



Priority Issues (materiality) 【Climate Change and the Natural Environment】 Biodiversity

Under the Group Policy, recognizing that the loss of biodiversity poses risks of harming the living and business environments of our stakeholders, we will contribute to CO2 absorption and conservation of the natural environment through urban greening and forest development to restore forest cycles in Japan and provide habitats for diverse species.

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Climate Change and the Natural Environment

Group Policy

Through urban development and providing products and services that leverage property development and property-related services, the Company will contribute to reducing CO₂ emissions to address climate change as a shared international concern. As such, we have identified decarbonization, biodiversity, and circular design as our three priority issues (materiality) and will promote them Company-wide. In addition, the Group has to date been actively participating in international initiatives, from obtaining SBT certification (35% reduction compared to fiscal 2019) and endorsing the TCFD to joining the RE100, and we intend to continue playing an active role in such initiatives.

Targets

Climate Change and natural environment		Contribution to the urgent global issue of reducing CO ₂ emissions, biodiversity preservation and realization of a circular society that contributes to CO ₂ reduction
	Decarbonization	Initiatives in “energy saving,” “low-carbon business,” and “utilization of renewable energy” SBT: 35% reduction in Scope 1, 2, and 3 by 2031/3 compared to 2020/03
	Biodiversity	By restoring the forest cycle in Japan, contribute to CO ₂ absorption and to the natural environment through urban afforestation and forest preservation, thus enabling rich biodiversity
	Circular design	Contribute to a decarbonized society and a circular economy through urban development and service provision that incorporate longer lives of properties, recycling, and sharing

Key Performance Indicators (KPIs)

- Reduce CO₂ emissions by 35% compared to 2020/03
- Energy conservation performance indicators in new buildings: Maintain ZEH/ZEB-oriented standards
- Develop timber-based buildings: Carbon storage 10,000 t-CO₂ per year
- Obtain biodiversity certification
- Initiatives to promote building longevity: Full implementation of the Group's voluntary standards
- Promote waste reduction and increase recycling rate: Reduction of industrial wastes by 20%

Management

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

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 also sets targets and monitors progress for the Group's priority issues: decarbonization, biodiversity, and circular design.

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. Furthermore, we have signed the UN Global Compact in May 2019. 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.

Environmental Subcommittee

Consists of members from the architecture and product design-related departments at Nomura Real Estate Development, the environmental technology-related departments at Nomura Real Estate Partners, and the Sustainability Management Department and meets as needed. In fiscal 2021, the group met twice to mainly discuss reducing CO₂ emissions and using renewable energy.

Decarbonization

Approach and Policies
Management
Targets and Results
Initiatives

Biodiversity

Approach and Policies
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Circular Design

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Approach and Policies

Group Policy (Environment)

Under the Group Policy, recognizing that the loss of biodiversity poses risks of harming the living and business environments of our stakeholders, we will contribute to CO₂ absorption and conservation of the natural environment through urban greening and forest development to restore forest cycles in Japan and provide habitats for diverse species. In addition, considering our participation in the 30by30 Alliance for Biodiversity, established by the Ministry of the Environment, we will work toward conserving at least 30% of our national lands and sea areas as natural environment zones by 2030.

Management

Management (Environment)

Targets and Results

Targets ---

Target 1.

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

Target 2.

The Group has set a target to promote the use of domestic/certified timbers to promote the appropriate use of resources and control pollution.

 [Key performance indicators \(KPIs\) for priority issues \(materiality\) up to 2030](#)

Result 1. Number of Biodiversity Certifications Acquired (ABINC, JHEP, SEGES)

	FY2018	FY2019	FY2020	FY2021
Number of Certifications Acquired for Newly Developed Properties	2	0	2	3

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 Procurement Guidelines and requests its suppliers to use resources and timber sustainably.

Initiatives

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.

Joined the TNFD Forum

The Group supports the principles of the Taskforce on Nature-related Financial Disclosures (TNFD) and joined the TNFD Forum in July 2022. The TNFD is an international organization that was conceptualized at the 2019 World Economic Forum Annual Meeting (Davos) and established in June 2021 by the United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Development Programme (UNDP), the World Wildlife Fund (WWF), and the UK-based environmental NGO Global Canopy. Through its participation in the TNFD Forum, the Group will



continue to assess the impact of all its business activities on biodiversity and promote initiatives for conservation and restoration.

Participation in the 30by30 Alliance for Biodiversity

30by30 is a target for nations to conserve or protect at least 30% of their lands and sea areas by 2030 to halt the loss of and restore biodiversity (nature-positive).



In order to achieve the target, the Ministry of the Environment has established the 30by30 Alliance for Biodiversity to expand the protected areas in Japan (currently about 20% of the land and 13% of the sea) and to promote efforts to certify areas that have been conserved by the private sector and others as OECMs. Nomura Real Estate Holdings joined this alliance in July 2022.

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 assess and certify apartment buildings, office buildings, and other structures regarding efforts to create biodiversity friendly green areas. 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.

For PROUD Tower Meguro MARC as well, we secured about 82% of its large site (approximately 2.0 hectares) as open areas and considered local vegetation in the planning and development of these areas.

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

※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.

