



Priority Issues (materiality) **【Society and Employees】 Human rights**

Under its Group Policy, the Nomura Real Estate Group has stipulated “Respect for human rights of officers and employees” in Article 20[※] of its Group Code of Action, and it respects the dignity and fundamental human rights of everyone associated with its operations, including employees. In doing so, the Group supports and complies with the following international norms on human rights and strives to conduct business in full compliance with human rights laws and regulations in each country in which it operates. In accordance with the Nomura Real Estate Group Human Rights Policy, the president and Group CEO of Nomura Real Estate Holdings takes responsibility with regard to respecting human rights as we strive to identify, prevent, and mitigate any human rights violations related to any of our business activities. At the same time, we seek from all stakeholders cooperation with our Human Rights Policy and reinforce our efforts to promote dialogue.

[※] The Nomura Real Estate Group Code of Conduct provides in Article 20 that the Group shall respect the fundamental human rights of officers and employees and shall not engage in discrimination or harassment on the basis of race, ethnicity, age, religion, creed, sex, nationality, social status, disability, pregnancy, childbirth, childcare leave, family care leave, sexual preference, gender identity, etc.

■ 【Society and Employees】 Human rights 72

Society and Employees

Group Policy

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 and will respect people's dignity and basic human rights throughout our business activities to strengthen our foundational sustainability and pursue co-creation initiatives that transcend organizations and business models.

Targets

Society and employees	Strengthening the foundation for promoting sustainability for “co-creation” that transcends organizations and business categories
Diversity and inclusion	Create an organization that enables diverse workers, including women and foreign nationals, with various backgrounds and values to make meaningful contributions
Human rights	Solidify a corporate foundation of mutual respect for the dignity and basic human rights of every employee and business partner

Key Performance Indicators (KPIs)

- Female manager and junior manager ratio: 20%
- Childcare leave utilization rate by men and women: 100%
- Procurement guideline survey implementation rate: 80%
- Creation of human rights due diligence system
- Percentage of participation in human rights training: 100%
- Provision of products and services with inclusive design*
- Percentage of implementation of one-on-one meetings: 100%

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

Management

The Sustainability Committee, which consists of Nomura Real Estate Holdings and Group company directors and other members, is chaired by the Nomura Real Estate Holdings president and Group CEO. It deliberates and decides policies and action plans focused on sustainability, including priority issues (materiality), and reports to the Board of Directors. It also monitors progress with regard to its targets.

In addition, to strengthen the foundations for co-creation, the Human Rights Subcommittee, led by the officer in

charge of Group Diversity and Inclusion Management as supervisor, and the Wellness and D&I Management Committee, chaired by the Nomura Real Estate Holdings president and Group CEO, have been established under the Sustainability Committee.

Human Rights Subcommittee

Consists of members from the Group Human Resource Department, Group Human Resources Development Department, Group Legal and Compliance Department, and Sustainability Management Department and meets as needed. In fiscal 2022, the committee met five times, and it has continued to discuss major topics such as the formulation of a human rights policy and surveys for human rights due diligence.

Wellness and D&I Management Committee

Consists of Nomura Real Estate Holdings and Group company presidents and others, and meets twice a year (previously called the Group Wellness Promotion Meeting). The committee discusses mid-to long-term goals and measures related to promoting occupational health and safety, wellness, work style reforms, the empowerment of women, and utilization and active participation of the Group's diverse human resources to maintain and improve sound, comfortable workplace environments in which people can work with vigor and achieve wellness, and to enhance efforts for formulating human resource development policies and promoting internal environment development to ensure diversity. The content of the discussions are periodically reported to the Board of Directors.

Diversity and Inclusion

Approach and Policies
Management
Targets and Results
Initiatives

Human Rights

Approach and Policies
Management
Targets and Results
Initiatives

Approach and Policies

Group Policy (Social)

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International norms that the Group supports and respects

International Bill of Human Rights (United Nations)

Common standards to be achieved for all people including the right to life, freedom of speech and expression, right to work, right to education, and right to live a civilized life.

