

# ESG Briefing

## ESG activities at the NRI Group

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Takeshi Hihara  
Senior Managing Director,  
Chief Sustainability Officer

Nomura Research Institute, Ltd.

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# ESG activities at the NRI Group for sustainable future society

Materiality: Priority for 2030 to “Create a sustainable society” and “Achieve the NRI Group's growth strategy”

## Value Creation



**Co-create a thriving future society**

through expansion of digital social capital



**Co-create an optimal society**

through effective utilization of resources



**Co-create a safe and secure society**

through sophistication of infrastructure

## Value Creation Capital



**Advance human capital**

through bold actions and growth of diverse professionals



**Accumulate intellectual capital**

through elevation of individual knowledge into organizational strength

## Management Basis (ESG)



**ESG activities at the NRI Group**

Contribute to global environment through collaboration with business partners



Fulfill our social responsibilities through strengthening of relationships with stakeholders



Evolve governance through realization of strategic risk control

# Extending ESG to the supply chain

Management Basis (ESG)	2030 Goals	Initiatives
 <p><b>Contribute to global environment</b> through collaboration with business partners</p>	<p>In collaboration with business partners with Scope 3 vision, <b>create a sustainable environment globally and conserve natural capital</b> while promoting more sophisticated use of renewable energies</p>	<ul style="list-style-type: none"><li>• Reduce greenhouse gas emissions, and promote renewable energy use (Scope 1+2)</li><li>• Take measures to reduce greenhouse gas emissions in Scope 3, etc.</li></ul>
 <p><b>Fulfill our social responsibilities</b> through strengthening of relationships with stakeholders</p>	<p><b>Fulfill social responsibilities in the entire supply chain</b>, such as good relationships with stakeholders, creating a healthy workplace, and commitment to human rights</p>	<ul style="list-style-type: none"><li>• Employee well-being</li><li>• Initiatives concerning human rights and labor practices (including AI ethics, etc.)</li><li>• Build and strengthen partnerships with business partners, stakeholders and communities, etc.</li></ul>
 <p><b>Evolve governance</b> through realization of strategic risk control</p>	<p>Strive for balanced governance, including strategic risk-taking, to <b>control risks with long-term perspective</b></p>	<ul style="list-style-type: none"><li>• Maintain/operate group-wide governance and internal control</li><li>• Enterprise risk management</li><li>• Strengthen quality control and information security management</li><li>• Promote disclosure and improve transparency</li><li>• Enhance compliance, etc.</li></ul>

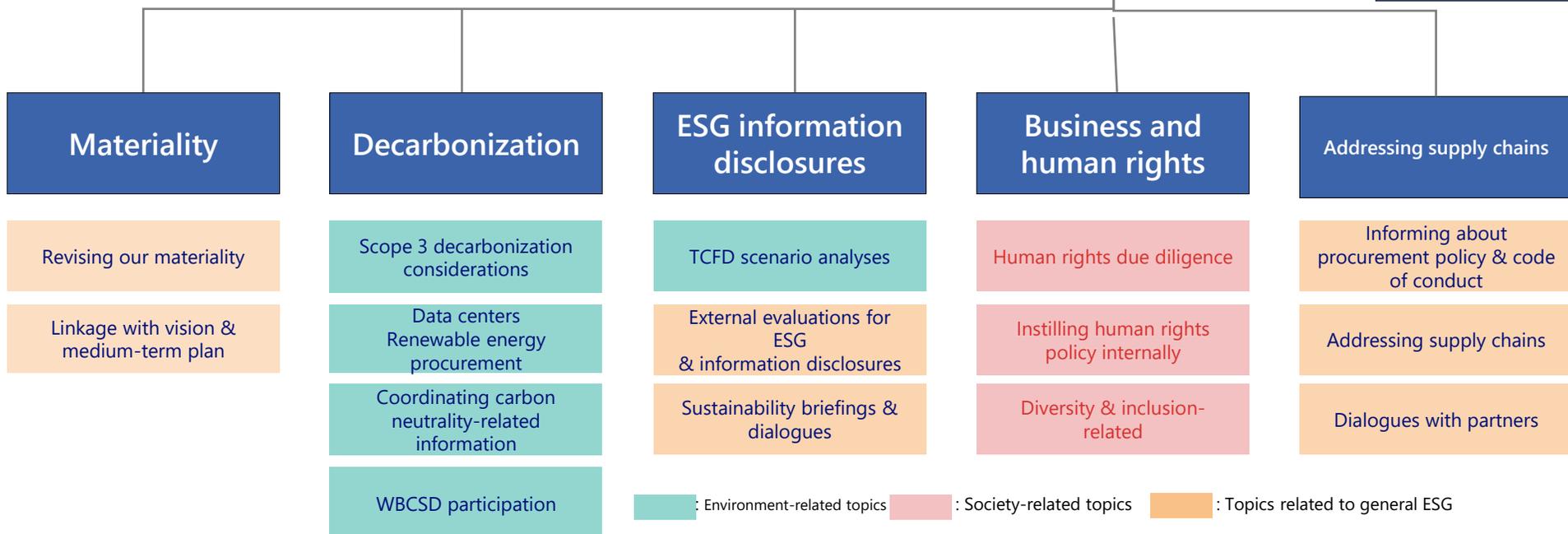
# Inter-department collaboration: Subcommittees of the Sustainability Activities Committee

