA</td>
<td></td>
</tr>
</tbody>
</table>

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Stock incorporation and external evaluation

Dow Jones Sustainability Indices

Adopted by the World Index for five consecutive years from 2018 and the Asia Pacific Index for seven consecutive years from 2016.

MSCI ESG Leaders Indexes*

Adopted for seven consecutive years from 2016.

FTSE 4 Good Developed Index

Adopted for 17 consecutive years from 2006.

MSCI ESG Ratings*

The highest rating rank, AAA, has been awarded since 2021.

GPIF ESG related Indices

NRI is a constituent of all four ESG indices adopted by GPIF from 2017.

MSCI ESG Leaders Indexes

Adopted for seven consecutive years from 2016.

Sustainalytics

Selected as a "Top Rated Company" for sustainability in the IT industry.

* THE INCLUSION OF NRI IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREBIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF NRI BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.
## External evaluation and nomination

<table>
<thead>
<tr>
<th>CDP</th>
<th>In FY 2022, we were certified as a CDP climate change A list company for the four consecutive year. We were also selected for the CDP Supplier Engagement Leaderboard for the third consecutive year. (For FY2022, not announced yet)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euronext Vigeo World 120 Index</td>
<td>Selected for the first time in 2021 as one of the top 120 companies that are particularly outstanding in their ESG efforts.</td>
</tr>
<tr>
<td>Platinum Kurumin Certification</td>
<td>In 2018, we were certified as a company that has implemented a higher level of initiatives, such as achieving targets set in action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children.</td>
</tr>
<tr>
<td>Health and Productivity Management</td>
<td>Selected in the large enterprise category of Health and Productivity Management Organization Recognition Program for six consecutive years from 2017.</td>
</tr>
<tr>
<td>Eruboshi</td>
<td>NRI was awarded the highest rank (third tier) of the award, which is based on the Act on the Promotion of Women’s Participation and Advancement in the Workplace.</td>
</tr>
<tr>
<td>Nadeshiko Brand</td>
<td>Selected for the sixth consecutive year from 2017 as a publicly traded company that excels in promoting the advancement of women.</td>
</tr>
</tbody>
</table>