



Environment

Updated on February 14, 2022

Page 2 — Climate Change

Page 8 — Conservation of Water Resources

Page 9 — Biodiversity

Page 11 — Curbing Environmental Pollution, Reducing Waste, and Making Effective Use of Resources

Page 14 — Environmentally Responsible Supply Chain

Climate Change

Issue Awareness and Action Plans

In recent years, countries around the world have been working together to reduce greenhouse gas (GHG) emissions based on the recognition that climate change is a global issue. Japan has also gained momentum in its progress toward a steady reduction of GHG, having declared the target of carbon neutrality by 2050.

The Sumitomo Realty Group recognizes that climate change has the potential to have a significant impact on its business activities not only as a risk but also as an opportunity. With this in mind, we are working to address climate change issues in conjunction with our respective stakeholders including suppliers, business partners, tenants and industry organizations.

Management Structure

In order to manage status of progress towards the targets regarding sustainability, the Sumitomo Realty Group has established the Sustainability Committee chaired by the Company's President. In addition, its subordinate organization, the Sustainability Promotion Council chaired by the representative director in charge of Corporate Planning

Division, works to identify and solve issues related to climate change measures. Important issues are conferred with the Sustainability Committee, and reported to the Board of Directors as necessary, thereby establishing a supervisory system by the Board of Directors.

Initiatives

Initiatives for a Low Carbon Society

➤ Participation in Industry Organizations, Support for Public Policies, and Initiatives to Achieve Climate Change Mitigation

The Sumitomo Realty Group recognizes and supports the importance of the Paris Agreement and other agreements related to global warming countermeasures. We are working to significantly reduce GHG emissions through a range of

measures, including installation of high-efficiency equipment to existing buildings through renovation. In addition to our own efforts, we also participate in the following frameworks aimed at mitigating climate change.

◆ The Sumitomo Realty Group's Participation and Support for Frameworks to Mitigate Climate Change

Organizing body	Name of committee, etc.	Position of Sumitomo Realty	Overview and initiatives
The Real Estate Companies Association of Japan	Environmental Committee	<ul style="list-style-type: none"> Participate as a committee member Participate in related working groups and study sessions (the Environmental Condominium Working Group, the Environmental Office Working Group, the 2050 Long-Term Vision for Global Warming Countermeasures Working Group, and the Global Environmental Countermeasures Study Session) 	<ul style="list-style-type: none"> Share case studies with real estate industry member companies to reduce their environmental load Formulate and promote the Real Estate Industry Environmental Action Plan, an environmental master plan for the real estate industry Advocate and support environmental policies and regulations related to the real estate industry
Society of Hyper-Enhanced insulation and Advanced Technology houses for the next 20 years	HEAT20	<ul style="list-style-type: none"> Participate as a regular member 	<ul style="list-style-type: none"> The purpose of this project is to conduct research and development regarding design and technology such as envelope technology, and to promote the spread and adoption of such technology. This is mainly from the perspective of the thermal environment and energy performance of living spaces and building durability with the aim of realizing homes and buildings with a low environmental load while offering safety, security, and high quality.
<ul style="list-style-type: none"> UN Global Compact Global Compact Network Japan 		<ul style="list-style-type: none"> Signed the "UN Global Compact" in October, 2020 A member of Global Compact Network Japan 	<ul style="list-style-type: none"> It aims to realize a sustainable global society through each participating company and organization working toward solving social issues by demonstrating responsible and creative leadership.
<ul style="list-style-type: none"> TCFD (Task Force on Climate-related Financial Disclosures) the TCFD Consortium 		<ul style="list-style-type: none"> Announced our endorsement of the recommendations of the TCFD A member of the TCFD Consortium 	<ul style="list-style-type: none"> The TCFD chaired by Michael Bloomberg, was established by the Financial Stability Board (FSB) at the behest of the G20 as a taskforce with the objective of examining climate-related information disclosure and the responses of financial institutions.

Climate Change

Initiatives

Initiatives for a Low Carbon Society

➤ Reducing Greenhouse Gas (GHG) Emissions and Energy Consumption

Through constructing new buildings featuring substantial environmental performance and continuously improving environmental performance by renovating existing buildings after they reach a certain age, **Sumitomo Realty has achieved reduction of per-unit energy consumption by more than 1% per year over the last seven consecutive years, and a 37% reduction in comparison with 2009 when we initially disclosed such information. As a result, over the last four consecutive years we have gained S class (excellent business operator)* certification, which is the highest ranking given for efforts taken to conserve energy**

under the Act on Rationalizing Energy Use.

In order to contribute to curbing global warming, we will keep striving to reduce its energy consumption going forward as a “S class business operator,” with the target of reducing per-unit energy consumption and per-unit GHG emissions by 1% annually.

In fiscal 2020, we cut our per-unit energy consumption and our per-unit GHG emissions by 8.9% and 12.3%, respectively, in comparison with the previous fiscal year, substantially exceeding the reduction target of 1% for both.

* S class business operator: Certified as having reduced the five-year average for unit energy consumption by 1% or more annually or otherwise achieve specified benchmark levels.

【Energy Consumption and GHG emissions volumes】

◆Results

	Unit	FY2009	FY2018	FY2019	FY2020
Target area (standardized coefficient – per-unit denominator)	Thousand m ²	2,283	3,617	3,824	3,946
Energy consumption	Thousand GJ	4,562	5,245	5,300	4,982
Energy consumption	Thousand kL	118	135	137	129
Per-unit energy consumption	kL/m ²	0.05156	0.03742	0.03576	0.03258

YOY (0.0032)

	Unit	FY2009	FY2018	FY2019	FY2020
GHG emissions (SCOPE1)	t-Co2	15,302	18,916	21,831	20,485
GHG emissions (SCOPE2)	t-Co2	144,812	235,360	233,271	210,454
GHG emissions (SCOPE1&2)	t-Co2	160,114	254,276	255,102	230,939
Per-unit GHG emissions (SCOPE1&2)	t-Co2/m ²	0.07014	0.07031	0.06672	0.05853

YOY (0.0082)

	Unit	FY2009	FY2018	FY2019	FY2020
GHG emissions (SCOPE1&2)	t-Co2	160,114	254,276	255,102	230,939
Fuel	t-Co2	15,302	18,916	21,831	20,485
Heat	t-Co2	7,217	4,190	3,976	8,220
Electricity	t-Co2	137,595	231,170	229,295	202,234

* The scope of data collected for calculating for energy consumption and GHG emissions encompasses all the properties owned, managed, used, by the Sumitomo Realty or leased to it as office, etc. for which report is required under the Act on Rationalizing Energy Use. In addition, All GHG emissions are calculated using adjusted GHG emission coefficients.

◆Reduction target

	Single year
Reduction rate	1%
Base year	2019
Target year	2020
Per-unit volume after reduction	0.03540

	Single year
Reduction rate	1%
Base year	2019
Target year	2020
Per-unit volume after reduction	0.06605

➤ Obtaining Third-Party Verification of GHG Emissions Data

Sumitomo Realty has received third-party verification of its GHG emissions from Sampo Risk Management Inc., for the purpose of ensuring objectivity in the calculation of our GHG emissions for 18 large office buildings, including Sumitomo Fudosan Roppongi Grand Tower and Sumitomo Fudosan

Shinjuku Grand Tower, which account for a large proportion of Sumitomo Realty’s GHG emissions. Sampo Risk Management Inc. is a third-party verification organization stipulated in the Tokyo Metropolitan Environmental Security Ordinance.

Climate Change

Initiatives

Initiatives for a Low Carbon Society

➤ Addressing Climate Change Risks and Opportunities

The Sumitomo Realty Group has established the Risk Management Committee chaired by the Company's President, and its subordinate organization, the Internal Control Meeting, monitors risks throughout the Group. One of the major risks we monitor is risks related to climate change.

With regard to climate change risks, in addition to examining the impact of related systems and regulations on our business activities, we have identified specific risks that may affect our business based on the 2°C and 4°C scenarios. According to

each scenario, we are currently examining business strategies we have developed that incorporate the magnitude of the financial impact along with measures for mitigation and adaptation.

With respect to important matters among the identified risks, a system has been established in which such matters are discussed at important meetings, including the Board of Directors and Executive Committee meetings, and supervised by the Board of Directors.

