



Priority theme

# Environment

The Nomura Real Estate Group is aware of important social issues such as climate change, natural resource depletion, and ecosystem destruction, and contributes to the development of sustainable societies through environmentally-conscious community development including measures to save energy and create a low-carbon society while using renewable energy and engaging in the appropriate utilization of resources.

We also comply with environmental laws and regulations and implement appropriate environmental management.

Enhancing Environmental Management.....	44
Responses to climate change .....	50
Efficient use of water resources .....	59
Consideration for biodiversity .....	61
Appropriate resource use and pollution prevention.....	65

# Enhancing Environmental Management

## Approach and Policies

Responding to environmental problems has become an urgent social issue as environmental problems including climate change, the depletion of natural resources, and the destruction of ecosystems become increasingly severe, international frameworks such as the Paris Agreement and the Sustainable Development Goals (SDGs) have been launched.

The Nomura Real Estate Group enjoys various benefits obtained from the natural environment through the real estate business and urban development but also imposes certain burdens on the environment through its business activities.

In addition, the Group interacts with various customers including residents, tenant corporations, and facility users over the long term, and consequently we are aware that responding to environmental problems associated with our products and services that substantially affect the lives and business of customers is an important duty of the Group.

It is based on this understanding that the Group established the Nomura Real Estate Group Environmental Philosophy. We are working to raise awareness regarding environmental problems throughout the Group and reduce environmental impact by complying with environmental laws and regulations, conducting supplier management, and obtaining environmental certifications.

We identified the following five matters as particularly important issues, and we are working to step up our initiatives in these areas with our stakeholders including tenant corporations and suppliers.

- Enhancing environmental management
- Responding to climate change
- Using water resources efficiently
- Showing consideration for biodiversity
- Using resources appropriately and preventing pollution

We also signed the UN Global Compact in May 2019 to realize the Nomura Real Estate Group Environmental Philosophy and further promote responses in these material matters. 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.

## Nomura Real Estate Group Environmental Philosophy

---

Nomura Real Estate Holdings established the Nomura Real Estate Group Environmental Philosophy as a Group-wide guide for environmental measures. Based on our Philosophy, the Group works in concert to address environmental issues and contribute to the realization of a sustainable society.

### Nomura Real Estate Group Environmental Philosophy

The Group believes that it has a duty to society to help pass on the current natural environment to future generations.

In accordance with that belief, we are working to create communities and spaces in harmony with the environment, and we are pursuing the realization of ideal environmental quality.

## Management

### Management Structure

---

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

In addition, the CSR Committee, which comprises Nomura Real Estate Holdings and Group company directors and others and is chaired by the Nomura Real Estate Holdings executive Vice President and Group COO, deliberates on and decides related policies and action plans. The CSR Committee sets environmental management targets and monitors progress.

In June 2018, an environmental subcommittee was established as the CSR Committee's subordinate organization. We are reinforcing our environmental response system further with the quality management and architectural design manager acting as supervisor.

### Targets

The Group seeks to obtain environmental, green building certifications for new construction and owned properties (DBJ Green Building<sup>\*1</sup>, LEED<sup>\*2</sup>, CASBEE<sup>\*3</sup>, and BELS<sup>\*4</sup>, etc.)

#### 【Quantified Target】

Acquisition rate by newly-constructed office buildings, retail facilities, logistics facilities, and leased condominiums: 100%

<sup>\*1</sup> DBJ Green Building: A certification program developed by the Development Bank of Japan to promote real estate development that contributes to the environment and society.

<sup>\*2</sup> LEED: A system developed and operated by the U.S. Green Building Council for granting certification to environmentally conscious buildings.

<sup>\*3</sup> CASBEE, or Comprehensive Assessment System for Built Environment Efficiency, includes the certification program administered by the Institute for Building Environment and Energy Conservation (IBEC) and independent local municipality assessment programs.

\*4 BELS stands for Building-Housing Energy-efficiency Labeling System, which was established by the Ministry of Land, Infrastructure, Transport and Tourism. With this system, a third-party evaluation organization evaluates and certifies energy conservation performance of a building.

## Environmental Management System

---

The Group is increasing the sophistication of its environmental initiatives through the use of an internationally acknowledged environmental management system (EMS).

The Yokohama Office of Nomura Real Estate Partners Co., Ltd. acquired certification under ISO 14001, an international environmental management system, and is carrying out various initiatives including waste reduction, resource recycling, and energy-saving measures.