**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



Example topics for investigation



These materials were prepared for the solo purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment.



# ESG activities at the NRI Group : Environment

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## 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

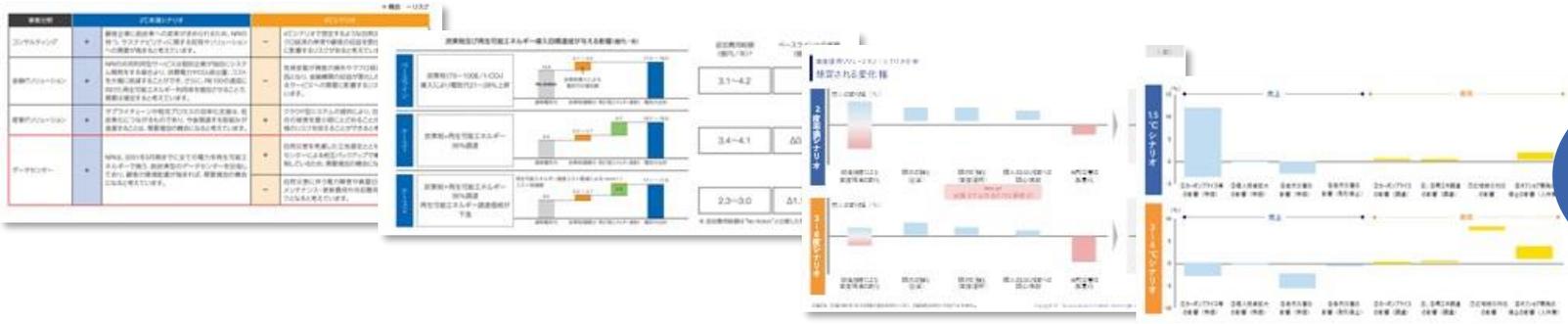
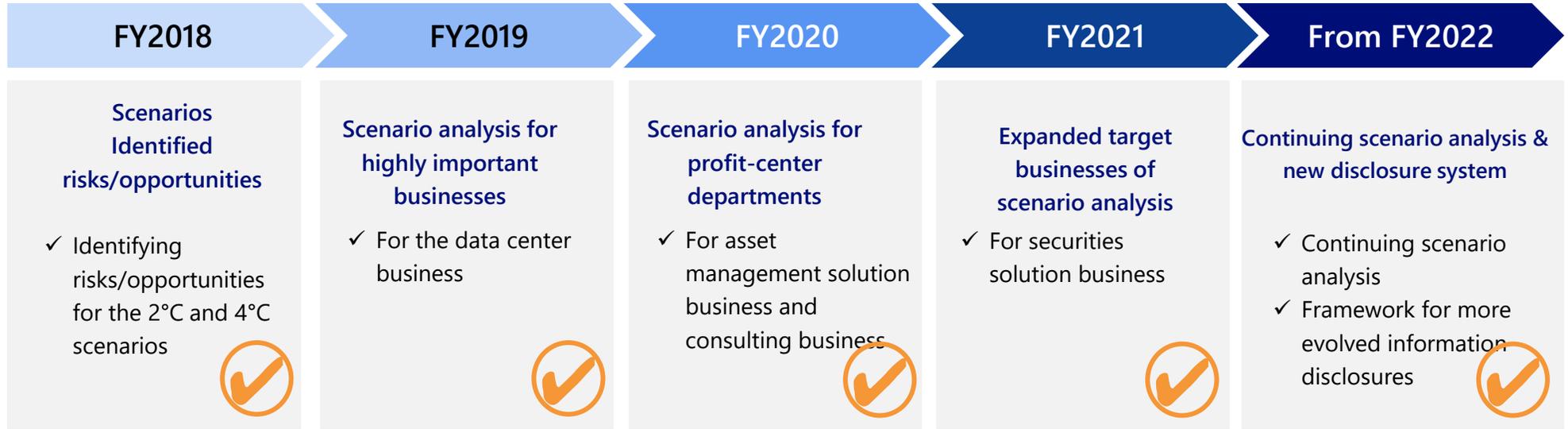
\*1 Business partners: Companies that NRI procures from, including systems development contractors, real estate agents, and equipment distributors