< Risks and opportunities associated with climate change >

Classifications	Scenarios	Details	Correspondence (mitigation and adaptation) /Strategies
Transition risks	Increasing demand for Net Zero Energy Building (ZEB), Net Zero Energy House (ZEH), etc.	If there is a stronger demand for the adoption of ZEB and ZEH specifications, the environmental performance of the equipment to be installed will need to be further enhanced, which could lead to higher construction costs. As we are planning to develop office buildings of approx. 800 thousand tsubo, an increase in construction costs could affect our business plans.	We consider installing equipment with high environmental performance at a timely manner. In addition, with regard to ZEH, we participate in "HEAT20" as a regular member to ensure prompt response when the social demands increase further.
Transition risks	Introduction of a carbon tax	The introduction of a carbon tax could lead to concerns of rising costs for various building materials. As we are planning to develop office buildings of approx. 800 thousand tsubo, an increase in construction costs could affect our business plans negatively.	We closely monitor related systems and regulations and will be prepared to respond when necessary. We also assume the offset price per t-CO2 as the carbon price, and we are conducting various related studies.
Physical risks	Increasing occurrence of natural disasters due to extreme weather	Approx. 90% of the office buildings that we operate are located in central Tokyo. If the region were to experience frequent extreme winds, floods and other disasters, the concentration and severity of damage and the resulting increase in repair costs could affect our business plans.	In preparation for major weather hazards such as large typhoons, we set each property's estimated flooding depth when we develop a property, based on hazard maps and actual flooding records. We have also installed where necessary tide boards of sufficient height to prevent water inflow.
Opportunities	Lower prices of high environmental performance products due to their spread	If the introduction of ZEB becomes more widespread, it is assumed that this will provide an opportunity for lower building costs as the high-efficiency equipment that is currently installed will become less expensive.	We decide on the equipment to be installed each time we develop a property after considering the costs and performance. This ensures that we are ready to respond to fluctuations in costs.
Opportunities	Increasing interest in disaster prevention features	99% of our portfolio meets or exceeds earthquake-resistance standards that took effect in 1981, which are a key yardstick for earthquake safety. Further, approx. 80% of the buildings we own are structured with a seismic isolation system and/or a damping system. Emergency generators are also installed in about 70% of the buildings we own. As risks such as disasters increase, demand for properties with high disaster prevention features will also increase, and this is expected to create business opportunities.	We are working to further improve the disaster prevention features of our portfolio by realizing high disaster prevention features in new properties as well as renovating existing properties.
Opportunities	Increasing interest in environmental performance	We not only develop and own new properties with excellent environmental performance, but also successively renovate buildings after they reach a certain age. As a result, we boast the high environmental performance of our overall portfolio. As environmental awareness rises, it is assumed that the demand for our properties will increase further.	We continue to improve the environmental performance of aged properties through renovation, and promote the acquisition of various Green Building Certifications as objective indicators of high environmental performance.

* Transition risks were assumed based on the 2°C scenario (the Sustainable Development Scenario (SDS) in the IEA World Energy Outlook 2018 and other scenarios). Physical risks were assumed based on the 4°C scenario (the Reference Technology Scenario (RTS) in the IEA World Energy Outlook 2018 and other scenarios).

➤ Contribution of CO₂ Emission Credits

Sumitomo Realty has generated CO₂ credits upon having reduced its CO₂ emissions by more than the required volume under the Tokyo Cap-and-Trade Program. In November 2019, we contributed 111,979 tons worth of such credits to the Tokyo

Metropolitan Government, thereby supporting Tokyo's initiatives to achieve its environment conscious city "Zero Emission Tokyo" aiming at eliminating carbon dioxide emissions.

Climate Change

Initiatives

Initiatives Involving Office Buildings

➤ Heat Island Countermeasures

Sumitomo Realty's development business extend beyond energy-saving performance of buildings and contribute to improving environments in the vicinity. In recent years, increasing urbanization of central Tokyo has given rise to a heat island phenomenon whereby temperatures of Tokyo remain several degrees higher than those of surrounding areas. This has given rise to concerns that this could adversely affect the city, causing health hazards such as heat stroke or changes to ecosystems. Moreover, higher temperatures lead to excessive use of air conditioning systems, particularly during the summer when massive volumes of energy are consumed, thereby giving rise to concerns of increasing GHG emissions.

As such, Sumitomo Realty has been taking steps to address the heat island phenomenon by increasing green coverage of communities, which involves planting greenery on rooftops of

buildings and condominiums and creating green areas within open spaces and other such sites. For instance, at Sumitomo Fudosan Osaki Garden Tower, completed in 2018, we have converted an area that was previously occupied by factories into a space featuring abundant greenery, resulting an increase of green coverage ratio within the project site from 0.01% to approximately 35%.

Meanwhile, Sumitomo Fudosan Shiodome Hamarikyu Building features greenery on the lower floors, and also is installed an air vent layer between the second and third floor at a height of four meters to alleviate wind currents between buildings and designed to channel ocean breezes from Hamarikyu side to Ginza and Shimbashi districts. This has enabled us to help curb the heat island phenomenon in the Shiodome area where many offices are concentrated.

➤ Development of Energy-saving Technology for Office Buildings: Acquired Patent for a Multi-story Building Air Conditioning System

Sumitomo Realty has developed an air conditioning system for multi-story buildings that promotes energy conservation in office buildings. The system is patented since 2014.

In this system, an atrium space is created on each floor between the outdoor air conditioning unit and the office rooms so that a mixture of exhaust air from the office rooms and

outside air is channeled to the outdoor unit as intake air. As the indoor air is cooler than the outside air in summer and warmer in winter, less heat is required for heat exchange in the outdoor unit. This significantly reduces the energy consumption of the air conditioning system, regardless of the season.

➤ Energy-efficient Office Buildings

< Low-e double glazing glass >

To heighten air-conditioning efficiency for energy savings, we enhance thermal insulation performance of external walls, and also install low-e double glazing glass which reduces transmission of solar radiation heat indoors in the summer and decreases outflow of heat from indoors during the winter.

< Decentralized HVAC system >

In Sumitomo Realty's office buildings, we install decentralized HVAC systems as standard equipment, thereby enhancing tenants' convenience and energy savings. Moreover, the use of natural vents installed at window frames, as a standard specification, minimizes unnecessary use of air conditioning and enables energy savings.

< Smart meter >

All of the properties we develop in our portfolio are equipped with pulse meters (smart meters) to make it easier to monitor electricity consumption and other data.

< Adoption of gas co-generation systems >

Sumitomo Realty has introduced a power-sharing, energy-saving system centering on Izumi Garden Tower. In addition to electricity supply from a utility, this system employs private power generation using a gas co-generation system to supply electricity to Izumi Garden Annex adjacent to Izumi Garden Tower and uses waste heat for highly efficient district heating and cooling on a daily basis, thus contributing to the reduction of CO₂ emissions. We have also equipped Tokyo Nihombashi Tower with a gas co-generation system.

< Other key aspects of energy-efficient design >

- District heating and cooling systems
- Visual monitoring of energy consumption through adoption of Building Energy Management Systems (BEMS)*
- Use of natural energy through installation of solar panels

*BEMS is the system for controlling and monitoring equipment of a building.

Sumitomo Fudosan Osaki Garden Tower



Measures to reduce thermal loads

We apply thermal insulation to walls using an internal wall insulation method and install low-e double glazing glass windows to reduce thermal loads.



Heat island countermeasures

We contribute to heat island countermeasures by achieving green coverage of approximately 35% across entire sites and arrange for ample greenery on-site.



LED lighting & brightness sensors

We install LED lighting with brightness sensors as standard equipment in all office spaces to save energy and help reduce CO₂ emissions.



Use of natural energy

We promote construction of environmentally-sound office buildings in part by drawing on solar power and using recycled rainwater for flushing toilets.



➤ Investment to improve environmental performance of the portfolio

In addition to developing new building with high environmental efficiency, Sumitomo Realty successively invests on upgrading facilities of buildings whose carbon efficiency have relatively lowered over time. Through replacing air conditioning units with

high-efficiency models, switching to LED lighting, etc., we have been continuously striving to improve the carbon efficiency of our overall portfolio.

Climate Change

Initiatives

Initiatives Involving Condominium Sales

➤ Adopting “ZEH-M Oriented” Energy-Saving Performance as the Standard for All New Condominiums

Sumitomo Realty has decided to adopt “ZEH-M Oriented” energy-saving performance as the standard for all the condominiums* we design and develop from October 2021.

As one of its targets for 2030, the Ministry of Land, Infrastructure, Transport and Tourism is aiming for all new residential housing to offer energy-savings that meet ZEH standards*4. In line with such target, we have adopted the design standard that satisfy ZEH standards ahead of the

industry, without reducing quality and living comfort of our condominiums.

