



Environment

Upgrades to Environmental Management	32
Responding to Climate Change	38
Effective Utilization of Water Resources	47
Consideration for Biodiversity	50
Appropriate Utilization of Resources and Pollution Control	54

Upgrades to 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 throughout the supply chain, such as procurement, company activities, and products and services initiatives.

- Upgrades to environmental management
- Responses to climate change
- Efficient use of water resources
- Consideration for biodiversity
- Appropriate resource use and pollution prevention

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's mission is to create urban development in harmony with the natural environment.

To this end, we utilize the power and blessings of nature to pass on our beautiful planet to future generations.

We have high aspirations, enhance our sensitivity to the environment, and pursue 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 Sustainability 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 Sustainability Committee sets environmental management targets and monitors progress.

Furthermore, 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.

In fiscal 2019, we mainly discussed mid- to long-term targets and specific measures for reducing carbon dioxide (Scope 1, 2 and 3), aiming to acquire SBT certification.

Targets

The Group seeks to obtain environmental, green building certifications for new construction and owned properties (DBJ Green Building^{*1}, LEED^{*2}, CASBEE^{*3}, and BELS^{*4}, etc.)

【Quantified Target】

Acquisition rate for newly-constructed properties for sale: 100%

^{*1} 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.

^{*2} LEED: A system developed and operated by the U.S. Green Building Council for granting certification to environmentally

conscious buildings.

*3 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 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 Safety/Security, the Environment, Community, and Health and Well-being
- Promotion of community design and universal design

Redevelopment of densely-built areas of wooden houses

Nomura Real Estate Development is carrying out redevelopment taking into consideration the promotion of fireproofing of entire areas by combining and making intensive use of housing lots in districts where wooden houses are densely packed together.

In 2019, in the redevelopment of Ikebukuro subcenter in Toshima-ku, which was designated as a Special Urban Renaissance Urgent Development Area, we improved disaster prevention capability, maintained and constructed roads, newly developed a district square that is open to the community, and built facilities providing support to families raising children, through resolution of dense areas of wooden houses.

Performance

Initiatives to promote

Fiscal 2019 performance against the set targets was as set forth below.

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

Acquisition rate of ISO 14001

Acquisition rate of Green Building Environmental Certification

Company name	Name of branches/offices	Certification organization	Certification acquisition date
Nomura Real Estate Partners Co., Ltd.	Yokohama Office	Japan Quality Assurance Organization (JQA)	March 5, 2004 (JQA - EM3815)

Acquisition of Green Building Environmental Certification

Acquisition rate of Green Building Environmental Certification

Type	FY 2017	FY 2018	FY 2019
Acquisition rate by business properties for sale (including new development and pending application)	100%	100%	100%

List of Environmental Certifications Acquired (FY 2019)

Certification Name	Property	
DBJ Green Building Certification	【Office Buildings】	PMO Kanda Manseibashi* PMO Gotanda PMO Nishi-Shinjuku* H'O Nihonbashi Kobuna-cho*
	【Retail Facilities】	GEMS Yokohama GEMS Sakae GEMS Shin-Yokohama MEFULL Chayamachi ENOTOKI
	【Logistics facilities】	Landport Kawaguchi Landport Ome II Landport Atsugi Aikawamachi Landport Higashi-Narashino Landport Narashino*

* Application is pending as of the end of September 2020.

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

Acquisition of energy rating

Type	FY 2018	FY 2019
Number of certifications acquired	Nine properties	14 properties (including four properties for which applications are pending)

Certification Name	Property
BELS (Building-Housing Energy-efficient Labeling System)	Same as above

Environmental Compliance

In fiscal 2019, 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.

Responding 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 CO₂ 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 Sustainability 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 Sustainability Committee sets climate change targets and monitors progress.

Targets

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

- Reduce greenhouse gases (CO₂)

[Mid- to long-term target]

35% reduction in the Group's total greenhouse gas emissions in Scopes 1 and 2, and Scope 3

(Categories 1 and 11)* by 2030 from the fiscal 2019 baseline (approved by the Science Based Targets initiative (SBTi) in November 2020)

*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

*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 94% of the Scope 3 emissions recorded in fiscal 2019.

