Strengthening Leadership

Developing Next-Generation Leaders

In cooperation with Hitotsubashi University's Graduate School, SuMi TRUST Bank offers GL training for Global Leaders (for deputy general managers, associate general managers) to nurture the next generation of top management and SL training for Strategic Leaders (for section managers, operational chiefs) to nurture the next generation of leaders. Candidates learn the values, general knowledge (liberal arts), and MBA elements they need for management, and through sessions and courses, they complete the program by presenting a proposal to senior executives. Furthermore, we carry out various training sessions to develop leaders among our female employees and provide them a path to management.

After these training sessions, employees receive opportunities to put their learnings at the sessions into practice in a variety of settings through their assigned duties and replacement.

In addition, through exploring the history of the Mitsui and Sumitomo corporate groups and communication with outside lecturers and foreign students, the program aims to reaffirm the SuMi TRUST Group's origins and business spirit, broaden horizons, instill global awareness, and enable participants to build networks within and outside the Company.

Strategy for Global Human Resources

To foster a global mindset and produce a continuous stream of human resources who can succeed in business sectors both in Japan and overseas, the SuMi TRUST Group has increased the number of employees sent from Japan to work overseas to 215 as of March 31, 2021, up from 115 as of March 31, 2012. We have also increased the number of employees with foreign citizenship working in Japan to 69 as of March 31, 2021, up from 22 as of March 31, 2012. Employees hired overseas are eligible for transfers to other overseas locations and their training at the Head Office is also considered to be undertaken.

In addition, we provide screened training for next-generation top management candidates with no overseas experience to develop their management perspectives and language skills at global level.

Management Under the New Normal Environment

In addition to training to develop next-generation leaders to aggressively pursue strategic business development, SuMi TRUST Bank conducts rank-based training to ensure that each generation receives training at the appropriate time. Currently, section managers and team leaders undergo team building to help them defend the administration of their branches and departments while responding to demands from management as well as training to gain management awareness. The training is designed and conducted in partnership with an external educational institution based on their integrated leadership training curriculum (the 7 Habits of Highly Effective People). Furthermore, we conducted a new training program in fiscal 2021 for all managerial positions at the section manager level and above to help them understand the new management styles that have emerged under the new normal environment. This training provided insights on communicating with subordinates, instilling organizational ideals, and managing the workforce in a remote work environment. Human resources development requires not only classroom learning but also practical training through hands-on experience. Therefore, in order to help these managers acquire practical knowledge and skills, we not only encourage learning through group discussions at the training site but also support post-training assignments and other out-of-class activities. We actively promote human resource development through recurrent education that

Flow of Rank-Based Training



Data Concerning Training for Human Resources Development (FY2020)

Total number of trainees*1	Number of selected and nominated trainees	Percentage of employees that participated in training*2	Total training hours	Training costs	No. of training days
10,059	91	31.8%	935.4 days (Calculated at 7 hours per day)	¥340 million	170*3

*1 Total number of trainees in business-specific training, rank-based training organized by the Human Resources Department, and SuMi TRUST University
*2 Percentage of employees that participated in business-specific training, rank-based training organized by the Human Resources Department, and SuMi TRUST University, calculated as: Number of trainees (excluding overlaps) / total number of employees × 100.
*3 For fiscal 2020, total training days have decreased YoY as a result of the preparation time taken for shifting to online training, as well as an increase in trainings held on the same day due to the shift to online training.

looks ahead to an age of 100-year life and, from fiscal 2019, we started inviting external instructors (former managers, university professors, etc.) to provide training for newly appointed executive officers and managing executive officers.

These training programs are held online as a general rule, and are designed to promote the growth of human resources based on a flexible management approach that supports a variety of work styles.

Reinforcement of Digital Human Resources

SuMi TRUST Bank is working to strengthen the expertise and expand the workforce of its digital human resources capable of providing value to clients and employees by way of a technology-driven business transformation and is therefore offering employees numerous ways and opportunities to undertake learning. It organizes lectures by external experts and well-known figures in the digital field and has also launched a Digital Academy to communicate information online about topics of focus. Furthermore, the Bank has introduced a university lecture participation program through which employees can study leading-edge technologies like AI and blockchain, as well as analysis techniques leveraging probability and statistics. We are also taking on the challenge of creating innovation through strengthening our digital human resources by, for example, introducing joint training programs with IT-related companies to examine business models.

