Sustainability Briefing

Sustainability activities at the NRI Group

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Senior Corporate Managing Director, Head of Sustainability

Nomura Research Institute, Ltd.
Feb. 21, 2024
Materiality

Human Capital Management and ESG Activities

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

Human capital management at the NRI Group

Advance human capital
through expansion and growth of diverse professionals

Accumulate intellectual capital
through elevation of individual knowledge into organizational strength

Contribute to Sustainability activities at the NRI Group

through collaboration with business partners

Fulfill our social responsibilities
through strengthening of relationships with stakeholders

Evolve governance
through realization of strategic risk control

Value Creation Capital

Management Basis (ESG)

Value

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## Human Capital Management and ESG Activities

<table>
<thead>
<tr>
<th>Materiality</th>
<th>2030 Goals</th>
<th>Initiatives</th>
</tr>
</thead>
</table>
| **Advance human capital**  
Through bold actions and growth of diverse professionals | 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 | • Enhance capability to realize the growth story  
• Promote diversity and inclusion  
• Improve growth opportunities for each individual, etc. |
| **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/operator group-wide governance and internal control  
• Enterprise risk management  
• Strengthen quality control and information security management  
• Promote disclosure and improve transparency  
• Enhance compliance, etc. |
Sustainability activities at the NRI Group: Human Capital
Human capital management at the NRI Group

Human capital management that respects the NRI Group's corporate philosophy and values

- The NRI Group's vision of human capital management:
  A place where people with a high level of expertise and diverse values can gather and continue to challenge and self-grow professionally, leading to the creation of value.

Corporate Philosophy (Our Values)

- Foresight and thoroughness to exceed expectations
- Mutual respect to unite diverse individuals
- Passion and pride to pursue new challenges

3 Pillars in Human Capital Management

1. Strengthen Capability
   - Employee Professionalism, responsiveness to change
   - Company Investment in training, challenging assignments

2. Promote Diversity and Inclusion
   - Employee Fusion of different talents, value co-creation
   - Company Hiring a diverse workforce, promoting policies

3. Enhance Engagement
   - Employee Pride in work, Self-growth
   - Company MVV, Value co-creation activities

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Human capital management at the NRI Group

Efforts to enhance human capital lead to the creation of social value for the NRI Group

- Create social value for the NRI Group through human capital management that encourages the self-challenge and growth of every employee.

**Human Capital in Sustainability Management**

Initiatives to enhance human capital

1. Strengthen Capability
2. Promote D&I
3. Enhance engagement
   
   HR measures (recruitment, systems, compensation, human rights, health management, etc.)
Human capital management at the NRI Group [1] Strengthen capability

Promoting capability enhancement consistent with our growth strategy

- We are investing in various systems, education and training programs to develop professionals who will support the growth of the NRI Group.

### Main Initiatives

<table>
<thead>
<tr>
<th>1. Training Efforts</th>
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<tbody>
<tr>
<td>● DX human resource</td>
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<tr>
<td>● Business Creation Human Resource</td>
</tr>
<tr>
<td>● Global human resources</td>
</tr>
<tr>
<td>● Challenge &amp; Act system</td>
</tr>
<tr>
<td>● Strengthening the next generation of management</td>
</tr>
<tr>
<td>● Over 400 courses</td>
</tr>
<tr>
<td>● Develop an infrastructure for human resource development for entire NRI Group</td>
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</tbody>
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<table>
<thead>
<tr>
<th>2. Training Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Choice of career field</td>
</tr>
<tr>
<td>● Certification system</td>
</tr>
<tr>
<td>● Training on latest technology and business trends (e.g., generative AI)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Pursuit of expertise</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Assign young employees as project leaders</td>
</tr>
<tr>
<td>Granting opportunities to candidate personnel</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. Challenging assignment</th>
</tr>
</thead>
</table>

![Graph showing Human resource development investment & Human resource development hours per employee](image)