- Reducing energy consumption
- Promoting solar power generation

Approved by Science Based Targets initiative (SBTi)

Nomura Real Estate Holdings, Inc.'s [greenhouse gas \(CO₂\) emissions reduction targets](#) were approved by the SBTi on November 24, 2020.



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.



Climate Change Related Strategies (Risks and Opportunities)

The Group analyzed the Group's risks and opportunities and set the Groupwide CO₂ emissions targets based on the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report and the content of the Paris Agreement while 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 CO₂ 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)
- Reputation: Negative feedback in ESG evaluation by stakeholders (short-term/medium-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)
- Reputation: 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.

In fiscal 2019, the Osaka-shi Kita-ku Toyosaki 4-chome Plan (tentative name) was adopted as a Ministry of Economy, Trade and Industry Superhigh-rise ZEH-M Demonstration Project, and the Takadanobaba Plan (tentative name) was adopted as a Ministry of the Environment High-rise ZEH-M Support Project.

* 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.

ZEH Condominium Initiatives (Japanese only)

Environmental Performance Assessments During Product Planning and Design

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 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, and Environmental Assessment and Challenge 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

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 as well as information and communications technologies (ICT) to curtail peak electric power consumption, and it uses the demand forecasting models developed for the enecoQ service to efficiently procure electric power.

Independent Third-Party Assurance Report

We have asked Lloyd's Register Quality Assurance Ltd. to provide assurance on the environmental data. Please refer to the following Independent Assurance Statement for detail.

【LR Independent Assurance Statement】

[📄 LR Independent Assurance Statement](#)

Smart Community Collaboration and Cooperation

Nomura Real Estate Development has entered into an agreement regarding smart community collaboration on Proud City Hiyoshi with Kanden Realty & Development, Panasonic Homes, Kansai Electric Power and Tokyo Gas. In this project, we are able to reduce CO₂ emissions and supply electric power during disasters by implementing the energy management in the entire area.



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)



“Yukai full” enables condominiums to reduce CO₂ emissions

Nomura Real Estate Development developed an air-conditioning system, “Yukai full”, that makes it possible to reduce CO₂ emissions and realize a healthy and comfortable life.

[📄 News Release \(Japanese only\)](#)

Use of Renewable Energy

The Group is promoting renewable energy utilization through the solar power generation business.

As of March 2020, solar panels were installed on a total of 18 buildings at Landport logistics facilities, with annual output of 15.194 million kWh/year for the entire portfolio.



Landport Takatsuki

Carbon Credit Donation

Nomura Real Estate Development and NREG Toshiba Building Co., Ltd. achieved CO₂ emissions reduction that exceeded the required reduction amount under the Tokyo Cap-and-Trade Program and donated excess reduction credits of a total of 32,008t (12,661t by Nomura Real Estate Development and 19,347t by NREG Toshiba Building Co., Ltd.) to the Tokyo Metropolitan Government.

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

Helping Customers to Save Energy

The Group not only strives to reduce CO₂ 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.

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 CO₂ emissions reductions that exceed the statutory required standards.

Performance

Promotion Measures

Fiscal 2019 performance against the set targets was as set forth below.

•Scope 1 and 2

(Unit: t-CO₂)

Scope 1	Scope 2	Scope 1+2
23,627	126,960	150,588

•Scope 3

(Unit: t-CO₂)

Category	GHG (CO ₂) emissions performance
1. Products and services purchased	969,704
2. Capital goods	71,164
3. Fuel- and energy-related activities that are not included in Scope 1 and 2	27,473
4. Transportation and delivery (upstream)	4,081
5. Waste generated by businesses	6,858
6. Business trips	1,421
7. Employers' commuting	2,395

8. Lease assets (upstream)	-
9. Transportation and delivery (downstream)	-
10. Processing of products sold	-
11. Use of products sold	2,203,005
12. Disposal of products sold	62,603
13. Lease assets (downstream)	19,011
14. Franchise	-
15. Investments	-
Total	3,367,714

* Calculation for Category 8 is included in Scope 1 and 2.

