



Priority Issues (materiality)

**【Climate Change and the Natural Environment】 Decarbonization**

**Under the Group Policy, the Group will promote the reduction of total CO2 emissions throughout the supply chain by promoting energy saving, low-carbon business, utilization of renewable energy in the buildings that we develop in order to resolve issues related to climate change.**

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# 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 CO<sub>2</sub> 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

<b>Climate Change and natural environment</b>	Contribution to the urgent global issue of reducing CO <sub>2</sub> emissions, biodiversity preservation and realization of a circular society that contributes to CO <sub>2</sub> reduction
<b>Decarbonization</b>	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
<b>Biodiversity</b>	By restoring the forest cycle in Japan, contribute to CO <sub>2</sub> absorption and to the natural environment through urban afforestation and forest preservation, thus enabling rich biodiversity
<b>Circular design</b>	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 CO<sub>2</sub> 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-CO<sub>2</sub> 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

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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 2022, the subcommittee met three times, mainly to discuss reducing CO<sub>2</sub> emissions and using renewable energy.

### Decarbonization

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Approach and Policies  
Management  
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### Biodiversity

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### Circular Design

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Approach and Policies  
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# Decarbonization

## Approach and Policies

### Group Policy (Environment)

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Under the Group Policy, the Group will promote the reduction of total CO<sub>2</sub> emissions throughout the supply chain by promoting energy saving, low-carbon business, utilization of renewable energy in the buildings that we develop in order to resolve issues related to climate change.

## Management

### Management (Environment)

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## Targets and Results

### Targets, KPIs, and Results

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	Target	Target Value	Unit	FY2019	FY2020	FY2021	FY2022
Long-term target: By 2050 Achieving carbon neutrality	Scopes 1 and 2 and Scope 3*1 across the Group	0	Thousand t-CO <sub>2</sub>	3,518	1,588	2,297	2,173
Total CO <sub>2</sub> emission reduction rate							

Mid-term target: By 2030 Total reduction rate (compared to FY2019) (SBT certified in November 2020)	KPI Scopes 1 and 2 and Scope 3 (Categories 1 and 11)*2 across the Group	35	%	Base year	Scope1,2 -12.2	Scope1,2 -14.2	Scope1,2 -34.7
Short-term target: By 2025 Total reduction rate (compared to FY2019)		15			Scope3 -59.4	Scope3 -39.6	Scope3 -41.1
Reduce energy use							
Mid- to long-term target: By 2050 Power consumption in the Group will be 100% renewable electricity (joined RE100 in January 2022)	Across the Group	100	%	—	—	—	—
Short-term target: By FY2023 renewable electricity will be used*3	All leasing properties in Japan owned by Nomura Real Estate Development						
KPI Energy-efficiency index for new buildings ZEH/ZEB oriented BEI value *4		Achieve the standard	—	—	—	—	Achieved

※1 Scope 1: Direct emissions from fuel combustion, etc., Scope 2: Indirect emissions associated with use of electricity and heat purchased by the Company, Scope 3: Indirect emissions other than those in Scopes 1 and 2

※2 In Scope 3, Category 1 (emissions from construction of buildings, etc.) and Category 11 (emissions from use of sold products, etc.) are targeted, which cover approximately 88.45% of the Scope 3 emissions recorded in fiscal 2020.

※3 Excludes leasing properties (including the portion used by tenants) for which Nomura Real Estate Development has concluded direct electricity supply contracts with power companies, properties that Nomura Real Estate Development owns units in or are jointly owned with other parties, and properties planned to be sold or demolished, as well as the common use areas of some rental housing.

※4 In order to achieve ZEH/ZEB oriented level by 2030, BEI (Building Energy-efficiently Index) value to be achieved in each year is set. The degree of achievement of the BEI value is measured. The BEI is based on the energy-saving standards of the Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act) and indicates a building's level of primary energy consumption.

