



Priority Issues (materiality) **【Climate Change and the Natural Environment】 Circular Design**

Under the Group Policy and recognizing that the depletion of natural resources associated with urban development is a major social issue, we will contribute to realize a decarbonized society and circular economy by reducing waste discharge and by providing urban development and services that promote longer building lifespans, the reuse of materials, and the sharing of spaces.

■ 【Climate Change and the Natural Environment】 Circular Design 102

Climate Change and the Natural Environment

Group Policy

Through urban development and providing products and services that leverage property development and property-related services, the Company will contribute to reducing CO₂ emissions to address climate change as a shared international concern. As such, we have identified decarbonization, biodiversity, and circular design as our three priority issues (materiality) and will promote them Company-wide. In addition, the Group has to date been actively participating in international initiatives, from obtaining SBT certification (35% reduction compared to fiscal 2019) and endorsing the TCFD to joining the RE100, and we intend to continue playing an active role in such initiatives.

Targets

Climate Change and natural environment	Contribution to the urgent global issue of reducing CO ₂ emissions, biodiversity preservation and realization of a circular society that contributes to CO ₂ reduction
Decarbonization	Initiatives in “energy saving,” “low-carbon business,” and “utilization of renewable energy” SBT: 35% reduction in Scope 1, 2, and 3 by 2031/3 compared to 2020/03
Biodiversity	By restoring the forest cycle in Japan, contribute to CO ₂ absorption and to the natural environment through urban afforestation and forest preservation, thus enabling rich biodiversity
Circular design	Contribute to a decarbonized society and a circular economy through urban development and service provision that incorporate longer lives of properties, recycling, and sharing

Key Performance Indicators (KPIs)

- Reduce CO₂ emissions by 35% compared to 2020/03
- Energy conservation performance indicators in new buildings: Maintain ZEH/ZEB-oriented standards
- Develop timber-based buildings: Carbon storage 10,000 t-CO₂ per year
- Obtain biodiversity certification
- Initiatives to promote building longevity: Full implementation of the Group’s voluntary standards
- Promote waste reduction and increase recycling rate: Reduction of industrial wastes by 20%

Management

We are taking measures to improve Group-wide environmental management under the leadership of Nomura Real Estate Holdings president and Group CEO.

The Sustainability Committee, which comprises Nomura Real Estate Holdings and Group company directors and others and is chaired by the Nomura Real Estate Holdings president and Group CEO, deliberates on and decides related policies and action plans. The Sustainability Committee also sets targets and monitors progress for the Group's priority issues: decarbonization, biodiversity, and circular design.

An environmental subcommittee has been established as the Sustainability Committee's subordinate organization under the supervision of the officer responsible for quality management and architectural design. Furthermore, we have signed the UN Global Compact in May 2019. Based on the principles of the UN initiative, we will support a precautionary approach, such as climate change mitigation, to environmental problems, and proactively fulfill our responsibility to address environmental problems.

Environmental Subcommittee

Consists of members from the architecture and product design-related departments at Nomura Real Estate Development, the environmental technology-related departments at Nomura Real Estate Partners, and the Sustainability Management Department and meets as needed. In fiscal 2021, the group met twice to mainly discuss reducing CO₂ emissions and using renewable energy.

Decarbonization

Approach and Policies
Management
Targets and Results
Initiatives

Biodiversity

Approach and Policies
Management
Targets and Results
Initiatives

Circular Design

Approach and Policies
Management
Targets and Results
Initiatives

Circular Design

Approach and Policies

Group Policy (Environment)

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Management

Management (Environment)

Targets and Results

Target ---

Target 1. The Group has set a target to reduce the amount of waste discharge to promote the appropriate use of resources and control pollution.

Target 2. The Group is working to reduce its water use.

Target 3. To carry out measures that will increase the lifespans and durability of buildings, the Group strives to provide products and services with long lifespans and high durability.

 [Key performance indicators \(KPIs\) for priority issues \(materiality\) up to 2030](#)

Result 1. Waste Discharge (Nomura Real Estate Group)

	FY2018	FY2019	FY2020	FY2021
Waste discharge (tonnes per year)	6,832	6,594	5,112	7,213
Discharge intensity (kg/m² per year)	4.867	5.159	3.047	3.504

※ Data covers 125 facilities (1,403,672 m²) for FY2018, 121 facilities (1,278,147 m²) for FY2019, 106 facilities (1,677,683 m²) for FY2020, and 119 facilities (1,527,759 m²) for FY2021.

Result 2. Volume of Water Intake, Discharge and Use (m³ per year)

	FY2018	FY2019	FY2020	FY2021	
Water intake		2,062,756	2,287,731	1,698,073	1,920,973
	Surface water	1,784,612	2,017,367	1,395,108	1,555,279
	Recycled water	101,750	103,768	161,533	202,625
	Ground water	176,393	166,596	141,432	163,069
Water use intensity (m³/m² per year)	1.03	1.12	0.81	0.93	
Water discharge (sewage water)	1,938,782	2,179,558	1,398,456	1,600,913	
Water use	123,974	108,173	299,617	320,060	

※ Scopes cover 190 facilities (2,010,041 m²) for FY2018, 183 facilities (2,033,422 m²) for FY2019, 191 facilities (2,079,952 m²) for FY2020, and 181 facilities (2,058,781 m²) for FY2021. Water intake in FY2021 increased by 13.13% from the previous fiscal year.

Result 3. Provide Products and Services with Long Lifespans and High Durability

	FY2018	FY2019	FY2020	FY2021
Number of completed properties that offer the re:Premium service	5	17	9	13
Number of properties that adopted the Attractive30 service	11 (1,384)	23 (3,211)	23 (2,390)	28 (2,936)

※ Numbers in parentheses indicate the number of units sold.

