

# Priority Issues (materiality) [Society and Employees] Diversity and Inclusion

Under the Group Policy, with an awareness that all of us are diverse in various characteristics, such as race, ethnicity, nationality, age, gender, sexual orientation, gender identity, disability, religion, creed, social status, lifestyle, and life stage, and that any one of us may belong to a minority in certain characteristics at the same time as belonging to the majority in other characteristics, the Group shall resolve the issues that arise from these characteristics and create substantially equitable opportunities that focus on the individual differences of each employee. To meet the diversified needs of society through its business activities, the Nomura Real Estate Group shall work on the promotion of inclusive design in which people with various characteristics inside and outside the Group participate in product/service development processes and contribute their diverse perspectives, thereby creating yet unseen value.

To realize a "society where people support and connect with one another and where no one will be left behind" and an "innovative society where all people with various backgrounds and values can build on their strengths," which we uphold in our Sustainability Policy, we formulated the Nomura Real Estate Group Diversity and Inclusion Policy, which outlines our principles in promoting diversity and inclusion.

# Society and Employees

# **Group Policy**

As a corporate group that connects people, towns, and communities to the future, we will realize lifestyles for which diverse backgrounds and values are respected and will respect people's dignity and basic human rights throughout our business activities to strengthen our foundational sustainability and pursue co-creation initiatives that transcend organizations and business models.

# Targets

Society and employees		Strengthening the foundation for promoting sustainability for "co-creation" that transcends organizations and business categories	
	Diversity and inclusion	Create an organization that enables diverse workers, including women and foreign nationals, with various backgrounds and values to make meaningful contributions	
	Human rights	Solidify a corporate foundation of mutual respect for the dignity and basic human rights of every employee and business partner	

# Key Performance Indicators (KPIs)

- •Female manager and junior manager ratio: 20%
- Childcare leave utilization rate by men and women: 100%
- Procurement guideline survey implementation rate: 80%
- •Creation of human rights due diligence system
- Percentage of participation in human rights training: 100%
- Provision of products and services with inclusive design\*
- Percentage of implementation of one-on-one meetings: 100%

X Design process involving people with diverse backgrounds, values, and challenges

# Management

The Sustainability Committee, which consists of Nomura Real Estate Holdings and Group company directors and other members, is chaired by the Nomura Real Estate Holdings president and Group CEO. It deliberates and decides policies and action plans focused on sustainability, including priority issues (Materiality), and reports to the Board of Directors. It also monitors progress with regard to its targets. In addition, two subordinate organizations have been established under the committee to strengthen the foundations for co-creation. One is the Human Rights Subcommittee, led by the officer in charge of the Group Internal Audit Department and the

Group Legal and Compliance Department as supervisor and the officer in charge of Group Diversity and Inclusion Management as deputy supervisor, and the other is the Wellness and D&I Management Committee, chaired by the Nomura Real Estate Holdings president and Group CEO.

# Human Rights Subcommittee

Consists of members from the Group Human Resource Department, Group Human Resources Development Department, Group Legal and Compliance Department, and Sustainability Management Department and meets as needed. In fiscal 2021, the committee met eight times, and it has continued to discuss major topics such as the formulation of a human rights policy and surveys for human rights due diligence.

# Wellness and D&I Management Committee

Consists of Nomura Real Estate Holdings and Group company presidents and others, and meets twice a year (previously called the Group Wellness Promotion Meeting). The committee discusses mid-to long-term goals and measures related to promoting occupational health and safety, wellness, work style reforms, the empowerment of women, and utilization and active participation of the Group's diverse human resources to maintain and improve sound, comfortable workplace environments in which people can work with vigor and achieve wellness, and to enhance efforts for formulating human resource development policies and promoting internal environment development to ensure diversity. The content of the discussions are periodically reported to the Board of Directors.

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# **Diversity and Inclusion**

Approach and Policies Management Targets and Results Initiatives

# Human Rights

Approach and Policies Management Targets and Results Initiatives  $\mathbf{i}$ 

# **Diversity and Inclusion**

# Approach and Policies

# Group Policy (Society)

Under the Group Policy, with an awareness that all of us are diverse in various characteristics, such as race, ethnicity, nationality, age, gender, sexual orientation, gender identity, disability, religion, creed, social status, lifestyle, and life stage, and that any one of us may belong to a minority in certain characteristics at the same time as belonging to the majority in other characteristics, the Group shall resolve the issues that arise from these characteristics and create substantially equitable opportunities that focus on the individual differences of each employee. To meet the diversified needs of society through its business activities, the Nomura Real Estate Group shall work on the promotion of inclusive design in which people with various characteristics inside and outside the Group participate in product/service development processes and contribute their diverse perspectives, thereby creating yet unseen value.