* Categories with no figures indicate that emission sources do not exist.

* Scope: Scope of calculation and reporting on the amount of CO₂ emissions by a company

Scope 1: Direct emissions such as fuel combustion

Scope 2: Indirect emissions resulting from the use of electricity or heat purchased by the Company

Scope 3: Indirect emissions other than those in Scope 1 and 2

GHG (CO₂) emissions performance (properties subject to reporting under the Act on the Rational Use of Energy)

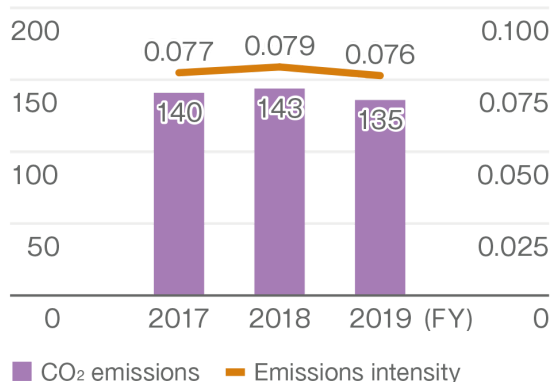
	FY 2017	FY 2018	FY 2019
Total GHG (CO₂) emissions (thousand t-CO₂/year)	140	143	135
Reduction rate (compared with FY 2013)	-14.4%	-12.2%	-15.6%
Emissions intensity (t-CO₂/m² per year)	0.077	0.079	0.076

* For the calculation of the emissions intensity, the GHG (CO₂) emissions are divided by the gross floor area of a property subject to reporting under the Act on the Rational Use of Energy (property subject to reporting on energy saving).

* Following the above, the emissions intensity for FY 2017 and FY 2018 have also been revised.

CO₂ emissions and intensity

(1,000t-CO₂/per year) (t-CO₂/m² per year)



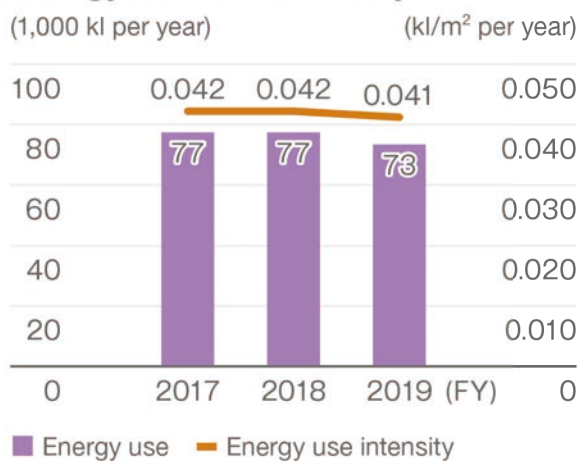
Energy usage performance (properties subject to reporting under the Act on the Rational Use of Energy)

	FY 2017	FY 2018	FY 2019
Energy use (1,000 kl per year)	77	77	73
Energy use intensity (kl/m² per year)	0.042	0.042	0.041

* For the calculation of the energy use intensity, the energy use is divided by the gross floor area of a property subject to reporting under the Act on the Rational Use of Energy (property subject to reporting on energy saving).

* Following the above, the energy use intensity for FY 2017 and FY 2018 have also been revised.

Energy use and Intensity



Promote solar power generation

	FY 2017	FY 2018	FY 2019
Solar power generating facility installation rate at Landport logistics facilities (%)	92.3	92.9	94.7
Electric power generated at Landport logistics facilities (million kWh/year)	11.55	12.081	15.194

Effective utilization 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 effective utilization 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 effective utilization of water resources.

In addition, the Sustainability 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 Sustainability Committee has been setting targets regarding effective utilization of water resources 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 2019 performance against the set targets was as set forth below.

