

Under the Group Policy and recognizing that the depletion of natural resources associated with urban development is a major social issue, we will contribute to realize a decarbonized society and circular economy by reducing waste discharge and by providing urban development and services that promote longer building lifespans, the reuse of materials, and the sharing of spaces.

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 $\rm CO_2$ 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 2022, the subcommittee met three times, mainly to discuss reducing CO₂ emissions and using renewable energy.

Decarbonization	 Biodiversity	
Approach and Policies Management	Approach and Policies Management	
Targets and Results Initiatives	Targets and Results Initiatives	
Circular Design		
Approach and Policies		

Circular Design

Approach and Policies

Group Policy (Environment)

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Management

Management (Environment)

Targets and Results

Targets, KPIs, and Results

	Targets for 2030	Unit	FY2022
KPI Initiatives to promote building longevity	Fully implement the Group's voluntary standards ^{*1}	%	Since this target was first set in FY2023, results will be disclosed starting that year
KPI Promote waste reduction and increase recycling rate (compared to FY2021)	Reduce industrial waste by 20%	%	Since this target was first set in FY2023, results will be disclosed starting that year

%1 One of the following conditions must be met: (1) Ensuring freedom to change plans, (2) Obtaining a building certification system that contributes to variability, (3) Load capacity that exceeds legal standards, (4) Seismic resistance that exceeds legal standards, or (5) High exterior durability

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

Other Results

		Unit	FY2019	FY2020	FY2021	FY2022	
Initiatives to promote building longevity: Number of completed properties that offer the re:Premium service		Properties	17	9	13	20	
Initiatives to promote building longevity: Number of properties that adopted the Attractive30 service		Properties (units)	23 (3,211)	23 (2,390)	28 (2,936)	26 (3,503)	
	Waste discharge (total of general and industrial waste)		Thousand tonnes	6.59	5.11	7.21	11.18
Waste ^{*1}	Waste discharge intensity (total of general and industrial waste/total floor area of properties to be aggregated)		kg/m²	5.16	3.05	3.50	5.45
	Water intake (total)			2,287	1,698	1,920	2,040
		Surface water	Thousand m ³	2,017	1,395	1,555	1,650
		Ground water		166	141	163	190
Water		Recycled water		103	161	202	199
usage ^{*1}	Water intake intensity (water intake/total floor area of properties to be aggregated)		m ³ /m ²	1.12	0.81	0.93	0.99
	Water discharge (sewage water)		Thousand m ³	2,179	1,398	1,600	1,701
	Water use		Thousand m ³	108	299	320	339

 $\%1\,$ Please see ESG Data for the scope of waste discharge and water usage to be aggregated.

ESG Data (Environment)

Initiatives

Reduction and Appropriate Management of Waste Discharge

The Group plans to reduce waste discharge and increase the recycling rate throughout the life cycles of products and services. We appropriately manage waste from design to construction, operation, and demolition of buildings to reduce the environmental impact of waste during real estate development.

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 in 2019 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.

NOHGA HOTEL ENVIRONMENTAL MANAGEMENT





Eliminating single-use toiletries

Name plate made from reused leather scraps

Pilot Demonstration of Centralized PET Bottle Collection for a Circular Economy

As part of our efforts to achieve a circular economy and reduce CO₂ emissions, we conducted a pilot demonstration of the centralized collection of PET bottles and verified their separation and disposal status at 19 properties (four offices and 15 condominiums) managed by the Nomura Real Estate Group in

cooperation with Suntory Beverage & Food Limited, Shirai Group Co., Ltd., and Shutoken Environmental Beautification Center, Co., Ltd. Using the pilot results, we will further reduce CO₂ emissions, improve collection efficiency, and promote activities to raise awareness of bottle separation.

Overview of Pilot and Verification

Background	Although Japan's PET bottle collection rate is high, most of the PET plastic recycled from these bottles is of low quality, so in actual PET bottle production, new materials must be input in addition to recycled materials.
Purpose	There are high expectations for horizontal recycling in which used PET bottles are used as raw materials to manufacture PET bottles of the same quality. One issue to be addressed in realizing this initiative is verifying reasonable collection costs and sufficiently reducing CO_2 emissions during transport.
Results and future prospects	Centralized collection improves efficiency and contributes to reducing CO2 emissions from collection vehicles. On the other hand, we confirmed that PET bottles collected from offices had a high rate of foreign matter contamination, leading to a decline in recycling quality. In the future, we will consider ways to reduce the rate of foreign matter contamination.