\*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



# 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



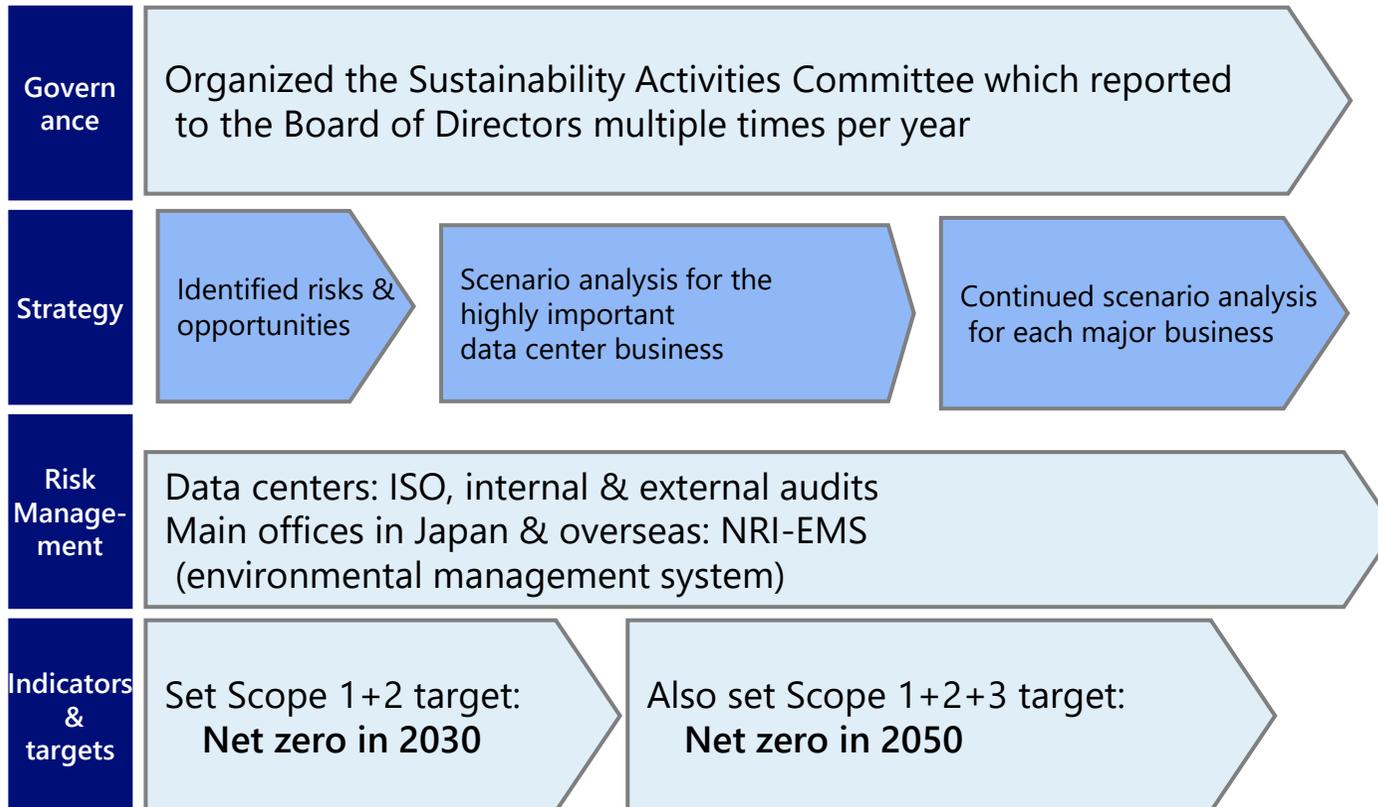
Further disclosure evolution from FY2023 onward



