

The Nomura Real Estate Group's Stance on Sustainability

In April 2020, the Group established the Sustainability Management Department to strengthen and promote its sustainability activities. In addition, after reviewing the meeting system, we established the Sustainability Committee in April 2020, and it has been chaired since April 2021 by the president and Group CEO of Nomura Real Estate Holdings. The committee checks progress on the initiatives for sustainability policies and the objectives and deliberates and makes decisions on activity plans. In fiscal 2021, it discussed the Group's Sustainability Policy, response to climate change, and Human Rights Policy. The results are reported to the Board of Directors and the Management Committee four times a year before being reflected in management plans and business activities.

The Sustainability Committee met five times in fiscal 2021, while the Sustainability Subcommittee, a group set up to stimulate internal discussion, the Environmental Subcommittee, and the Human Rights Subcommittee had 33 meetings in total. The Sustainability Management Department continues to promote the Group's sustainability activities and to improve each of them through PDCA cycles.

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Find articles featured in the Group's past sustainability Reports.

Sustainability Management

Sustainability Management and Sustainability Policies and Objectives

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Sustainability Policy(Group's Vision of 2050)



Pursuing humanity

We strive to answer the deep questions of human existence and well-being in a world where technology is increasingly progressing and being integrated into our lives.

By providing an inclusive living environment where people support and connect with each other, we contribute to the creation of a society where no one will be left behind.

Maintaining harmony with nature






Our aim is to achieve true harmony with our natural environment for our future children and healthy ecosystems by reconsidering how human economic activities should operate.

While carefully conserving the Earth's finite resources, we improve the relationship between nature and humans.

Building the future together

The ambition we have is to create unprecedented value from diverse organizations and people working together to overcome boundaries. We are continuously challenging ourselves with novel ideas of living, business and working styles for an innovative society where all people with various backgrounds and values can build on their strengths.

Priority Issues (materiality) by 2030

	Materiality	KPI
Society and employees	 Diversity and inclusion	Provision of products and services with inclusive design ^{*1}
		Procurement guideline survey implementation rate: 80%
	 Human rights	Creation of a human rights due diligence system
		Childcare leave utilization rate by men and women: 100%
		Female manager and junior manager ratio: 20%
		Percentage of implementation of one-on-one meetings: 100%
Climate change and natural environment	 Decarbonization	Reduce CO ₂ emissions by 35% compared to 2020/03
		Energy conservation performance indicators in new buildings: Maintain ZEH/ZEB-oriented standards
	 Biodiversity	Develop timber-based buildings: Carbon storage 10,000 t-CO ₂ per year
		Obtain biodiversity certification
	 Circular design	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%

*1 A design process that involves people with diverse backgrounds, values and challenges

Reflecting Sustainability and Other Non-Financial Factors in Director Compensation

The Group requires that directors have a strong awareness of the need to adapt to changes in society and the needs of times under their selection criteria. From the fiscal year ending on March 31, 2023, the policy for deciding the details of the compensation, etc. for every director, excluding Audit & Supervisory Committee members, will be revised, and performance indicators that pertain to bonuses, which are monetary compensations, and the calculation method of such bonuses will consider non-financial indicators (e.g., sustainability factors). The aim is to raise awareness of sustainability among the directors. For the fiscal year ending on March 31, 2023, the non-financial indicators to be evaluated are the energy performance indicators. These are applicable to the Executive Officers or above of all Group companies.

[Please click here for details on officers' compensation plan.](#)

Materiality determination process

Determination Process for Sustainability Policy, Priority Issues (Materiality), and Key Performance Indicators (KPIs)



STEP1. Examine long-term social issues extensively

Social issues were broadly identified using international guidelines such as ISO 26000, the GRI Standards and SASB, and information from ESG external assessment questionnaires and external consulting firms as references. Social issues that are closely related to the Group's business were selected after extensively examining their long-term future outlook, including global environmental and social issues and technological trends.

STEP2. Identify key themes for the Group

Based on the social issues identified in STEP 1, workshops were held for the Group's young and mid-career employees (183 participants) to gather opinions as to "What kind of value should be provided in 2050?" and "How do you want the company to be viewed in 2050?". Twelve items were identified in these workshops, then additional workshops were held for the Group's management (general managers, senior managers, etc., 214 participants) to score the 12 items.