## Environmental Management at Suppliers

---

The Group established the Nomura Real Estate Group CSR Procurement Guidelines and is working to resolve environmental issues with suppliers.

【Nomura Real Estate Group CSR Procurement Guidelines (excerpts of environmental sections)】

### **Consideration for the Environment**

- Endeavor to make continuous improvements for reducing environmental impact in order to build a sustainable society.
- Comply with environmental laws and regulations in the countries and regions where your business activities are carried out.
- Endeavor to reduce emissions of greenhouse gases and contaminants and conserve resources through the life cycles of goods, products, and services.
- Endeavor to appropriately manage hazardous chemicals and reduce the amounts used.
- Endeavor to reduce and appropriately manage waste.
- Endeavor to implement development and greening, taking into consideration the surrounding environment and biodiversity.
- 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 with recycled wood and certified wood.

## Environmental Responses in the Design and Construction Stages

---

The Group undertakes environmental responses in the design and construction phases of condominiums, leased offices, and other properties in accordance with the Design and Construction Standards and the Quality Manual that include specifications for environmental performance.

☞ [Please click here for the details of the Design and Construction Standards and the Quality Manual.](#)

## Assessment of Environmental Performance in Condominiums

---

When developing PROUD condominiums, the Group requires project implementers to submit Environmental Assessment and Challenge Sheets and to improve residential environmental performance and quality.

### **【Environmental Assessment and Challenge Sheets (excerpt)】**

- Statement of primary energy consumption
- Set acquisition of at least BELS★★★ as a target
- Comprehensively cover the four key themes for CSR: Safety/Security, the Environment, Community, and Health and Well-being
- Promotion of community design and universal design

## Performance

### Promotion Measures

Fiscal 2018 performance against the set targets was as set forth below.

\*Unless otherwise indicated, the reporting scope is the Group.

#### Acquisition of Green Building Environmental Certification

#### Acquisition rate of Green Building Environmental Certification

Type	FY 2017	FY 2018
Acquisition rate by newly-constructed office buildings, retail facilities, logistics facilities, and leased condominiums	100%	100%

#### List of Environmental Certifications Acquired (FY 2018)

Certification Name	Property	
DBJ Green Building Certification	【Office Buildings】	PMO Akihabara III PMO Ochanomizu PMO Kyobashi Higashi PMO Hatchobori Shinkawa PMO Hamamatsucho PMO Higashi-Shinbashi
	【Retail Facilities】	GEMS Kayabacho GEMS Sangenjaya GEMS Jingu-Mae GEMS Shinbashi GEMS Shin-Yokohama GEMS Namba Hon-Amanuma Shopping Plaza
	【Logistics facilities】	Landport Ome I
	【Rental housing】	PROUD FLAT Asakusa-Kaminarimon PROUD FLAT Asakusabashi II PROUD FLAT Asakusabashi III PROUD FLAT Shibuya Tomigaya POUD FLAT Togoshi-Koen PROUD FLAT Higashi-Nihonbashi
CASBEE (Comprehensive Assessment System for Built Environment Efficiency)	GEMS Namba	



## Acquisition of Environmental Certification on Energy Performance at the Commercial Real Estate Business Unit

### Acquisition of energy rating

Type	FY 2018
Number of certifications acquired	Nine properties

Certification Name	Property
<b>BELS</b> <b>(Building-Housing Energy-efficient Labeling System)</b>	PMO Ochanomizu PMO Kyobashi Higashi GEMS Sangenjaya GEMS Jingu-Mae GEMS Shinbashi GEMS Shin-Yokohama PMO Hatchobori Shinkawa PMO Higashi-Shinbashi Hon-Amanuma Shopping Plaza

## Environmental Compliance

In fiscal 2018, the Group did not commit any violations of environmental laws and regulations (including pollution and water use) in the manufacture, sale, or management of its products and services. The Group also did not receive any external indications of violations.

# Response to Climate Change

## Approach and Policies

The Nomura Real Estate Group uses land and other natural resources and energy in the course of conducting business activities, and we are fully aware that the substantial impact of climate change on our business continuity is a major management issue.

Increased natural disasters resulting from climate change and stricter environmental regulations will impede the continuation of business and lead to higher material procurement costs and construction expenses. It is also possible that operating costs including electricity fees and insurance premiums will increase, which could have a major impact on society as a whole. Meanwhile, low-carbon/decarbonized products and services including net zero energy homes (ZEH) will lead to new business opportunities. Based on this understanding, the Group is working with stakeholders to promote the reduction of CO<sub>2</sub> emissions and the use of renewable energy across its supply chains.