# 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



## 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



# 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

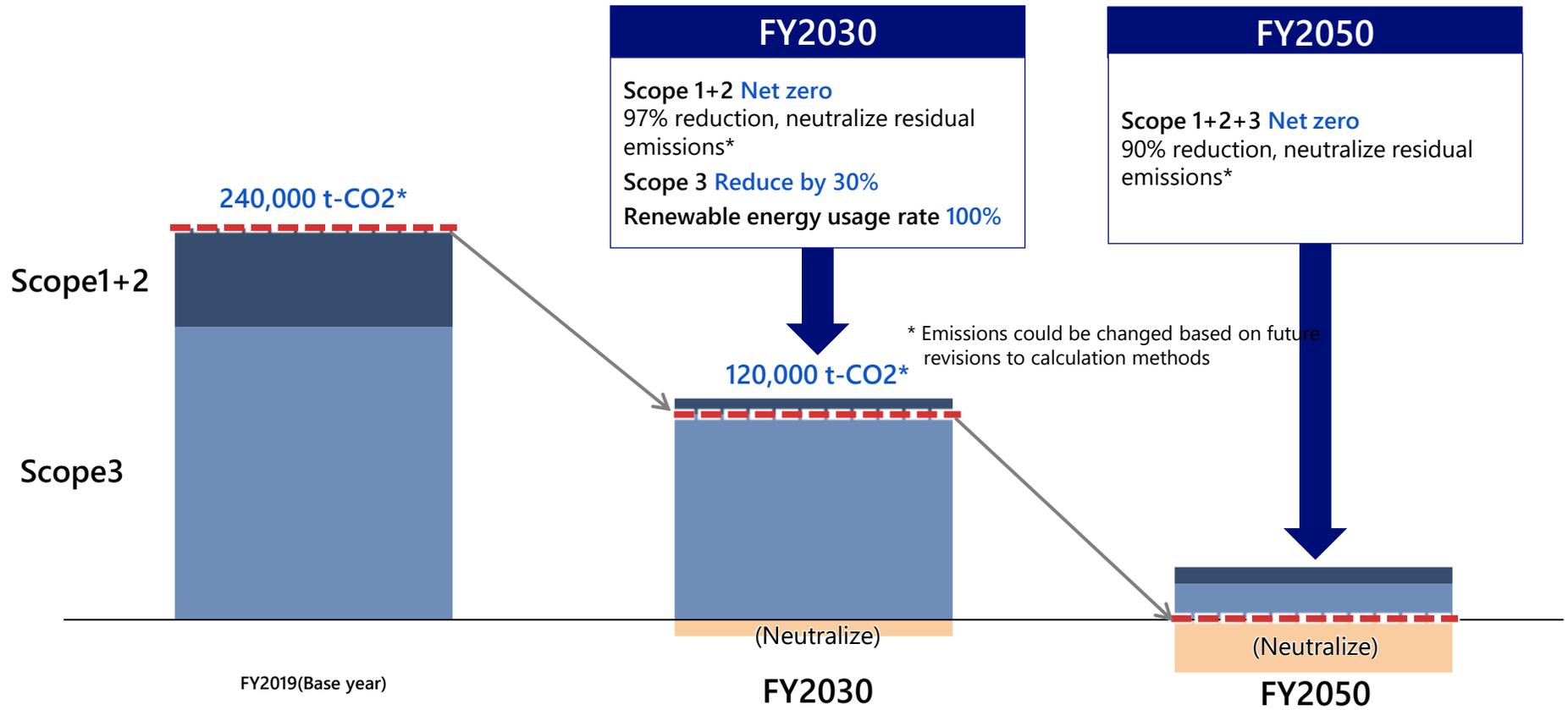
(Currently submitted for SBTi validation)

Category	FY2030 targets		FY2050 targets
	Current target	New target	New target
Scope 1+2	Net zero greenhouse gas emissions in the NRI Group (vs. FY2013)	Net zero greenhouse gas emissions* in the NRI Group (vs. FY2019) * Reduce Scope 1+2 emissions by 97%, neutralizing residual emissions*	Net zero greenhouse gas emissions in the NRI Group (Scope 1+2+3) <b>Net Zero*</b> (vs. FY2019) * Reduce Scope 1+2+3 emissions by 90%, neutralizing residual emissions*
	100% renewable energy usage in the NRI Group	100% renewable energy usage in the NRI Group	
Scope 3*  * Emissions of Category 1 (purchased products/services) and Category 2 (capital goods) business partners only currently extend to tier-one	<b>FY2023 targets</b>	Greenhouse gas emissions in the NRI Group (Scope 3) <b>Reduce by 30%</b> (vs. FY2019)	
	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)		
	<b>FY2030 targets</b>		
	Reduce emissions of employee business trips and commuting by 25% (applies to: categories 6 and 7 of Scope 3)		