Fair Evaluations and Treatment

In order to fairly evaluate and treat diverse human resources, it is necessary for all employees to share and practice the goals of the evaluation system, and in practice, objectivity is essential. For this reason, roughly every three years, SuMi TRUST Bank sends members of the Human Resources Department to each branch and department to interview employees. Additionally, as a means of obtaining a multifaceted view of our personnel, we have introduced an anonymous survey for subordinates and others to rate the day-to-day management actions of line managers in the branch management ranks (general managers, deputy general managers, section managers, etc.). Further, we also promote management action reform and encourage the cultivation of a climate of bi-directional dialogue.

Purpose of Personnel Evaluation System

- To maximize our performance as an organization by aligning the vectors of the Company and individual employees in the same direction
- To ensure goal setting and issue identification, daily communication, and face-to-face meetings to review performance, etc. lead to changes in behavior and capacity development
- To fairly evaluate the various achievements of employees and the diverse capabilities they have demonstrated to ensure they are assigned to appropriate jobs and treated justly

Personnel Evaluation Systems with Individual Employee Participation

SuMi TRUST Bank's personnel evaluation system enables individual employees to participate in the evaluation process. At the beginning of each business term, SuMi TRUST Bank's employees consult with their supervisors and determine specific business execution tasks. After the end of the term, supervisors meet face to face with employees and review their attainment level versus issues identified and the process they went through to deliver results, provide them with assessments they find convincing, and afford them capability evaluations across the process they followed to achieve results. Those capabilities demonstrated and evaluated include the state of their ethics and compliance and their degree of involvement in developing human resources.

Starting in fiscal 2019, Sumi TRUST Bank changed its performance evaluation cycle from six months to one year to make it easier to tackle medium- and long-term issues as well as short-term initiatives. Although the evaluation period is longer, we still intend to meet at least once a quarter for timely sharing and resolution of day-to-day issues and to conduct interim process checks.

Bonus System Reflecting Business Performance

From the perspective of encouraging individual employees to fully exercise their capabilities, SuMi TRUST Bank has introduced a system to appropriately reflect the business performance of the entire Group and individual's performance and achievement in the bonus amount with a view to realizing "incentives for building up earnings for the entire Group as well as for contributing to business unit, branch, or department the individual belongs to" and "fair and highly transparent system management through clarification of the process of reflecting business performance."

Through appropriate evaluation of personnel and the payment of bonuses reflecting performance, the Group has developed an environment that enables capable personnel to fully exercise their capabilities.

To further support our employees' accumulation of financial assets, we sponsor a SuMi TRUST Group employee stock ownership plan that regularly purchases shares of SuMi TRUST Holdings.

Employees to be evaluated
13,290 employees (as of end of September 2021)
Business performance indicators used to determine performance-linked bonuses
Achievement ratio of the consolidated net business profit before credit costs Achievement ratio of the consolidated net income
Evaluation method used to measure individuals' performance
Decided through relative distribution among employees belonging to the same business unit based on the results of performance evaluation specified under the personnel evaluation system

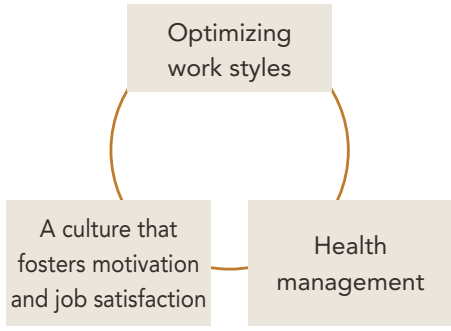
Upholding Positive Workplace Environments

Declaration on Work Style Reform

The SuMi TRUST Group hereby declares it a top commitment to offer a workplace where the diversity and creativity of its employees are more fully utilized to add value to the organization and where employees can have pride and be highly motivated in fulfilling their missions. The Group as a whole will work towards the following goals.

1. **Achieving diverse work styles and work-life balance**
2. **Supporting health improvement through measures such as boosting health awareness and appropriately managing work hours**
3. **Providing opportunities for all employees to grow while participating actively with motivation**

Through the enthusiastic work of each individual employee, we will continue to be a corporate group that contributes to the benefit of clients and is useful to society.