## Management

### Management Structure

---

The Group is taking Group-wide measures to address climate change, with the Nomura Real Estate Holdings executive vice president and Group COO serving as supervisor.

In addition, the CSR Committee, which comprises Nomura Real Estate Holdings and Group company directors and others and is chaired by the Nomura Real Estate Holdings executive vice president and Group COO, deliberates and decides on related policies and action plans. The CSR Committee sets climate change targets and monitors progress.

### Targets

The Group has set the following three targets to address climate change.

- Reduce CO<sub>2</sub> emissions

30% Reduction in the Group's CO<sub>2</sub> emissions (Scope 1+2\*) per floor area of its real estate and business offices by 2030 from a 2013 baseline. (the target was set in March, 2019)

※ \*Scope: Scope of calculation and reporting for company CO<sub>2</sub> emissions

Scope 1: Direct emissions from fuel combustion

Scope 2: Indirect emissions from the generation of purchased electricity and heat

Scope 3: Indirect emissions other than Scopes 1 and 2, for example, from use of sold products, waste disposal, employee transportation, or business trips



- Reducing energy consumption
- Promoting solar power generation

### Climate Change Related Strategies (Risks and Opportunities)

---

The Group analyzed our Group's risks and opportunities and set the Groupwide CO<sub>2</sub> emissions targets based on the Intergovernmental Panel on Climate Change (IPCC Fifth Assessment Report) and the content of the Paris Agreement and making reference to the 2-degree scenario (and the 1.5-degree scenario).

#### 【Risks】

- Market risk: Changes in customer needs for real estate (medium-term)
- Technology risk: Increase in the development cost for CO<sub>2</sub> reduction technologies (medium-term)
- Physical risk: Increase in damage to buildings due to increasing frequency of localized severe rain and flooding, and resulting changes in asset value and quality of real estate (long-term)

Evaluation: Negative feedback in ESG evaluation by stakeholders (short-term/long-term)

#### 【Opportunities】

- Products and services: Development of low-carbon products and services and expansion of customer needs (short-term/medium-term)
- Resource efficiency: Utilization of high energy efficient buildings and properties (short-term/medium-term)
- Energy sources: Expanded utilization of renewable energy, etc. (short-term/medium-term)
- Evaluation: Acquisition of high ESG evaluation from stakeholders (short-term/medium-term)

In addition to the above, the Group has assumed various risks and opportunities including policies and laws and regulations.

### Climate Change Risk Management

---

The Group established the Risk Management Regulations to perform appropriate risk control and operations. We have identified risks associated with changes in the business environment due to climate change, as well as those risks associated with natural disasters, as major risks. The Risk Management Committee deliberates on and discusses countermeasures for such risks. Contents of deliberation are reported to and overseen by the Board of Directors at least quarterly.

 [Details of the Risk Management System](#)

## Responding to Physical Risks

---

The Group is working to address risks associated with climate change including increased frequency of natural disasters.

When developing real estate, the Group confirms hazard maps, which show expected damage areas released by each local government, and implements localized severe rain and flooding countermeasures in accordance with the Quality Manual. We also take measures to minimize damage and ensure the safety and security of customers during disasters in accordance with business continuity plans (BCP). We attach hazard maps to the disclosure statement provided to housing purchasers.

## ZEH Initiatives

---

The Group is developing net zero energy homes (ZEH) \* in condominiums from the perspective of comprehensive environment impact reduction.

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

The Group is responding to environmental needs in the design and construction phases of condominiums, leased offices, and other properties in accordance with the Design and Construction Standards that include environmental performance specifications and the Quality Manual.

 [ZEH Condominium Initiatives](#)

## Environmental Performance Assessments During Product Planning and Design

---

When developing condominiums, office buildings, retail facilities, logistics facilities, and other properties, 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: level 4 (the highest level)\*, double-glazed windows (end panel eco-glass), LED lighting fixtures, and other features are set as standard specifications for PROUD condominiums.

With the aim of enhancing environmental performance, we prepared Environmental Assessment and Challenge Sheets to set points for environmental performance assessment for thermal insulation and shielding, energy efficiency, use of natural energy, and other factors. When planning and designing products, checks are made mandatory to ensure that performance exceeds internal criteria on these points.

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

## Reduction of Chlorofluorocarbons

---

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.