Twelve Items Identified

Contribute to a circular economy	Contribute to a decarbonized society	Maintain harmony with the natural environment
Provide healthy and comfortable lifestyles	Develop smart cities	Promote secure and safe urban development
Make unique contribution to regional revitalization	Pursue happiness and dignity for future society	Implement co-creation and open innovation in society
Contribute to diversity and inclusion	Cultivate creativity and sensitivity	Develop rules and standards for market creation

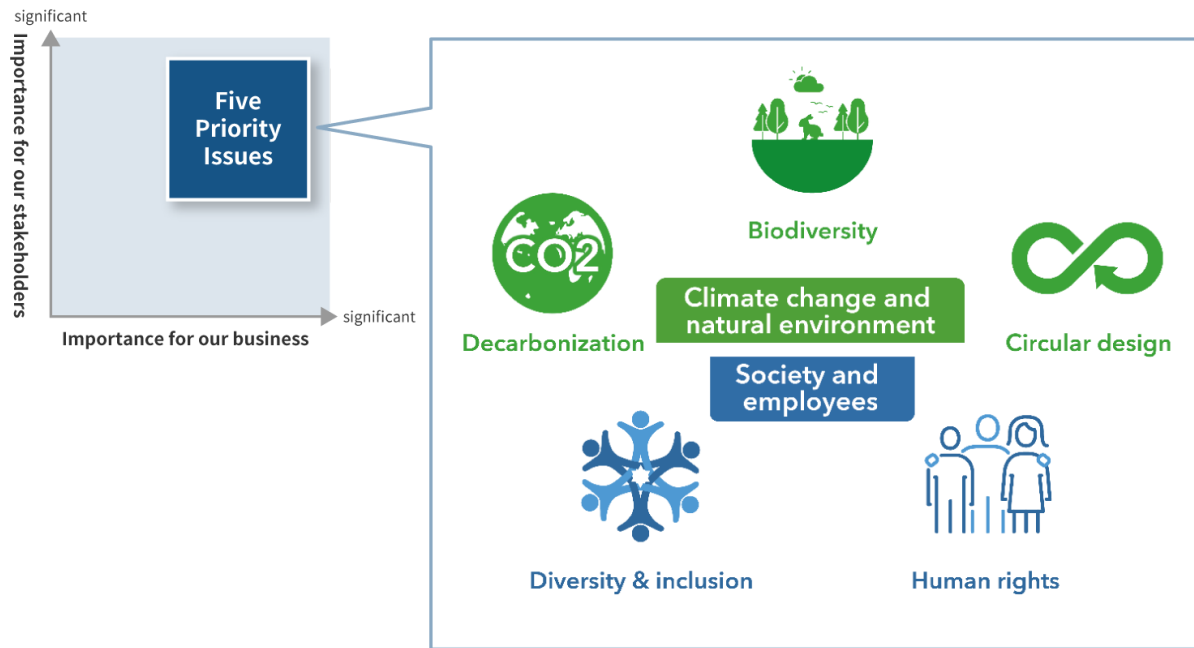
STEP3. Identify key items for stakeholders

We asked 41 stakeholders, including sustainability professionals, institutional investors, business partners, and customers, to score the 12 items identified based on what they expect from the Group and which issues they believe the Group should focus on, and we collected their opinions.

Stakeholders involved	Number
Sustainability experts	10
Institutional investors	5
Financial institution	3
Customers (tenant companies)	3
Customers (condominium residents)	4
Business partners (construction companies, design offices)	5
Business partners (academic institutions in R&D)	4
Business partners (consulting firms)	2
JV partner	1
Prospective employees	3
Employee union	1
Total	41

STEP4. Formulate a sustainability policy and three key themes and finalize priority issues (materiality)

After evaluating the scoring results of Steps 2 and 3, we distributed a questionnaire for the management level employees (20 participants). After further discussions at several Sustainability Committee meetings (chairperson: the president and Group CEO of Nomura Real Estate Holdings), we finalized the Sustainability Policy (the Group's vision of 2050), the three key themes, and the priority issues (Materiality) for 2030, and reported to the Board of Directors.