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To realize a "society where people support and connect with one another and where no one will be left behind" and an "innovative society where all people with various backgrounds and values can build on their strengths," which we uphold in our Sustainability Policy, we formulated the Nomura Real Estate Group Diversity and Inclusion Policy, which outlines our principles in promoting diversity and inclusion.

Nomura Real Estate Group Diversity and Inclusion Policy

# Roadmap

Guided by the roadmap for promoting diversity and inclusion, we shall designate raising diversity and inclusion awareness, routinely incorporating diversity and inclusion into business activities, and developing a culture of innovation as important themes for achieving our vision, and promote them with the aim of swiftly accomplishing them through Steps I, II, and III. Particularly with regard to Step I, we will implement concrete measures and designate the achievement of annual paid leave acquisition targets and the utilization of childcare leave by both men and women at a rate of 100% as key goals. We aim to link the achievement of these goals to the efficient development of the workplace environment and a change in awareness at the managerial level.

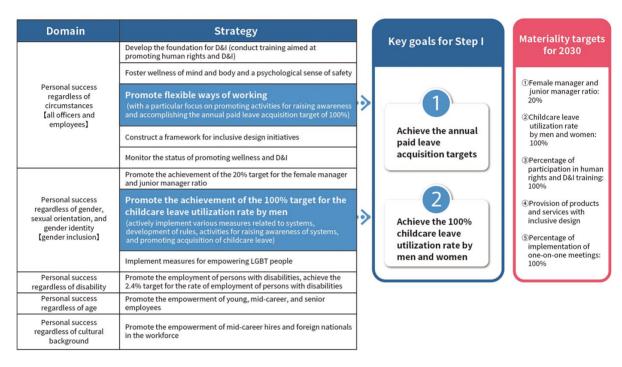
Targets on annual paid leave acquisition

# Step I (2 years of FY2022 and FY2023) Step II (2 years of FY2024 and FY2025) Step III (5 years of FY2026 to FY2030) [Raise diversity and inclusion awareness] [Routinely incorporate diversity and inclusion into business activities] [Develop a culture of innovation] Foster a corporate culture where employees respect one another's differences and feel accepted themselves [Routinely incorporate diversity and inclusion into business activities] [Develop a culture of innovation] Diverse organizations and people work together and continue challenges themselves Create new value Specific measures (excerpt)

- Diversity and inclusion training for all Group employees
   Measures to encourage men to take childcare leave
- An awareness survey targeting Group employees
   A framework for inclusive design initiatives

 Achieve annual paid leave acquisition targets
 Achieve 100% childcare leave utilization rate by men and women

Step I Measures for Promoting Diversity and Inclusion: Outline and Key Goals





# Management

# Management (Society)

# Wellness and D&I Management Committee

Comprises Nomura Real Estate Holdings, Group company presidents, and others and meets twice a year (formerly the Group Wellness Promotion Meeting). The committee discusses mid- to long-term goals and various measures related to promoting wellness, work style reforms, the empowerment of women, and the utilization and active participation of the Group's diverse human resources in order to maintain and improve sound, comfortable workplace environments in which people can work with vigor and achieve wellness.

# **Targets and Results**

## Targets

The Group has set the following targets to promote diversity and inclusion as one of the priority issues that should be addressed by 2030 in order to realize the Sustainability Policy for 2050.

# Target 1

Target 1-1. Hire and Utilize Diverse Human Resources ••••••Female manager and junior manager ratio: 20%, Employment of persons with disabilities ratio: 2.4% Target 1-2. Promote Diverse Work Styles •••••••Childcare leave utilization ratio: 100% Including the Group's own holiday system

% The above quantitative targets were set to be achieved by FY2030.

# Target 2

The Group has set the following targets to support well-being as the foundation for addressing the aging population and diversity and for promoting diversity and inclusion.