Human resource development investment & Human resource development hours per employee

(Millions of yen) (Millions of yen) (hours/year)

2017年度 2018年度 2019年度 2020年度 2021年度 2022年度

Investment in human resource development: Education and training, overseas study and trainee expenses, etc. (NRI Group as a whole)

Human resource development hours per employee: total hours of training / number of professional employees (NRI non-consolidated)
Human capital management at the NRI Group [2] Promote D&I

Emphasis on inclusion to enhance organizational strength and creativity through collaboration among diverse human resources

- D&I for developing change-resistant organizations and people" and "D&I for enhancing creativity
- We emphasize not only diversity but also inclusion, implementing multilayered measures in seven areas.

Collaboration and mobilization of diverse human resources

**Gender**

- Workplace that "keeps people active" regardless of gender
  - Expansion of opportunities for women (assignment to PJ leaders, etc.)
  - Training and mentoring of female leaders by female executives, etc.
  - Reflecting D&I Initiatives in Headquarters Evaluation

**Generation**

- Different generations recognize each other’s strengths
  - New personnel system (2022~): early promotion, wider banding of evaluations
  - Active use of veteran personnel (Meister System, career design training)

**Barrier-free mind**

- NRI Mirai (special subsidiary) also supports business activities
- Regularly hold NRI Mirai Activity Report Meetings (exchange with NRI Group employees)

**Cross culture**

- Mutual respect for cultural backgrounds and values
  - Training for Global Business and Strategy Leader Trainees
  - NRI Global Forum," communication between NRI and executives of overseas offices

**Life style**

- Each individual with a variety of lifestyles
  - Support for balancing childcare and work (training, booklet for working parents)
  - Conduct seminars for employees on health issues (cancer, women's diseases, etc.)

**Employees with diverse careers & expertise**

- Holding lectures by the president, dialogue events, etc., for employees who have joined the company as career employees
- Seminar for department heads to accept diverse employees, including career hires

**Career expertise**

- Employees with diverse careers & expertise

**Disability**

- Support for people with disabilities

**SOGI**

- Basic understanding and enhancement of systems on sexual minorities.
  - E-learning on basic knowledge, etc.
  - Implementation of same-sex employee benefits

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Human capital management at the NRI Group [3] Enhance of engagement

Each and every employee realizes that all operations are linked to the creation of social value.

MVV

Value co-creation activities
Dialogue among executives and employees

Value Co-Creation Leaders
- Training began in FY2019
- Total of 109 people to date (about 8 mentor board members lean on the leaders each year)
- Focus on themes that will enable participants to see things from a higher perspective
- Develop a sense of mission and leadership by tackling themes that will enable them to see things from the perspective of the entire company.

Best practice

Dream Up the Future Award
Award for employees and teams that have created NRI-like social value through collaboration with clients and among divisions

Value Co-Creation Award
Award for employees and teams that have contributed to activities for the creation of a future society

Special award

<Deam up the Future Award 2023>
Promote collaboration between NRI Mirai (special subsidiary) and business divisions
Proposals on social issues (annual income barrier, logistics driver shortage), etc.
## Human capital management at the NRI Group  KPI

### Target values to expand human capital

<table>
<thead>
<tr>
<th>Policy Pillars</th>
<th>Main Target Values for FY2025※1</th>
<th>FY2023※1 (As of December)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>[1] Strengthen capability</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DX active personnel: 3,200</td>
<td></td>
<td>2,997 persons</td>
</tr>
<tr>
<td>Business creation personnel: 200</td>
<td></td>
<td>162 people</td>
</tr>
<tr>
<td>Global human resources: approx. 320</td>
<td></td>
<td>267 people</td>
</tr>
<tr>
<td><strong>[2] Promote D&amp;I</strong></td>
<td>% of women in management positions: 13%</td>
<td>9.3% (9.3%)</td>
</tr>
<tr>
<td>% of opportunities granted to women: 17%</td>
<td></td>
<td>14%</td>
</tr>
<tr>
<td>% of managers from career hires: 26% (Fair appointment from among the population)</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td><strong>[3] Enhance engagement</strong></td>
<td>Employee Engagement: More than 70※2 (Overall score of NRI-registered employees)</td>
<td>71※2</td>
</tr>
<tr>
<td>Growth realization ratio: 75% (Employee survey)</td>
<td></td>
<td>74%</td>
</tr>
<tr>
<td>People management skills: 97% (360-degree evaluation of management palms)</td>
<td>93%</td>
<td></td>
</tr>
</tbody>
</table>