To "improve the workplace environment" the other side of our action to raise the level of the Group's workforce (see page 102), in May 2017, we created the Work Style Reform Headquarters, led by the presidents of SuMi Trust Holdings and SuMi TRUST Bank, and instituted the "Declaration on Work Style Reform" to demonstrate the commitment from the top of the Group.

At SuMi TRUST Bank, the initiatives implemented in accordance with this declaration are helping to generally improve the scores for the questions regarding workplace environment and work-life balance in the annual employee awareness survey.

Support for the International Labour Principles

The SuMi TRUST Group supports the ILO Declaration on the Fundamental Principles and Rights at Work as a signatory to the UN Global Compact.

We also make sure that employees can read about our guidelines concerning labor standards by posting them on the Company's intranet. This same information is also shared with our overseas offices.

Specific Initiatives

- Set and enforce a nine-hour interval rule (the minimum number of hours between the end of a work day and the start of the next work day)
- Ascertain working hours of all Group employees, including those at affiliated companies, and take thorough measures to prevent overwork
- Discuss overtime work status and the management status of systems to promote employee health for the entire Group four times per year at meetings of the Board of Directors. Utilize the opinions of attendees, including those of external directors and external auditors, in drawing up and executing proposals
- Upload to our internal intranet successful management examples of efficient work operation execution
- Shift to business casual attire year-round
- Data is processed and returned with the use of RPA

Optimizing Work Styles

Improving the Workplace Environment

The Group is conducting a broad range of initiatives to improve the workplace environment. Specifically, we have been working on reducing the level of overtime work by carrying out thorough work-efficiency and time-management measures. We aim to achieve a goal of cutting clerical work at branches by 70% in around five years by implementing business process reforms and promoting branch strategies. We are also steadily improving efficiency in headquarters operations, for example by automating routine tasks.

The manpower created from these changes will be shifted to the on-site sales force, IT operations, and other specialized areas in order to enhance client support and improve services.

Furthermore, the Group has been working to reduce overall work hours by encouraging employees to take paid leaves and setting months for leaving work early and weeks for leaving work on time.

Status of Paid Holiday Use among SuMi TRUST Bank Employees (FY2020 Results)

Average number of days of paid holiday use	15.4days
Average paid holiday usage rate	57%

Status of Overtime Hours among SuMi TRUST Bank Employees (FY2020 Results)

Average overtime hours per month (outside of mandatory work hours)	19.1hours
Ratio of career-course employees exceeding 60 hours of overtime per month (outside of mandatory work hours)	0%

Health-Related Data of SuMi TRUST Bank Employees (FY 2020 Results)

Ratio of employees that have received a detailed health examination	69.4%
Ratio of employees that smoke	11.1%
Ratio of employees that took a stress check	93.6%
Ratio of employees with high levels of stress	9.0%

Initiatives to Realize Work-Life Balance

The Group actively strives to create working environments that enable employees to work at ease and maintain a good balance between work and home lives. As one plank in this effort, the Group is a member of the "Iku-boss Corporate Alliance" established by specified non-profit organization Fathering Japan, which develops businesses to support fathers and promote work-life balance for men. Through the activities of the alliance, we will again spread within the Group a message that "realizing diverse work styles and work-life balance" for employees is crucial for sustainable growth of the Group, and promote the development and reform of awareness among senior executives.

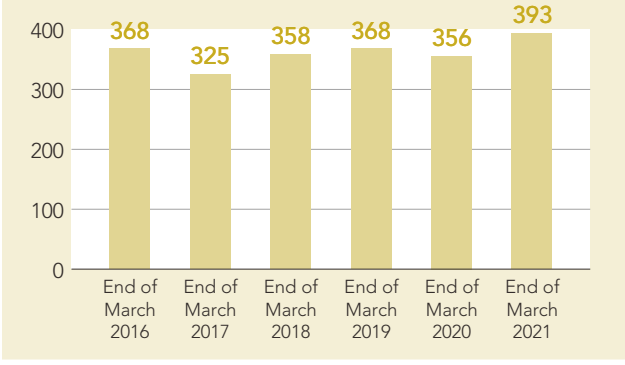
As for childbirth and childcare, SuMi TRUST Bank has created an environment where employees can raise their children with peace of mind by implementing a variety of measures. For example, in addition to offering childcare leave until children reach the age of two, SuMi TRUST Bank promotes childcare leave for male employees, and has established a nursing care leave system where employees with two or more children requiring care can apply for up to 10 days of leave per year. Furthermore, employees who are pregnant or who live with and raise children of or below the third grade of elementary school are eligible for a system of shorter working hours and an exemption from working overtime or at night. As of the end of March 2021, 393 employees had used this system to take childcare leave. We are also developing a childcare handbook so as to provide information to pregnant employees and their managers mainly regarding how the leave system works and key points to be mindful of. In addition, we have a website that can be accessed by employees on childcare leave and an email newsletter that provides useful information on child-rearing, as well as company information. We also run seminars led by external lecturers for employees returning to work, and in addition to creating networks between female colleagues that