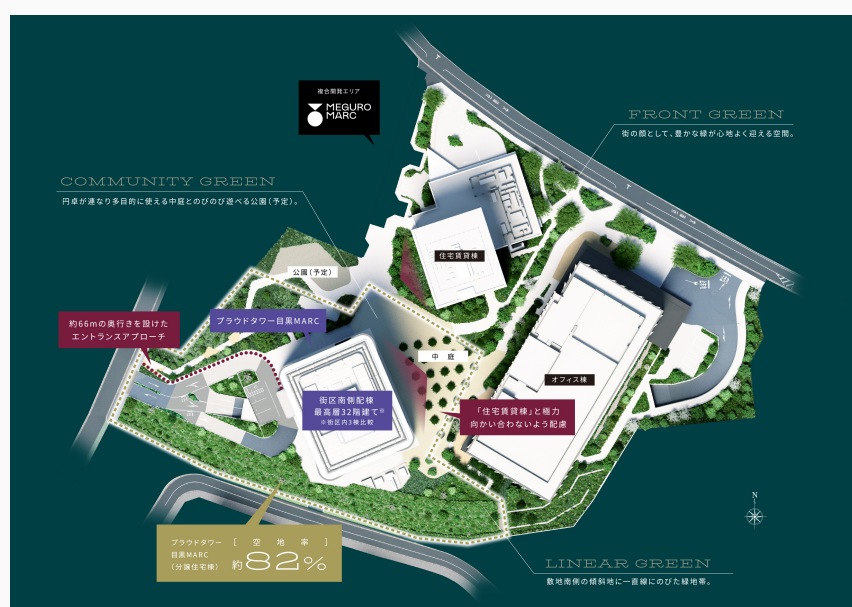
ABINC Certifications Acquired

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 ^{*1} (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)
FY2021	PROUD City Musashino Mitaka (condominium version)
	PROUD City Kotake Mukaihara (condominium version)

※1 Application by multiple vendors

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

PROUD Tower Meguro MARC (urban/SC version)



Site plan of the entire premises of PROUD Tower Meguro MARC

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

The Group has distributed its Procurement Guidelines to more than 4,600 suppliers to ensure biodiversity is taken into account in the design, construction, and raw material procurement processes throughout the supply chain. In fiscal 2020, we conducted monitoring interviews with ten major suppliers. In fiscal 2021, we identified our top 200 suppliers (around 80% of the total) as key suppliers and surveyed 89 of them (around 40% of the total). We provided feedback on the results to all companies that responded to the survey and engaged directly with ten companies.

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 Forest Cycling in OKUTAMA TOWN

In August 2021, we entered into a comprehensive partnership agreement with OKUTAMA TOWN in Tokyo, where we operate. With this agreement, we will work toward preserving the biodiversity and rich natural environment of Tokyo's forests. Furthermore, we will manage these forests, currently consisting of 74.2% cedar and cypress (average stand age of 63 years) and 25.8% broad-leaved trees, by, for example, applying forest management methods that contribute to biodiversity with an emphasis on environmental conservation.

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 and 2021, no exhibits were 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

Use of Domestic Lumber

Nomura Real Estate Holdings and Wing Co. Ltd. became the first private company to sign a triparty “Agreement on the Promotion of Timber Use in Buildings” with the Ministry of Agriculture, Forestry and Fisheries, on March 9, 2022. With this agreement, we aim to use a total of 10,000 m³ of domestic timber as building materials over the next five years. Through this, we will strive to develop a stable supply chain for domestic timber and promote cyclic use of domestic forest resources and, in turn, achieve both utilization and conservation of forest resources at the same time. We plan to use the timber that we procure as part of this as the building materials in our detached housing business.

In addition, we actively promote the use of domestic and certified timber. 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 \(First private company to sign an agreement with the Ministry of Agriculture, Forestry and Fisheries to promote the use of wood in buildings\) \(Japanese only\)](#)

📄 [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 Gaizenmae (rendered image)

Promoting the Use of Wood Products in Hotel Businesses

As part of its environmental protection efforts, Nomura Real Estate Hotels is reviewing the amenities in its guestrooms and switching to biomass and wood-based products to reduce the amount of plastic used. Items to be updated included toothbrushes and hairbrushes made from rice husks, a biologically derived material, and toothbrushes and slippers made from natural bamboo. The switchover is scheduled to start in September 2022 in the four hotels operated by Nomura Real Estate Hotels: HOTEL NIWA TOKYO, NOHGA HOTEL UENO TOKYO, NOHGA HOTEL AKIHABARA TOKYO, and NOHGA HOTEL KIYOMIZU KYOTO.

 [News Release \(Initiatives in Hotel Businesses\) \(Japanese only\)](#)

Use of Certified Wood-derived Paper and Plant-based Inks in the Residential Development Business

As a general rule to further reduce environmental impact, the Nomura Real Estate Development's Residential Development Division only uses paper made from wood from properly managed forests for its brochures, guides, direct mail, drawings, and newspaper inserts. In addition, it uses vegetable oil inks for printing, which biodegrade more readily than traditional petroleum-based solvents used in the past. Consequently, printed materials with these types of paper and inks display the appropriate logo and statement. We will continue to use environmentally sound products and strive to reduce our environmental impact.