Diversity and inclusion	
Stakeholders	○ Employees, suppliers, customers, local communities
Priority reasons	○ The sustainable growth of the Company depends upon creating an environment in which a workforce with diverse backgrounds and values can accept and respect each other and everyone can demonstrate their abilities to the fullest.
The Group's approach	○ As a corporate group that connects people, towns, and communities to the future, we will realize lifestyles for which diverse backgrounds and values are respected.
Human rights	
Stakeholders	○ Employees, suppliers, customers, local communities
Priority reasons	○ Interest and expectations for human rights are high, internally and externally, and they must be addressed as part of corporate activities. If not taken seriously, the Group's very existence is not viable. ○ The Group can sustain itself only if everyone involved in its business respects each other.
The Group's approach	○ We respect people's dignity and basic human rights throughout our business activities and pursue co-creation initiatives that transcend organizations and business models.
Decarbonization	
Stakeholders	○ Employees, suppliers, customers, local communities

Priority reasons	<ul style="list-style-type: none"> ○ The Group's businesses make extensive use of natural resources and energy, so environmental issues affect its business continuity. ○ Environmental issues affect not only the Group's businesses but also the lives and businesses of its stakeholders.
The Group's approach	<ul style="list-style-type: none"> ○ Through urban development and providing products and services that leverage property development and property-related services, the Company will play its part in addressing climate change, as a shared international concern, with the three main focuses of energy conservation, low-carbon buildings, and use of renewable energy.
Biodiversity	
Stakeholders	<ul style="list-style-type: none"> ○ Employees, suppliers, customers, local communities
Priority reasons	<ul style="list-style-type: none"> ○ This can contribute to the realization of a decarbonized society as well as the preservation of the natural environment.
The Group's approach	<ul style="list-style-type: none"> ○ We will promote initiatives such as the restoration of forest cycles through the use of domestic timber.
Circular design	
Stakeholders	<ul style="list-style-type: none"> ○ Employees, suppliers, customers, local communities
Priority reasons	<ul style="list-style-type: none"> ○ Initiatives such as incorporating mechanisms that promote resource recycling into the designs of products/services or producing less waste by extending the life of the product itself can contribute to the realization of a decarbonized society.
The Group's approach	<ul style="list-style-type: none"> ○ We will contribute to the realization of a sustainable society through promoting environmentally sound urban development and service provision including the appropriate use of resources, which also helps reduce CO₂ emissions. ○ We will promote appropriate environmental management and comply with environmental laws and regulations.

STEP5. Set key performance indicators (KPIs) for priority issues (Materiality)

Based on the new mid- to long-term business plan, as well as international frameworks and policy trends such as the GRI Standards, the Sustainability Committee deliberated on and finalized the KPIs for priority issues (Materiality) identified in Step 4 and reported to the Board of Directors.

Achievements and Progress on Priority Issues and KPIs

Priority issues	KPIs	Achievements and progress
 <p>Diversity & inclusion</p>  <p>Human rights</p>	Female manager and junior manager ratio: 20%	Promoting active participation by women ☐ Diversity and inclusion
	Childcare leave utilization rate by men and women: 100%	Supporting childcare and nursing care ☐ Diversity and inclusion
	Procurement guideline survey implementation rate: 80%	Compliance with the procurement guidelines ☐ Improved supplier management
	Creation of a human rights due diligence system	Creation of a human rights due diligence system ☐ Human rights
	Percentage of participation in human rights training: 100%	100% participation rate in human rights training ☐ Human rights
	Provision of products and services with inclusive design*	Promoting inclusive and universal design ☐ Diversity and inclusion
	Percentage of implementation of one-on-one meetings: 100%	Enhancing cultivation of human capital ☐ Diversity and inclusion
 <p>Decarbonization</p>  <p>Biodiversity</p>  <p>Circular design</p>	CO ₂ emissions reduce by 35% (compared to fiscal 2019)	Reducing CO ₂ emissions ☐ Decarbonization
	Energy conservation performance indicators in new buildings Maintain ZEH/ZEB-oriented standards	Acquiring of advanced environmental management certification (DBJ Green Building, LEED, CASBEE, BELS, etc.) ☐ Environmental management
	Develop timber-based buildings	Promoting use of domestic/certified timber ☐ Biodiversity
	Obtain biodiversity certification	Number of biodiversity certifications (ABINC / JHEP / SEGES) acquired ☐ Biodiversity
	Initiatives to promote building longevity	Provisioning products and services with long lifespans and high durability ☐ Circular design
	Promote waste reduction and increase the recycling rate	Reducing waste discharge ☐ Circular design

* Design process involving people with diverse backgrounds, values, and challenges

Dialogue with Stakeholders

Approach and Policies

We serve a wide range of stakeholders through the Group's products and services, and our mission is to operate the organization sustainably. Our responsibility, therefore, is to achieve the SDGs and resolve social and environmental issues that could pose risks to the Group's business. We enhance our communication with stakeholders to listen and respond better to requests and expectations from all of them, and we strive to earn their trust toward co-creating shared value.