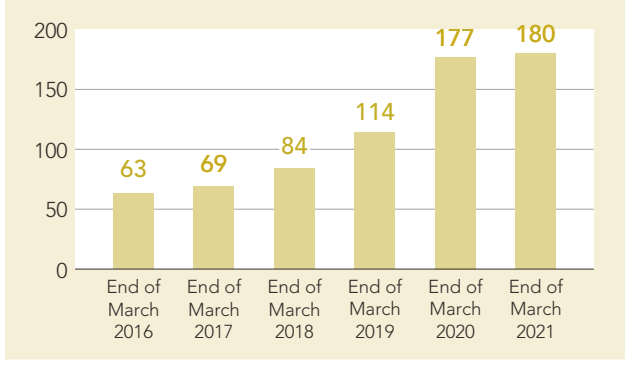
Usage Status of Flexible Employment System (FY2020 Results)

Number of employees using shorter working hours system for childcare or nursing care	522
Number of employees using staggered work starts, overtime work exemptions for childcare or nursing care	209
Number of employees telecommuting	385

Number of Employees Taking Childcare Leave



Number of Employees Taking Nursing Care Leave



SuMi TRUST Bank's System for Childbirth and Childcare (as of End of March 2020)

Item	Pregnancy	Before childbirth	After childbirth	Under 1 year of age	Until the child's second birthday	To under elementary school age	Until third grade of elementary school
Staggered working hours	○	○	○	○	○	○	○
Secure time for hospital visits, ease the burden of commuting, etc.	○	○	○	○			
Prenatal and postnatal leave (8 weeks before and after childbirth/paid)		○	○				
Maternity and childcare leave (first week is paid leave)	○	○	○	○	○		
Childcare time (1 hour a day or two 30 minute periods a day/paid)				○			
Exemption from overtime work	○	○	○	○	○	○	○
Exemption from late-night work	○	○	○	○	○	○	○
Shortened workday system (shorten working hours by no more than 2 hours a day)	○	○	○	○	○	○	○
Nursing care leave				○	○	○	

might harbor the same concerns about balancing work with child-rearing and supporting their smooth transition back to the workplace, we also hold training for section managers with subordinates that face time constraints due to childcare responsibilities by using case studies to examine organizational management methods.

We are developing a nursing care handbook containing basic information about nursing care and we regularly hold seminars on this topic. We have in place a nursing care leave system that offers employees up to 10 days off per year (if there are two or more family members requiring care), a leave-of-absence system for nursing care that can be taken for up to 12 months, and a system of shorter working hours that can be utilized over a maximum of three years (for every family member requiring care). In addition, starting in 2021, we relaxed the requirements for taking accumulated paid leave, allowing employees to use it for their own injuries and illnesses, family care and nursing, fertility treatment, etc., thereby expanding the safety net for themselves and their families. We have also set up a nursing care consultation service where employees can freely consult with external experts on everything from minor questions to concerns about nursing care and balancing work and family life.

Furthermore, with regard to fertility treatment, we have conducted awareness-raising training for all employees via e-learning in order to promote employees' knowledge and understanding of fertility treatment, and have added fertility treatment to the list of acceptable reasons for taking accumulated paid leave as mentioned above, and have also established an in-house fertility treatment consultation service.

Supporting Work-Life Balance for Employees Undergoing Cancer Treatment

In fiscal 2019 we introduced flexible working arrangements to support the balance between cancer treatment and work, including a leave program that can be taken in hourly units. SuMi TRUST Bank has also joined the "Corporate Action to Combat Cancer" initiative promoted by the Ministry of Health, Labour and Welfare.