Water use performance

Water use

	FY 2016	FY 2017	FY 2018	FY 2019
Total use (thousand m³/year)	1,838	1,949	2,027	1,914
Water use intensity (m³/m² per year)	1.33	1.27	1.31	1.16

Volume of water intake (by type)

	FY 2016	FY 2017	FY 2018	FY 2019
Clean water and industrial water use (thousand m³/year)	1,649	1,766	1,850	1,748
Surface water (lakes and rivers, etc.)	0	0	0	0
Groundwater	189	183	176	167

Total volume of water intake (thousand m³/year)	1,838	1,949	2,027	1,914
---	-------	-------	-------	-------

* Environmental data covers facilities subject to reporting under the Act on the Rational Use of Energy (in the 2019 fiscal year, 200 facilities with a total of 1,770,088 m²). 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 1,654,941 m²)

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 Sustainability 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 Sustainability Committee has set targets regarding consideration for biodiversity and is monitoring progress.

Initiatives and the certification status for biodiversity

Agreed to the Declaration of Biodiversity by Keidanren (Japan Business Federation)

In fiscal 2019, The group agreed to the Declaration with the Keidanren Biodiversity Declaration Initiatives.

We are aware that initiatives for biodiversity are important management issues for the Group which is engaged in real estate and urban development. Therefore, we will promote these initiatives, taking into consideration the natural environment and ecosystems.

Acquisition of biodiversity certification

The Group actively seeks to acquire biodiversity certification for new construction and owned buildings, such as ABINC certification (certification registered by the Association for Business Innovation in harmony with Nature and Community)*1, JHEP (Japan Habitat Evaluation and Certification Program)*2 and SEGES (Social and Environmental Green Evaluation System series)*3, which are systems to assess and certify apartment buildings, office buildings, and other structures regarding efforts to create biodiversity friendly green areas.

*1 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).

*2 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.

*3 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.

Targets

In order to promote sustainable initiatives that give consideration to biodiversity, the Group specifies areas that require special consideration and sets the following targets:

- Acquisition of biodiversity certification

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 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.](#)

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



A nature observation program for local children

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).

Performance

Promotion Measures

Fiscal 2019 performance against the set targets was as set forth below.

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

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.

Acquisition of Biodiversity Certification (ABINC/JHEP/SEGES)

Number of Biodiversity Certifications Acquired

	FY 2017	FY 2018	FY 2019
Number of Certifications Acquired for Newly Developed Properties	4 properties	2 properties	None

Appropriate utilization of resources and pollution control

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 utilization 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 utilization 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 utilization of resources and pollution control.

In addition, the Sustainability 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 Sustainability Committee has set targets regarding appropriate utilization of resources and pollution control, and is monitoring progress.

Targets

The Group has set the following two targets to promote appropriate utilization of resources and pollution control.

- 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
re:Premium service

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

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.](#)

Collaboration with Customers

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, a service designed to lengthen large-scale repair cycles.

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.

PROUD Kanda Surugadai: High-rise Condominiums Using Wood Structural Members

Nomura Real Estate Development in cooperation with TAKENAKA CORPORATION announced the PROUD high-rise condominium in which wood structural members are used, with domestic lumber being used for structural parts such as pillars and walls.

Use of domestic lumber, not only for structural parts such as pillars and walls, but also for interior materials contributes to preservation of the global environment by recycling of forest resources and provides residential space that contributes to enhancing the health of residents.

Performance

Promotion Measures

Fiscal 2019 performance against the set targets was as set forth below.

Waste discharge performance

	FY 2016	FY 2017	FY 2018	FY 2019
Waste discharge (tons per year)	5,887	6,060	6,832	6,594
Discharge intensity (kg/m² per year)	4.685	4.343	4.867	5,159

* Environmental data covers facilities subject to reporting under the Act on the Rational Use of Energy (in the 2019 fiscal year, 200 facilities with a total of 1,770,088 m²).

However, data concerning waste volume covers only some facilities.

(Waste volume: 121 facilities with 1,278,147 m²)