Overview of Stakeholder Engagement

The Group's main stakeholders are customers, employees, suppliers, investors, sustainability experts (including experts in socially responsible investment, environmental issues), and NPOs/NGOs (e.g., environmental, community, architecture). We are committed to engaging in good-faith communications and building trusting relationships with them. Opinions received through these interactions are reported to the Sustainability Committee and the Wellness and D&I Management Committee, which are chaired by the Group CEO.

Major Stakeholders	Reasons for Selection
Customers	The trust of customers is essential for the Group to promote sustainable business activities. The Group is committed to listening to customers and meeting their expectations.
Employees	Employees are the basis of all business activities. The Group recognizes that having employees engage in their work with enthusiasm and in good physical and mental health is a source of growth for the Group's business activities and for the employees themselves.
Suppliers	All of the Group's business activities are supported by suppliers, and it recognizes the importance of creating healthy and pleasant working environments for all suppliers.
Investors	The Group recognizes that the understanding and trust of its shareholders and investors is essential for conducting sustainable business activities. It will promote appropriate information disclosure and communication.
Sustainability experts (e.g., socially responsible investment, environmental issues)	The Group recognizes that understanding and grasping social issues and responding to their demands is essential for conducting sustainable business activities. It will seriously consider their opinions and promote responsible corporate activities and appropriate information disclosure.

NPOs and NGOs (on environment, community, architecture, etc.)

The Group's business activities are inseparable from the local communities in which it operates, and it recognizes the importance of ongoing dialogue with NPOs and NGOs to build relationships of trust with local communities.

 Means for Dialogue	 Main Issues Raised	 Responses
Customers		
<ul style="list-style-type: none"> • Explanation of products and services (as needed) • Opinion exchange (as needed) • Questionnaires (12 times a year)^{※1} • Installation of special counters 	<ul style="list-style-type: none"> • Revitalize communities and improve the image among residents of neighboring communities • Give consideration to ecosystems and select highly sustainable materials 	<ul style="list-style-type: none"> • Revitalization of communities based on the BE UNITED initiative • Acquisition of biodiversity certification • Proactive use of domestic/certified lumber • Incorporation of questionnaire results in operations and services
Employees		
<ul style="list-style-type: none"> • Interview with the Human Resources Division and supervisors • Labor-management talks (four times a year)^{※2} • Group/Company newsletters (four times a year)^{※3} 	<ul style="list-style-type: none"> • Revitalize communities to give rise to new services and businesses • Provide healthcare facilities and comfortable spaces for the growing number of senior citizens 	<ul style="list-style-type: none"> • Revitalization of communities based on the BE UNITED initiative • Promotion of barrier free/universal design • Reinforcement of business targeting senior citizens
Suppliers		
<ul style="list-style-type: none"> • Opinion-sharing on the Procurement Guidelines (once a year) • Safety Conference (once a year) 	<ul style="list-style-type: none"> • Safety and security are the foundation of real estate as social infrastructure • Community development initiatives accompanied by health and well-being initiatives 	<ul style="list-style-type: none"> • Observance of the Design and Construction Standards and the Quality Manual • Observance of the Building Management Quality Assessment Guidelines • Deeper imprinting of the Procurement Guidelines
Shareholders and Investors		
<ul style="list-style-type: none"> • General shareholder meeting (once a year) • IR meeting (340 times a year)^{※4} • ESG meeting (20 times a year) • Reports (once a year) 	<ul style="list-style-type: none"> • Safe and secure real estate is a need of society and customers • Develop vibrant communities 	<ul style="list-style-type: none"> • Provision of Nomura Real Estate's facilities for disaster victims • Observance of the Design and Construction Standards and the Quality Manual • Revitalization of communities based on the BE UNITED initiative
Sustainability professionals (e.g., socially responsible investment, environmental issues)		
<ul style="list-style-type: none"> • Third-party opinions (once a year) • Questionnaires (once a year) 	<ul style="list-style-type: none"> • Seek both environmental and economic performance • Nomura Real Estate's focus on safety and security will further raise corporate value 	<ul style="list-style-type: none"> • Enhancement and promotion of the structure and activities for sustainability management • Enhancement of financial and non-financial KPIs
NPOs and NGOs (on environment, community, architecture, etc.)		