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

## Other Results

			Unit	FY2019	FY2020	FY2021	FY2022
Scope 1 emissions			Thousand t-CO <sub>2</sub>	23	20	21	23
Scope 2 emissions				126	112	107	74
Scope 1+2 emissions				150	132	129	98
Scope 1+2 intensity (CO <sub>2</sub> emissions/Scopes 1 and 2 Gross Floor Area by Use)			kg-CO <sub>2</sub> / m <sup>2</sup>	74.1	63.6	61.9	47.9
Scopes 1 and 2 Gross Floor Area by Use (Number of facilities)	By use	Offices	m <sup>2</sup> (building)	1,423,113 (104)	1,447,598 (110)	1,456,228 (101)	1,329,031 (97)
		Fitness facilities		127,295 (45)	130,130 (48)	130,130 (48)	128,909 (49)
		Commercial facilities		347,445 (15)	362,504 (13)	361,993 (16)	478,423 (20)
		Hotels		64,469 (12)	68,620 (13)	41,109 (10)	47,254 (10)
		Logistics facilities		49,547 (1)	49,547 (1)	49,547 (1)	49,547 (1)
		Parking lots		17,141 (4)	17,141 (4)	15,422 (1)	14,282 (2)
		Training centers		654 (1)	654 (1)	654 (1)	654 (1)
		Heating and cooling center		3,758 (1)	3,758 (1)	3,758 (1)	3,758 (1)
	Total			2,033,422 (183)	2,079,952 (191)	2,058,781 (181)	2,051,858 (181)

Scope 3 emissions	Category	1 Products and services purchased	kt-CO <sub>2</sub>	969	453	702	698
		2 Capital goods		71	97	159	111
		3 Fuel- and energy-related activities not included in Scopes 1 and 2		27	24	24	24
		4 Transportation and delivery (upstream)		4	3	4	6
		5 Waste generated by businesses		6	5	7	11
		6 Business trips		1	0*1	0*1	1
		7 Employee commuting		2	2	1	1
		8 Lease assets (upstream)*2		—	—	—	—
		9 Transportation and delivery (downstream)		—	—	—	—
		10 Processing of products sold		—	—	—	—
		11 Use of products sold		2,203	834	1,214	1,170
		12 Disposal of products sold		62	19	38	38
		13 Lease assets (downstream)		19	14	13	12
		14 Franchise		—	—	—	—
		15 Investments		—	—	—	—

	Total			3,367	1,456	2,167	2,075
Energy consumption <sup>*3</sup>			MWh	422,490	381,817	379,428	382,231
Energy consumption intensity (Energy consumption/Scopes 1 and 2 Gross Floor Area by Use)			MWh/ m <sup>2</sup>	0.208	0.184	0.182	0.186
Energy consumption by facility type	Facility type	Offices	MWh	—	—	189,086	165,019
		Fitness facilities		—	—	74,705	73,926
		Commercial facilities		—	—	74,607	99,849
		Hotels		—	—	9,904	17,257
		Logistics facilities		—	—	2,360	2,420
		Parking lots		—	—	198	194
		Training centers		—	—	52	61
		Heating and cooling center		—	—	28,516	23,503
Energy consumption by energy type	Energy type	Purchased electricity	MWh	255,089	228,825	220,740	219,214
		City gas		116,068	108,034	116,840	122,258
		LPG		507	183	436	232
		Class A heavy oil		2,546	1,401	1,303	718
		Gasoline		2,156	0	0	1
		Light oil		0	0	4	34
		Kerosene		5,089	3,544	2,779	2,045
		Heat		—	—	—	—
		Steam		16,552	18,555	18,119	17,821
		Cold water		24,482	21,275	19,208	19,908
		Renewable energy (in- house power generation)		1,000	1,818	7,882	68,824



Renewable energy (in-house power generation) consumption by facility type	Facility type	Offices	MWh	1,000	1,000	6,230	50,533
		Fitness facilities		—	—	—	1,348
		Commercial facilities		—	406	975	11,577
		Hotels		—	413	677	5,223
		Logistics facilities		—	—	—	143
		Parking lots		—	—	—	—
		Training centers		—	—	—	—
		Heating and cooling center		—	—	—	—
Solar power generation	Solar power generating facility installation rate at Landport logistics facilities	%	94.7	90.0	76.0	67.8	
	Electric power generated at Landport logistics facilities	MWh	15,194	21,926	22,801	22,356	

※1 Less than 1

※2 Calculation for Category 8 is included in Scopes 1 and 2. Categories with no figures indicate emission sources do not exist.

※3 Figures are based on those stated in Scopes 1 and 2 Gross Floor Area by Use (Number of Facilities).

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

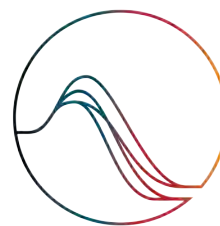
## Initiatives

### Joining RE100

Nomura Real Estate Holdings, Inc. joined RE100, a global initiative leading the transition to 100% renewable electricity in January 2022.