※1 Figures are for NRI on a non-consolidated basis
※2 Targets are NRI itself and major domestic group companies (excluding new hires in the survey year)
Sustainability activities at the NRI Group: Environment
ESG activities at the NRI Group

Environment (E) initiatives and key future measures

Past activities

High evaluation result due to progressive initiatives
- Deployment of NRI-EMS (Environmental Management System) [FY 2015-]
- Publication of TCFD Scenario Analysis Results [Feb. 2019-]
- 1.5°C target accredited by SBTi, an international accreditation body [Feb. 2021]
- Issuance of Sustainability Linked Bonds [Mar. 2021]
- Support activities for business partner※ to set environmental goals Net-Zero Journey Expansion [FY2022-]
- Set 2050 net-zero target (SBTi level) [Feb. 2023]
- 100% renewable electricity at all data centers owned [Mar. 2023]
- Detailing a plan for transition to decarbonization [FY2023-]
- TCFD/TNFD Scenario Analysis Advancement (TNFD Early Adopter "TNFD Adopter" registration) [FY2023-]
- Calculation of Avoided Emission in accordance with WBCSD guidelines [FY2023-]

Future priority

Disclosure focused on climate change risks, etc., with Scope 3 activities
- Scope 3 reduction measures (e.g., Cooperation with business partners)
- Implementation of more advanced renewable energy procurement instruments
- Further engagement with WBCSD, GX League, etc.
- Preparation for disclosure in accordance with IFRS S2

※Business partners: NRI’s procurement partners such as system development contractors, real estate, equipment suppliers, etc.

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The NRI Group has defined a low-carbon transition plan for achieving net zero in 2050.

**Main measures**
- **Scope1+2**
  - Sophisticated and diversified renewable energy procurement
  - Data Center energy consumption optimization
- **Scope3**
  - Refinement of calculation methods
  - Engagement w/ our business partners
  - Implementation of preferential procurement

**Investment plan**
- 2 to 3 billion yen (renewable energy procurement, etc.)

**Transition plan**
- FY2019 (Base year) to FY2050
- Residual emissions: Emissions that cannot be reduced within the Group’s value chain at the time of the net-zero target Neutralization: Offsetting residual emissions by utilizing carbon removal technologies outside the value chain

**Scope1+2 emission**
- FY2019: 241 thousand t-CO2
- FY2022: 211 thousand t-CO2
- Reduction: 73%

**Scope3 emission**
- FY2019: 1% of total emissions
- FY2022: 73% of total emissions

**Fiscal Year 2050**
- Scope1+2+3: Net Zero
- Scope1+2: 92% reduction, residual emissions neutralized
- Scope3: 30% reduction
- Re-energy utilization rate: 100%

**Transition plan**
- Progression from 2019 to 2050

**FY2030**
- Scope1+2: Net Zero
- 97% reduction, residual emissions neutralized
- Scope3: 30% reduction
- Re-energy utilization rate: 100%

**Residual emissions**
- Emissions that cannot be reduced within the Group’s value chain at the time of the net-zero target

**Neutralization**
- Offsetting residual emissions by utilizing carbon removal technologies outside the value chain

(The previous 90% reduction was revised upward to a 92% reduction.)
NRI’s Avoided Emission: CO2 reductions by shared online system

Estimated NRI’s Avoided Emission (FY2022)

- Logic restructured based on "CO2 reductions by clients through shared online system"
  - Aligned with WBCSD guidelines
  - Reviewed logic and updated figures

- Register this case with WBCSD and the GX League in Japan.
**ESG activities at the NRI Group**  
**TCFD: Conduct company-wide scenario analysis and calculate financial impact**

- Phased TCFD scenario analysis to identify risks and opportunities since FY2018. Report annually in sustainability briefings and integrated reports to investors.