<ul style="list-style-type: none"> • Opinion exchange • Questionnaires 	<ul style="list-style-type: none"> • Expecting initiatives for senior citizens' households to be implemented as the number of senior citizens increases • Environmental impact from building construction and demolition activities is significant 	<ul style="list-style-type: none"> • Reinforcement of the business targeting senior citizens • Design development for revitalizing communities • Use of materials with high durability and equally durable methods for new construction, and prolongation of the large-scale repair work cycle
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※1 For details, please see Safety Quality from Design to Management ([Result 3-1: Safety and security in design and construction](#)).

※2 Number of collective bargaining sessions held for Nomura Real Estate Development.

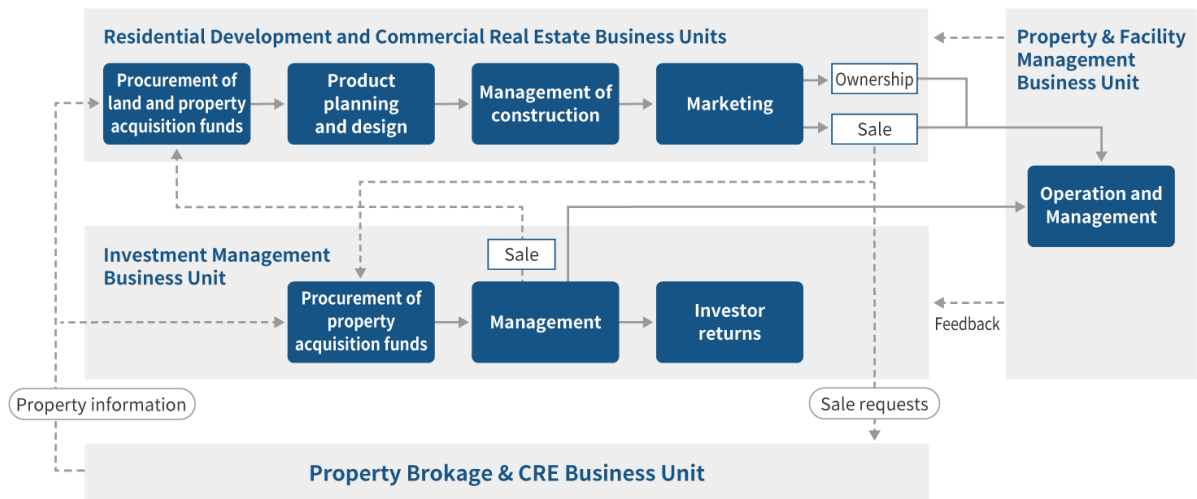
※3 Number of times the Group's internal newsletter (booklet) is published.

※4 Excludes conferences organized by securities companies, small meetings, IR fairs for individual investors, and online information sessions.

Business and Sustainability

Through its business activities, the Nomura Real Estate Group addresses social issues that require consideration. It meets the expectations of stakeholders and implements Sustainability initiatives.

Business Activities of the Nomura Real Estate Group



Business Activities	Main Activities	Major Stakeholders	Response to Major Social Issues
Acquisition of land and properties, and capital procurement	<ul style="list-style-type: none"> Investigation of properties Real estate appraisal Environmental assessment Negotiation and bidding Contract execution Capital procurement etc. 	<ul style="list-style-type: none"> Sellers Brokers Financial institutions Investors Real estate appraisers Employees etc. 	<ul style="list-style-type: none"> Care for and Revitalization of Communities Supply Chain Management Addressing Environmental Pollutants
Planning and designing products	<ul style="list-style-type: none"> Administration of questionnaires to customers and local communities Planning of products Design etc. 	<ul style="list-style-type: none"> Customers Local communities NPO Design companies Government Agencies Employees etc. 	<ul style="list-style-type: none"> Environmental Management Safety Quality from Design to Management Circular Design Safety and Security in Disasters Care for and Revitalization of Communities Diversity and Inclusion Supply Chain Management


