



Key Themes of Materiality

Environment

The Nomura Real Estate Group recognizes that climate change, the depletion of natural resources, water shortages, and the collapsing of ecosystems are important social issues. It contributes to the realization of a sustainable society through environmentally friendly urban development, including energy saving and low-carbon initiatives as well as the use of renewal energy and appropriate utilization of resources. It also complies with environmental laws, ordinances, and regulations, and promotes appropriate environmental management.

Enhancement of environmental management	69
Responding to climate change	76
Effective utilization of water resources	85
Consideration for biodiversity	87
Appropriate utilization of resources and pollution control	92

Environment

Group Policy

The Nomura Real Estate Group recognizes that climate change, the depletion of natural resources, water shortages, and the collapsing of ecosystems are important social issues. It contributes to the realization of a sustainable society through environmentally friendly urban development, including energy saving and low-carbon initiatives as well as the use of renewal energy and appropriate utilization of resources. It also complies with environmental laws, ordinances, and regulations, and promotes appropriate environmental management.



Management

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

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 president and Group CEO, deliberates on and decides related policies and action plans. The Sustainability Committee sets environmental targets and monitors progress for environmental management, climate change, efficient use of water resources, consideration for biodiversity, appropriate resource use and pollution prevention.

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. The subcommittee consists of members from business units related to environmental themes and holds meetings as needed. In fiscal 2020, it held two meetings to mainly discuss the reduction of CO₂ emissions and the use of renewable energy, which led to company-wide initiatives.

Enhancement of Environmental Management

Approach and PoliciesManagement

Targets and ResultsInitiatives

Responding to Climate Change

Approach and PoliciesManagement

Targets and ResultsInitiatives

Effective Utilization of Water Resources



Approach and PoliciesManagement

Targets and ResultsInitiatives

Consideration for Biodiversity



Approach and PoliciesManagement

Targets and ResultsInitiatives

Appropriate Utilization of Resources and Pollution Control



Approach and PoliciesManagement

Targets and ResultsInitiatives

Enhancement of Environmental Management

Approach and Policies

Group policy (Environment)

Given the understanding set forth in the Group Policy, 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.

- Enhancement of 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 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.

Management

Management (Environment)

Targets and Results

Targets

The Group acquires environmental, green building certifications, including DBJ Green Building^{*1}, LEED^{*2}, CASBEE^{*3}, and BELS^{*4}, for new construction and owned properties and meets the following two quantitative targets.

Quantified Targets

Acquisition rate for newly-constructed properties for sale (except for rental housing): 100%

Target percentage of properties owned by Nomura Real Estate Master Fund, Inc. (NMF) with green certification (three stars or more or equivalent to): 70% (by FY2030)

Results

Acquisition Rate of ISO 14001 (coverage rate: 18.6%*)

Company name	Name of branches/offices	Scope of registered activities	Certification organization	Certification acquisition date
Nomura Real Estate Partners Co., Ltd.	Yokohama Office Yokohama Business Park offices (A1, A2, A3, C1, C2, and C3 buildings)	Planning and provision of comprehensive building management services (facility management, cleaning, and security)	Japan Quality Assurance Organization (JQA)	March 5, 2004 (JQA-EM3815)

※ The net lettable area of the Group as of the end of fiscal 2020, which is 827,737 m², was used as the denominator, and the floor area of the relevant offices of the Yokohama Business Park, which is 154,103 m², was used as the numerator.

Acquisition of Green Building Environmental Certification

Type	FY2018	FY2019	FY2020
Acquisition rate by business properties for sale (including new development and pending application)	100%	100%	100%

List of Environmental Certifications Acquired (FY2020)

Certification name	Property	
DBJ Green Building Certification	Office buildings	PMO Kanda Iwamoto-cho II PMO Hamamatsu-cho II PMO Shibuya II H1O Hirakawa-cho H1O Shibuya Jinnan H1O Kanda
	Retail facilities	MEFULL Urawa GEMS AOYAMA CROSS GEMS Kawasaki GEMS Nakameguro MEFULL Chitose Karasuyama GEMS Hiroo SOCOLA Yoga
	Logistics facilities	Landport Ome III (warehouse building) Landport Shinonome

Acquisition of Energy Rating

Type	FY2018	FY2019	FY2020
Number of certifications acquired	Nine properties	14 properties	17 properties

Certification name	Property
BELS (Building-Housing Energy-efficient Labeling System)	15 properties mentioned above + 2 properties (NOHGA HOTEL Akihabara Tokyo, lease type hotel Kyoto Horikawa)

- ※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.