ZEH-M Oriented, which we have adopted as the standard for our condominiums, is a standard that requires compliance with reinforced exterior standards (for thermal insulation performance) and reduces primary energy consumption by 20% in comparison to current energy-saving standards.

* All properties except for joint venture properties, etc.

< Reference: Definition of ZEH for housing complexes >

Residential building evaluation					Dwelling unit evaluation				
Exterior thermal insulation performance (the below must be achieved by all dwelling units)	Energy saving rate (the below must be achieved by the entire residential building including shared spaces)		Target		Exterior thermal insulation performance (the below must be achieved by the relevant dwelling unit)	Energy saving rate (the below must be achieved by the relevant dwelling unit)			
	Excluding renewable energy	Including renewable energy				Excluding renewable energy	Including renewable energy		
『ZEH-M』	Reinforced exterior standards (ZEH standards)	20% or more	100% or more	Buildings with 3 or fewer stories	『ZEH』	Reinforced exterior standards (ZEH standards)	20% or more	100% or more	
Nearly ZEH-M			75% or more		Nearly ZEH			75% or more	
ZEH-M Ready			50% or more	Buildings with 4 or 5 stories	ZEH Ready			50% or more	
ZEH-M Oriented			(Renewable energy not required)	Buildings with 6 or more stories	ZEH Oriented			(Renewable energy not required)	

* Quoted from “ZEH Design Guidelines for Housing Complexes” by the ZEH Roadmap Follow-up Committee for Housing Complexes.

➤ Energy-efficient Equipment in Condominiums

In its condominium sales business, Sumitomo Realty helps curb global warming by improving the energy-saving performance of its buildings through the following types of equipment and practices.

- Low-e double glazing glass
- Latent-heat-recovery-type gas-powered hot water supply systems
- Thermo Bath bathtubs
- Total heat exchange systems
- Heat pump systems
- Solar power generation facilities
- Charging stations for electric vehicles
- Roof greening
- Smart meter



Garden Hills Yotsuya



Climate Change

Initiatives

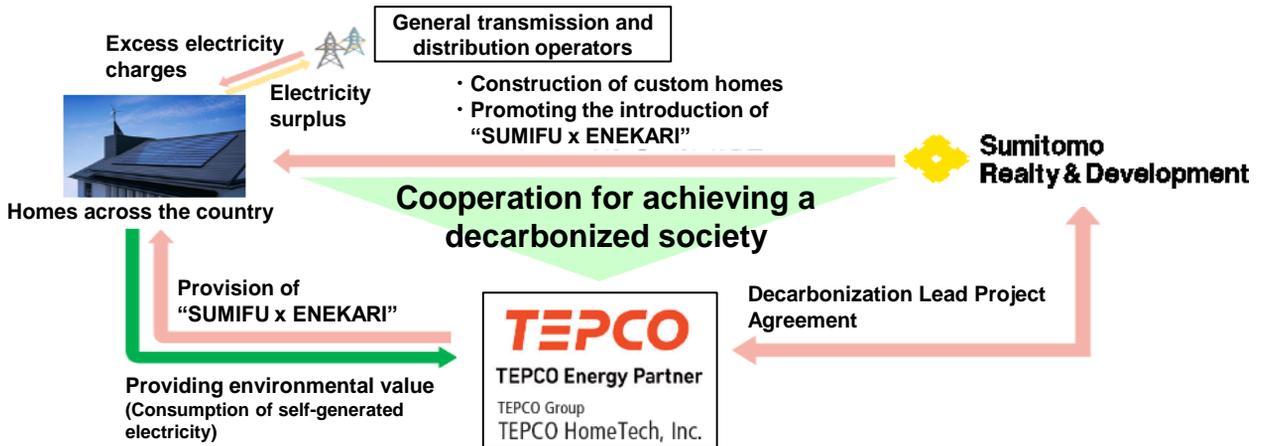
Initiatives Involving Detached Houses

➤ "SUMIFU x ENEKARI" - Residential Solar Power Generation Service

The "SUMIFU x ENEKARI" service is an industry-first* service that installs solar power generation equipment and storage batteries to detached houses newly constructed by Sumitomo Realty at a "zero initial cost," and provides support including equipment repairs and upgrades for the entire period of residency.

In conventional services, the customers need to maintain equipment by themselves after the end of a certain service

period, which posed a burden for the customer. By supporting equipment repairs and upgrades throughout the duration of a customer's residence, in addition to "zero initial cost," our service removes a barrier to introduction of solar power generation for customers, and aim to maximize the potential for energy creation from residential solar power generation in Japan.



Sumitomo Realty Group	<ul style="list-style-type: none"> - Constructs custom homes and promotes the introduction of "SUMIFU x ENEKARI" - Provides customers with "continuous peace of mind" even in the event of a power outage or interruption of the water supply in a large-scale disaster
TEPCO EP Group	<ul style="list-style-type: none"> - Installs solar power generation equipment and storage batteries, and provides repair and upgrading support - Aggregates and utilizes the environmental value of the portion of electricity consumed by households generated by solar power

➤ Energy-efficient Equipment in Custom Homes

In its custom home business, Sumitomo Realty promotes greater prevalence of residences that have a minimal environmental load. We have made the Net Zero Energy House (ZEH)*1 concept a reality by curbing energy consumption with stringent specifications for thermal insulation and airtight design and installing equipment that creates energy such as Eco-Cute systems, solar power generation facilities and storage batteries. We also install Home Energy Management systems (HEMS)*2 that enable residents to visually monitor their power consumption.

Moreover, our buildings constructed under BREATH NEXT

high-performance package plans have been well-received by our customers given that they boast 1.5 times the thermal insulation performance of that under ZEH standards (relative to the UA value*3; BREATH NEXT: 0.38 W/m²K; ZEH standard: 0.6 W/m²K*4).

Sumitomo Realty will keep working to achieve more sophisticated technologies going forward, in part through its participation as a member of the Investigation committee of HEAT-20*5 which was established in 2009 with the aim of developing energy-efficient houses even more advanced than those built under ZEH standards.

*1. ZEH refers to a house that effectively consumes zero energy by combining elements of energy savings with elements of energy creation.
 *2. HEMS is a management system that helps save energy used in the home. Linking home appliances and electrical equipment to an HEMS enables users to visually observe such devices using a video monitor that tracks consumption of electricity, gas and other energy sources, and also enables users to automatically control home appliances.
 *3. A "UA value" is the rate of average heat flow across a building's envelope. It constitutes the average amount of heat that escapes from the inside of a house through its floor, outer walls, ceiling and roof, gaps, and elsewhere, to the outside across the entire building envelope.
 *4. The ZEH standard of 0.6 W/m²K (watts per square meter per degree Kelvin) is used as a standard value in Japan's Kanto region, which is the main geographic area where Sumitomo Realty supplies custom homes.
 *5. HEAT-20 refers to the Investigation committee of Hyper Enhanced insulation and Advanced Technique for 2020 houses. The HEAT-20 Investigation committee aims at: developing advanced technologies for achieving high-performance thermal shelters for housing while maintaining health and improving comfort of residents, and; raising awareness of assessment methods and thermally insulated housing. To such ends, it takes a long-term perspective to focusing on thermal insulation and other architectural technologies geared to achieving further energy savings in homes.

Conservation of Water Resources

Issue Awareness and Action Plans

Shortages of water resources have become a major problem throughout the world due to increasing demand for water as the population grows, coupled with droughts caused by climate change. We deem that problems stemming from the shortage of water expose to business risk, given that water resources are an indispensable resource for the entire business of the

Sumitomo Realty Group.

As such, the Sumitomo Realty Group, under awareness of the value of water resources, will take action to conserve water resources, working in conjunction with our respective stakeholders including suppliers and tenants.

Initiatives

➤ Installing Water-saving Equipment and Facilities

Sumitomo Realty is reducing wastage that occurs when water is left running by equipping washbasin faucets with water-saving devices at all office buildings it develops. Furthermore, in order to promote installation of water-saving equipment at all properties it develops, it is adopting design standards specifying use of ultra-water-saving toilets, flush volume of 6 liters-significantly less compared with 13 liters used by

previous model, installing them to all new buildings as well as existing properties through renovation.

In addition, we have been substantially reducing our water consumption by setting up sewage and rainwater reclamation facilities that purify the water, and using the greywater to flush toilets and water plants, mainly in large office buildings.