Business Activities	Main Activities	Major Stakeholders	Response to Major Social Issues
Managing construction	<ul style="list-style-type: none"> • Supervising construction • Quality control • Cost management • Briefings for local residents etc. 	<ul style="list-style-type: none"> • Customers • Local communities • Construction companies • Employees etc. 	<ul style="list-style-type: none"> • Decarbonization • Circular Design • Biodiversity • Safety Quality from Design to Management • Safety and Security in Disasters • Care for and Revitalization of Communities • Supply Chain Management
Sales and tenant recruiting	<ul style="list-style-type: none"> • Marketing • Preparing website and pamphlets • Advertising • Offering explanations of material matters • Contract execution etc. 	<ul style="list-style-type: none"> • Customers • Local communities • NPO • Judicial scriveners • Employees etc. 	<ul style="list-style-type: none"> • Diversity and Inclusion • Safety Quality from Design to Management
Investments and investor returns	<ul style="list-style-type: none"> • Fund formation • Property management • Asset management etc. 	<ul style="list-style-type: none"> • Investors • Customers • Financial institutions • Property management companies • Local communities • Employees etc. 	<ul style="list-style-type: none"> • Environmental Management • Decarbonization • Circular Design • Safety Quality from Design to Management • Safety and Security in Disasters • Care for and Revitalization of Communities • Supply Chain Management
Operations and management	<ul style="list-style-type: none"> • Property management • Asset management • Management and repair works, operation of sports clubs and elderly housing with supportive services etc. 	<ul style="list-style-type: none"> • Customers • Local communities • Business owners • Service providers • Construction companies • Employees etc. 	<ul style="list-style-type: none"> • Decarbonization • Circular Design • Safety Quality from Design to Management • Safety and Security in Disasters • Care for and Revitalization of Communities • Response to Aging Population and Diversity and Support for Health • Supplier Safety • Supply Chain Management

Business Activities	Main Activities	Major Stakeholders	Response to Major Social Issues
Brokerage and CRE	<ul style="list-style-type: none"> Investigation of properties Real estate appraisal Environmental assessment Offering explanations of material matters Contract execution etc. 	<ul style="list-style-type: none"> Customers Brokers Financial institutions Real estate appraisers Judicial scriveners Employees etc. 	<ul style="list-style-type: none"> Care for and Revitalization of Communities Response to Aging Population and Diversity and Support for Health Improved Customer Satisfaction and Comfort

Our response to social issues relating to society and employees and governance serves as the basis of our promotion foundation for sustainability and therefore affects all of the Group's business activities.

Provision of Sustainable Products and Services

We deliver sustainable products and services that help society overcome challenges.

	Priority Issues (Materiality)	Products and Services
Society and employees	 Diversity and inclusion	<ul style="list-style-type: none"> Received the Bronze award in the Pride Index, which evaluates corporate LGBTQ initiatives
		<ul style="list-style-type: none"> Revitalization of communities based on the BE UNITED Initiative News Release (Japanese only)
	 Human rights	<ul style="list-style-type: none"> Swimming classes for children from local nurseries, kindergartens, and primary schools News Release (Japanese only)
		<ul style="list-style-type: none"> Development of "OUKAS", the Health-conscious Senior Rental Housing with the Aim of Extending Healthy Lifespans News Release (Japanese only)
		<ul style="list-style-type: none"> Promoting increases in healthy lifespan through the Fitness Business News Release (Japanese only)

	Priority Issues (Materiality)	Products and Services
Climate change and natural environment	 Decarbonization	<ul style="list-style-type: none"> ☐ Development of timber-based buildings ☐ News Release (Initiatives of Residential Development Business) (Japanese only) ☐ News Release (Initiatives of Commercial Real Estate Business) (Japanese only)
		<ul style="list-style-type: none"> ☐ Proactive use of wood materials made in Japan ☐ News Release (Japanese only)
	 Biodiversity	<ul style="list-style-type: none"> ☐ Promoting the use of wood products in hotel businesses ☐ News Release (Japanese only)
		<ul style="list-style-type: none"> ☐ Promoting the use of renewable energy in detached houses for sale ☐ News Release (Japanese only)
	 Circular design	<ul style="list-style-type: none"> ☐ Promoting the use of renewable energy in logistics facilities ☐ News Release (Japanese only)
		<ul style="list-style-type: none"> ☐ Provision of re:Premium, a service designed to extend the large-scale repair cycle to 16 to 18 years ☐ News Release (Japanese only)
		<ul style="list-style-type: none"> ☐ Announcement of Attractive 30, a service designed to lengthen the cycle of largescale repair work for condominiums and provide long-lasting safety and security ☐ News Release (Japanese only)

Special Feature Archives

FY2021



Response to the Task Force on Climate-related Financial Disclosures (TCFD)

Measures taken in response to the Task Force on Climate-related Financial Disclosures (TCFD)

FY2020



Response to COVID-19

Measures taken in response to COVID-19