Declaration on Fundamental Principles and Rights at Work (International Labor Organization (ILO))

Fundamental rights in labor (the freedom of association, the right to collective bargaining, prohibition of compulsory labor, effective elimination of child labor, and elimination of discrimination in employment and occupation)

Guiding Principles on Business and Human Rights (United Nations)

A global standard applicable to all countries and businesses, consisting of three pillars: state duty to protect human rights, corporate responsibility to respect human rights, and a remedy for victims of business-related abuses.

Children’s Rights and Business Principles (UNICEF, UN Global Compact, and Save the Children)

Guidelines on actions that should be taken by companies to protect children’s rights.

Management

Management (Social)



As a subordinate organization of the Sustainability Committee, we established the Human Rights Subcommittee, led by the officer in charge of Group Diversity and Inclusion Management as its supervisor. The subcommittee consists of several members from the Sustainability Committee and others from the Group Human Resources Development Department, Group Legal and Compliance Department, and Sustainability Management Department and meets as needed to promote human rights initiatives for the entire Group. Four meetings were held in fiscal 2022 to implement human rights due diligence and organize issues toward establishing the grievance mechanism.

Targets and Results

Targets, KPIs, and Performance Data

	2030	Unit	FY2022
KPI Creation of the human rights due diligence system	Set targets for each fiscal year	—	(1) In-house: Surveyed the working status of foreign employees (2) Outside the company: Surveyed the working status of technical intern trainees at suppliers (3) Incorporated human rights risk assessment into overseas operations (4) Organized issues to establish a grievance mechanism
KPI Percentage of participation in human rights training	100	%	—

KPI Key performance indicators (KPIs) for priority issues (materiality) up to 2030

Other Performance Data

			Unit	FY2019	FY2020	FY2021	FY2022
Human rights training (Group-wide)	New employees	Participation rate	%	100	—*1	100	100
		Number of participants		248	—*1	280	263
	Newly appointed (core) managers	Participation rate	%	100	100	100	100
		Number of participants		170	135	149	168
	Mid-career hires	Participation rate	%	100	100	100	100
		Number of participants		79	170	195	262
Email distribution for Group officers and employees			—	Done	Done	Done	Done
Human rights-related training (individual company only: Nomura Real Estate Life & Sports)*2	Participation rate	%	100	98.9	91.4	91.6	
	Number of participants		—	—	585	588	

※1 Canceled due to measures against COVID-19.


※2 Participation rates and participants for FY2019 and FY2020 are for full-time and part-time employees, and those for FY2021 and FY2022 are for full-time employees. We continue to provide training for part-time workers.

[ESG Data \(Social\)](#)

Initiatives

Human Rights Initiatives to Date

Period	Initiatives
FY2020	<ul style="list-style-type: none"> Established the Human Rights Subcommittee to strengthen and promote activities in accordance with international norms on human rights and began formulating the Human Rights Policy Conducted sustainability monitoring interviews with 10 major suppliers

FY2021	<ul style="list-style-type: none"> • Formulated and announced the Nomura Real Estate Group Human Rights Policy • Identified prominent human rights issues within the Group • Conducted a Group-wide desktop survey to ascertain the current status of human rights issues within the Group • Conducted a detailed survey, including interviews and questionnaires, involving seven Group companies, six in Japan and one in Vietnam in the property and facility management business, hotel business, and the overseas business as operations with relatively high human rights risks <div style="text-align: center; margin: 10px 0;">  </div> <div style="border: 1px solid #0056b3; padding: 10px; margin: 10px auto; width: fit-content;"> <p>Identified four priority issues</p> <ul style="list-style-type: none"> (1) Wellness and human rights of employees (2) Overseas business and non-Japanese workers (3) Human rights in the supply chain (4) Remedial measures </div>
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Human Rights Due Diligence Initiatives (Four Priority Issues)

The Group is establishing a human rights due diligence process based on the UN Guiding Principles on Business and Human Rights for identifying, preventing, and mitigating negative impacts on human rights directly related to our business, products, and services as a result of our business activities and relationships.