Promotion of Flexible Working Styles

From fiscal 2018, SuMi TRUST Bank started offering its employees the option of teleworking in order to boost productivity and support a work-life balance. From fiscal 2019 it started trialing a satellite office-based working style from the viewpoint of more effectively utilizing branches and reducing the burden of commuting. Since fiscal 2020, the number of users and branches in this setup have increased. The Bank is also encouraging staggered working hours in an effort to develop an environment whereby employees can flexibly choose when and where they want to work.

These initiatives are actively being utilized as an effective means of staggering office attendance amid the COVID-19 pandemic.

Also from fiscal 2019, the SuMi TRUST Bank adopted a business casual working attire for the whole 12 months of the year. This initiative heightens the autonomy of employees who sometimes need to choose for themselves suitable clothing to wear depending on what kind of work they are doing or which clients they are meeting with. It will also further the development of comfortable workplaces because employees can more easily adapt to colder or hotter days.

Employee Health Management

With regards to "assistance to advance health by raising health awareness in the workplace and properly managing working hours," we seek to promote both the physical and mental health of all Group employees. In addition to promoting the aforementioned optimized work styles, the Group has appointed medical and hygiene supervisors (hygiene promoters) at each of our business locations to provide detailed health management guidance, and through e-learning courses, we seek to raise employee awareness about the importance of health. We also conduct activities such as training to raise the awareness of line managers about the importance of managing their own mental and physical health and that of their subordinates. In addition, we provide all employees with opportunities to use external medical and healthcare services so that they can further improve their health outside of work. In recognition of these initiatives, the Group has been selected in METI's White 500 as an organization having outstanding health and productivity management for four years in a row since 2018.

Moreover, we are endeavoring to respond swiftly and appropriately to the spread of the COVID-19 pandemic by setting up a coronavirus hotline in order to deal with any psychological anxiety felt by employees.

Specific Initiatives

- To bolster employee health management, we thoroughly inform employees of their duty to manage their own health, and we encourage independent and voluntary health management.
- We ensure a flexible approach is in place for employees working long hours by encouraging them to take half-day paid leave or come to work later in the day.
- We have commenced a program, in coordination with branches and departments, to make sure that those employees who have not taken a necessary health checkup, re-examination, or medical treatment will take the one they have missed.
- We put into place a framework for ascertaining the health status of each employee through daily communication within branches, meetings with Human Resources Department personnel, and the filing of job condition declaration (once a year), in addition to regular health checkups.
- We offer influenza vaccinations (at the main office buildings and some branches) and issue warnings aimed at preventing the spread of the seasonal flu, the norovirus, and other contagious viruses.
- We encourage employees to participate in radio gymnastics at the start of the work day.
- We report the status of overtime work hours and the management status of health promotion systems to meetings of the Board of Directors four times per year, and utilize a broad range of opinions, including those from external directors and external corporate auditors, in drawing up and executing measures.
- Ban smoking in all buildings
- Established a COVID-19 consultation service and carried out COVID-19 vaccination for the entire Group, including all employees of Group companies and their family members who want to be vaccinated.

Physical Health

All employees are required to undergo an annual health examination (100% of employees underwent health examination in fiscal 2020), and the Human Resources Department encourages employees needing medical attention to undergo health examinations individually (69.4% of employees underwent detailed health examinations in fiscal 2020). We also support health examinations such as complete medical checkups for employees' family members through health insurance associations.

To help employees maintain good health in the workplace, we removed smoking areas from our offices and prohibited smoking in all buildings in 2018 as a way to prevent secondhand smoking (11.1% of employees were smokers in fiscal 2020).

In order to prevent the spread of COVID-19, we organized a workplace vaccination program for our employees, as well as employees of other Group companies and their families from July to September 2021.

Mental Health

Once a year we have all employees undergo a stress check (93.6% of employees underwent a stress check and 9.0% of employees were determined to have high stress in fiscal 2020). In addition to providing feedback individually, an occupational physician provides guidance so that line managers can provide the right care. We also have in place consultation systems that are easy for employees to use—for example, our in-house health promotion centers set up mental counselling times and the health insurance association provides free health counselling over the phone. When conducting the annual stress check, group analysis results are provided to the employees' union so that improvements in the workplace environment can be discussed.