\* 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



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



### 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

- In addition to the above,
- Consider internal carbon pricing (ICP)
  - Green procurement of equipment used by NRI
  - Promote green procurement of network equipment & other devices used by clients

\* 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

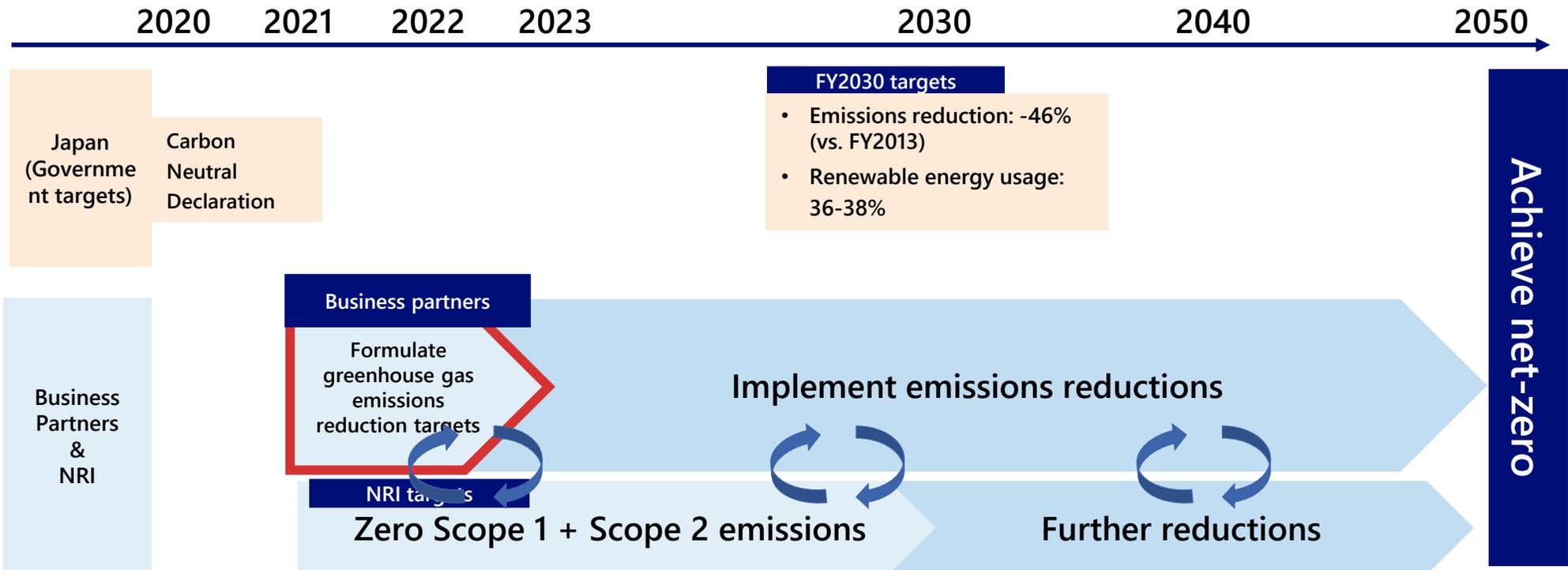


# NRI's Net-Zero Journey: With business partners to achieve net-zero

## 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





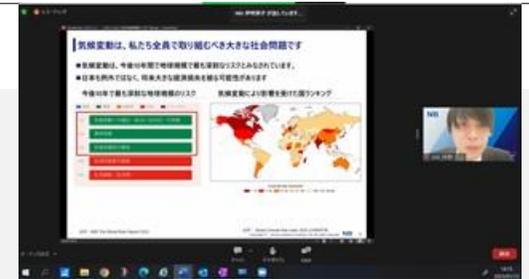
# Engagement & aim to achieve net-zero together with business partners

[Explanations & support to partners]