- In FY2023, identify risk opportunity on a company-wide basis and estimate the financial impact.

<table>
<thead>
<tr>
<th>FY2018</th>
<th>FY2019 - FY2021</th>
<th>FY2022 - FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company-wide scenario analysis (Identify risks and opportunities)</strong></td>
<td>✓ Identify risks and opportunities under 2°C and 4°C scenarios</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Scenario Analysis by Business (Identify risks and opportunities, Calculation of financial impact)</strong></td>
</tr>
<tr>
<td></td>
<td>✓ Scenario analysis for data center business, asset management solution business, consulting business, and securities solution business</td>
<td>✓ Review to 1.5°C scenario</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Company-wide scenario analysis (Re-identify risks and opportunities, financial impact)</strong></td>
</tr>
<tr>
<td></td>
<td>✓ Detailed company-wide scenarios</td>
<td>✓ Calculate the financial impact</td>
</tr>
<tr>
<td></td>
<td>✓ Study more evolved disclosure framework</td>
<td></td>
</tr>
</tbody>
</table>
Sustainability activities at the NRI Group: Social
Social (S) initiatives and key future measures

Past activities

- Initiatives to realize health management  [FY 2015-].
- Human rights risks survey (expanded to the entire NRI Group)  [FY 2019-]
- Obtained agreement to the NRI Group Business Partner Code of Conduct  [FY2021-]
- Social data disclosure & external assurance  [FY2022-]
- Study enhanced disclosure of Grievance Mechanism,  [FY2023]
- Social impact visualization (logic tree, quantification of case studies)  [FY2023]
- Establishment of "NRI Group AI Policy" (revised from AI Ethics Guidelines)  [Feb. 2024]

Future priority

- Promote initiatives (human rights, etc.) throughout the supply chain group globally.
- Conduct and upgrade human rights due diligence for group and global
- Implement and expand self-assessment for business partners
- Sustainability development and penetration into overseas group companies
- Consider adding sustainability-related items to procurement requirements
# ESG activities at the NRI Group  Human rights due diligence

Promote various efforts to develop and implement human rights measures throughout the NRI Group

## Activities required of companies by UNGP*1

<table>
<thead>
<tr>
<th>Activities</th>
<th>Examples of Activities</th>
<th>Status of Efforts in FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy commitment</strong></td>
<td>Human rights policy</td>
<td>- Partial revision of the <strong>NRI Group Human Rights Policy</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Human rights policy implementation through compliance brochures</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Promoting understanding of human rights policies through e-learning</td>
</tr>
<tr>
<td><strong>Practicing human rights due diligence</strong></td>
<td>Impact on human rights</td>
<td>- <strong>Comprehensive human rights risks analysis</strong></td>
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<tr>
<td></td>
<td></td>
<td>(2nd time since 2019, Target: entire NRI Group and some business partners)</td>
</tr>
<tr>
<td></td>
<td>Prevention / Mitigation process</td>
<td>- <strong>Business and human rights</strong> lecture by ESG e-learning</td>
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<tr>
<td></td>
<td></td>
<td>(NRI non-consolidated basis and major domestic group companies)</td>
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<tr>
<td></td>
<td>Monitoring</td>
<td>- Survey on potential and actual human rights risks.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Entire NRI Group, survey to be completed in 1H of FY2024)</td>
</tr>
<tr>
<td></td>
<td>Disclosure</td>
<td>- Study <strong>enhancing the content of disclosures</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Comprehensive human rights risk survey results, grievance mechanisms, etc.)</td>
</tr>
<tr>
<td><strong>Remediation processes</strong></td>
<td>Grievance Mechanism</td>
<td>- Identify the current status / issues of stakeholder <strong>reporting channels</strong></td>
</tr>
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</table>