Initiatives

Reduction and Appropriate Management of Waste Discharge

The Group plans to reduce waste discharge and increase the recycling rate throughout the life cycles of products and services.

Attractive 30 Service, re:Premium Service

The Group is working to lengthen the cycle of large-scale repairs in condominium projects.

[Measures to Lengthen Large-Scale Repair Cycles](#)

Restoring Condominiums

The Group is working to restore old condominiums into homes with new value. We expanded PROUD Uehara Forest, which was established more than 30 years ago, by utilizing its excess floor space with the latest technologies while improving its livability. As a result, it was certified in 2019 as excellent long-term housing for the first time as an old condominium built by a private developer. It was also certified as having a service life of 65 years by a third-party evaluation agency.

[News Release \(Japanese only\)](#)

Reduction and Reuse of Waste

The NOHGA Hotel, operated by the Group, is working to reduce and reuse waste through such efforts as reducing the use of plastics by eliminating single-use toiletries and using biodegradable bamboo straws derived from plant fibers. It is also using name plates and handkerchiefs made from reused scraps of leather and Japanese clothing.

[NOHGA HOTEL ENVIRONMENTAL MANAGEMENT](#)



Eliminating single-use toiletries



Name plate made from reused leather scraps

Effective Utilization of Water Resources

The Group intends to reduce water consumption throughout the life cycles of products and services.

Introduction of Water-saving Devices Upon New Construction and When Performing Renovations

Water and hot water saving devices have been made standard equipment when developing housing, office buildings, retail facilities, logistics facilities, and other structures in accordance with its design and construction standards and quality manuals. In addition, fixtures are systematically replaced with water-saving devices when performing renovations.

☐ [Details of design and construction standards and quality manuals can be found here.](#)

Water Risk Assessment

The Group conducts water risk assessments on its properties using the Aqueduct, a tool designed for that purpose. As a result, all properties built by the Group in fiscal 2021 were found to be located in “Low” or “Low-medium” water risk areas and outside of “Medium-high” and higher water risk areas. Therefore, no water was taken from areas designated as “High” or “Extremely-high” by the properties built in fiscal 2021. We will continue to periodically monitor the water risk.

Collaborating with External Partners to Reduce Water Use

The Group is a formal member of the Environmental Committee in the Real Estate Companies Association of Japan. In 2013, this committee formulated the Real Estate Industry Environmental Action Plan, which includes specific initiatives such as introducing highly effective water-saving fixtures and automatic faucets and flushing systems. It is aiming for the entire industry to work together in an effort to reduce water usage.

Initiatives for Longer Life and Increased Durability

The Group Intends to extend the lifespans of its buildings by using highly durable materials with long lifespans and implementing appropriate management and repair plans.

Measures to Lengthen Cycles for Large-Scale Repair Work

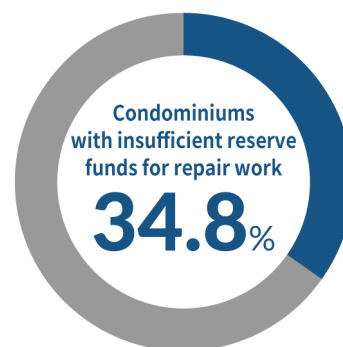
In order to reduce the economic and psychological burdens on condominium residents and management associations and to reliably carry out large-scale repair plans, the Group offers products and services intended to lengthen large-scale repair work cycles.

Measures at Completed Condominiums

Due to the aging of the population and the increase in vacant dwelling units, about 35% of condominiums are unable to accumulate sufficient reserves for repairs as scheduled (source: data by Ministry of Land, Infrastructure, Transport and Tourism). The re:Premium repair and maintenance service offered by the Group is designed to extend the cycle for large-scale repair work for PROUD condominiums that have already been completed. The service can extend the typical 12-year cycle for large-scale repair work to 16 to 18 years and result in ultra-long-term improvement plans of up to 60 years after the completion of construction. It extends the lifespans of buildings and reduces demolition waste. It also reduces the psychological and economic burdens on customers by substantially cutting lifecycle costs. For these reasons, the Group is striving to expand the scope of properties that adopt the re:Premium service.

In fiscal 2020, drainage pipe repair work in the common use areas for replacing older pipes made of different materials with plastic pipes all at once to improve performance and reduce lifecycle costs for the Coop Nomura Higashi Rokugo, which is under Group management, was certified as a model project for extending the life of condominium stock with the support of the Ministry of Land, Infrastructure, Transport and Tourism.

[News Release\(Japanese only\)](#)



Source: Ministry of Land, Infrastructure and Transport, 2018 Condominium general survey result report

Measures at Newly-Constructed Condominiums

In fiscal 2018, the Group launched the Attractive30 service, which seeks to increase the lifespans and durability of newly-constructed condominiums. Under this initiative, the Group will promote the adoption of highly durable materials and construction techniques and the introduction of the re:Premium service to realize an extension of the cycle for large-scale repair work.

[News Release\(Japanese only\)](#)

Collaboration with Suppliers

The Group is aiming for the appropriate management of resource use in the entire supply chain. Accordingly, the Group established the Nomura Real Estate Group Procurement Guidelines and is working with all of its suppliers to reduce its environmental load.

Nomura Real Estate Group Procurement Guidelines (excerpts of related provisions)

- Endeavor to appropriately manage hazardous chemicals and reduce the amounts used.
- Endeavor to reduce and appropriately manage waste.
- When procuring raw materials, take into consideration the conservation of biodiversity and sustainable use of resources. In particular, when procuring wood and wood products, take due care not to use illegal logged timber, and endeavor to use wood that has been produced by sustainable methods, such as recycled wood and certified wood.

 [The full text is available here.](#)