

CSR

Third-Party Comments



Yoshinao Kozuma

Emeritus Professor, Sophia University

After leaving the doctoral program at the Sophia University Graduate School of Economics, Professor Kozuma became a research assistant at the Nagoya Institute of Technology and attended Limperg Instituut, the Inter-University Institute for Accounting and Auditing in the Netherlands, as a guest researcher. He became an associate professor at the University of Shizuoka, and then took up his current position as emeritus professor at Sophia University after first working as an associate professor and then as a professor in the Faculty of Economics at the university. He has held successive positions as the chair or member of various CSR- or environment-related advisory panels, research societies, etc. for the Ministry of the Environment; the Ministry of Economy, Trade and Industry; the Ministry of Land, Infrastructure, Transport and Tourism; the Ministry of Agriculture, Forestry and Fisheries; the Cabinet Office; and the Japanese Institute of Certified Public Accountants. He is currently the chair of the Ministry of the Environment's Committee to Revise the Environmental Accounting Guidelines. He specializes in accounting and non-financial reporting. His recently published works include Carbon Labelling for Visualizing CO2 Emissions (Chuokezai-sha, Inc.) and Assurance on Environmental Reports (Dobunkan Publishing Co., Ltd.).

1. Responses to Social Issues

The Nomura Real Estate Group selected safety and security as one of its CSR key themes, and within that theme, the Group set “measures to increase building lifespans and durability” as a material issue.

Both the “re:Premium” service launched in fiscal 2017 and the “Attractive 30” service launched in fiscal 2018 are initiatives in this area and provide benefits to customers, society, and the Nomura Real Estate Group, strongly raising awareness regarding the change in attitudes towards a business model intended to create a sustainable society.

Although these two services differ in that re:Premium is intended for previously-constructed condominiums and Attractive 30 is for newly-constructed condominiums, both are services for lengthening the cycle of large-scale repairs, and we can expect that they will both be effective means of addressing a social problem in the downstream segment of the value chain, i.e., the obsolescence of condominium buildings.

The provision of these services will be useful for alleviating the psychological and economic burdens on customers and maintaining asset values and will also contribute to the SDG goals of creating sustainable cities and communities and responsible production and consumption, raising the possibility of successfully building strong social infrastructure.

These types of initiatives expand social trust in the Nomura Real Estate Group and support the Group’s sustainable growth. I look forward to further implementation of highly innovative initiatives in the future.

2. Supply Chain Management Commenced

The Group established CSR Procurement Guidelines, an area of concern, and plans to begin implementation in fiscal 2018.

The businesses conducted by the Nomura Real Estate Group include some areas with high potential human rights risks in the supply chain. Adoption of the CSR Procurement Guidelines will be useful in managing those risks.

The Guidelines include whistleblowing systems and are expected to demonstrate a certain level of effectiveness at supplier business sites as well. Initially, enforcement will take the form of encouraging compliance by suppliers by responding to questionnaires, but it would be desirable if ultimately suppliers are urged to establish human rights due diligence systems.

3. Promoting Wellness Management

The Group declared the implementation of wellness management as a fundamental policy of the work style reforms initiated in fiscal 2017. At the core of this initiative, various measures have been implemented to prevent overwork, and I expect that wellness management will effectively function to create healthy workplaces that facilitate work.

Amidst these reforms, however, Nomura Real Estate Development received a recommendation for corrective action and guidance regarding the discretionary working system for planning work, a matter of considerable concern. I hope that the implementation of wellness management will lead to the prevention of reoccurrence of this type of event, and request that going forward, countermeasures be reinforced on an ongoing basis.

4. Future Issues

There are no targets or reference values relating to results regarding contribution to the SDGs, and consequently, the degree of progress is unknown and it is not possible to determine whether the Group's initiatives are actually making a contribution. Also, little improvement has been seen in environmental data other than waste, and the reasons for this are not explained. A further issue is the ongoing failure to achieve the target rate for employment of disabled persons. These are all areas where improvement is desirable.

Response to the Third-Party Comments

The Nomura Real Estate Group is deeply grateful to Professor Kozuma for his valuable opinions regarding the Group's CSR efforts since fiscal 2014.

Last year, Professor Kozuma pointed out that our CSR procurement criteria are not clear, and in response, the CSR Committee has been discussing this issue since fiscal 2017. In April 2018, we adopted the Nomura Real Estate Group CSR Procurement Guidelines, and we are addressing supply chain management including human rights.

Professor Kozuma also indicated that data concerning targets and results management is insufficient. To address this issue, the CSR Committee and CSR Promotion Council deliberated and set policies and targets for the Four Key Themes and Two Promotion Foundations, and we started disclosing that information in the CSR report this fiscal year. We will undertake CSR measures in tandem with management strategies while carrying out PDCA.

Thanks to this year's third-party comments, we have reaffirmed our awareness that switching to a business model intended to provide benefits to customers, society, and the Group and create a sustainable society will lead to sustainable growth by the Group. To do this, we place particular importance in the physical and mental wellbeing of employees and are conducting effective wellness management. Going forward, we will address the issues that Professor Kozuma has pointed out.

In the future, the Nomura Real Estate Group will continue its efforts to create new value for society through our business activities.

Seiichi Miyajima
Executive Vice President and Representative Director, Group COO, Nomura Real Estate
Holding Inc.
Chair, CSR Committee, Nomura Real Estate Group