Further expansion of **NRI Group-wide efforts** in FY2024 and beyond

UNGP: United Nations Guiding Principles on Business and Human Rights

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Modeling the "social impact" created by NRI's business activities and its path

**Logic model**
- NRI visualizes the path to create "social impact" that will lead to solutions to social issues through its business activities. Integrated efforts to realize growth strategies and create a sustainable society of the future.
- To be used for communication with stakeholders in the future.

**Impact Visualization**
- Select three symbolic themes from NRI's diverse business activities and quantify the impact created by NRI's business activities.

*Scheduled to be disclosed in FY2024.*
Sustainability activities at the NRI Group : Governance
Enhance corporate governance and develop various systems
- Nominating Committee, with independent external directors as members [FY 2017]
- "Restricted Stock Compensation Plan," a mid-long term incentive for directors [FY 2018]
- Value co-creation efforts are evaluated by a division basis and added to bonuses [FY 2020-]
- Introducing the Clawback Mars Clause ※ [FY 2020]
- Revision of the NRI Corporate Governance Guidelines [Dec. 2021]
- Review and upgrade group and global governance structure [FY 2021-]
- Enhance governance-related disclosures in IR [FY 2022-]
- A governance structure to increase board involvement (Sustainability Board) [FY 2023-]
- Link of executive compensation to evaluation of sustainability initiatives [FY 2023-]
- PDCA for Materiality Indicators (DJSI World for 6 consecutive years) [FY 2023-]

*Clawback Mars Clause: a system that allows directors to request the return of compensation paid to them in the past.

More effective governance for our vision aligned with external trends
- Independent Assessment of Board Effectiveness
- Preparation for disclosure based on IFRS S1 (mandatory disclosure in financial reports, etc.)
- Evaluate FY2023 performance of sustainability initiatives (linked to executive compensation in FY2024)
- Continue to strengthen global governance (e.g., upgrading management control)
Establish a sustainability governance structure for V2030

Under the Sustainability Committee, the Value Co-Creation Committee and the Sustainability Activities Committee share roles and collaborate with each other.

<table>
<thead>
<tr>
<th>Board of directors</th>
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<tbody>
<tr>
<td>Supervision</td>
</tr>
<tr>
<td>Presentation and Report</td>
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</tbody>
</table>

**Sustainability Committee**

- Discussion of important sustainability issues, monitoring of materiality progress, etc.
- Chairperson: Head of Sustainability Management
- Members: Elected directors
- (Held in FY2023: 2 times)

**Value Co-Creation Committee**

- Promote MVV/value co-creation, value co-creation leader development, monitoring and evaluation
- Chairperson: Senior Corporate Managing Director
- Members: Elected directors & General Managers
- (Held in FY2023: 9)

**Sustainability Activities Committee**

- Sustainability management framework, decarbonization, sustainability disclosure, stakeholder dialogue, global response, etc.
- Chairperson: Senior Corporate Managing Director
- Members: Elected directors & General Managers
- (Held in FY2023: 6 *including planned)
## Future Priority Measures

### Accelerating NRI's Sustainability Management to the Group, Global, and Supply Chain

<table>
<thead>
<tr>
<th>Contribute to global environment through collaboration with business partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoting response and information disclosure of climate change risks, etc., with Scope 3 initiatives</td>
</tr>
<tr>
<td>● Implement and strengthen Scope 3 reduction</td>
</tr>
<tr>
<td>● Implement of more advanced renewable energy procurement instruments</td>
</tr>
<tr>
<td>● Further strengthen engagement with WBCSD, GX League, etc.</td>
</tr>
<tr>
<td>● Preparation for disclosure in accordance with IFRS S2</td>
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</table>