## Procuring and Supplying Power Efficiently

---

At PROUD condominiums, the Group provides the enecoQ energy management system, which uses a service for purchasing high-voltage electric power for entire buildings and information and communications technologies (ICT) to curtail peak electric power consumption.

We also established NF Power Service Co., Ltd. as a group electric power procurement company, and use the demand forecasting models developed for the enecoQ service to efficiently procure electric power.

## Environmental Certification and Advanced Business to Support Energy Savings and Carbon Reduction

---

The Group is pursuing the acquisition of environmental certifications, undertaking business intended to save energy and create a low-carbon society.

### Nihonbashi Muromachi Nomura Building Certified as a Top-Level Office

The Nihonbashi Muromachi Nomura Building (located in Chuo-ku, Tokyo), developed by the Group, was certified as a Top-Level Office under the Tokyo Metropolitan Environmental Security Ordinance, which is a program to certify facilities that conform to certain criteria as an Office Taking Excellent Specific Global Warming Countermeasures.

### Third-party verification of annual specified greenhouse gas emissions

The Shinjuku Nomura Building, the Nihonbashi Muromachi Nomura Building, and Nomura Fudosan Ginza Building, which are owned (partially co-owned) by the Group, underwent verification of greenhouse gas emissions as follows from a third-party verification organization stipulated in the Tokyo Metropolitan Environmental Security Ordinance, in order to ensure the impartiality of calculation of greenhouse gas emissions from the said buildings.

•The Shinjuku Nomura Building	12,666 t-CO <sub>2</sub> /year (fiscal 2017)
•Nihonbashi Muromachi Nomura Building	4,492t-CO <sub>2</sub> /year (fiscal 2017)
•Nomura Fudosan Ginza Building	3,313t-CO <sub>2</sub> /year (fiscal 2017)

#### 【Verification Result Report】

📄 [Nihonbashi Muromachi Nomura Building Verification Result Report \(PDF1,381KB\)](#)

### Smart Community Collaboration and Cooperation

In February 2019, we entered into an agreement regarding smart community collaboration and cooperation on Proud City Hiyoshi, which will be developed by Nomura Real Estate Development, with Kanden Realty & Development Co., Ltd., Panasonic Homes Co., Ltd., Kansai Electric Power Company, Inc. and Tokyo Gas Co., Ltd.

In this project, we will aim to reduce energy consumption and CO<sub>2</sub> emissions during ordinary times through energy management in the entire relevant area by taking measures such as interchanging electric power generated by distributed electric power sources installed there. In addition, storage batteries and distributed electric power sources will be used to make electricity available for use even when some facilities are affected by disasters.



Proud City Hiyoshi (architectural perspective)

## Initiatives for the HARUMI FLAG Redevelopment Project

The type-I urban development project in the West Harumi 5-chome District, HARUMI FLAG, obtained the LEED-ND Plan Project Gold Certification and SITES Precertification Gold Certification in recognition of the project's promotion of renewable energy and energy efficiency initiatives.



HARUMI FLAG (architectural perspective)



## Use of Renewable Energy

The Group is promoting renewable energy utilization through the solar power generation business to move forward with CO<sub>2</sub> emission reduction initiatives.

As of March 2019, solar panels were installed on a total of 13 buildings, utilizing the roofs of Landport logistics facilities, with annual output of 12.081 million kWh for the entire portfolio.



Landport Takatsuki

## Purchase of Green Electric Power

The Group purchases green electric power. In fiscal 2018, the Nihonbashi Muromachi Nomura building (located in Chuo-ku, Tokyo) purchased 1 million kWh of power over the year.

## Carbon Credit Donation

Nomura Real Estate Development and NREG Toshiba Building Co., Ltd. achieved CO<sub>2</sub> emissions reduction that exceeded the required reduction amount under the Tokyo Cap-and-Trade Program and produced excess reduction credits of a total of 32,008t (12,661t by Nomura Real Estate Development and 19,347t by NREG Toshiba Real Estate). We also endorsed the Tokyo Metropolitan Government's initiatives that aim towards Zero Emission Tokyo, an advanced, net zero carbon emission city, and donated the 32,008t of carbon credits produced by the Group to the Tokyo Metropolitan Government in 2019.

For the details of the Tokyo Metropolitan Government's initiatives, please see the official website of the Tokyo Metropolitan Government Bureau of Environment.

 [Link to the official website of the Tokyo Metropolitan Government Bureau of Environment](#)

## Helping Customers to Save Energy

---

The Group helps condominium residents and tenant companies to save energy.