Target 2-1. Promote Barrier Free/Universal Design Target 2-2. Promote Health Support Services Foster a corporate culture that respects differences and allows all employees to feel accepted....on meetings: 100%

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

# Results

# Result 1-1. Hire and Utilize Diverse Human Resources (Promote the Empowerment of Women)

Items	FY2018	FY2019	FY2020	FY2021
Female employee ratio (%)	30.76	30.61	31.84	32.46
Manager and junior manager ratio <sup>*1</sup> (%)	10.05	10.33	11.19	11.68
Ratio of female new graduates hired <sup>*2</sup> (%)	36.82	44.77	41.97	39.77

%1 Manager and junior manager ratio: Female manager and junior manager + all managers and junior managers.

%2 Figures indicate the number of employees hired during each fiscal year (employees who have joined the Company by April of the following calendar year).

# Result 1-2. Hire and Utilize Diverse Human Resources (Number of Foreign Employees, Rate of Employment of Persons with Disabilities)

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Number of Foreign Employees <sup>*1</sup>	14	16	114	140	303
Rate of employment of persons with disabilities (%) *2	1.90	1.96	2.02	2.05	2.33

%1 Number of foreign employees does not include the number of foreign technical intern trainees employed.

%2 Rates in Group companies subject to the Employment Rate System for Persons with Disabilities as of June 1 of the following fiscal year.

**T** For more details, see the ESG data (Society).

# **Result 1-3. Promote Diverse Work Styles**

Items	FY2017	FY2018	FY2019	FY2020	FY2021
Childcare leave takers (men)	148(3)	178(6)	253(10)	289 (28)	320 (35)
Rate of reinstatement after childcare leave (men) (%)	92.59	91.46	92.08	96.23 (100)	92.91 (100)
Nursing care leave takers	4	4	7	6	5
Rate of childcare leave takers (men) (%)	-	-	-	-	96.23 (15.89)

% Rate of male childcare leave takers, including those of the Group's own paternity leave programs for male employees, was 54.21%.

### Result 2-1. Promote Barrier Free/Universal Design

The Group has been conducting real estate development in compliance with laws and regulations, such as the Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc., as well as the Design and Construction Standards and Quality Manuals.

Under the leadership of the Human Rights Subcommittee, we are currently considering KPIs for inclusive design, a design process involving people with diverse backgrounds, values, and challenges.

# **Result 2-2. Promote Health Support Services**

	FY2018	FY2019	FY2020	FY2021
Development				
results of Health				
<b>Promoting Senior</b>	125	125	382	502
<b>Rental Housing</b>				
(units) <sup>*</sup>				

 $\,\,$  Cumulative total based on the opening dates

	FY2018	FY2019	FY2020	FY2021
Number of CASBEE Wellness Office Assessment Certifications acquired	-	4	3	3

**•** For more details, see the ESG data (Society).

# Result 3. Percentage of implementation of one-on-one meetings

We believe it is important to conduct one-on-one meetings to create a basis for psychological safety toward realizing the Nomura Real Estate Group 2030 Vision, and we strive for 100% implementation of these meetings throughout the Group.

(Percentage of implementation of one-on-one meetings as of March 2021: 84.0%)

# Initiatives

# Initiatives for Empowering All Employees

# Promoting One-on-One Meetings and Creating Psychological Safety

The Group believes that achieving employee growth and wellness depends upon ensuring psychological safety for employees as they go about their daily operations, and it has therefore been holding one-on-one meetings Company-wide since October 2020. We distribute our own handbook to all employees and provide all managers with guidance for conducting effective one-on-one meetings. In addition, in August 2022 we conducted e-learning sessions on the one-on-one meetings for the entire Group. The Legal and Compliance Department organizes training for compliance promoters, in which Group officers, general managers, and compliance promoters participate to learn about psychological safety and the role of leaders. Each year, we also conduct a questionnaire on the implementation of the one-on-one meetings throughout the Group to confirm progress.

# Trial Implementation of the Nomura Real Estate Group Sustainability, Wellness, Diversity and Inclusion Survey (Your voice creates NEW VALUE, REAL VALUE)

The purpose of the survey is to share with management the good points and issues about the Company and workplace that Nomura Real Estate Group employees notice in their daily work, and to make use of this feedback in creating better workplaces. Until now, the survey has been implemented separately by each Group company, and we decided to conduct a trial in August 2022 for implementing a common Group-wide survey. We will visualize the indicators for employee satisfaction and willingness to make voluntary contributions across the Group to further stimulate group synergies, including consideration of actions for addressing common issues.