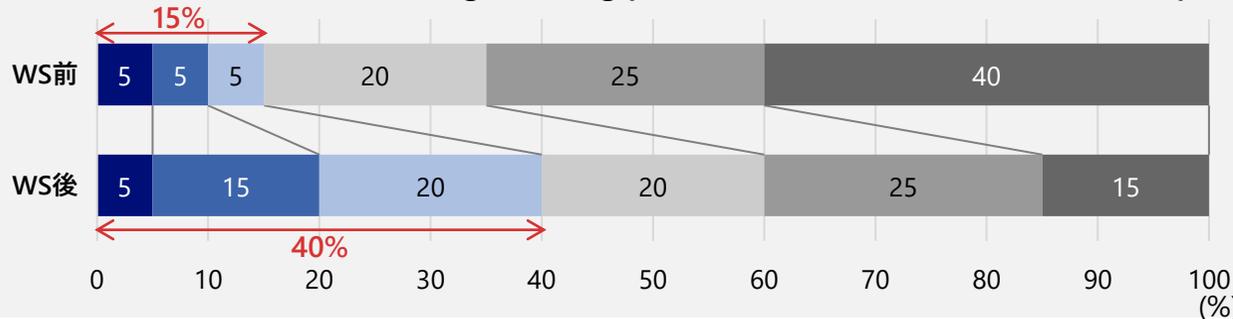
	Main target	Overview of effort
A. Briefings (October 2022)	Top 80% of suppliers by procurement amount	<ul style="list-style-type: none"> <li>Share the NRI Group's sustainability management vision</li> <li>Explain the concept of NRI's Net-Zero Journey</li> <li>Request that business partners set their own environmental targets</li> <li>Support by NRI consultants at workshops</li> </ul>
B: Briefings for key suppliers (November 2022)	Key suppliers in Japan and overseas	
C. Workshops (December 2022-January 2023)	For high-ranked companies by procurement amount without environmental targets	
D. Dialogues with partners (January 2023)	Management of suppliers	

(At a workshop: Webinar)

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



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



- 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



## ESG activities at the NRI Group : Social

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## Social (S) initiatives and key future measures

### Past activities

Policies and guidelines according to international norms and disclose information

- **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

Efforts (toward human rights, etc.) including supply chains in Japan & overseas

- 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



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

## Activities required of companies by UNGP\*1

Activities	Examples of initiatives
Policy commitment	Human rights policy
Practicing human rights due diligence	Impact on human rights
	Prevention / Mitigation process
	Monitoring
	Disclosure
Remediation processes	Grievance Mechanism

## 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



# 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)

# 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**

The screenshot shows a detailed table of ESG metrics categorized by domain (Environment, Social, Governance) and further subdivided into specific metrics. The 'Social' domain is highlighted with a red box, indicating 11 assured items in FY2022. The table includes columns for the number of items and the number of assured items for each category and year.

## Items of data published

Category	FY2021		FY2022	
	Number of items	Assured Number of items	Number of items	Assured Number of items
Environment	65	47	79	54
Social	227	7	300	11
Governance	113	0	105	0
<b>Total</b>	<b>405</b>	<b>54</b>	<b>484</b>	<b>65</b>

## 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



# ESG activities at the NRI Group : Governance

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## 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]  
\* System that can request the return of past compensation paid to directors
- 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

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# 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.

# 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



Awards ceremony: September 15, 2022



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

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March 2022

## “Excellent TCFD 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

2022年3月23日

GPIF 年金積立金管理運用独立行政法人

### GPIFの国内株式運用機関が選ぶ「優れたTCFD開示」

年金積立金管理運用独立行政法人（GPIF）は、昨年のコーポレートガバナンス・コード改訂内容を踏まえた新たな取り組みとして、国内株式の運用を委託している運用機関（以下、運用機関）に対して「優れたTCFD開示」の選定を依頼しました。

運用機関には最大5社「優れたTCFD開示」の選定を依頼するとともに、開示の4項目（ガバナンス、戦略、リスク管理、指標と目標）についても、それぞれ最大3社ずつ優れた開示の選定を依頼しました。

その結果、下記表のリストに記載の27社が「優れたTCFD開示」として選ばれました。またそのうち、多くの運用機関から「優れたTCFD開示」として高い評価を得た企業は以下の通りでした。