➤ Business Activities in Water-Stressed Areas

The Sumitomo Realty Group has not earned any revenue from its business activities in areas where water stress is a concern* as of September 2021, based on the Aqueduct Survey conducted by the World Resource Institute (WRI).

Japan, where our business activities are mainly based, has

been certified as a “Low-Medium” water risk area, which means that it is identified as a region with relatively low water stress.

* Areas defined as “High” and “Extremely High” with a risk score exceeding 3

➤ Initiatives to Reduce Water Consumption in Collaboration with External Parties

In addition to its own initiatives, the Sumitomo Realty Group is also committed to working more broadly with the Japanese real estate industry to promote environmental conservation measures, such as reducing water consumption. We are a regular member of the Environmental Committee of The Real Estate Companies Association of Japan.

The Committee formulated the Real Estate Industry Environmental Action Plan in 2013, which includes the introduction of high-efficiency, water-saving fixtures, automatic faucets and automatic flushing devices as specific action goals, and the entire industry is working together to reduce water consumption.

➤ Data related to Water

Volume of water withdrawal and wastewater by Sumitomo Realty are listed as follows.

Water withdrawal		FY2018	FY2019	FY2020	Wastewater		FY2018	FY2019	FY2020
Target area (standardized coefficient)	Thousand m ³	3,513	3,731	3,851	Target area (standardized coefficient)	Thousand m ³	3,513	3,731	3,851
Water withdrawal	Thousand m ³	2,589	2,735	1,983	Wastewater	Thousand m ³	2,459	2,657	1,843
Per-unit water withdrawal	Thousand L/m ²	0.7371	0.7332	0.5151	Per-unit wastewater	Thousand L/m ²	0.7000	0.7122	0.4787

* All of the abovementioned withdrawals are from tap water. No withdrawals are from surface water, groundwater, external wastewater, or seawater.

* The scope of data collected for calculation for water withdrawal encompasses all the office buildings owned and managed by Sumitomo Realty for which report is required under the Act on Rationalizing Energy Use.

* All of the abovementioned wastewater is discharged through the sewer system to an external water treatment plant. No wastewater is discharged to marine waters, surface water, or groundwater.

* The scope of data collected for calculation for wastewater encompasses all the office buildings owned and managed by Sumitomo Realty for which report is required under the Act on Rationalizing Energy Use.

Biodiversity

Issue Awareness and Action Plans

The Sumitomo Realty Group maintains significant influence on biodiversity integral rooted in land, particularly given the nature of development business involving office buildings, condominiums and other such properties. Biodiversity is intimately relevant to all environmental issues, including climate change, conservation of water resources and environmental pollution.

Based on this awareness, we make it our principle to consider not only the comfort of our customers and community members, but also our surrounding environments and ecosystems, and work to preserve biodiversity in conjunction with our respective stakeholders including suppliers and community members.

Initiatives

➤ Redevelopment Business and Biodiversity

Sumitomo Realty's redevelopment business contribute to biodiversity. One such example is Sumitomo Fudosan Osaki Garden City, which involved redevelopment of a former driving school site and a densely built-up district of wooden housing on the west side. The area occupied by densely-built wooden houses had contained little greenery and narrow streets which posed challenges with respect to disaster response. By the completion of Osaki Garden City, the overall location's green coverage increased from 0.01% to 35% including its roof greening, and it also helped revitalize the community, utilizing the vast open space on the site to hold various events.

The Osaki Garden City Cherry Blossom Festival was held for the first time in March 2019, and helped the local community take shape as residents gathered amongst the cherry trees. During the festival, additional cherry trees related to the area were planted as one of the events.

The trees have a historical connection to the location and to a man called Harutaro Kawase, who owned the former Myoka-en botanical garden situated in the vicinity of Myoko-ji Temple adjacent to the site. He selected the Washington DC cherry trees that were sent to Washington DC by a former mayor of Tokyo, Yukio Ozaki, as symbol of goodwill between Japan and

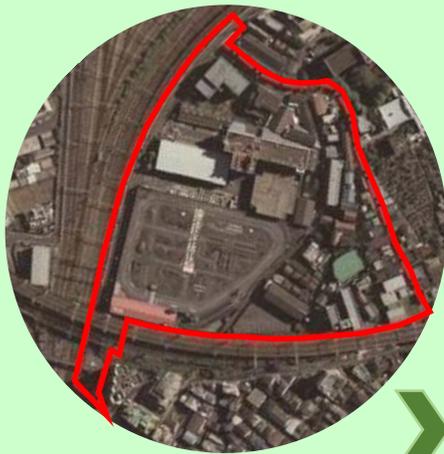
the United States. Since then, the cherry trees he selected have remained free of disease and continue to blossom beautifully on the banks of the Potomac River in Washington DC.

With the aim of passing down the historic achievements of Harutaro Kawase, two satogaeri (homecoming) cherry trees from Washington DC, donated by his grandson, Kenichi Kawase, and the Yukio Ozaki Nationwide Promotion Association, were planted, in addition to the eleven satogaeri cherry tree saplings previously planted upon completion of Osaki Garden City at the behest of the president of the redevelopment association and local community members.

The trees planted by Sumitomo Realty in conjunction with the redevelopment association will play a role in passing down the local history to future generations, while also helping to revitalize the community and hasten its biodiversity.

Through Osaki Garden City and other redevelopment projects, Sumitomo Realty aims to create green areas in numerous areas, thereby providing spaces for community members to encounter natural surroundings and for nurturing rich biodiversity.

Sumitomo Fudosan Osaki Garden City



Before redevelopment



Biodiversity

Initiatives

➤ **Environmentally Friendly Development**

Sumitomo Realty promotes the development of environmental real estate through efforts such as selecting local native species for the trees we plant, developing green areas in accordance with the size of the property, and installing high-efficiency equipment. This applies to our development of office buildings and other properties in all regions including greenfield

land that has not yet been developed. In developing environmental real estate, we refer to the evaluation indicators of Green Building Certification, whose certification we have acquired for all our office buildings with a gross floor area of over 50,000 m².

➤ **Green Open Spaces**

In urban areas with few parks or open spaces, the creation of green open spaces is a vital aspect of new development projects. City Tower Kanamachi has an approximately 3,800m² spacious green area open to the public.

With tall trees, various shrubs and flowers, the area provides a source of delight throughout the year for local residents with places to enjoy the changing beauty of the four seasons, which is rare in an urban setting.



➤ **Development that Protects and Makes the Most of Natural Forests**

Urban development projects tend to involve the removal of mature trees that are already on sites earmarked for development. In contrast, Sumitomo Realty seeks to preserve such trees so that they can be utilized as greenery to accomplish attractive urban development in harmony with nature. La Tour Sapporo Ito Garden was developed on the site formerly occupied by Kairakuen, one of the first municipal parks in Japan. The site includes a tract of virgin forest conserved since the time of Kairakuen and remains notable as a place where nature flourishes in an urban setting.



View of virgin forest from the entrance lobby of La Tour Sapporo Ito Garden



➤ **Endorsement of “Declaration of Biodiversity by Keidanren”**

The Sumitomo Realty Group endorses the Declaration of Biodiversity by Keidanren and promotes business activities in consideration of biodiversity.

Declaration of Biodiversity by Keidanren (Revised Edition)

KEIDANREN (Japan Business Federation) Introduced March 17, 2009, Revised October 16, 2018

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Responsibility of management
Commit to corporate management aiming at corporate activities in harmony with nature towards realizing a sustainable society 2. Global perspective
Act from a global perspective on the biodiversity crisis 3. Voluntary actions
Act voluntarily and steadily to contribute to biodiversity 4. Integrated Environmental Corporate Management
Promote Integrated Environmental Corporate Management | <ol style="list-style-type: none"> 5. Revitalization of regions making full use of natural capital
Contribute to regional revitalization utilizing natural capital, holding nature in awe 6. Partnership
Collaborate with relevant international and national organizations 7. Environmental Education / Human Resource Development
Spearhead initiatives on environmental education and human resource development to create a society that will nurture biodiversity |
|---|---|

* Excerpts of each clause only; see website for original text. (Website for the Declaration of Biodiversity by Keidanren: <https://www.keidanren.or.jp/en/policy/2020/055.pdf>)

➤ **Use of Rainforest Alliance Certified Products**

Sumitomo Realty Group company Izumi Restaurant Co., Ltd. operates Rieven House convenience stores catering to building tenants. The Rieven House uses environmentally certified coffee beans grown in Rainforest Alliance Certified plantations. “Rainforest Alliance Certified” refers to certification granted exclusively to plantations that exceed stringent environmental standards, issued by the international nonprofit organization Rainforest Alliance which carries out region-wide projects to protect forests.