Percentages of properties owned by NMF with green certification (three stars or more or equivalent to)

Type of certification	Number of properties (buildings)	Total floor area (m ²)	Ratio (%)
Green certification (three stars or more)	60	1,320,739.36	56.3
Total	283	2,347,464.97	100

※ Note: Green certification (with three stars or more or equivalent to) refers to DBJ Green Building Certification (three stars or more) or BELS Certification (three stars or more), or CASBEE for Real Estate (B+ or higher). The figure is calculated based on the floor area of NMF's properties, excluding land. The acquisition status (all figures) is as of August 31, 2021.

Environmental Compliance

In fiscal 2020, 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.

Initiatives

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. and Yokohama Business Park Offices (A1, A2, A3, C1, C2, and C3 buildings) acquired ISO 14001 certification for their environmental management system and are carrying out various initiatives including waste reduction, resource recycling, and energy-saving measures. At certified offices, annual internal audits as well as audits by external certification organizations are conducted to ensure their compliance with the EMS and environmental laws and regulations and the effectiveness of measures for controlling environmental pollution.

Environmental Management at Suppliers

The Group established the Nomura Real Estate Group Procurement Guidelines and is working to resolve environmental issues with suppliers. In particular, we conduct supplier risk assessments on ten major suppliers to reduce environmental risks through interviews on their compliance with our procurement guidelines. In fiscal 2020, no suppliers were found to pose environmental risks.

Going forward, we will expand the scope of assessment to about 300 suppliers to further strengthen our efforts to reduce environmental risks.

Nomura Real Estate Group 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.

 [Click here for details of the Design and Construction Standards and the Quality Manual](#)

Assessment of Environmental Performance in Newly Developed Properties

When developing PROUD condominiums in the Residential Development Business Unit, the Group requires project implementers to submit Environmental and Product Planning Sheets and to improve residential environmental performance and quality. Similarly, when developing office buildings,

commercial facilities and logistics facilities in the Commercial Real Estate Development Unit, the Group requires project implementers to submit Sustainability Assessment Sheets and to quantify the environmental performance and quality of each development project.

Environmental and Product Planning Sheets (excerpt)

- Description of U-value^{※1} and BEI-value^{※2}
- Description of environmental certification status, energy-saving equipment, and energy-creating equipment
- Comprehensively cover safety and security, the environment, community, and health and well-being
- Promotion of community design and universal design

※1 U-value: Insulation performance of concrete, thermal insulation materials, sashes, etc.

※2 BEI-value: Energy-saving performance of the entire building, including thermal performance of building envelopes as well as equipment, such as heating and cooling systems and hot water supply systems

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.

Environmental Education

In addition to providing environmental education to all employees every year as part of the rank-specific training programs (the Group's new employee and key employee training programs), we also publish our environmental initiatives in internal newsletters to promote environmental awareness among our employees. In addition, our Environmental Subcommittee, which consists of the persons in charge of architecture, product design and technology at each Group company, shares information on environmental issues and the latest environmental technologies.

Environmental Subcommittee (as of April 2021)

Officers in charge

Officers in charge of Quality Management and Architectural Design,
Nomura Real Estate Holdings, Inc.

Departments in charge	Residential Product Planning & Marketing Dept., Quality Management Dept., Engineering Management Dept., Architectural Design Office, Architectural Design Management Dept., Nomura Real Estate Development Co., Ltd., Environmental Engineering Dept., Nomura Real Estate Partners Co., Ltd.
Secretariat	Sustainability Management Dept., Nomura Real Estate Holdings, Inc.