For tenant companies, we provide systems that calculate total energy consumption and monitoring systems that make it possible to visualize the amount of energy used, encouraging energy savings. For condominium residents, we save energy using the enecoQ system, provide low-cost electric power, and provide eco-information via a member newsletter.

## 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 order to step up responses to climate change, the Group endorsed the voluntary action plan on the environment established by the Real Estate Companies Association of Japan, and is working to achieve a CO<sub>2</sub> emissions reduction that exceeds the statutory required standards.

## Response to CDP's Questionnaire

---

In order to promote climate change initiatives and enhance the transparency of information disclosure, the Group started to respond to the CDP climate change questionnaire, which has been conducted by the CDP\* from fiscal 2019.

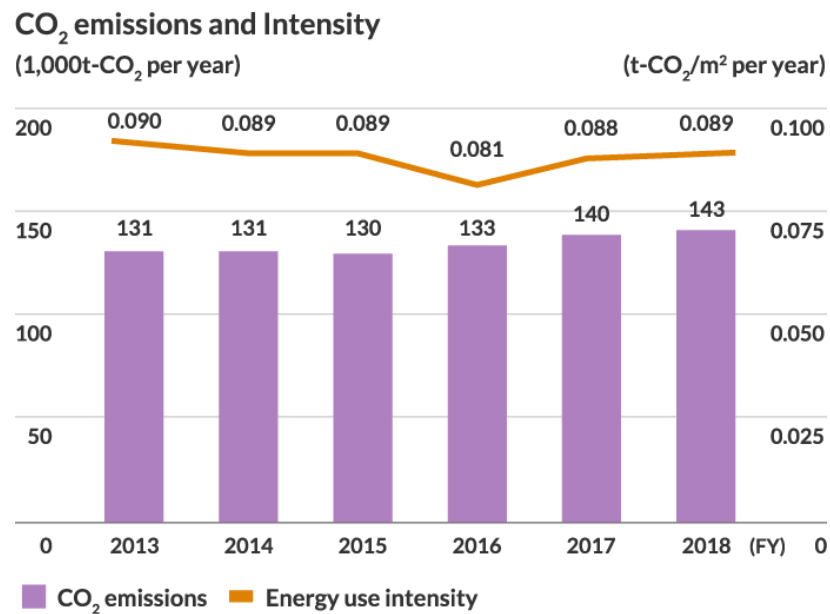
※ CDP: An NGO established in the UK in 2000 that operates a global environmental information disclosure system for investors, corporations, cities, nations, and regions to manage environmental impacts.

## Performance

### Promotion Measures

Fiscal 2018 performance against the set targets was as set forth below.

GHG (CO<sub>2</sub>) emissions performance



GHG (CO<sub>2</sub>) emissions: Total amount

	FY 2013 (base year)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>Total GHG (CO<sub>2</sub>) emissions (thousand t- CO<sub>2</sub>/year)</b>	131	131	130	133	140	143
<b>Scope 1</b>	17	—	—	—	18	18
<b>Scope 2</b>	115	—	—	—	122	125
<b>Emissions intensity (t-CO<sub>2</sub>/m<sup>2</sup> per year)</b>	0.090	0.089	0.089	0.081	0.088	0.089

\*1 Data shown are those currently available.

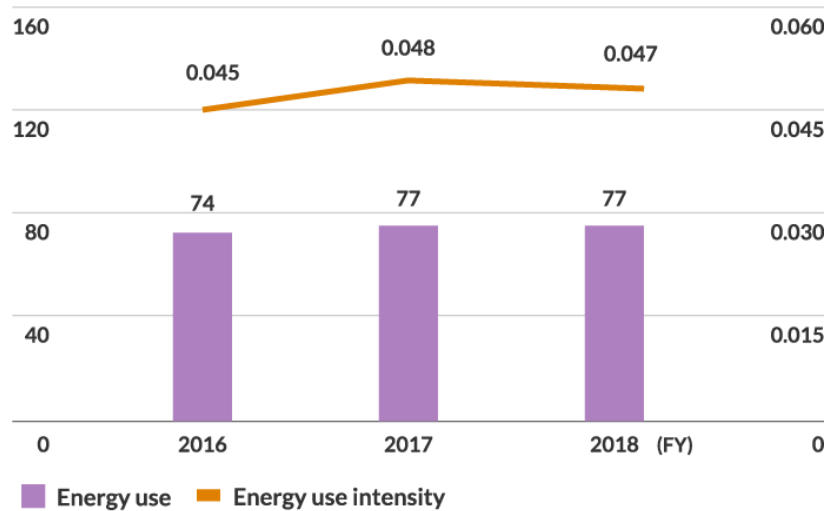
\*2 Environmental data covers facilities subject to reporting under the Act on the Rational Use of Energy (in the 2018 fiscal year, 182 facilities with a total of 1,609,742 m<sup>2</sup>).