Curbing Environmental Pollution, Reducing Waste and Making Effective Use of Resources

Issue Awareness and Action Plans

The Sumitomo Realty Group recognizes that environmental pollution, high-volume discharge of waste material and squandering of resources constitute substantial social issues that must be given due consideration when conducting business activities.

As such, we will take action geared toward curbing environmental pollution, reducing waste and making effective use of resources, working in conjunction with our respective stakeholders including suppliers and tenants.

Initiatives

Curbing Environmental Pollution

➤ Process-Based Targets for Curbing Environmental Pollution

The Sumitomo Realty Group aims to curb environmental pollution associated with its business activities as much as possible by implementing measures related to environmental pollution in accordance with the relevant laws and regulations. In addition to complying with laws and regulations, we enhance the effectiveness of our measures by regularly checking their control status from a third-party perspective, mainly through the Internal Audit Department.

➤ Measures regarding Asbestos and Formaldehyde

When renovating buildings, we engage in such work upon having checked to ensure that our contractors comply with asbestos-related laws and regulations. In addition, with respect to its condominiums and detached houses, Sumitomo Realty pursues creation of healthy dwellings using building materials and interior components that meet JIS and JAS standards for low formaldehyde emissions, which give rise to sick house issues.

➤ Appropriate Management and Disposal of CFCs

We properly manage and dispose of CFCs used as air conditioning refrigerants in accordance with laws and regulations.

➤ Soil Contamination Countermeasures

Sumitomo Realty conducts thorough geological surveys for all office buildings, condominiums and other developments. In addition to complying with the Soil Contamination Countermeasures Act, we conduct contamination investigation according to the geological history and the results of the geological survey even for small-scale developments where legal survey is not required.

For land that has been confirmed to be contaminated by hazardous substances (brownfield), we ask a designated contaminated soil treatment company, based on the Soil Contamination Countermeasures Act, to carry out the appropriate purification and diffusion prevention treatment prior to development.

Soil survey requirements for development sites under the Soil Contamination Countermeasures Act

When, upon submitting notice of a change in the form or nature of land above a specific size, the prefectural governor deems there to be a risk of soil contamination
* Specific size: 3,000 m² or more (900 m² or more for land where a specified facility for the use of hazardous substances is currently installed)



Sumitomo Realty

Implemented for all planned development sites regardless of area size

➤ Measures regarding Nitrogen Oxide and Sulfur Oxide

Sumitomo Realty regularly measures and analyzes soot and smoke emitted by boilers and hot-cold water generators to ensure that they comply with environmental standards stipulated by the Air Pollution Control Act.

The investigation is conducted by third parties, and we conduct operations after confirming the absence of abnormalities in the concentrations of air pollutants, such as particulate matter, nitrogen oxide and sulfur oxide.

Tokyo Nihombashi Tower nitrogen oxide (NOX) and sulfur oxide (SOX) emissions		FY2019	FY2020
NOX emissions	t	0.0780	0.0370
SOX emissions	t	0	0

* The annual emissions from four hot-cold water generators in Tokyo Nihombashi Tower, calculated based on the concentrations of soot and smoke measured and the operating hours of the equipment.

➤ VOC Emissions

The Sumitomo Realty Group does not own or manage any facilities (such as drying facilities for the manufacture of chemical products) that are subject to legal restrictions due to their high VOC emissions under the VOC emission control system stipulated by the Air Pollution Control Act.

Curbing Environmental Pollution, Reducing Waste and Making Effective Use of Resources

Initiatives

Reducing Waste and Making Effective Use of Resources

➤ Process-Based Targets for Reducing Waste and Making Effective Use of Resources

The Sumitomo Realty Group aims to reduce waste and promote the effective use of resources in its business activities. In addition to fulfilling the responsibilities of a business operator as stipulated in the Tokyo Metropolitan Waste Management

Ordinance and other regulations, we promote various activities, such as raising awareness among tenants of our office buildings, to further reduce waste and use resources effectively.

➤ Waste Discharge

Volumes of waste discharged by Sumitomo Realty are listed as follows.

		FY2018	FY2019	FY2020
Target area (standardized coefficient - per-unit denominator)	Thousand m ²	3,456	3,681	3,751
Total waste volume	t	17,721	17,272	14,397
Industrial waste	t	13,209	12,635	11,262
General waste	t	4,512	4,637	3,135
Units	t/m ²	0.0051	0.0047	0.0038

* The scope of data collected for calculation for waste discharge volumes encompasses some portions of office buildings owned, managed, and used by Sumitomo Realty for which report is required under the Act on Rationalizing Energy Use. (Ratio to the total gross floor area of buildings owned by the Company whose main purpose is office leasing: 83.7%)

➤ Volume of Recycled Waste

Volume of recycled waste discharged by Sumitomo Realty are listed as follows.

		FY2018	FY2019	FY2020
Volume of recycled waste	t	9,289	9,383	6,438
Total waste volume	t	17,721	17,272	14,397
Percentage of waste recycled	%	52.4%	54.3%	44.7%

* Figures for volume of recycled waste include thermal recycling only if they are non-combustible materials. The scope of data collected for calculation for volume of recycled waste encompasses some portions of office buildings owned, managed, and used by Sumitomo Realty for which report is required under the Act on Rationalizing Energy Use. (Ratio to the total gross floor area of buildings owned by the Company whose main purpose is office leasing: 83.7%)

➤ Reducing Waste in Shinchiku Sokkurisan Remodeling Business

In Japan, the lifespan of houses tends to be short compared to world standards, so does the cycle of home rebuilding. Meanwhile, a high proportion of the industrial waste generated by the construction industry is attributed to home demolition. This situation suggests the need to extend the lifespan of houses in Japan, and to bring about a transition to a "stock-type society" where they are used over the long-term.

The short rebuilding cycle generates large volumes of industrial waste and squanders resources that could still be put to use. It leads to a situation where robust and usable pillars and beams end up getting discarded even though timber tends to become stronger and more rigid over the course of a century or so. Even in remodeling, it conventionally repeats piecemeal projects, resulting in generation of industrial waste each time.

Sumitomo Realty's Shinchiku Sokkurisan remodeling business is a revolutionary system that involves extending the life of existing houses through earthquake-reinforcement work while retaining the main structural elements, thereby reducing the waste of resources and curb the generation of industrial waste in comparison with rebuilding.



Before

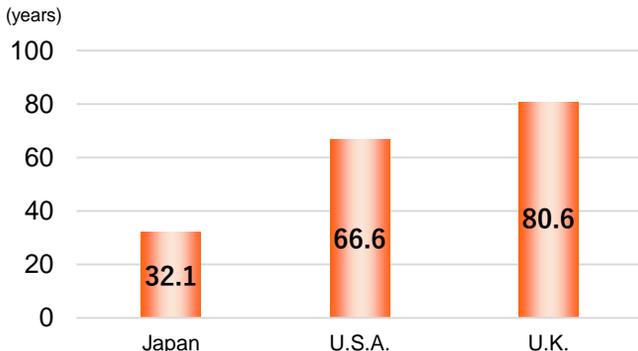


Interior stripped down to its main structural elements



After

< International comparison of the average age of houses >



Source: Ministry of Land, Infrastructure, Transport and Tourism "International Comparison of the Average Age of Houses Deregistered in 2018"

Curbing Environmental Pollution, Reducing Waste and Making Effective Use of Resources

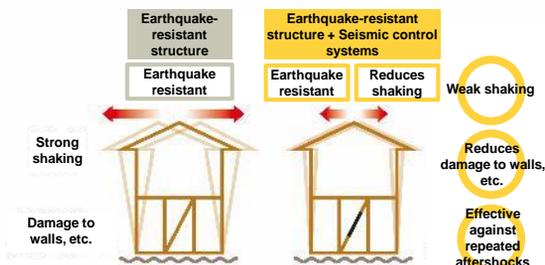
Initiatives

Reducing Waste and Making Effective Use of Resources

➤ Reducing Waste in Custom Home Business

In Sumitomo Realty's custom home business, we use specification standards under the "long-life quality housing"* certification standard (measures against deterioration grade 3, thermal insulation performance grade 4, upkeep grade 3, earthquake resistance grade 3). We will help reduce industrial waste by extending the rebuilding cycle as a result of supplying this highly durable housing.