Responding to Climate Change

Approach and Policies

Group Policy (Environment)

To address the social issues identified in the Group Policy, we will work with our stakeholders to promote the reduction of energy consumption and CO₂ emissions, the use of renewable energy, and the provision of low-carbon and decarbonized products and services across our supply chains.

Management

Management (Environment)

Targets and Results

Targets ---

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

Target 1. Reduce CO₂ emissions

Mid- to long-term target

35% reduction in the Group's total CO₂ 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)

Short-term target

15% reduction in the Group's total CO₂ emissions in [Scopes 1 and 2](#), and [Scope 3 \(Categories 1 and 11\)](#), by 2025 from the fiscal 2019 baseline.

- ※ 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 88.45% of the Scope 3 emissions recorded in fiscal 2020.

Mid- to long-term target

The power consumption of Scope 1 and 2 in the Group will be 100% renewable electricity by 2050. (joined RE100 in January 2022)

Short-term target

Switching electricity consumed by all leasing properties* owned by Nomura Real Estate Development to renewable electricity by 2023.

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

Target 2. Reduce Energy Use

Target 3. Promote Solar Power Generation

Results

Result 1. Reduce CO₂ emissions

Scopes 1 and 2 (Nomura Real Estate Group)

(Unit: t-CO₂) (Nomura Real Estate Group)

	FY2018	FY2019	FY2020
Scope 1	24,018	23,627	20,119
Scope 2	136,569	126,960	112,087
Scope 1 + 2	160,586	150,588	132,206
Scope 1 + 2 Intensity (kg-CO₂/m² per year)	80.70	74.06	63.56

- ※ Scopes cover 190 facilities with a gross floor area of 1,989,974 m² for FY2018, 183 facilities with 2,033,422 m² for FY2019, and 191 facilities with 2,079,952 m² for FY2020.

Scopes 1 and 2 Gross Floor Area by Use

	FY2019	FY2020
Total (m²)	2,033,422	2,079,952
Offices	1,423,113	1,447,598

Fitness facilities	127,295	130,130
Commercial facilities	347,445	362,504
Hotels	64,469	68,620
Logistics facilities	49,547	49,547
Parking lots	17,141	17,141
Training centers	654	654
Heating and cooling center	3,758	3,758

Number of facilities aggregated for Scopes 1 and 2

	FY2019	FY2020
Total (buildings)	183	191
Offices	104	110
Fitness facilities	45	48
Commercial facilities	15	13
Hotels	12	13
Logistics facilities	1	1
Parking lots	4	4
Training centers	1	1
Heating and cooling center	1	1

Scope 3 (Nomura Real Estate Group)

(Unit: t-CO₂)

Category		FY2019	FY2020
1	Products and services purchased	969,704	453,707
2	Capital goods	71,164	97,862
3	Fuel- and energy-related activities that are not included in Scopes 1 and 2	27,473	24,854
4	Transportation and delivery (upstream)	4,081	3,164
5	Waste generated by businesses	6,858	5,317
6	Business trips	1,421	936
7	Employers' commuting	2,395	2,409
8	Lease assets (upstream)	-	-
9	Transportation and delivery (downstream)	-	-
10	Processing of products sold	-	-
11	Use of products sold	2,203,005	834,184
12	Disposal of products sold	62,603	19,605

13	Lease assets (downstream)	19,011	14,025
14	Franchise	-	-
15	Investments	-	-
Total		3,367,714	1,456,063

※ Calculation for Category 8 is included in Scopes 1 and 2.

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

Result 2. Reduce Energy Use

Energy Consumption Performance (Nomura Real Estate Group)

	FY2018	FY2019	FY2020
Energy consumption (MWh/year)	445,772	422,490	381,817
Energy consumption intensity (MWh/m² per year)	0.224	0.208	0.184

※ Scopes cover 190 facilities with a gross floor area of 1,989,974 m² for FY2018, 183 facilities with 2,033,422 m² for FY2019, and 191 facilities with 2,079,952 m² for FY2020.

