

# Nippon Building Fund Inc.

## 2020 Environmental Performance

### Energy consumption

Item	2018 (reference)	2019	2020
Total energy consumption (thousand kWh)	438,845	428,961	396,465☑
Fuel consumption (thousand kWh)	42,660	76,865	71,367
Electricity consumption (thousand kWh)	337,174	296,704	275,079
Other heat consumption (thousand kWh)	58,979	55,361	49,988
Renewable energy production (thousand kWh)	31	31	31
Energy consumption intensity (kWh/m <sup>2</sup> )	186.0	188.2	173.2

### Greenhouse gas emissions

Item	2018 (reference)	2019	2020
Total CO <sub>2</sub> emissions (t-CO <sub>2</sub> )	175,600	158,711	142,583☑
Scope 1 emissions (t-CO <sub>2</sub> )	7,701	13,858	12,902
Scope 2 emissions (t-CO <sub>2</sub> )	167,898	144,852	129,680
CO <sub>2</sub> emissions intensity (kg-CO <sub>2</sub> /m <sup>2</sup> )	74.2	69.6	62.3

### Water consumption

Item	2018 (reference)	2019	2020
Total water consumption (thousand m <sup>3</sup> ): A+B	1,750	1,752	1,363☑
Purchased water consumption (thousand m <sup>3</sup> ): A	1,483	1,571	1,209
Other water consumption (thousand m <sup>3</sup> ): B	266	181	154
Water consumption intensity (m <sup>3</sup> /m <sup>2</sup> ): Subject to A	0.62	0.69	0.53

### Waste emissions

Item	2018 (reference)	2019	2020
Total waste emissions (t)	11,051	10,146	8,015
General waste emissions (t)	-	7,709	6,076
Industrial waste emissions (t)	-	2,438	1,939☑
Ratio by method of waste disposal			
Landfilling (%)	3.0	6.2	8.0
Incineration (%)	28.8	28.9	29.6
Recycling rate (%)	68.2	64.9	62.5

The ☑ mark indicates that the data in 2020 has received the independent practitioner's assurance by Deloitte Tohmatsu Sustainability Co., Ltd.

Issue date: 2021/6/30

## Notes on the above performance

### 1. Scope of data calculation

- All properties owned by Nippon Building Fund Inc. (NBF) are covered. However, properties with exclusive ownership areas holding 25% or less than 25% are not covered.
- NBF Shinagawa Tower partly owned by NBF is a part of Shinagawa Grand Central Tower which is the major part of the property but excluded for the calculation.
- The above data consists of total consumption/emissions from common-use areas and tenants' exclusive areas in each property and is not converted into equity.
- Regarding gas consumption, some data that are difficult to collect due to direct contracts by tenants to gas providers are excluded for the calculation.

### 2. Calculation period

Calculation period: January 1<sup>st</sup> to December 31<sup>st</sup>

※Waste data in 2018 (reference) is calculated during the period of April 1<sup>st</sup>,2018 to March 31<sup>st</sup>,2019, as it is difficult to collect some data of divested properties in the calculation period of 2018.

### 3. Calculation method

#### ① Energy consumption

Energy consumption =  $\Sigma$  (consumption by energy type  $\times$  heating value conversion factor  $\times$  conversion rate for electricity)

Calculated by using the conversion factor based on the "Act on Rational Use of Energy"

Energy type: Electricity, cool water, warm water, city gas, bunker A, diesel oil

#### ② Greenhouse gas emissions

Scope of greenhouse gas: Energy origin CO<sub>2</sub>

Energy origin CO<sub>2</sub> emissions =  $\Sigma$  (energy consumption  $\times$  CO<sub>2</sub> conversion factor)

The CO<sub>2</sub> conversion factors for fuel and other heat are based on the "Greenhouse Gas Emission Calculation and Reporting Manual" published by Ministry of the Environment and Ministry of Economy, Trade and Industry.

The CO<sub>2</sub> conversion factor for electricity is based on the basic emission factor given by each electricity provider" published by Ministry of the Environment and Ministry of Economy, Trade and Industry.

- Include the energy origin CO<sub>2</sub> emissions from tenants except for direct contracts by tenants to energy providers.

#### ③ Water consumption

Total water consumption =  $\Sigma$  (Purchased water consumption<sup>\*1</sup> + Other water consumption<sup>\*2</sup>)

<sup>\*1</sup> Purchased water consists of purchased clean water and industrial water among other things.

<sup>\*2</sup> Other water consists of water recycled inside the property, grand water, and rainwater among other things.

#### ④ Waste emissions

Total waste emissions =  $\Sigma$  (General waste emissions + Industrial waste emissions)

Based on the "Waste Management and Public Cleansing Act"

Regarding the waste data in 2018, only "total waste emissions" is written because the calculation category has been changed since 2019.

⑤ Intensity figures

Each intensity figure = Total consumption of each / Floor space

Floor space is the space confirmed when constructing.

The data was calculated based on the properties held by NBF at the end of each year. However, some portion of these properties like residential areas were excluded due to difficulties in collecting the data.

Intensity figures are corrected by annual average occupancy rate.

Corrected intensity figures = Non-corrected intensity figures / Average occupancy rate [%]

4. As the correction method for the environmental performance has been changed since 2019, the data in 2018 has some variance from 2019 and 2020. Besides, some variance come from rounding off.

## Independent Practitioner's Assurance Report

June 30, 2021

Mr. Koichi Nishiyama,  
Executive Director,  
Nippon Building Fund Inc.

Masahiko Sugiyama  
Representative Director  
Deloitte Tohmatsu Sustainability Co., Ltd.  
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We have undertaken a limited assurance engagement of the environmental performance information indicated with  for the year ended December 31, 2020 (the "Quantitative Environmental Information") included in the "Nippon Building Fund Inc. 2020 Environmental Performance" (the "Report") of Nippon Building Fund Inc. (the "Company").

### The Company's Responsibility

The Company is responsible for the preparation of the Quantitative Environmental Information in accordance with the calculation and reporting standard adopted by the Company (indicated with the Quantitative Environmental Information included in the Report). CO<sub>2</sub> quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data.

### Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Quantitative Environmental Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and *the Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Performing interviews of responsible persons and inspecting documentary evidence to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

### Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Quantitative Environmental Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.