<table>
<thead>
<tr>
<th>Fulfill our social responsibilities through strengthening of relationships with stakeholders</th>
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<tbody>
<tr>
<td>Promote initiatives (human rights, etc.) both on own sites and supply chain</td>
</tr>
<tr>
<td>● Conduct and upgrade human rights due diligence for group and global</td>
</tr>
<tr>
<td>● Implement and expand self-assessment for business partners</td>
</tr>
<tr>
<td>● Sustainability development and penetration into overseas group companies</td>
</tr>
<tr>
<td>● Study sustainability-related items to procurement requirements</td>
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<table>
<thead>
<tr>
<th>Evolve governance through realization of strategic risk control</th>
</tr>
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<tbody>
<tr>
<td>More effective governance for our vision aligned with external trends</td>
</tr>
<tr>
<td>● Independent Assessment of Board Effectiveness</td>
</tr>
<tr>
<td>● Preparation for disclosure based on IFRS S1 (mandatory disclosure in financial reports, etc.)</td>
</tr>
<tr>
<td>● Evaluate FY2023 performance of sustainability initiatives (linked to executive compensation in FY2024)</td>
</tr>
<tr>
<td>● Continue to strengthen global governance (e.g., upgrading management control)</td>
</tr>
</tbody>
</table>
Appendix
ESG activities at the NRI Group  NRI Net-Zero Journey

Achieve Net-Zero collaborating with our business partners vis the "Net-Zero Journey"

- Support our business partners in setting their own environmental goals, tailored to their specific circumstances.

### Percentage of business partners setting environmental targets (based on procurement amount)

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>70%</td>
<td>March 31, 2024 (Estimate)</td>
</tr>
<tr>
<td>60%</td>
<td>As of December 2023</td>
</tr>
<tr>
<td>50%</td>
<td>As of June 2023</td>
</tr>
<tr>
<td>40%</td>
<td>As of January 2023</td>
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<tr>
<td>30%</td>
<td></td>
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<tr>
<td>20%</td>
<td></td>
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<tr>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>0%</td>
<td></td>
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</table>

### How to

- **Individual follow-up**
  - Individual meetings (face-to-face/online) to help business partners set goals
  - Conducted for 4 companies
  - Follow-up according to individual situations

- **Interactive event**
  - Dialogue between NRIs and business partners to increase engagement
  - September-October Dialogue Events
  - December Workshop on CO2 emission calculation

- **Seminar**
  - Sharing the latest trends in sustainability and other topics with business partners from management to staff.
  - July Management Seminar
  - January Dialogue on Sustainability

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## ESG Activities of the NRI Group TNFD

### TNFD: Relationship with natural capital, analysis of main risks and opportunities

- In FY2023, NRI’s risks, opportunities, etc. will be analyzed according to the TNFD framework. Details to be disclosed in FY2024.

### Relationship between NRIs and natural capital (image)

<table>
<thead>
<tr>
<th>NRI Segments</th>
<th>Main Activities</th>
<th>With natural capital relation</th>
<th>Dependence on and Impact on Natural Capital Dependence and Impact</th>
<th>Expected Risks/Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting</td>
<td>Implementation of social advocacy, provision of services to government agencies, etc.</td>
<td>Rules on natural capital</td>
<td>1. Activities of the company Directly due to Dependence/Influence (including upstream)</td>
<td><strong>&lt;Risk&gt;</strong> Due to depletion of water resources <strong>Cost increase and sales decrease</strong></td>
</tr>
<tr>
<td>Financial IT</td>
<td>Providing services to a wide range of companies in finance, distribution, etc.</td>
<td>Use of natural capital in client industries Use of natural capital in client industries, emissions, etc.</td>
<td>2. Through clients Dependence/Influence</td>
<td><strong>&lt;Opportunities&gt;</strong> Increased sales due to markets’ &amp; customers’ change</td>
</tr>
<tr>
<td>Industrial IT</td>
<td>Using offices, DCs, etc. Implementation of each project</td>
<td>Electricity and water, Procurement of equipment, etc. GHG, water, Waste, etc. emissions</td>
<td>3. Indirect Contributions on natural capital To society as a whole</td>
<td><strong>&lt;Risk&gt;</strong> Due to regulatory compliance, etc. Cost increase and sales decrease</td>
</tr>
<tr>
<td>IT infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Strengthen involvement in WBCSD (World Business Council for Sustainable Development)