## Energy usage performance

**Energy use and Intensity**

(1,000 kℓ per year)

( kℓ /m<sup>2</sup> per year)

	FY 2016	FY 2017	FY 2018
<b>Energy use (1,000 kℓ per year)</b>	74	77	77
<b>Energy use intensity (kℓ/m<sup>2</sup> per year)</b>	0.045	0.048	0.047

\* Environmental data covers facilities subject to reporting under the Act on the Rational Use of Energy (in the 2018 fiscal year, 182 facilities with a total of 1,609,742 m<sup>2</sup>).

## Promote solar power generation

	FY 2017	FY 2018
<b>Solar power generating facility installation rate at Landport logistics facilities</b>	93%*	93%
<b>Electric power generated at Landport logistics facilities</b>	11.55 million kWh/year	12.081 million kWh/year

\* The solar power generation facility installation rate for FY2017 has been revised.

# Efficient Use of Water Resources

## Approach and Policies

The Nomura Real Estate Group uses large amounts of water resources in its business activities in Japan and overseas including the real estate business, urban development, and sports club operation. As shortages of water resources become increasingly severe around the world, future business might be significantly affected. This could include risks in overseas businesses, higher costs for imported materials in conjunction with water shortages and water pollution, and difficulty procuring water as a result of climate change and abnormal weather. The Group is aware that this is a key management issue. Based on this understanding, the Group is working with design and construction companies and other suppliers to make capital investments and provide products and services that lead to the efficient use of water resources.

## Management

### Management Structure

---

The Nomura Real Estate Holdings'(NREH) executive vice president and Group COO has been made responsible for this issue for the Group, and the entire Group is working together to promote the efficient use of water resources.

In addition, the CSR Committee, which comprises NREH and Group company directors and others and is chaired by the NREH executive vice president, deliberates on and makes decisions on related policies and action plans.

The CSR Committee has been setting targets regarding efficient water resource use and monitoring progress.

### Targets

The Group is working to reduce its water use.

## 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.](#)

## Performance

### Promotion Measures

Fiscal 2018 performance against the set targets was as set forth below.

#### Water use performance

##### Water use

	FY 2016	FY 2017	FY 2018
<b>Total use (thousand m<sup>3</sup>/year)</b>	1,838	1,949	2,027
<b>Water use intensity (m<sup>3</sup>/m<sup>2</sup> per year)</b>	1.33	1.27	1.31

\* Data for FY2016 and FY2017 have been revised.

#### Volume of water intake (by type)

	FY 2016	FY 2017	FY 2018
<b>Clean water and industrial water use (thousand m<sup>3</sup>/year)</b>	1,649	1,766	1,850
<b>Surface water (lakes and rivers, etc.)</b>	0	0	0
<b>Groundwater</b>	189	183	176
<b>Total volume of water intake (thousand m<sup>3</sup>/year)</b>	1,838	1,949	2,027

\* Environmental data covers facilities subject to reporting under the Act on the Rational Use of Energy (in the 2018 fiscal year, 184 facilities with a total of 1,615,982 m<sup>2</sup>). Facilities subject to reporting change from year to year. Data concerning waste volume and water use, however, covers only some facilities.(water use 160 facilities with 1,492,863 m<sup>2</sup>)

\* Data for FY2016 and FY2017 have been revised.

# Consideration for Biodiversity

## Approach and Policies

In the course of constructing and demolishing building and procuring construction and raw materials in real estate and urban development, the activities of the Nomura Real Estate Group affect surrounding natural environments and ecosystems. In many aspects such as the formation of scenic views and creating comfortable living environments, we enjoy the benefits of the natural environment and ecosystems. The loss of biodiversity poses risks of harming the living and business environments of stakeholders including customers (residents, tenant companies, and facility users).

Based on our awareness of this, the Group works with design and construction companies and other suppliers to minimize impacts on biodiversity through real estate development and material procurement that achieves harmony with nature.

