

# Third-Party Comments



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Overall, the report conveys the contents and processes of the new initiatives that Nomura Real Estate Group has expanded and strengthened since the previous fiscal year. The issues pointed out in the previous year's report have been fully taken into account and addressed, and the Group has clearly been making steady progress.

## 1. Strong Points

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- The Sustainability Committee is now chaired by the Group CEO, and top management has explicitly committed itself to sustainability, explaining its importance to management, specific initiatives, and future challenges.
- The Nomura Real Estate Group's Stance on Sustainability section at the beginning of the Group's Sustainability Report, which describes the key pillars of its initiatives, has been updated to add the Dialogue with Stakeholders section to state its basic policies and commitment to engaging stakeholders in contributing to the SDGs.
- The Group established the Nomura Real Estate Group Human Rights Policy in July 2021. In the policy, the Group expresses its commitment to addressing global stakeholder concerns, including adherence to the United Nations Guiding Principles on Business and Human Rights, practicing human rights due diligence to improve the effectiveness of remedies, and requesting cooperation from business partners.
- The Group has been accelerating its efforts to realize a decarbonized society based on scientific findings and to disclose its strategies and risk scenarios. Specifically, the Group obtained SBT certification in November 2020 and also disclosed a detailed response to the TCFD as a feature article, focusing on the risks classified into four categories.
- The Group has been proactively working on sustainable finance by issuing sustainability-linked loans and sustainability bonds. Financial institutions are also now taking steps to focus on positive impact, and I hope that the Group will work with these institutions to strengthen its own efforts.

## 2. Recommendations for Further Initiatives

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- In terms of stakeholder engagement, I would like to see the Group more sharply focus its dialogues to be more strategic in terms of topics and participants. For example, I recommend that the Group creates opportunities to engage in dialogue with NGOs and other stakeholders that are highly specialized in different areas of sustainability, such as climate change, biodiversity, human rights, and labor. This will stimulate the Group's development of future strategies, identify priority issues, and take specific actions.
- I would like to see the Group make steady progress in its future implementation plans based on its established human rights policy. In particular, I believe that the implementation of human rights due diligence and information disclosure are important. I expect the Group to also promote engagement with suppliers, having already taken the first step with risk identification and monitoring, as part of its efforts to further advance. With regard to specific ways of conducting human rights due diligence, I recommend the use of Keidanren's Implementation Guidance on Charter of Corporate Behavior and Handbook for Management that Respects Human Rights, which have been substantially enhanced with the December 2021 revision. It would also be helpful for the industry to jointly consider shared issues that cannot be resolved by one company alone.
- In disclosing information based on the TCFD, I would like to see the Group set very long-term goals that are in line with the SBT initiative and enhance the disclosure of strategic scenarios from the perspective of business opportunities as well as risks. In addition, the international community has agreed to focus on the recovery of biodiversity by 2030. As the TNFD has already been established, I would like the Group to consider and work on what it can do in this regard as well, while also encouraging its suppliers.
- Appropriate employee training will be required to ensure that sustainability initiatives are implemented in all departments. For example, the Group should enhance its rank-specific training programs by including sustainability topics. The Group's current human rights training, which is focused on the prohibiting discrimination, diversity, and harassment, should also be expanded to include a broader range of perspectives.

## 3. Conclusion

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As stated in the Top Message, I hope that the Group will continue to move forward with the adventuring spirit of a pioneer. This field is constantly evolving, and I hope that the company will continue to monitor global trends closely and maintain a position of leadership. Overall, the report conveys the efforts and concrete results of the improvements the Group has made since the previous year. The Group has also taken firm actions to address the points and recommendations made in my comment last year, which shows that it is diligently striving to move forward as a responsible corporation through self-improvement.

## Response to the Third Party Comments

The Group is deeply grateful to Professor Seki for the valuable opinions he has provided on the Group's sustainability efforts since the fiscal year ended March 2020.

Since April 2021, I have been serving as both Group CEO and chairman of the Sustainability Committee to demonstrate my commitment to sustainability with a sense of urgency as a vital aspect of corporate management.

In terms of the environment, we obtained SBT certification and declared our support for the TCFD last year and have also joined RE100 to further accelerate our efforts. As you pointed out, decarbonization efforts could be seen as a business opportunity as well as a risk. Now that we have become a member of RE100, we will be launching a full-scale study on how to best use renewable energy as a business. We have also been examining the use of forests and wood since last year, and we are looking at ways to make this initiative contribute to both decarbonization and biodiversity.

Meanwhile, in terms of society, this year we formulated and announced the Nomura Real Estate Group Human Rights Policy. We are currently working to establish a human rights due diligence system to further improve the effectiveness of this policy, which will be fully implemented starting with the next fiscal year. In addition, as part of our efforts to strengthen supplier engagement, we will be implementing full-scale monitoring of our procurement guidelines this fiscal year. Recognizing that our Group is supported by various stakeholders, we will further enhance our engagement with them going forward.

This fall, we formulated our Sustainability Policy, Earth Pride, to express the direction of the Group's sustainability activities. The policy, aimed at both achieving sustainable corporate growth and realizing a sustainable society, will be fully integrated into the management and business activities of the Group. The Group is also promoting various initiatives to address such concerns as decarbonization and human rights, and we will clearly define our objectives and goals for promoting sustainability and link them to the sustainable growth of the Group during the implementation of the new mid- to long-term management plan, which will be publicly announced next year.

In conclusion, drawing on this year's third-party opinion, the Group will continue to strengthen its sustainability initiatives through dialogue with stakeholders and provide new value to society and customers.

President and Representative Director  
Group CEO  
Sustainability Committee Chairman  
Nomura Real Estate Holdings, Inc.  
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