* "Long-life quality housing" refers to a certification system operated by Japan's Ministry of Land, Infrastructure, Transport and Tourism pursuant to the Act on the Promotion of Popularization of Long-life Quality Housing which aims at a transition to a "stock-type society."



* The effectiveness in mitigating deformation, which is based on the results of earthquake response analysis in our model plans, and varies depending on building specifications, layout plans, seismic waves, and other factors.

➤ Reducing Waste in the Office Building Development Business

Extending the life of buildings through architectural design that ensures long-term use with minimal deterioration will contribute greatly to reduction of environmental load by minimizing resources wasted and industrial waste generated through rebuilding.

In conjunction with superior earthquake resistance and fire resistance, Sumitomo Realty's office buildings are designed to respond to various changes in work styles, office layouts and IT evolution, in terms of both function and space. For example, the "ceiling grid system" incorporates ceiling equipment into lighting panels to make relocation of the equipment easy, enabling it to respond flexibly to a change in office layout and minimize waste generation.



"Ceiling Grid System" to respond flexibly to a change in office layout

➤ Proper Disposal of Waste Material Subject to Specified Controls

Sumitomo Realty properly disposes of PCB waste, which is deemed as a hazardous waste substance, in accordance with laws and regulations.

PCB emissions and disposal costs		FY2018	FY2019	FY2020
PCB emissions	kg	730	9,470	9
Disposal costs	Thousand yen	1,386	9,025	784

* The scope of data collected for calculation encompasses all the office buildings owned and managed by Sumitomo Realty.

➤ Implementation of Measures Against Marine Plastics

At Rieven House convenience stores, operated by Sumitomo Realty Group company Izumi Restaurant Co., Ltd., we work to reduce the use of plastic bags by encouraging customers to use their own reusable bags.

In addition, some of the restaurants the company operates have switched to using paper straws instead of plastic straws for the beverages.

Through these efforts, we are reducing the amount of plastic waste that adversely affects the marine environment.



➤ Penalties and Fines

In fiscal 2020, Sumitomo Realty incurred neither penalties nor fines under laws and regulations related to waste material and environmental pollution.

Environmentally Responsible Supply Chain

Issue Awareness and Action Plans

Suppliers in the real estate industry consist of a wide range of businesses that include not only construction companies, manufacturers and other businesses involved in building construction but also cleaning companies, maintenance and inspection companies, and many others. Contributing to environmental conservation through our business requires not only our own efforts but also cooperation across the entire supply chain.

The Sumitomo Realty Group aims to contribute to environmental conservation throughout its entire supply chain. From development through to the management and operation of our real estate portfolio, we are focusing on the realization of a sustainable society in conjunction with our respective stakeholders with the aim of resolving various environmental issues, such as climate change, conservation of water resources, preserving biodiversity and reduction of waste.

Initiatives

Seeking Cooperation from Suppliers

➤ Dissemination and Training of Environmental Policies to Suppliers

The Sumitomo Realty Group has established the Sustainable Procurement Guidelines, which we disseminate to our business partners to request their cooperation. As part of the efforts to implement "Consideration for the Environment" under the guidelines, we ask our suppliers to cooperate in the following areas: reducing the risk of climate change, promoting the efficient use of water resources and energy, reducing the burden on biodiversity, preventing environmental pollution,

promoting the effective use of resources and reducing waste.

The guidelines are publicly available on our website at all times and are explained to each supplier when necessary, such as at the start of a business transaction. In addition, we provide individual training opportunities for businesses that we assess as having a particularly large impact on environmental quality to further promote the dissemination of our environmental policies.

➤ Supplier Monitoring and Environmental Quality Reporting

In the Building Development Division of Sumitomo Realty, we have established a system for monitoring the environmental quality of suppliers at all the properties we manage with regular reports provided by service staff and cleaning staff. Based on the results of this monitoring, we take specific corrective measures as necessary, enabling us to maintain a high level of environmental quality.

In order to reduce waste and promote recycling, our employees regularly receive direct reports on the status of waste separation at the site. If the separation status is not satisfactory, we re-sort the waste at the garbage depot and alert tenants. This helps to reduce the amount of waste generated and improve the recycling rate.

➤ Requesting Green Power Usage at the Construction Site of New Condominiums

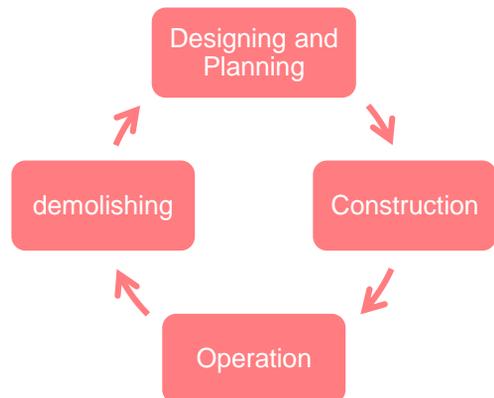
Since September 2021, we have decided to actively urge our partner construction companies to use green power at their construction sites of new condominiums. For construction

companies without measures to do so, we will request their collaboration by providing a framework that enables the introduction of green power.

➤ Participation in Initiatives Related to Environmental Impacts in the Supply Chain

Sumitomo Realty is a regular member of the Long-Term Vision for Global Warming Countermeasures Working Group formed within the Environmental Committee of The Real Estate Companies Association of Japan. The committee has been discussing and promoting how to quantify contributions to reducing emissions throughout the value chain as well as policies for initiatives.

The committee also studies and analyzes how the real estate industry can contribute to reducing emissions in each phase of a building's life cycle, from designing and planning to constructing, operating and demolishing. We are working to visualize the CO₂ emissions structure of each supplier in the supply chain including the energy efficiency of construction materials and heavy construction equipment at the construction phase. We are striving to reflect this analysis into the plans for new constructions.



Environmentally Responsible Supply Chain

Initiatives

Collaborations with Tenants and Suppliers in Our Real Estate Portfolio

➤ Environmental Management System (EMS)

Sumitomo Realty has introduced its own EMS to monitor the environmental impact from its office building business and is

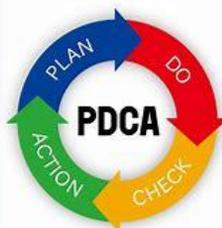
working to continuously improve conditions using the PDCA cycle.

<PLAN>

Consider the actual data, social conditions, governmental systems and other factors when designing outlines for property development and setting reduction targets for energy consumption and GHG emissions for each property of the portfolio.

<ACTION>

Based on the results of the analysis, make new plans which include improvement to operating policies and installation of high-efficiency equipment by renovations, and carry them out toward achieving the targets for the next fiscal year.



<DO>

Implement energy-saving measures in conjunction with tenants and upgrade to high-efficiency equipment to achieve the targets.

<CHECK>

Share actual energy consumption and GHG emissions with the on-site building manager, service staff and secretariat, and check the achievement status of annual targets set in advance for each property. If the achievement status is not satisfactory, then analyze the reasons.

➤ Energy Conservation Initiatives in Conjunction with Tenants, and Changes in Consumption and Emissions

Sumitomo Realty not only develops office buildings featuring substantial environmental performance, but also strives to save energy with respect to management and operation of such buildings upon their completion. It is crucial that we coordinate efforts with our tenants in that regard, given that the major part of a building's energy consumption is attributable to the tenant-leased areas of buildings.

In addition to seeking cooperation from tenants in energy-saving activities in accordance with management bylaws and other requirements, we have established a system that

incentivizes energy conservation by adopting a pay-as-you-go electricity rate, and we disclose energy consumption as necessary. In this manner, we are implementing green leases for operational improvement at all of our properties.

We furthermore strive to curb power consumption by raising awareness of energy conservation among users of our buildings through initiatives that include notifying tenants of their monthly volumes of energy consumed in the tenant-leased areas when necessary, and displaying posters inside buildings encouraging energy conservation.