【4機関以上の運用機関から高い評価を得た「優れたTCFD開示」】

- ◆ キリンホールディングス 8機関 ◆ 三菱UFJフィナンシャル・グループ 5機関
- ◆ リコー 5機関 ◆ 日立製作所 4機関

【GPIFの運用機関が選ぶ「優れたTCFD開示」】

コード	社名	得票数	コード	社名	得票数
2502	アサヒグループホールディングス	2	6981	村田製作所	1
2503	キリンホールディングス	8	7203	トヨタ自動車	2
2678	アズビル	1	7752	日立	5
2802	味の素	1	8001	伊藤忠商事	3
4005	住友化学	2	8002	丸紅	2
6204	積水化学工業	2	8058	三菱商事	3
6367	野村総合研究所	3	8252	丸紅グループ	1
4452	西王	2	8306	三菱UFJフィナンシャル・グループ	5
5020	住友商事ホールディングス	2	8316	三井住友フィナンシャルグループ	2
6302	小丸製薬	1	8413	みずほフィナンシャルグループ	1
6367	ダイキン工業	1	8725	M&Aロイヤリティ・ファンダメンタルズ・ホールディングス	1
6501	日立製作所	4	8766	東京海上ホールディングス	1
6702	富士通	2	9613	エヌ・ティ・ティ・データ	1
6752	パナソニック	1			

\*運用機関から「優れたTCFD開示」として選定された企業の一覧。証券コード順、色塗りは複数得票

なお、開示の4項目において優れた開示と選定された企業は54社となり、3ページにリストを掲載しています。また、外国株式の運用機関にも同様に「優れたTCFD開示」の選定を依頼しており、弊法人の英語版HPにその内容を公表しています。

[https://www.gpif.go.jp/en/investment/20220323\\_excellent\\_TCFD\\_disclosure\\_en.pdf](https://www.gpif.go.jp/en/investment/20220323_excellent_TCFD_disclosure_en.pdf)

◀ March 23, 2022 release on the GPIF website

# 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**

Direction of medium-term efforts

- **Efforts to achieve net-zero**<sup>\*1</sup>  
(cooperate with partners to reduce emissions including Scope 3)
- **Renewable energy usage expansion**<sup>\*2</sup>  
(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

\*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  
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# Appendix

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# 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