WBCSD: World Business Council For Sustainable Development A coalition of 200 CEOs of companies committed to sustainable development; NRI is a member since 2019

- Strengthen involvement in WBCSD through project participation, top management dialogues, etc.

<table>
<thead>
<tr>
<th>(1) Projects participation</th>
<th>(2) Strengthen engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Participated in two projects under the WBCSD, aiming to formulate <strong>business sector-led rules.</strong></td>
<td>• Reinforcing top-to-bottom engagement</td>
</tr>
<tr>
<td>NRI’s Participating Projects</td>
<td>• <strong>WBCSD CEO Peter Bakker</strong> in <strong>Dialogue with NRI Management</strong></td>
</tr>
<tr>
<td>Climate Bundle</td>
<td>Dialogue Themes</td>
</tr>
<tr>
<td>CFO Network</td>
<td>DX3.0 business approach</td>
</tr>
</tbody>
</table>

Results for FY2023

• **PACT** project under the "Climate bundle" Collaborating with **Hitachi, Ltd. and EIZO Corporation**, calculated carbon footprint based on actual measurements

• **Collaborating with Avoided Emission Project** under “Climate bundle” and **the GX League**, participate in the formation of domestic rules in line with global standards

* PACT Partnership for Carbon Transparency
Cross-industry project to establish a calculation method/infrastructure for Scope 3 emissions visibility

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## ESG activities at the NRI Group  External Rating

Maintained high external evaluation due to various initiatives

### Sustainability stock indices

<table>
<thead>
<tr>
<th>Name</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</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 6 consecutive years since 2018</td>
</tr>
<tr>
<td>DJSI Asia Pacific</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>8 consecutive years since 2016</td>
</tr>
<tr>
<td>MSCI ESG Leaders Indexes</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>8 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>18 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>Morningstar Japan ex-REIT Gender Diversity Tilt 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>12 consecutive years since 2012</td>
</tr>
</tbody>
</table>

### Evaluation score

<table>
<thead>
<tr>
<th>Name</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>DJSI</td>
<td>78</td>
<td>82</td>
<td>83</td>
<td>85</td>
<td>86</td>
<td></td>
</tr>
<tr>
<td>S&amp;P Sustainability Award</td>
<td>Bronze</td>
<td>Silver</td>
<td>Silver</td>
<td>Top 10%</td>
<td>Top 5%</td>
<td></td>
</tr>
<tr>
<td>MSCI</td>
<td>AA</td>
<td>AA</td>
<td>AAA</td>
<td>AAA</td>
<td>AAA</td>
<td></td>
</tr>
<tr>
<td>FTSE</td>
<td>4.0</td>
<td>3.9</td>
<td>3.5</td>
<td>3.7</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>CDP</td>
<td>A</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>Leaderboard</td>
<td>Leaderboard</td>
<td>Leaderboard</td>
<td>Leaderboard</td>
<td>Leaderboard</td>
<td>Smaller values are rated higher due to risk values</td>
</tr>
<tr>
<td>Sustainalytics</td>
<td></td>
<td>Change from overall score to risk rating score</td>
<td>14.6</td>
<td>15.7</td>
<td>16.6</td>
<td></td>
</tr>
</tbody>
</table>

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Envision the value,
Empower the change