< Energy consumption and GHG emissions of Sumitomo Realty's real estate portfolio >

◆Results

	Unit	FY2018	FY2019	FY2020
Target area (standardized coefficient - per-unit denominator)	Thousand m ²	3,513	3,731	3,851
Energy consumption	Thousand GJ	5,098	5,189	4,872
Energy consumption	Thousand KL	132	134	126
Per-unit energy consumption	kL/m ²	0.03744	0.03589	0.03265

YOY (0.0032)

	Unit	FY2018	FY2019	FY2020
GHG emissions (SCOPE1)	t-Co2	18,391	21,322	20,028
GHG emissions (SCOPE2)	t-Co2	228,907	228,707	206,101
GHG emissions (SCOPE1&2)	t-Co2	247,298	250,029	226,130
Per-unit GHG emissions (SCOPE1&2)	t-Co2/m ²	0.07040	0.06701	0.05873

YOY (0.0083)

◆Reduction target

	Single year
Reduction rate	1%
Base year	2019
Target year	2020
Per-unit volume after reduction	0.03553

	Single year
Reduction rate	1%
Base year	2019
Target year	2020
Per-unit volume after reduction	0.06634

* The scope of data collected for calculating for energy consumption and GHG emissions encompasses all the properties owned, managed, used, by the Sumitomo Realty or leased to it as office, etc. for which report is required under the Act on Rationalizing Energy Use. (Ratio to the total gross floor area of buildings owned by the Company whose main purpose is office leasing: 85.9%) In addition, All GHG emissions are calculated using adjusted GHG emission coefficients.

Environmentally Responsible Supply Chain

Initiatives

Collaborations with Tenants and Suppliers in Our Real Estate Portfolio

➤ Decarbonization Lead Project Agreement

Sumitomo Realty and TEPCO Energy Partner, Inc. concluded the "Decarbonization Lead Project Agreement," an agreement to jointly plan and implement projects to lead decarbonization. As companies underpinning the social infrastructure, Sumitomo Realty and TEPCO EP aspire to jointly design the scenario for social transformation toward carbon neutrality by 2050 and

lead Japan and the world in the effort. To this end, we have been implementing not only the following project for office buildings, but also projects to promote decarbonization for residences.

Going forward, the two companies will continue to implement projects to lead decarbonization.

Sep. 2021	Concluded the "Decarbonization Lead Project Agreement"
Sep. 2021	Commenced the "SUMIFU x ENEKARI" - Residential Solar Power Generation Service
Oct. 2021	Developed and started offering the scheme to introduce raw green power with additionality to tenant-lease areas

➤ Sumitomo Realty's Green Power Plan

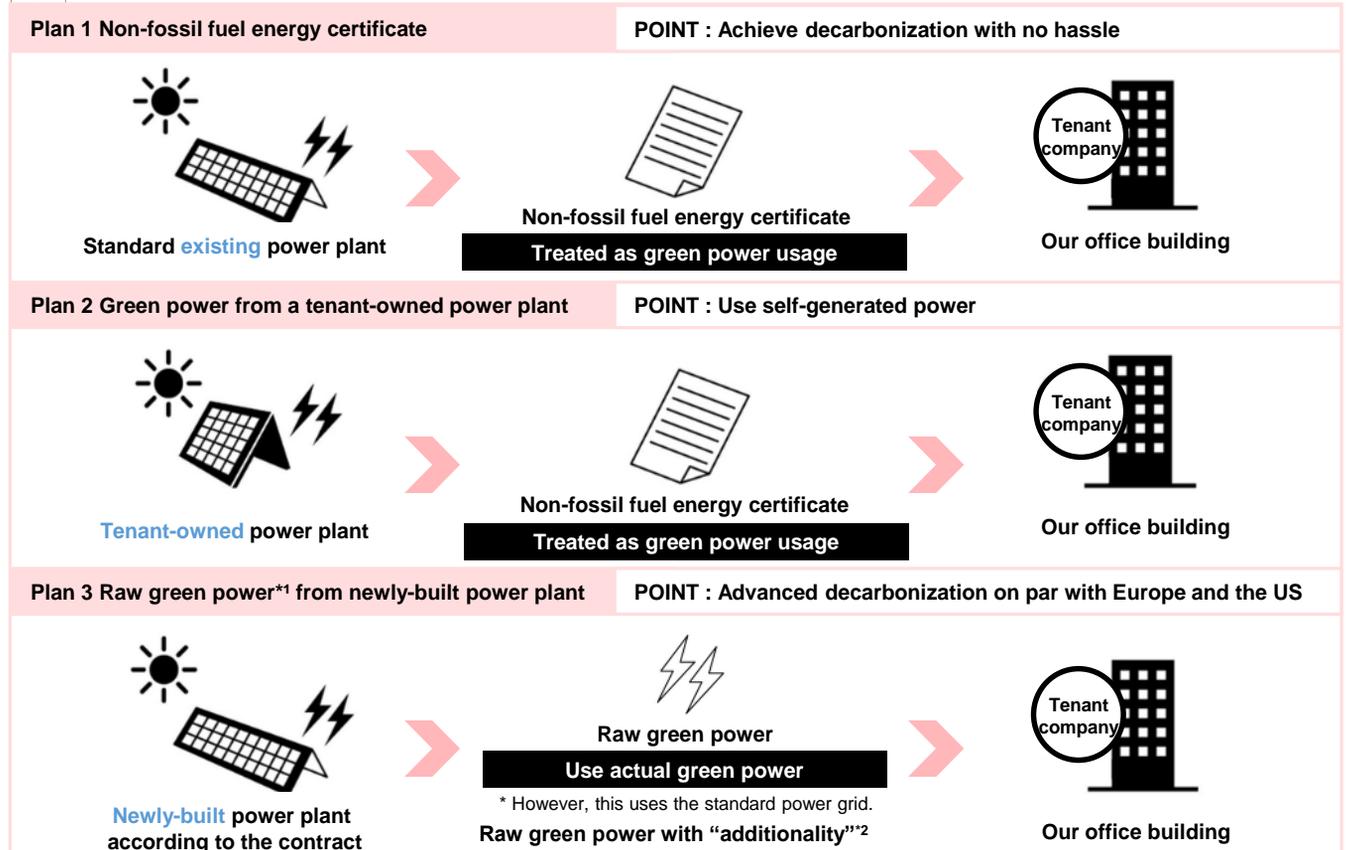
Sumitomo Realty has established and began offering the Sumitomo Realty's Green Power Plan, a system to offer optimal green power plans from among several methods for tenant companies of our office buildings, in November 2021.

Previously, green power for office buildings was generally

introduced to a building as a whole. However, as companies are accelerating their decarbonization efforts, we now offer green power plans that enable introduction of green power for each tenant's area in a building with multiple tenant companies, in order to meet their individual needs.



Three Plans and Their Advantages



*1 Raw green power refers to green power consoreero as being directly supplied from the power plant via general-use power grids; the generation and consumption of raw green power are matched in 30-minute units.

*2 Green power with additionality refers to green power obtained by developing new renewable power sources such as new solar power plants, and therefore directly contributing to raising Japan's total renewable power generation capacity. In recent years, additionality has been considered a requirement for high-value renewable electricity and used by environmentally advanced companies in Europe and the US as a standard for selecting green power.

Environmentally Responsible Supply Chain

Initiatives

Collaborations with Tenants and Suppliers in Our Real Estate Portfolio

➤ Securing Water Resources, and Changes in Water Withdrawal and Wastewater

Sumitomo Realty also takes steps to restrict water consumption in office buildings by working in conjunction with our tenants. For instance, we encourage our tenants to reduce

water wastage by notifying each company, when necessary, of their monthly water consumption volumes in tenant-leased areas.

◆ Water withdrawal and Wastewater of Sumitomo Realty’s real estate portfolio

Water withdrawal		FY2018	FY2019	FY2020	Wastewater		FY2018	FY2019	FY2020
Target area (standardized coefficient)	Thousand m ³	3,513	3,731	3,851	Target area (standardized coefficient)	Thousand m ³	3,513	3,731	3,851
Water withdrawal	Thousand m ³	2,589	2,735	1,983	Wastewater	Thousand m ³	2,459	2,657	1,843
Per-unit water withdrawal	m ³ /m ²	0.7371	0.7332	0.5151	Per-unit wastewater	m ³ /m ²	0.7000	0.7122	0.4787

* All of the abovementioned withdrawals are from tap water. No withdrawals are from surface water, groundwater, external wastewater, or seawater.
 * The scope of data collected for calculation for water withdrawal encompasses all the office buildings owned and managed by Sumitomo Realty for which report is required under the Act on Rationalizing Energy Use.
 (Ratio to the total gross floor area of buildings owned by the Company whose main purpose is office leasing: 85.9%)

* All of the abovementioned wastewater is discharged through the sewer system to an external water treatment plant. No wastewater is discharged to marine waters, surface water, or groundwater.
 * The scope of data collected for calculation for wastewater encompasses all the office buildings owned and managed by Sumitomo Realty for which report is required under the Act on Rationalizing Energy Use.
 (Ratio to the total gross floor area of buildings owned by the Company whose main purpose is office leasing: 85.9%)

➤ Preserving Biodiversity

Sumitomo Realty is committed to preserving biodiversity across its real estate portfolio by planting greenery using local native species in accordance with the size of the properties in all the office buildings we develop and surrounding public open spaces. By using local native species in all of our development properties and formulating a manual of countermeasures against designated invasive alien species, we contribute to maintaining ecosystems that are unique to each region. The open green spaces that we develop provide habitats for plants and animals as well as places for local communities to enjoy nature.