Pilot project

Press release



Pilot project

Effective Utilization of Water Resources

The Group intends to reduce water consumption throughout the life cycles of products and services.

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.

Water Risk Assessment

The Group conducts water risk assessments on its properties using Aqueduct, a tool designed for that purpose. As a result, all properties built by the Group in fiscal 2022 (85 buildings in total: 71 in the residential sector and 14 in the urban development sector) were found to be located in "Low-medium" water risk areas and outside of "Medium-high" and higher water risk areas. Therefore, no water was taken from areas designated as "High" or "Extremely high" by the properties built in fiscal 2022. We will continue to periodically monitor the water risk.

	Extremely- high	High	Medium-high	Low-medium	Low
Houses	0	0	0	71	0
Offices	0	0	0	8	0
Fitness facilities	0	0	0	0	0
Commercial facilities	0	0	0	3	0
Hotels	0	0	0	0	0
Logistics facilities	0	0	0	3	0
Parking lots	0	0	0	0	0
Training centers	0	0	0	0	0
Heating and cooling center	0	0	0	0	0

Number of Properties Subject to Water Risk per Subsector

Collaborating with External Partners to Reduce Water Use

The Group is a formal member of the Environmental Committee in the Real Estate Companies Association of Japan. In 2013, this committee formulated the Real Estate Industry Environmental Action Plan, which includes specific initiatives such as introducing highly effective water-saving fixtures and automatic faucets and flushing systems. It is aiming for the entire industry to work together in an effort to reduce water usage. The Group Intends to extend the lifespans of its buildings by using highly durable materials with long lifespans and implementing appropriate management and repair plans.

Measures to Lengthen Cycles for Large-Scale Repair Work

In order to reduce the economic and psychological burdens on condominium residents and management associations and to reliably carry out large-scale repair plans, the Group offers products and services intended to lengthen large-scale repair work cycles.

Measures at Completed Condominiums

Due to the aging of the population and the increase in vacant dwelling units, about 35% of condominiums are unable to accumulate sufficient reserves for repairs as scheduled (source: data by Ministry of Land, Infrastructure, Transport and Tourism). The re:Premium repair and maintenance service offered by the Group is designed to extend the cycle for large-scale repair work for PROUD condominiums that have already been completed. The service can extend the typical 12-year cycle for large-scale repair work to 16 to 18 years and result in ultra-long-term improvement plans of up to 60



Source: Ministry of Land, Infrastructure and Transport, 2018 Condominium general survey result report

years after the completion of construction. It extends the lifespans of buildings and reduces demolition waste. It also reduces the psychological and economic burdens on customers by substantially cutting lifecycle costs. For these reasons, the Group is striving to expand the scope of properties that adopt the re:Premium service.

In fiscal 2020, drainage pipe repair work in the common use areas for replacing older pipes made of different materials with plastic pipes all at once to improve performance and reduce lifecycle costs for the Coop Nomura Higashi Rokugo, which is under Group management, was certified as a model project for extending the life of condominium stock with the support of the Ministry of Land, Infrastructure, Transport and Tourism.

News Release(Japanese only)

Measures at Newly-Constructed Condominiums

In fiscal 2018, the Group launched the Attractive30 service, which seeks to increase the lifespans and durability of newly-constructed condominiums. Under this initiative, the Group will promote the adoption of highly durable materials and construction techniques and the introduction of the re:Premium service to realize an extension of the cycle for large-scale repair work.

News Release(Japanese only)

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 Procurement Guidelines (excerpts)

- Reduce energy use and greenhouse gas emissions through circular design to reduce waste by extending the life cycles of goods, products, and services. Strive to efficiently use natural resources, including water, and to optimize and reduce usage.
- Appropriately manage hazardous chemicals and reduce the amounts used and reduce emissions of pollutants that have adverse effects on the environment and the human body.
- 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.