## Management

### Management Structure

---

The Nomura Real Estate Holdings' executive vice president and Group COO has been made responsible for these issues for the Group, and the entire Group is working together to demonstrate consideration for biodiversity.

In addition, the CSR Committee, which comprises Nomura Real Estate Holdings and Group company directors and others and is chaired by the Nomura Real Estate Holdings executive vice president and Group COO, deliberates on and makes decisions on related policies and action plans. The CSR Committee has set targets regarding consideration for biodiversity and is monitoring progress.

### Targets

The Group seeks to acquire biodiversity certification (ABINC<sup>\*1</sup>, JHEP<sup>\*2</sup>, SEGES<sup>\*3</sup>) for new construction and owned buildings.

<sup>\*1</sup> ABINC (Association for Business Innovation in harmony with Nature and Community) certification: A program that assesses and certifies apartment buildings, office buildings, and other structures regarding efforts to create biodiversity friendly green areas in accordance with the Guidelines for Sustainable Business Sites prepared by the Japan Business Initiative for Biodiversity (JBIB).

<sup>\*2</sup> JHEP (Japan Habitat Evaluation and Certification Program): A program that quantitatively assesses and certifies efforts to contribute to the preservation and restoration of biodiversity operated by the Ecosystem Conservation Society Japan.

<sup>\*3</sup> SEGES (Social and Environmental Green Evaluation System series): A green certification program operated by the Organization for Landscape and Urban Green Infrastructure to comprehensively and objectively assess social and environmental functions created from the preservation of corporate green spaces and environmental communication.

## Consideration for Biodiversity in Design, Construction, and Raw Materials Procurement

The Group established the Nomura Real Estate Group CSR Procurement Guidelines. Going forward, we will work with suppliers to give consideration to biodiversity.

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

Endeavor to implement development and greening, taking into consideration the surrounding environment and biodiversity.

When procuring raw materials, take the conservation of biodiversity and sustainable use of resources into consideration. 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 the use of recycled wood and certified wood.

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

## Green Areas and Tree Planting in Consideration of the Surrounding Environment

The Group implements building site plans and tree planting plans in its real estate development and urban development activities giving consideration not only to the comfort of customers and local residents, but also to the surrounding environment and ecosystems.

【Main Points of Tree Planting Plans that take Biodiversity into Consideration】

- Improving green coverage rates through effective use of bushes and tall trees
- Creating cool spots with tall trees
- Continuity with neighboring green areas and consideration for their ecosystems
- Maintenance of vegetation and green areas by experts

## Musashino Forest Restored at PROUD Kokubunji

The Group is working to preserve and restore existing green areas on the site of PROUD Kokubunji as the Musashino Forest. When restoring the Musashino Forest, all the trees were surveyed, and a decision was made to remove those trees that are invasive or do not suit the original ecosystem and to retain a total of 91 trees. In addition, trees that are frequently seen in the region were added to restore the forest as a modern satoyama where people can pass their time enjoyably.

These measures were implemented in accordance with ABINC (Association for Business Innovation in harmony with Nature and Community).



The Musashino Forest prior to development

## Project to Create Firefly Habitats in the Yokohama Business Park

The Group has been conducting an exhibit of Urban Design for Firefly Habitats, aimed at conservation of biodiversity, every year since 2008 at the Yokohama Business Park (YBP) (Yokohama City, Kanagawa Prefecture), an office building and commercial facility that it owns, in cooperation with Yokohama National University and tenant companies.

Firefly observation events for local residents and hands-on rice planting programs for local elementary school students are offered, and the business park has become a site for considering and learning about biodiversity and environmental problems together with local residents.

Yokohama Business Park acquired certification for consideration of conserving biodiversity under ABINC certification program (urban/SC version) of the Association for Business Innovation in harmony with Nature and Community (ABINC).



A nature observation program for local children

## Performance

### Promotion Measures

Fiscal 2018 performance against the set targets was as set forth below.

\* Unless otherwise indicated, the reporting scope is the Group.