Employee Satisfaction Survey

# Implementation of Unconscious Bias Training in the Group's Newly Appointed Managerial Employee Training

Every year, we conduct training on unconscious bias as part of the rank-specific training programs for newly appointed managers of the Nomura Real Estate Group.

# Action Plan for Empowering Women

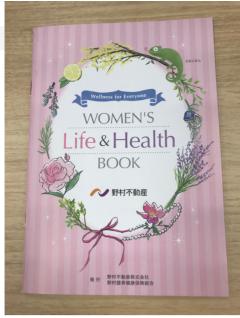
Following the full enforcement of the Act on the Promotion of Female Participation and Career Advancement in the Workplace (hereinafter Promotion of Women Act) on April 1, 2016, every Group company has formulated an action plan and is pursuing related initiatives for promoting women. We analyze issues related to recruitment, continued employment, and promotion, and take action to address these issues.

# Female Manager Ratio and Female Manager and Junior Manager Ratio

The ratio of female managers and the ratio of female managers and junior managers are monitored by the Wellness and D&I Management Committee, which meets twice a year with the objective of achieving the target of 20% for female management positions by 2030. The rate was 11.68% as of the end of March 2021. In terms of recruitment, we hold events for female students in which female employees of Nomura Real Estate speak on the theme of workstyles and careers. We are striving to raise the ratio of female managers and junior managers to expand the opportunities for women to play more active roles and to create an organization that incorporates diverse perspectives.

# **Health Seminar for Female Employees**

The Group conducts a seminar for newly promoted managerial employees to develop a work environment that takes into consideration health issues specific to women and promotes appropriate management. In fiscal 2021, the seminar was held online with the participation of 156 people. In addition, the Group holds a health seminar for female employees to help them gain knowledge about their health so they can appropriately deal with issues that may arise. The seminar was attended by about 780 people in fiscal 2021 and 266 in fiscal 2022.





Seminar for Female Employees

Seminar pamphlet
Support for Childcare and Nursing Care

In accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children, which is intended to support the sound upbringing of children as the next generation leaders of society, the Group has established various systems, including childcare leave, to help employees balance work with childbirth, childcare, and nursing care.

Based on the above act, PRIME X Co., Ltd. has been certified as a childcare support company and has obtained the "Kurumin" Next Generation Certification Mark. The Group also provides information on its programs through the intranet and other means to establish a workplace environment that facilitates the use of the programs. Among the 118 employees who returned to work after childcare leave in fiscal 2021, the rate of male to female employees was 26.2% to 73.7%.

Programs	Details
Childcare leave	Regardless of gender, employees can take leave for childcare <u>until their</u> <u>child turns three years old</u> (also available to those with less than one year's service).
Reduced working hours for childcare	Regardless of gender, employees can work a reduced number of hours until their child is in the third grade of elementary school.
Nursing care leave	Employees can take a leave in installments of up to a total of three years to care for a family member requiring nursing care.
Reduced working hours for nursing care	Employees can work reduced hours for up to three years to care for a family member who requires nursing care.
Holiday childcare support*1	Assistance for covering childcare costs on weekends and holidays is available for employees who need to work on weekends and holidays.
Paternity leave programs for male employees <sup>*2</sup>	Male employees can use their annual paid leave to take a five-day leave of up to six months after the birth of their child.

# Main Programs that Support Childcare and Nursing Care

## Maternity bonus<sup>\*2</sup>

A maternity bonus is paid from the Welfare Mutual Aid Association.

Underlined text: Statutory programs

%1 Applicable to Nomura Real Estate Development and some other Group companies

%2 Applicable to Nomura Real Estate Development only

### Empowerment of LGBT

As part of our initiatives for empowering LGBT, we held a panel discussion in December 2020, entitled "LGBT in the Workplace" for all Group executives and general managers of Nomura Real Estate Development.

We also publish a regular bi-monthly LGBT column on the intranet to educate employees. We conducted an awareness survey of Nomura Real Estate Group employees (from August 1 to August 22, 2022) to monitor the numerical data so we can understand the extent to whether LGBT feel they can work with vigor and be themselves in the workplace, and we will continue to improve our workplace environment so they can be who they are and feel safe at work.