With the cooperation of external experts, we completed setting the priority issues to be addressed on human rights due diligence by fiscal 2021 and formulated a three-year roadmap of initiatives.

Specifically, we selected four priority issues: (1) employee wellness and human rights, (2) overseas business and non-Japanese workers, (3) human rights in the supply chain, and (4) remedial measures, and designated departments with jurisdiction over these issues.

We have been conducting a full-scale human rights due diligence and PDCA cycle based on the roadmap since fiscal 2022.

Scope of Human Rights Due Diligence

Target businesses	Real estate development business, real estate management business (especially the hotel business), overseas business (Vietnam, Thailand, China, Philippines)
Subjects	Employees of the Group (especially foreign national employees) Employees of our suppliers (especially foreign technical intern trainees) Customers and neighbors

Human rights risk indicators	<ul style="list-style-type: none"> (1) Child labor (2) Forced labor and human trafficking (3) Discrimination of any kind (4) Harassment (5) Appropriate working environment (6) Appropriate working conditions (7) Life and health of customers and users (8) Life and health of neighbors, etc. (9) Background of site acquisition (10) Privacy
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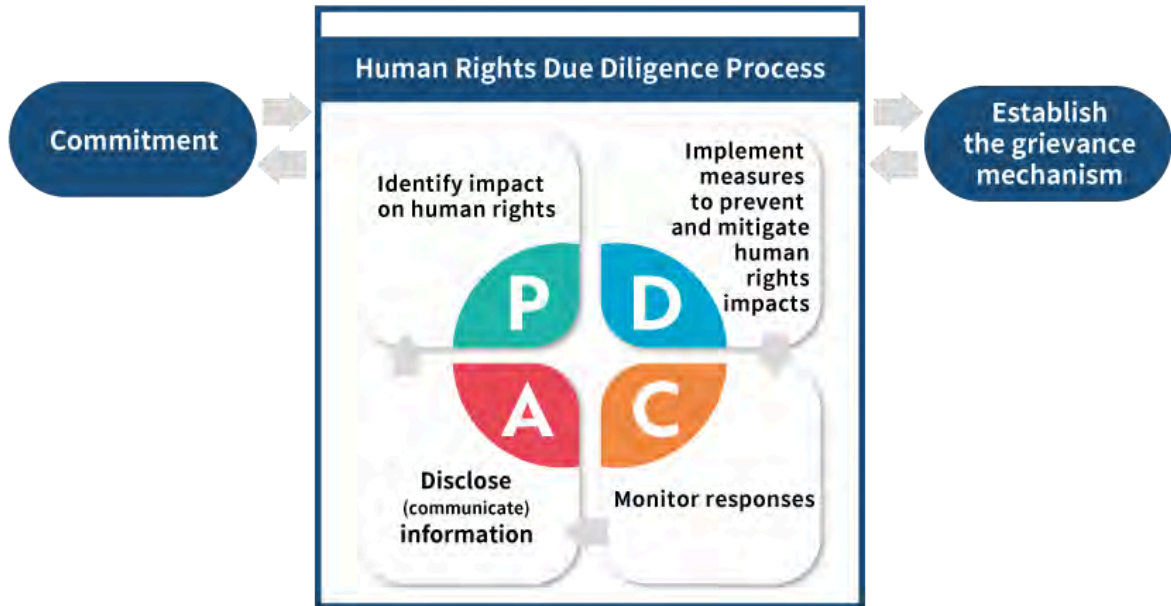
Progress of Human Rights Due Diligence (Four Priority Issues)