Result 3. Promote Solar Power Generation

Solar Power Generating Facility Installation Rate and Electric Power Generated at Landport Logistics Facilities

	FY2018	FY2019	FY2020
Solar power generating facility installation rate at Landport logistics facilities (%)	92.9	94.7	90.0
Electric power generated at Landport logistics facilities (million kWh/year)	12,081	15,194	21,926

Initiatives

Joining RE100

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

RE100
CLIMATE GROUP



Approved by Science Based Targets initiative (SBTi)

Nomura Real Estate Holdings, Inc.'s CO₂ emissions reduction targets were approved by the SBTi on November 24, 2020.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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

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



[Special Feature: TCFD](#)

Climate Change Risk Management

We manage climate change risks based on the TCFD. Matters related to climate change, including risk management, are overseen by the Board of Directors and Management Committee and are discussed as required by their subordinate organizations, the Sustainability Committee and the Risk Management Committee.

The Sustainability Committee discusses matters on Group-wide policies and targets related to climate change and climate change risks as well as opportunities.

The Risk Management Committee manages risks in accordance with the Risk Management Regulations, formulated to ensure the appropriate management and operation of risks. Identifying 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 and discusses countermeasures.

Contents of deliberations of both committees are reported to and overseen by the Board of Directors on a regular basis.

In addition, we assess and manage supplier risks through interviews on their status of compliance with our procurement guidelines to reduce environmental risks in the supply chain.

[Environmental Management](#)

[Details of the Risk Management System](#)

Responding to Physical Risks

The Group is working to address the physical risks of climate change, including increased frequency of natural disasters, by identifying the impact of these risks on the Group. The Group has identified losses following the occurrence of disasters, such as typhoons, floods and torrential rains and the impact of rising temperatures on real estate valuations.

To address these risks 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 2020, the Proud Tower Kameido Cross Gate Tower was adopted as a Ministry of Economy, Trade and Industry Superhigh-rise ZEH-M Demonstration Project, and the Proud Kagurazaka Hill Top and Proud Musashiurawa Station Arena were adopted as a Ministry of the Environment High-rise ZEH-M Support Project. In fiscal 2021, the Proud Musashishinjo Station Marks was adopted as a Ministry of the Environment High-rise ZEH-M Support Project.

In addition, we will strive to work on detached houses from FY2022.

ZEH (Net Zero Energy House) dissemination record and dissemination target

Record:FY2020・FY2021	Target:FY2025
0 units	50% or more in all detached houses

※ Housing designed to achieve a net zero annual primary energy consumption by greatly improving the insulation performance of the building envelope, 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 and Product Planning Sheets are used to improve the environmental performance.

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

 [Assessment of Environmental Performance in Condominiums](#)

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. (hereinafter LR) to provide assurance on the environmental data.

Please refer to the following Independent Assurance Statement for detail.

 [LR Independent Assurance State](#)

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 (rendered image)

“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, and has installed it in more than 1,000 units.

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

 [News Release \(Japanese only\)](#)

Use of Renewable Energy

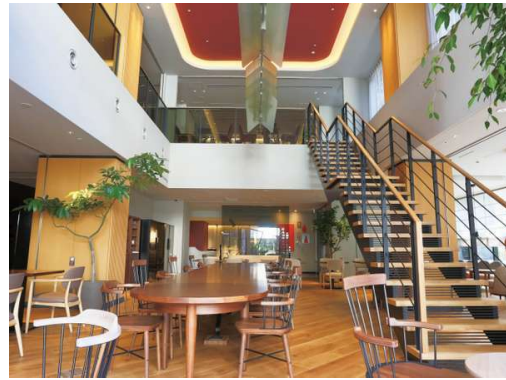
The Group is promoting renewable energy utilization through the solar power generation business. As of March 2021, solar panels were installed on a total of 18 buildings at Landport logistics facilities, with annual output of 21.926 million kWh/year for the entire portfolio.