A Motivating, Fulfilling Work Culture

To "provide all employees with motivating opportunities to succeed and grow," we endeavor to build a work culture that encourages employees to challenge themselves and learn, and stimulate mutual communication. Managers are expected to meet with their employees at least quarterly. These meetings allow the manager to get to know the employees' day-to-day concerns and challenges, help them grow and contribute in a timely manner, and think through their career plans together.

As previously mentioned, we have recommended employees enlist their colleagues beyond each branch or department to create such learning opportunities as seminars and learning circles, and hosted lectures inviting outside lecturers on a regular basis. In addition, SuMi TRUST Bank encourages employees to independently and voluntarily form their own careers by switching the relocation type from region-specific type to nationwide type, and through internal job posting system by which employees can apply for transfers to different duties or business units as they desire.

At the same time, in order to connect the positive motivation of Group employees to new solutions in the form of new products and innovations, we are promoting employees' future-oriented activities for the creation of new businesses and operations, which will in turn boost employees' motivation even more.

Dialogue with Employees

To ensure that both the Company and employees are heading in the same direction and in an effort to encourage employee understanding of the Group's business model and value creation story, we publish an easy-to-understand Employee Integrated Report.

In addition, to make sure our desired corporate culture continues to spread, good mutual communication between officers and employees, as well as between co-workers, is essential. SuMi TRUST Bank takes advantage of events where employees congregate, such as rank-based training, and provides opportunities where the President and other officers talk about topics including management policy and their leadership with a question-and-answer session.

"The Trust Bank discussion" is also held at the workplace to foster the awareness of fiduciary spirit and improve teamwork.

Through open discussion on specific topics between fellow employees, regardless of their position or team, SuMi TRUST Bank puts into practice the concept of "shaping workplaces to be highly motivating."

In addition, as a communication tool between employees and management, we conduct an employee awareness survey for all employees.



Business briefing held prior to open recruitment



Next-generation leaders discuss the Group's mission during training

Labor/Management Relations

A sound and stable labor-management relationship is an indispensable foundation for a company to achieve sustainable growth.

SuMi TRUST Bank recognizes the freedom of association and respects the right to organize and the rights of collective bargaining. It also guarantees employees the right to openly engage in communication with management. As of end-September 2021, the employees' union has 11,692 members, which accounts for 84.08% of all employees. The new inclusion of associates to the employees' union in July 2018 greatly boosted the percentage of unionization among all employees compared to March 2017, when only 8,537 employees were members of the union. The Bank regularly holds management consultation meetings attended by the management team that reports directly to the president alongside the representative of the employees' union, as well as branch and department consultation meetings attended by labor and management representatives for each branch office. During these meetings, discussions focus on working conditions for union members and how workplace environments can be maintained. In this way, the opinions of employees are reflected into management.

At other Group companies as well, there are initiatives to ensure smooth business operation and maintain and improve the workplace environment through dialogue between the company and the union or representatives of employees.

Encouraging Senior Employees to Thrive

SuMi TRUST Bank has in place a program to continuously re-employ retirees who meet certain criteria until they reach the age of 65 (the Elder Partner Program), but from April 2021 it will extend the mandatory retirement age to 65 so that senior employees can remain at the Company for longer.

Also, employees that demonstrate a high level of expertise are certified as Fellows and a framework that reflects their skills in the employment benefits they receive has been introduced.

Promoting Well-being

In April 2021, we established officers in charge of well-being, and are strengthening internal and external promotion activities while participating in industry-government-academia collaboration sessions at the "Well-being Initiative" hosted by Nikkei Inc.