In addition, Nomura Real Estate Holdings, Nomura Real Estate Development, Nomura Real Estate Asset Management were awarded Silver rating and Nomura Real Estate Solutions and Nomura Real Estate Partners were awarded Bronze rating in the PRIDE Index 2022, which certifies companies and organizations for their efforts related to LGBT and other sexual minorities.

The PRIDE Index was established in 2016 by work with Pride, a voluntary organization that supports the promotion and establishment of LGBT-related diversity management, as a system for recognizing the efforts of companies and organizations related to LGBT and other sexual minorities.





## **Empowering People with Disabilities**

The Group has been cooperating with a company that supports the employment of people with disabilities to provide opportunities to work. As of June 1, 2022, the employment rate of people with disabilities was 2.33% (the Group's target is 2.4%, which is higher than the legally mandated rate). Since fiscal 2020, Nomura Real Estate has bolstered its efforts to actively hire people with disabilities by providing opportunities to work at an indoor farm facility.



Working at an indoor farm facility



Working at an indoor farm facility

# Empowering Senior Employees

To provide opportunities for senior employees to continue applying their wealth of experience and skills as a driving force of business growth, the Group provides employment extensions based on the reemployment program for those who have reached retirement age and wish to continue working. It ensures employment opportunities up to the age of 65 at the employee's request. Moreover, some Group companies have established employment programs in which employees can work even after the age of 65 at the employees' request, supporting work styles that meet the needs of seniors.

### Empowering Global Human Resources

When hiring, the Group ensures that no disadvantages are associated with personal background or beliefs, including race, ethnicity, nationality, age, gender, sexual orientation, gender identity, disability, religion, creed, social status, lifestyle, or life stage. We also accommodate employees' religious practices and conduct within a certain framework. In addition, we hire and support human resources who can effectively engage at a global level regardless of race, ethnicity, nationality, or religion so that human resources with diverse values can demonstrate their individual abilities to the fullest and spark new value. We are actively hiring local human resources especially in China, Hong Kong, Thailand, Singapore, and Vietnam, where Group companies are located, to strengthen our overseas strategies so that we can quickly and accurately identify and reflect the different needs of each country and region in our business operations.

Target	Main approach
Hiring global human resources	<ul> <li>Hiring local human resources at overseas</li> <li>subsidiaries</li> <li>Participating in recruitment events for international</li> <li>students</li> <li>Holding job fairs and screenings for international</li> <li>students from overseas universities</li> </ul>

# **Representative Major Efforts to Secure Global Human Resources**

# Initiatives to Promote Barrier Free/Universal Design

In addition to complying with laws and regulations such as the Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc., the Group established barrier free and universal design standards to supplement its Design and Construction Standards and Quality Manuals and complies with these standards at all of its developed properties. The Group has been promoting universal design with the aim of providing products and services that can easily be used by a wide range of individuals irrespective of disabilities or differences in age, body, and language. Looking ahead, we will further advance our initiatives by involving people with diverse backgrounds,

values, and challenges in the design process to provide products and services featuring inclusive designs.

## Compliance with Design and Construction Standards and Quality Manuals

# Seven Principles of Universal Design

Equity: Facilities are equally usable by everyone
Diversity: Facilities can be used in a variety of ways
Simplicity: Methods of use are easy to understand
Perceptible information: Information is easily conveyed
Safety: Facilities do not pose any risks
Efficiency: Facilities can be easily used with low physical effort
Operability: Facilities are easy to operate



Examples of Universal Design

## Encouraging Use of Barrier Free and Quality of Life Guidebook

Nomura Real Estate Group and the Sonoda Lab of Meiji University Graduate School created the Barrier Free and Quality of Life Guidebook under an industry-academia joint research project. The Guidebook is used in condominium design.

**Barrier Free and Quality of Life Guidebook (Japanese only)** 

### **Distribution of Resident Manuals for Foreign Residents**

The Group distributed English, Chinese, and Korean versions of a Resident Manual for foreign residents to explain rules and etiquette when living in a condominium.



Chinese edition

Korean edition

### Initiatives to Promote Health Support Services

The Group is responding to the aging population and increase demand for health care services and contributing to the support of good health and increases in healthy lifespans of stakeholders by operating fitness businesses that promote maintenance and improvement of physical function and by developing health promoting senior rental housing with support services.