Theme	FY2022 Results	FY2023 Plans
(1) Employee wellness and human rights	<ul style="list-style-type: none"> • Reduced working hours • Encouraged employees to take paid leaves 	<ul style="list-style-type: none"> • Further encourage employees to take paid leaves • Reduce absenteeism^{*1} and presenteeism^{*2}
(2) Overseas business and non-Japanese workers	<ul style="list-style-type: none"> • Incorporated human rights factors into project evaluations in overseas projects • Surveyed the actual status of the Group's foreign employees and created a Human Rights Checklist 	<ul style="list-style-type: none"> • Establish a monitoring system after incorporating evaluation • Establish an operational system for the Human Rights Checklist
(3) Human rights in the supply chain	<ul style="list-style-type: none"> • Prepared interview sheets on the employment status of technical intern trainees and distributed them to suppliers 	<ul style="list-style-type: none"> • Conduct a direct engagement in line with the questionnaire responses
(4) Remedial measures	<ul style="list-style-type: none"> • Analyzed differences between international standards and our current system 	<ul style="list-style-type: none"> • Improve issues based on the results of difference analysis (including whether to join external organizations)

※1 A condition in which the employee is unable to work at the workplace due to absence from work, leave of absence, being late or leaving early, etc.

※2 A condition in which the employee is at work but unable to perform duties satisfactorily due to physical or mental health problems

Human Rights Due Diligence Implementation Process



Preventing human rights risks in our own Group

In order to more clearly understand the negative impact on human rights, we conducted the following two human rights risk assessments in fiscal 2022 under one of the four priority issues, overseas business, and non-Japanese workers.

- (1) Survey on the actual status of two companies where foreign employees from other countries work at overseas subsidiaries (Vietnam and Hong Kong)
- (2) Interview survey with four Group companies that employ foreign national employees in Japan

※ We conducted a full investigation on corporations with foreign employees from countries other than the country where the corporation is located.

With regard to (2) in particular, we conducted individual interviews with foreign employees, including technical interns and international students, regarding the involvement of illegal intermediaries in Group recruitment, the content of employment contracts, and the status of labor management and health and safety. We then confirmed there were no violations of international norms or laws and regulations. Based on the results of the interviews, we will establish procedures to review human rights risks when hiring new foreign employees.

Assessing human rights risks in the supply chain

In order to address human rights issues in the supply chain, the Group has distributed its Procurement Guidelines to more than 4,600 suppliers and asked each company to respect human rights.

We conducted a questionnaire survey on the Procurement Guidelines in fiscal 2021 and added items related to foreign technical intern training in fiscal 2022 to expand the scope of the survey and sent the

questionnaire to approximately 300 core suppliers. A total of 154 companies (51% of core suppliers) responded, and we directly engaged with approximately ten (3%) of them, conducting monitoring meetings (8 on-site visits and 2 web meetings) with them that include requests for promoting measures to improve internal systems and reduce human rights risks after confirming the status of initiatives.

We will continue to expand the scope of the survey and address human rights issues in the supply chain.

Main Items Added to Check Human Rights Risks

- Any brokerage fees, security deposits, or pre-travel expenses at the time of acceptance
- Whether working hours are recorded
- Wage records
- Deduction from salary
- Check the conditions and environment of dormitory or accommodation
- Check the possession of passport and residence card

 [Supplier Engagement](#)

Human Rights Training for Group Officers and Employees

Rank-Specific Training

To deepen understanding of respect for human rights, the Group makes use of opportunities such as rank-specific training to conduct human rights education. The human rights training conducted in fiscal 2021 is described below. A total of 2,408 persons, including part-time workers, participated in this training.

In addition, the Nomura Real Estate Group Code of Action Handbook is distributed to all employees to disseminate knowledge, and training on discrimination and harassment is conducted for all employees. The Group's internal newsletter, which is published regularly, also contains provisions requesting the understanding of and consideration for LGBT individuals.

※ LGBT (lesbian, gay, bisexual, and transgender) is a general term for sexual minorities.