Sumitomo Fudosan Shinjuku Garden Tower realized large scale greening with a total green area of 5,684 m² (34% green coverage). The area forms a “green network” connecting the adjacent Toyama Park and Nishi-Toyama Park, and ensures habitats for diverse plants and animals in central urban location.



➤ Initiatives to Reduce Waste and Promote Recycling

At Sumitomo Realty’s office buildings, we carry out activities to reduce waste discharge and promote recycling across our entire portfolio. In addition to displaying posters to raise awareness of waste reduction and recycling among tenants, we promote waste separation by providing waste separation bins to tenants at our own expense when they move in. In addition, we have concluded contracts with waste disposal companies for each building to ensure the appropriate

recycling of recyclable waste, such as dry cell batteries, fluorescent lamps, styrofoam, metal, PET bottles, cans, jars and used paper.

Used paper from the garbage depots at our properties is recycled into toilet paper and other materials following the appropriate processing. Toilet paper made from recycled paper is used in the common restrooms at our properties, contributing to the recycling of resources.

➤ Collaborative initiatives for PET bottle horizontal recycling

From March 2022, Sumitomo Realty has been promoting horizontal recycling of PET bottles in collaboration with the Suntory Group. In this initiative, used PET bottles collected at some of Sumitomo Realty’s office buildings are recycled into PET bottle containers as a new resource through advanced recycling processes. In this way, we are contributing to realization of sound material-cycle society. In addition, we are promoting awareness-raising activities of garbage separation

for our tenants’ employees through selling Suntory beverage products with recycled PET bottles at “Rieven House,” convenience stores within office buildings operated by Sumitomo Realty.

Sumitomo Realty has been promoting horizontal recycling initiatives since before, and as one of its initiatives, we collaborated with Japan TCGF to conduct experiments on the collection of used PET bottles from January to February 2020.

* Japan TCGF is an organization led by Japanese companies in the consumer goods distribution industry. Its members, made up of manufacturers, wholesalers and retailers, work together to plan and implement solutions to common issues in non-competitive fields in Japan. In order to achieve the earliest possible reconstruction and recovery from the Great East Japan Earthquake in March 2011 and to create a new Japan, Japan TCGF was established in August of the same year with the aim of realizing a better life for consumers.

Environmentally Responsible Supply Chain

Initiatives

Certifications / Awards from Third Parties

➤ Acquisition of Green Building Certification

Sumitomo Realty owns many properties with high environmental performance. Including the five buildings certified with the highest rank of five stars in the DBJ Green Building Certification, the total number of certified buildings is 26, with a gross floor area of approximately 770 thousand tsubo. This is **the largest gross floor area held among the**

owners of buildings in the Office Building Category of DBJ Green Building Certification (as of October 2020). We will continue to achieve a high level of environmental performance by setting the continuous annual target that 100% of our new large buildings will acquire Green Building Certification.

* The certification is granted in five grades: among the properties meeting the certification standard, which is approximately the top 20% of all domestic commercial properties, the highest ranking of five stars awarded to the top 10% and four stars awarded to the top 30%. [Press Release \(link\)](#)

◆ Acquisition status ◆

Certified properties as a percentage of all properties and their area (based on gross floor area)
53% and 769,351 tsubo

◆ Progress toward targets ◆

Progress toward targets
Large-scale new buildings completed in fiscal 2020: 100% Green Building Certification



DBJ Green Building

Evaluation Rank
(5 grade evaluation)



Properties with the best class environment & social awareness

	Tsubo
Sumitomo Fudosan Shinjuku Grand Tower	54,386
Sumitomo Fudosan Osaki Garden Tower	53,888
Sumitomo Fudosan Shinjuku Garden Tower	43,127
Tokyo Nihombashi Tower	41,313
Sumitomo Fudosan Azabujuban Building	13,961

Evaluation Rank
(5 grade evaluation)



Properties with exceptionally high environmental & social awareness

Sumitomo Fudosan Roppongi Grand Tower *	63,674	Chiyoda First Building West	19,193
Izumi Garden Tower	61,971	Sumitomo Fudosan Shinjuku Central Park Tower	18,178
Shinjuku Sumitomo Building	54,509	Sumitomo Fudosan Shibuya Garden Tower	17,974
Sumitomo Fudosan Shinjuku Oak Tower	49,337	Sumitomo Fudosan Iidabashi Building No.3	16,886
Sumitomo Fudosan Shinjuku Central Park Building	46,423	Sumitomo Fudosan Shibuya First Tower	16,015
Shiodome Sumitomo Building	30,224	Sumitomo Fudosan Kojimachi Garden Tower	14,422
Sumitomo Fudosan Mita Twin Building West	29,747	Sumitomo Fudosan Shibuya Tower	11,478
Sumitomo Fudosan Iidabashi First Tower	23,715	Sumitomo Fudosan Onarimon Tower	9,890
Sumitomo Fudosan Shibakoen First Building	19,306	Sumitomo Fudosan Akihabara Ekimae Building	9,317

* Sumitomo Fudosan Roppongi Grand Tower received certification from 2018 edition.

Evaluation Rank
(5 grade evaluation)



Properties with excellent environmental & social awareness

Sumitomo Fudosan Iidabashi First Building	19,041
Sumitomo Fudosan Aobadai Tower	16,871
Sumitomo Fudosan Shiodome Hamarikyu Building	14,505

Environmentally Responsible Supply Chain

Initiatives

Certifications / Awards from Third Parties

➤ Environment-related Awards from Third Parties

• the Minato-ku Green Urban Development Award

Sumitomo Fudosan Onarimon Tower, a property developed and operated by Sumitomo Realty, has received the 2020 Minato-ku Green Urban Development Award.

The Minato-ku Green Urban Development Award recognizes greening facilities run by residents and businesses in Minato-ku for excellence in developing greening plans and maintaining such green areas. The award gave a high evaluation to the property's green area, which is integrated with Shiba Park and whose design takes the characteristics of the surrounding greenery, tree species, and cityscape into consideration.



• Osaka Excellent Greenery Award

BRANZ Tower Umeda North, a newly built condominium in whose development Sumitomo Realty participated, received the highest level of the Osaka Excellent Greenery Award 2020, the Governor of Osaka Award.

The Osaka Excellent Greenery Award honors building owners who have made particularly outstanding efforts to create greenery, including contributions to the improvement of the urban environment and its attractiveness. The property was highly evaluated for creating a biotope (local habitat for plants and animals) by installing a water feature etc. in addition to its greenery.



• CTBUH Awards 2021 / Renovation Award

The Shinjuku Sumitomo Building Renovation Project has become the first project in Japan to win the Award of Excellence at the Council on Tall Buildings and Urban Habitat (CTBUH) Awards 2021 / Renovation Category. Sumitomo Realty created the basic concept and supervised the whole project.

CTBUH is the world's leading nonprofit organization founded in 1969 that hosts annual awards program. The Renovation Category, which was created in 2019 among other categories, recognizes projects that have made extraordinary contributions to the advancement of tall building renovation, and that take the technical solutions and possibilities for such renovations to the next level, thereby innovatively extending the life cycle of the building.

The property was highly evaluated for revitalizing the area through making large-scale spaces free of pillars, as well as for maximizing the use of existing structures in its repair thus minimizing the cost of construction and the impact on tenants.



• CTBUH Awards 2021 / Structural Engineering

Sumitomo Fudosan Roppongi Grand Tower, the building that we manage and operate, won the Award of Excellence in the Structural Engineering Category 2021.

The Structural Engineering Award recognizes projects that have made significant contributions to structural technology for high-rise buildings and have advanced the technical solutions and possibilities for new construction to the next level. As a sustainable office building with world-class disaster prevention features, Sumitomo Fudosan Roppongi Grand Tower was highly evaluated for its structure that combines various state-of-the-art seismic isolation and damping technologies. These include a seismic isolation layer installed on the middle floors, which is a notable technical achievement in a building more than 200 meters tall.