## Approved by Science Based Targets initiative (SBTi)

Nomura Real Estate Holdings, Inc.'s CO<sub>2</sub> emissions reduction targets were approved by the SBTi on November 24, 2020.



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

## Agreed to Recommendations Made by the Task Force on Climate related Financial Disclosures (TCFD)

Nomura Real Estate Holdings, Inc. and Nomura Real Estate Asset Management Co., Ltd. are fully aware that the substantial impact of climate change on their business continuity is a major management issue, and they therefore agreed to recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD) in order to further promote their initiatives.



[Special Feature: TCFD](#)

## Business Strategies for Decarbonization

To achieve its Scope 1, 2, and 3 reduction targets, the Group is promoting energy-saving, low-carbon business, and conversion to renewable energy.

### Group's Initiatives to Reduce CO<sub>2</sub> Emissions

	Initiatives
Emissions in own business operations (Scope 1, 2)	Use of electricity with non-fossil certificates, use of renewable energy in owned assets, initiate/consider renewable energy projects such as in-house renewable power generation
Emissions in the construction stage (Scope 3, category 1)	Use of timber, which is regarded as low-carbon building material
Emissions from customers (Scope 3, category 11)	Establishment of energy conservation performance standards for new buildings completed before FY2029 (based on energy conservation performance (BEI) indicators)

## Net Zero Energy House Initiatives

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The Group is developing net zero energy house (ZEH)\* in condominiums from the perspective of comprehensive environment impact reduction. In fiscal 2021, PROUD Musashi-Shinjo Station Marks was selected as a Super High-Rise ZEH-M Demonstration Project of the Ministry of the Environment, Trade and Industry. Also, in fiscal 2022, the Aobadai 2-Chome Project (tentative name) was selected as a Ministry of the Environment High-Rise ZEH-M Support Project. Looking ahead, we plan to adopt ZEH- and ZEB-oriented standards for all new buildings by 2030. We will also launch initiatives for adopting the same standards to detached housing from fiscal 2022.

### Net Zero Energy House: Dissemination Result and Future Target

Result for FY2020/FY2021	Result for FY2022	Target for FY2025
0%	25%	50% or more in all detached houses

※ Housing designed to achieve a net zero annual primary energy consumption by greatly improving the insulation performance of the building envelope by installing highly efficient facilities and equipment to maintain the quality of the indoor environment while substantially reducing energy consumption and then introducing renewable energy.

[☞ ZEH Condominium Initiatives \(Japanese only\)](#)

## “Yukai-full” Enables Condominiums to Reduce CO<sub>2</sub> Emissions

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Nomura Real Estate Development developed an air-conditioning system, “Yukai-full”, that makes it possible to reduce CO<sub>2</sub> emissions and realize a healthy and comfortable life, and has installed it in more than 1,000 units.

Yukai full was selected as one of the best 100 products in the 2020 Good Design Awards in recognition of its simple air conditioning system and technology that combines temperature control with standardized comfort.

[☞ News Release \(Japanese only\)](#)

## Environmental Performance Assessments During Product Planning and Design

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The Group provides products and services that address climate change in accordance with the Design and Construction Standards and the Quality Manual. Thermal insulation performance rating of level 5\*, double-glazed windows, LED lighting fixtures, and other features are set as standard specifications for PROUD condominiums, and Environmental and Product Planning Sheets are used to improve the environmental performance.

※ Thermal insulation performance rating: A housing performance evaluation system pursuant to the Housing Quality Assurance Act. Levels indicate performance in the thermal environment.

## ☐ [Assessment of Environmental Performance in Condominiums](#)

### Helping Customers to Save Energy

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The Group not only strives to reduce CO<sub>2</sub> emissions from buildings, but also helps condominium residents and tenant companies to save energy.

Specifically, the Group provides a system that calculates total energy consumption and a system that makes it possible to visualize the amount of energy used, realizes energy savings using the enecoQ system, and provides eco-information via a member newsletter.

### Reduction of Chlorofluorocarbons

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To reduce the usage of ozone layer depleting chlorofluorocarbons, the Group established a quality manual that requires the use of chlorofluorocarbon-free insulation and air conditioner refrigerants.

Construction partners are also required to submit a Quality Control Check Sheet during construction to confirm that only chlorofluorocarbon-free materials are used.