Establishment of the Grievance Mechanism

The Group has set up multiple points of contact for consultation on human rights issues which are accessible to all employees regardless of employment status, and also established a point of contact for reporting on human rights abuses by Group employees and other acts that may conflict with its code of ethics.

Reports and consultations received through these points of contact are accepted anonymously and strictly remain confidential. If, as a result of investigation, there is a clear violation of respect for human rights, the Group takes appropriate action against the perpetrator, and protects the victim and whistleblower so that they are not treated prejudicially for having made a report.

In this way, by setting up multiple points of contact for consultation, the Group has created an environment where it is easy to seek advice, and is working for the early detection and resolution of any problems and taking measures to prevent recurrence.

The points of contact for consultation report semi-annually to the Risk Management Committee and report on legal violations and fraud to the Risk Management Committee as well as the Audit & Supervisory Committee, and management reviews the operational status of the points of contact.

In fiscal 2022, there were 52 consultation matters relating to discrimination and harassment, and we investigated the facts and took appropriate action.

Going forward, we plan to strengthen the system to improve the effectiveness of the points of contact for consultation.

Human Rights Consultation Service

	Contact	Subject	Outline
Nomura Real Estate Group Human Rights Desk	In-house	Group officers and employees	Harassment Consultation Desk
Power and Sexual Harassment Hotline	External	Group officers and employees	Harassment Consultation Desk
Nomura Real Estate Group Helpline	In-house	Group officers and employees	Consultation and reporting desk for organizational or individual violations of laws and regulations, including human rights and misconduct

International helpline	In-house (domestic/international)	Officers and employees directly employed by overseas subsidiaries of the Group	Consultation and reporting desk for organizational or individual violations of laws and regulations, including human rights and misconduct
Helpline for Business Partners	In-house	Employees of all corporate customers	Contact for reporting compliance violations or potential violations of compliance, including human rights, by the Group or its employees

 [Nomura Real Estate Group Helpline](#)

Engagement with Stakeholders on Human Rights Issues

The Group is implementing internal and external stakeholder engagement initiatives in various ways on the theme of human rights.

Participation in the Human Rights Due Diligence Promotion Council

The Group participates in the Human Rights Due Diligence Promotion Council (formerly the Human Rights Due Diligence Study Group) made up of three general contractors, which are suppliers to the Group, and five real estate developers, including Nomura Real Estate Holdings.

The council was established to fulfill the corporate responsibility to avoid infringing on the human rights of others and prevent, mitigate, and rectify adverse human rights impacts with which they are involved as required by the Guiding Principles of Business and Human Rights. We strive to prevent human rights abuses including forced labor in the industry as a whole.

Exchanges of Opinion on Human Rights Issues

Through the Human Rights Due Diligence Promotion Council (formerly the Human Rights Due Diligence Study Group), whose active participants include construction and real estate companies, the Group implements engagement initiatives with NGOs, lawyers, and other external bodies to prevent adverse impacts on human rights with respect to the acceptance of foreign technical interns and human rights issues related to its business activities. As for engagement initiatives, the Group was pointed out as having noticeable problems such as long working hours and insufficient safety measures.

In response, the Group is promoting appropriate business activities based on international norms by taking the perceived issues into account for future activities and plans.

Acceptance of, and Communication with, Foreign Technical Interns

The Group's Nomura Real Estate Amenity Service accepts foreign technical interns from Indonesia and Vietnam. To ensure that interns can work with confidence, the company gives due consideration to the improvement of their working environments, thorough implementation of safety standards, the provision of appropriate living arrangements, and other key factors. To elicit opinions, requests, consultations, and concerns from trainees, the company provides periodic opportunities for interviews with their superiors, and the Human Resource Development Section staff provides lifestyle support and mental care to the trainees when patrolling their dormitories. We also hold events for technical intern trainees, providing opportunities for mutual exchange and exposure to Japanese culture. We are considering accepting more trainees going forward, and to this end, we recognize that it is essential to treat and communicate with the trainees with greater consideration for their human rights.



A social gathering for technical intern trainees