#### Acquisition of Biodiversity Certification (ABINC/JHEP/SEGES)

##### Number of Biodiversity Certifications Acquired

	FY 2017	FY 2018
<b>Number of Certifications Acquired for Newly Developed Properties</b>	4 properties	2 properties

## List of Projects that Acquired Certification in Fiscal 2018

Certification Name	Property
<b>ABINC</b>	<p>【Ongoing】</p> <ul style="list-style-type: none"> <li>•Yokohama Business Park (offices and other facilities in Yokohama City, Kanagawa Prefecture)</li> </ul> <p>【New】</p> <ul style="list-style-type: none"> <li>•Yaguchi 3-chome Project (tentative name)</li> </ul>
<b>ABINC ADVANCE</b>	<p>【New】</p> <ul style="list-style-type: none"> <li>•Type-I urban development project in the West Harumi 5-chome District</li> </ul>



# Appropriate Resource Use and Pollution Prevention

## Approach and Policies

The Nomura Real Estate Group uses considerable resources throughout the life cycles of buildings in its real estate business and urban development business activities and necessarily disposes of certain waste materials. In addition, the use of chemical substances in real estate can have an impact on not only the natural environment but also the health of customers. Therefore, appropriate usage of such substances is crucial.

The Group regards the depletion of natural resources and the generation of large amounts of waste and the resulting pollution as social issues, and will work in cooperation with relevant stakeholders to reduce its impact on the environment and improve the resource use efficiency through waste reduction, management of chemical substances, and appropriate use of resources while giving consideration to sustainability.

## Management

### Management Structure

---

Nomura Real Estate Holdings' (NREH) executive vice president and Group COO has been made responsible for Group-wide efforts to promote the appropriate use of resources and prevent pollution. In addition, the CSR Committee, which comprises directors of NREH and Group companies and others and is chaired by the executive vice president and Group COO of Nomura Real Estate Holdings, deliberates on and establishes related policies and action plans. The CSR Committee has set targets regarding appropriate resource use and pollution prevention, and is monitoring progress.

### Targets

The Group has set the following two targets to promote appropriate resource use and pollution prevention.

- Reduce waste discharge
- Promote the use of domestic / certified lumber

## Responses Regarding Substances of Environmental Concern

---

The Group takes appropriate action to prevent environmental impact and detrimental health effects caused by soil contamination and chemical substances.

### Response to Soil Contamination/Water Pollution

When acquiring land, the Group investigates the history of land use of the site and, if soil contamination is suspected, hires specialists to conduct soil surveys. If soil contamination is detected, we take appropriate measures including removal and containment of the contaminated soil in accordance with the Soil Contamination Countermeasures Act and other relevant laws and regulations.

Similarly, we take appropriate measures if a problem with water pollution is detected.

### Proper Management and Reduced Usage of Chemicals

When developing residences, office buildings, commercial facilities, and so on, the Group uses construction materials with four-star ratings (highest rating) for formaldehyde emissions in accordance with its Design and Construction Standards and Quality Manuals.

In addition, we require that construction companies submit quality control check sheets and measure the five substances designated as specified measurement substances under the Housing Quality Assurance Promotion Act (formaldehyde, toluene, xylene, ethylbenzene, and styrene) when construction is completed.

### Appropriate Asbestos Measures and Ongoing Monitoring

The Group handles asbestos found during demolition work with the utmost caution and care by cordoning off affected areas and ensuring regular third-party testing of concentration and emissions. We also conduct continuous monitoring to ensure that no problems exist.

## Reduction and Appropriate Management of Waste Discharge

---

The Group uses highly durable materials with long lifespans and implements appropriate management and repair plans to increase the lifespans of buildings, with the aim of reducing 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](#)

## 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 CSR Procurement Guidelines and is working with all of its suppliers to reduce its environmental load.

【Nomura Real Estate Group CSR 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.](#)

For PROUD brand condominiums, offered for sale by the Group, the Group achieved an increase in durability and extension of the lifespans of buildings by offering the re:Premium service, which involves construction aiming for short to long-term repairs.

## Performance

### Promotion Measures

---

Fiscal 2018 performance against the set targets was as set forth below.

#### Waste discharge performance

	FY 2016	FY 2017	FY 2018
<b>Waste discharge (tons per year)</b>	5,887	6,060	6,832
<b>Discharge intensity (kg/m<sup>2</sup> per year)</b>	4.685	4.343	4.867

\* Environmental data covers facilities subject to reporting under the Act on the Rational Use of Energy (in the 2018 fiscal year, 182 facilities with a total of 1,609,742 m<sup>2</sup>). However, data concerning waste volume covers only some facilities. (Waste volume: 125 facilities with 1,403,672 m<sup>2</sup>)

#### Promote the use of domestic / certified lumber

The Group established the Nomura Real Estate Group CSR Procurement Guidelines, which prescribe the sustainable use of resources and methods of use of wood materials.