# Development of OUKAS health promoting senior rental housing with the Aim of Extending Healthy Lifespans

The Group is undertaking development of OUKAS health promoting senior rental housing with support services to promote extension of the healthy lifespan of seniors and reduce social security costs. The OUKAS health promoting senior rental housing is characterized by its (1) location with convenient access to transportation, (2) its building that makes residents feel proud to live in and various common spaces and residential units that enrich residents' daily lives, and (3) the OUKAS Wellness Program<sup>\*1</sup>, which offers services intended to help residents maintain and improve both physical and mental health. OUKAS health promoting senior rental housing helps residents and their family members enjoy daily life with a sense of security and safety while incorporating these mechanisms that enable them to maintain their physical and mental health every day. As of April 2022, four buildings with 502 units have already opened and two more buildings with 331 units are scheduled to open.

## **Features of OUKAS Wellness Program**

- ① Exercise: A unique exercise program jointly developed with Nomura Real Estate Life & Sports that operate the Megalos sports clubs
- ② Diet: Well-balanced, delicious meals prepared by nutritionists
- ③ Community: About 50 community events<sup>\*2</sup> per month for residents
- ④ Medical and welfare: Support from staff with experience in medical and nursing care

%1 Won a Good Design Award 2019%2 2018–2019 results



OUKAS Wellness Program (won a Good Design Award 2019)

# Promoting Increases in Healthy Lifespan through the Fitness Business

At Megalos sports clubs, the Group is implementing the following initiatives to promote longer, healthier lives for senior citizens.

Initiative	Details	
REBORNS FUN	A new program developed under the theme of "We want people to regain their healthy, functional and physical youthfulness, and based on that, to improve their basic physical fitness for new challenges, and enjoy life." The program sets six themes on a month- by-month basis: joint pain prevention, metabolic syndrome, immunity, prevention of falls, prevention of lifestyle-related diseases, and posture, and it is comprised of various exercises suited to each theme.	
REBORNS SCHOOL	A school for seniors based on the concept of "Building a healthy body and making friends to enjoy life and sports with vigor for a lifetime" aimed at maintaining a healthy and vigorous body that leads to preventing frailty*, and the seniors enjoy exercise with the same friends and coach every week. X The decline in physical, mental, and social functioning associated with aging.	
Healthy personal muscle training for adults aged 65 and over	A personalized training program for seniors designed under the supervision of Professor Tsuneji Kanaoka of Waseda University, Faculty of Sport Sciences, which was the first attempt for a general sports club.	

Collaboration with the Tokyo Metropolitan **Geriatric Hospital and Institute of Gerontology**  Entered into an academic agreement with the Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology to realize a society in which seniors can extend their healthy life expectancy through exercise and feel a sense of purpose in life. Services to prevent secondary health problems will be developed by conducting and analyzing the results of a health survey on physical and mental functions and vitality status during the COVID-19 pandemic. Going forward, efforts will continue for developing new service models for seniors, including exercise programs for seniors and app-linked health management systems.



**REBORNS FUN (Japanese only)** 

d' 65歳からはじめる 筋活 Healthy Personal

Healthy Personal (Japanese only)

# Comprehensive Collaboration Agreement Entered into with a Local Government with Regard to Health Promotion

In October 2019, Nomura Real Estate Life & Sports entered into a collaboration agreement regarding fitness projects with Tachikawa City, Tokyo. We will work closely with the city as a partner to implement projects aimed at health promotion and prevention of lifestyle-related diseases among adults. Specifically, we will collaborate with 12 residents' associations within the city to hold a variety of events such as health seminars and physical fitness measuring events to support the fitness projects within the community. We will also implement initiatives such as physical fitness measuring events at retail premises in collaboration with the community.

To contribute to the maintenance of stakeholder health and comfort, the Group has adopted the policy of acquiring CASBEE Wellness Office Assessment Certification for all newly developed office buildings. This certification program was first established in 2019 to evaluate specifications and performance of buildings, initiatives that support maintenance and improvement of the health and well-being of building users as well as factors contributing to improvement of intellectual productivity and performance regarding safety and security. As of the end of March 2022, ten properties have acquired certification.