In addition, each hotel of the Nomura Real Estate Group (NOHGA HOTEL UENO TOKYO, NOHGA HOTEL AKIHABARA TOKYO, and HOTEL NIWA TOKYO) has acquired the Eco Mark certification from the Eco Mark Office and is promoting the use of green power by procuring all of its electricity from renewable energy sources.

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



Lanport Kashiwa Shonan



NOHGA HOTEL UENO TOKYO

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.

Effective Utilization of Water Resources

Approach and Policies

Group Policy (Environment)



Increased costs for imported materials due to water shortages and water pollution as well as difficulties in procuring water as a result of climate change and abnormal weather patterns may significantly affect our future businesses. This is a key management concern for the Group, which 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.

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 (Environment)



Targets and Results

Targets

The Group is working to reduce its water use.

Volume of Water Intake, Discharge and Use (m³ per year)

	FY2018	FY2019	FY2020
Water intake	2,062,756	2,287,731	1,698,073
Surface water	1,784,612	2,017,367	1,395,108
Recycled water	101,750	103,768	161,533
Ground water	176,393	166,596	141,432
Water use intensity (m³/m² per year)	1.03	1.01	0.71
Water discharge (sewage water)	1,938,782	2,179,558	1,398,456
Water use	123,974	108,173	299,617

※ Scopes cover 190 facilities (2,010,041 m²) for FY2018, 190 facilities (2,261,122 m²) for FY2019, and 205 facilities (2,406,444 m²).

Initiatives

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.](#)

Consideration for Biodiversity

Approach and Policies

Group Policy (Environment)



The social issues and loss of biodiversity recognized in the Group Policy pose risks of harming the living and business environments of stakeholders including customers (residents, tenant companies, and facility users). 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 (Environment)



Targets and Results

Targets

In order to promote sustainable initiatives with due consideration of biodiversity, the Group specifies areas that require special attentions and seeks to acquire biodiversity certifications.

Results

Number of Biodiversity Certifications Acquired (ABINC, JHEP, SEGES)

	FY2018	FY2019	FY2020
Number of Certifications Acquired for Newly Developed Properties	2	0	2

Initiatives

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.

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

The Group established the Nomura Real Estate Group Procurement Guidelines and informed approximately 4,600 suppliers about the guidelines and asked them to give due consideration to biodiversity. Based on the likelihood of human rights and procurement risks occurring and the level of relationship with the Group, we selected ten suppliers and conducted risk assessments and analyses on the status of their recognition and operation of the guidelines through monitoring interviews. Drawing upon the results, we plan to establish policies for full-scale operation of the guidelines, expand the scope to about 300 companies, accounting for 50% of total transaction value, in fiscal 2021, and conduct a web-based survey in accordance with the guidelines. Going forward, we will continue to encourage suppliers to consider 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. In all development projects, the Group requires project managers to submit Environmental and Product Planning Sheets for residential development projects and Sustainability Assessment Sheets for commercial real estate development projects, which include consideration for biodiversity.

Examples of key assessment points on the Environmental and Product Planning Sheet

- Acquisition of biodiversity certification
- Ingenuity and consideration in tree selection (e.g., use of existing trees)
- Ingenuity and consideration in the landscape of the roadside and surrounding areas (e.g., continuity with roadside trees)
- Creating green roofs and walls

Promoting Acquisition of Biodiversity Certification

To promote sustainable initiatives that take biodiversity into consideration, the Group is actively working to acquire ABINC certification, a biodiversity certification system. For PROUD Kokubunji, which was the Group's first ABINC certification acquired in the condominium version, we surveyed the green areas on the site and worked to preserve and restore them as the Musashino Forest in accordance with the ABINC certification standards.

We have also created a site plan for PROUD Tower Meguro MARC that takes into consideration the local vegetation, securing an open space ratio of about 82% of its vast lot of approximately 2.0 hectares.

We will continue to develop real estate projects in harmony with nature.