### Use of Renewable Energy in Logistics Facilities

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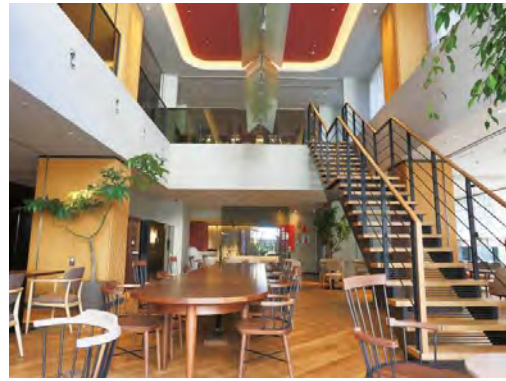
The Group is promoting renewable energy utilization through the solar power generation business. As of March 2023, solar panels were installed on a total of 19 buildings at Landport logistics facilities, with annual output of 22,356 MWh per year for the entire portfolio.

In addition, each hotel of the Nomura Real Estate Group (Nohga Hotel Ueno Tokyo, Nohga Hotel Akihabara Tokyo, and Hotel Niwa Tokyo) has acquired the Eco Mark certification from the Eco Mark Office and is promoting the use of green power by procuring all of its electricity from renewable energy sources.

## ☐ [Global Environmental Initiatives of NOHGA HOTEL UENO TOKYO](#)



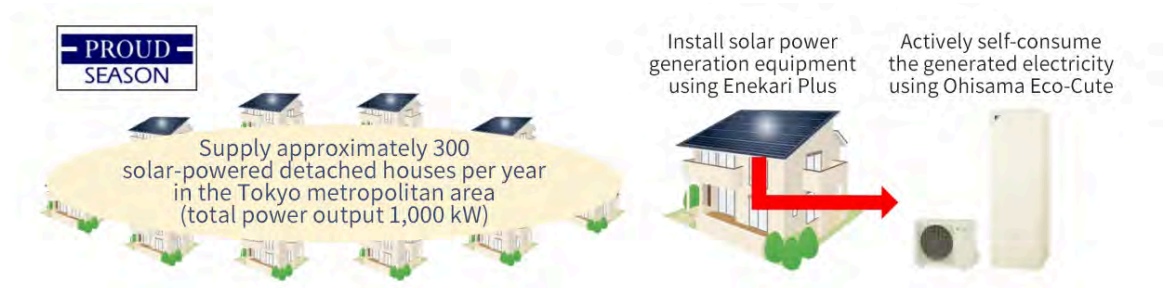
Landport Kashiwa Shonan



NOHGA HOTEL UENO TOKYO

## Solar Power Generation in Detached Housing in the Tokyo Metropolitan Area

Nomura Real Estate Development, in collaboration with TEPCO Energy Partner, launched a Virtual Mega Solar project in May 2022 to install solar power generation capability at the same scale as mega solar power generation (total output 1,000 kW) in the PROUD SEASON (detached housing). This is the first initiative in Japan to introduce solar power generation with a total output of 1 MWh to detached houses for sale in the Tokyo metropolitan area (300 houses per year on the roof of PROUD SEASON houses), and the two companies will promote this as an initiative for localized generation and consumption of electric power, to conserve and generate energy in the Tokyo metropolitan area, where there are few areas of fallow land to be utilized.



Conceptual image of Virtual Mega Solar

## Participation in Initiatives Related to Climate Change

The Group has taken part in international initiatives related to climate change and frameworks of industry associations, and is actively working to address climate change.

### The UN Global Compact

The Group signed the UN Global Compact in May 2019. Based on the principles of the UN Global Compact initiative, we will support a precautionary approach, such as climate change mitigation, to environmental problems, and proactively fulfill our responsibility to address environmental problems.

## **Endorsement of the Voluntary Action Plan on the Environment for the Real Estate Industry, formulated by the Real Estate Companies Association of Japan**

In accordance with the voluntary action plan on the environment established by the Real Estate Companies Association of Japan, the Group endorsed the environmental targets in the real estate industry, and it promotes measures to respond to climate change by working to achieve CO<sub>2</sub> emissions reductions that exceed the statutory required standards.

### **Independent Third-Party Assurance Report**

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We have asked Lloyd's Register Quality Assurance Ltd. (hereinafter LRQA) to provide assurance on the environmental data.

Please refer to the following Independent Assurance Statement for detail.

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