Paul Dickinson, CDP



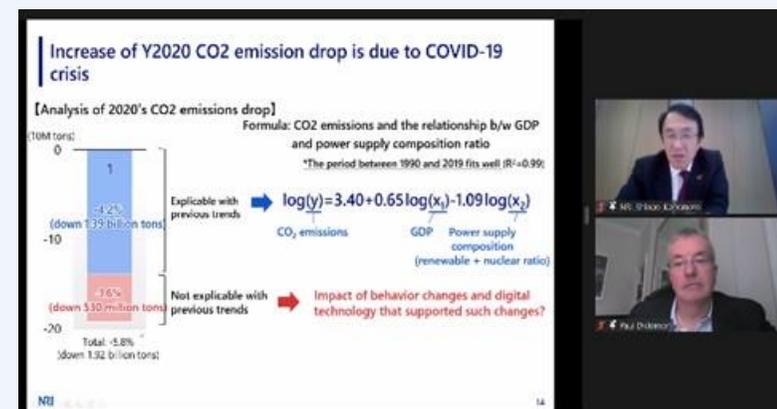
Konomoto, NRI



Hihara, NRI

## 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





# Further efforts toward TCFD disclosures

	Efforts at the NRI Group	Status in FY2022
<b>Governance</b>	<ul style="list-style-type: none"> <li>Based on instructions from the President &amp; CEO, we <b>established the Sustainability Activities Committee</b> 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.</li> <li>Reflect a portion of <b>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)</b></li> </ul>	<ul style="list-style-type: none"> <li>Sustainability Activities Committee meetings: April, June, August, October, December, February</li> <li>Reports to the Board of Directors: (status of CSV-related efforts) July, October, January, (committee activities report) February</li> <li>Building a governance system that increases <b>the involvement of the Board of Directors</b> (composition of meeting bodies, etc.), and considering <b>linking evaluations of climate-related sustainability activities with compensation of Directors and Audit &amp; Supervisory Board Members</b></li> </ul>
<b>Strategy</b>	<ul style="list-style-type: none"> <li>Identify eight material issues, and advocate <b>“Environmental contributions through collaboration with business partners”</b> as one of them</li> <li>Identified risks and opportunities <b>throughout the NRI Group’s business overall</b> (FY2018)</li> <li>Performed <b>scenario analysis on the data center business</b> which is most vulnerable to the impacts of climate change, and <b>calculated the financial impacts</b> (FY2019)</li> <li>Going forward, perform scenario analyses on <b>each business in profit-center departments</b> (from FY2020)</li> </ul>	<ul style="list-style-type: none"> <li><b>Revising our materiality</b> and identifying what is indicated at left</li> <li><b>Holding workshops for business partners on formulating CO2 reductions targets</b>, and bolstering Scope 3 efforts</li> <li>Considering the need and method for <b>revising existing scenario analysis results</b> and <b>changing analysis units, revising importance assessments</b>, and other changes, in conjunction with implementing renewable energy significantly earlier than planned and revising targets, etc.</li> </ul>
<b>Risk management</b>	<ul style="list-style-type: none"> <li>Established the <b>Integrated Risk Management Committee</b> based on organizational rules. Meets and reports to the Board of Directors multiple times per year</li> <li><b>Obtain ISO 14001 certification for data centers</b> which are a primary source of CO2. Conducting internal and external audits once per year respectively</li> <li><b>Implement NRI’s original environmental management system NRI-EMS at major offices in Japan &amp; overseas</b> (from FY2015)</li> </ul>	<ul style="list-style-type: none"> <li>From a BCP standpoint, continue to conduct <b>comprehensive coordinated inspections</b> and <b>training for operating under large-scale disruptions</b> at each data center</li> <li><b>NRI-EMS coverage: 85%</b> (end of FY2021, based on energy consumption)</li> </ul>
<b>Indicators &amp; targets</b>  * Base year for all figures is FY2019	<ul style="list-style-type: none"> <li>[FY 2030 Target] Scope 1+2: Net-zero (97% reduction, neutralize residual emissions), Scope 3: 30% reduction, renewable energy usage rate: 100%</li> <li>[FY2050 Target] Scope 1+2+3: Net-zero (90% reduction, neutralize residual emissions)</li> </ul>	<ul style="list-style-type: none"> <li>Changed to targets at left, primarily for <b>Scope 3</b></li> <li>Formulating a <b>migration plan</b> and establishing the issues and specific measures</li> <li>[FY2022 forecast] <b>Scope 1+2: -80%, renewable energy usage rate: 82%</b></li> </ul>

# External evaluations of the NRI Group (history)

ESG stock indices	2018	2019	2020	2021	2022	Remarks
DJSI World	✓	✓	✓	✓	✓	Selected for 5 consecutive years since 2018
DJSI Asia Pacific	✓	✓	✓	✓	✓	7 consecutive years since 2016
MSCI ESG Leaders Indexes	✓	✓	✓	✓	✓	7 consecutive years since 2016
FTSE 4 Good Developed Indexes	✓	✓	✓	✓	✓	17 consecutive years since 2006
MSCI Japan ESG Select Leaders Index	✓	✓	✓	✓	✓	GPIF Selected ESG Indices
MSCI Japan Empowering Women Index (WIN)	✓	✓	✓	✓	✓	GPIF Selected ESG Indices
FTSE Blossom Japan Index	✓	✓	✓	✓	✓	GPIF Selected ESG Indices
FTSE Blossom Japan Sector Relative Index	Launched March 30, 2022			✓	✓	GPIF Selected ESG Indices
S&P/JPX Carbon Efficient Index	✓	✓	✓	✓	✓	GPIF Selected ESG Indices
SOMPO sustainability index	✓	✓	✓	✓	✓	11 consecutive years since 2012
Nadeshiko Brand	✓	✓	✓	✓	TBA	

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

# Stock incorporation and external evaluation

## Dow Jones Sustainability Indices

Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA

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.

## 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 HEREIN, 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

## CDP



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)

## Euronext Vigeo World 120 Index



Selected for the first time in 2021 as one of the top 120 companies that are particularly outstanding in their ESG efforts.

## Platinum Kurumin Certification



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.

## Health and Productivity Management



Selected in the large enterprise category of Health and Productivity Management Organization Recognition Program for six consecutive years from 2017.

## Eruboshi



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.

## Nadeshiko Brand



Selected for the sixth consecutive year from 2017 as a publicly traded company that excels in promoting the advancement of women.

The text is framed by two decorative swooshes. The top swoosh is a gradient bar transitioning from blue on the left to red on the right. The bottom swoosh is a solid blue bar.

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