Year of certification	Certified facilities/condominiums
FY2014	Yokohama Business Park (urban/SC version)
FY2015	PROUD Kokubunji (condominium version)
	Roka Koen The Residence* ¹ (condominium version)
	PROUD City Musashino Mitaka (condominium version)
FY2017	PROUD City Kichijoji* ¹ (condominium version)
	PROUD Tower Musashi Koganei Cross* ¹ (condominium version)
	PROUD Season Inagi Minamiyama (detached housing complex version)
	Project for Noritake Shinmachi 3-chome, Nishi-ku, Nagoya-city (condominium version)
FY2018	HARUMI FLAG* ¹ (acquired ABINC ADVANCE certification* ²)
	The Gardens Ota Tamagawa* ¹ (condominium version)
FY2020	PROUD Tower Meguro MARC (urban/SC version)
	Minamiyama Club House (detached housing complex version)

※1 Application by multiple vendors

※2 ABINC ADVANCE certification: Certification for long-term projects covering a wide area

Site plan of the entire premise of PROUD Tower Meguro MARC



Site plan of the entire premise of PROUD Tower Meguro MARC

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. (In fiscal 2020 only, no exhibit was conducted to help contain the spread of the COVID-19 pandemic.)

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

Appropriate Utilization of Resources and Pollution Control

Approach and Policies

Group Policy (Environment)



Under the values set forth in the Group Policy, the Group regards the depletion of natural resources and the pollution caused by waste in urban development business activities as urgent social issues and is working in cooperation with relevant stakeholders to reduce its impact on the environment and improve the resource use efficiency through waste reduction, appropriate management of chemical substances, and sustainable resource use.

Management

Management (Environment)



Targets and Results

Targets

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

Target 1. Reduce Waste Discharge

Target 2. Promote the Use of Domestic/Certified Lumber

Results

Results 1. Waste Discharge (Nomura Real Estate Group)

	FY2018	FY2019	FY2020
--	--------	--------	--------

Waste discharge (tonnes per year)	6,832	6,593	5,112
Discharge intensity (kg/m² per year)	4.867	5.159	3.047

※ Data covers 125 facilities (1,403,672 m²) for FY2018, 125 facilities (1,278,147 m²) for FY2019, and 106 facilities (1,677,683 m²) for FY2020.

Result 2. Promote the Use of Domestic/Certified Lumber

To reduce the risk of disrupting the ecological balance and impact on local communities due to illegal logging, the Group established the Nomura Real Estate Group CSR Procurement Guidelines, which stipulate the sustainable use of resources and methods of use of wood materials.

Initiatives

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. In addition, we aim to reduce 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](#)

Restoring Condominiums

The Group is working to restore old condominiums into homes with new value. We expanded PROUD Uehara Forest, which was established more than 30 years ago, by utilizing its excess floor space with the latest technologies while improving its livability. As a result, it was certified as excellent long-term housing for the first time as an old condominium built by a private developer. It was also certified as having a service life of 65 years by a third-party evaluation agency.

📄 [News Release \(Japanese only\)](#)

Reduction and Reuse of Waste

The NOHGA Hotel, operated by the Group, is working to reduce and reuse waste through such efforts as reducing the use of plastics by eliminating single-use toiletries and using biodegradable bamboo straws derived from plant fibers. It is also using name plates and handkerchiefs made from reused scraps of leather and Japanese clothing.



Eliminating single-use toiletries

📄 [NOHGA HOTEL's Environmental Management](#)



Name plate made from reused leather scraps

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 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.](#)

Use of Domestic Lumber

Nomura Real Estate Development is proactively deploying domestic/certified lumber as part of its efforts to conserve biodiversity and achieve sustainable use of resources. In our future construction projects, we plan to apply domestic lumber for the interiors of common areas in PROUD condominiums and introduce a wooden hybrid structure in our office building brand H¹O.

Domestic lumber not only allows us to provide a more comfortable living environment for our customers but also leads to the reduction of CO₂ emissions and prevention of natural disasters by preserving the recycling of forest resources.

[News Release \(initiatives of the residential development business\) \(Japanese only\)](#)

[News Release \(initiatives of the commercial real estate business\) \(Japanese only\)](#)



Asukayama Residence's common use building made of domestic lumber (rendered image)



H¹O Gaienmae (rendered image)