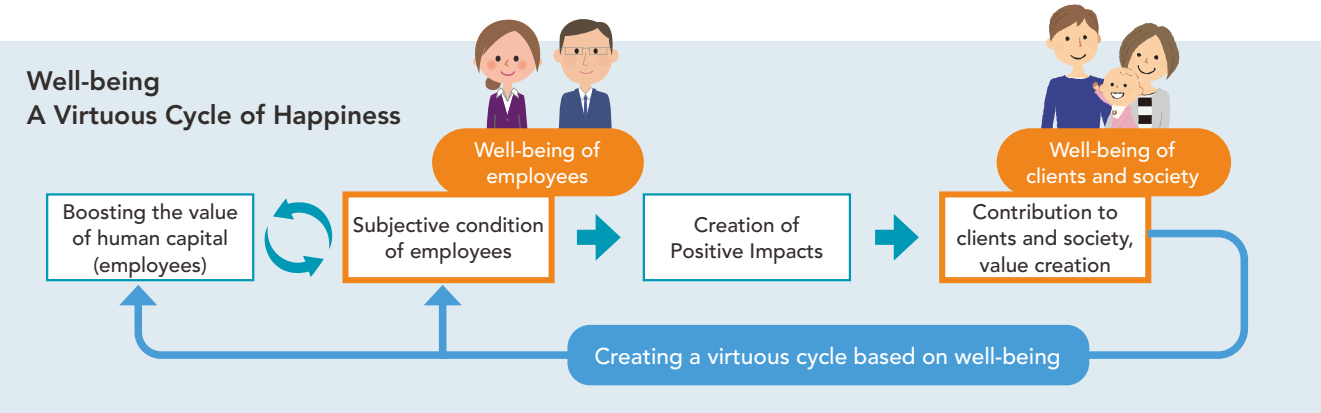
The slogan of the SuMi TRUST Group's well-being promotion activities is "creating a virtuous cycle of happiness for employees, clients and society."

By improving the well-being of our employees, we aim to boost the value of the Group's human capital and achieve our "Purpose" of "creating new value with the power of trusts and let prosperous future for our clients and society bloom" through the creation of positive impacts. Improving the well-being of our clients and society will give our employees, who are members of society, a sense of fulfillment, joy, and achievement, which in turn will improve their well-being, accelerating the virtuous cycle of happiness.

We have defined "employee well-being," which is the foundation of value creation, as a state in which employees are healthy both physically and mentally, empathize with our "Purpose," and pursue happiness in their work by utilizing their own values and strengths under good interpersonal relationships that respect diversity. In accordance to this definition, we are working to develop measures to achieve employee well-being.

For example, in an effort to promote the sharing of values between SuMi TRUST Bank and its employees, we are working to foster a corporate culture that creates happiness, starting with the "Online Information Briefing for All Employees" by the officer in charge of well-being. This is followed by the "Branch Manager's Cram School and Dojo (theme: Positive Stories for Improving Wellbeing)" at each workplace and "1-on-1 coaching training" for all senior executives.

In addition to the employee awareness survey that we have been conducting for some time, we have introduced the Pulse Survey, which enables us to check conditions and identify signs in a timely manner, and we are focusing on improvement activities at the workplace level to create a cheerful and comfortable workplace. Furthermore, we are strengthening our initiatives to have employees themselves promote well-being activities, such as recruiting well-being promoters from all branch offices for the in-house side job program that we started in October.



A Handbook for Overseas Employees, Domestic Employees Posted Overseas

SuMi TRUST Bank has prepared a guide, the "Overseas Application Handbook," on all the social and cultural custom risks that overseas employees and domestic employees sent overseas ought to be aware of. In drafting the handbook, we referenced reports by Business for Social Responsibility(BSR), a nonprofit that originated in the United States that works with companies on sustainability issues, and research materials released by the Industrial Federation for Human Rights, Tokyo.





Understanding the customs and taboos emanating from the culture, religion, national identity, and unique attributes of each country enables our employees to obtain a deeper understanding of the behavior and sentiments of people in other countries and thus builds a foundation for smooth communication and mutual trust. The handbook covers a wide array of bases from summary data on each country such as Transparency International's* Corruption Perception Index (country rankings), manners for various scenarios such as when doing business or sharing a meal, widely shared sensibilities and basic knowledge as well as taboos, differences between Japanese culture, customs, and lifestyles and those of the relevant country to the human rights of women in each country and customs and rules arising from religion. With our Global Business Planning and Coordination Department and Human Resources Departments at the fore, we publicize the handbook to encourage employees to look through it as a reference before going overseas.

*Transparency International is an international NGO dedicated to fighting corruption, especially corruptions among public-sector authorities. The handbook's country ranking is based on Transparency International's Corruption Perception Index that covers 175 countries and territories.

Distribution of Harassment Prevention Handbook

Given the number of cases reported to the Group's consultation line and the greater focus on harassment issues in society, we have distributed a harassment prevention handbook to all Group employees in order to prevent harassment from occurring and to stop situations from worsening further, and so all Group employees can be sure to take appropriate action as members of the organization. In addition, every year SuMi TRUST Bank runs a harassment prevention training course through its e-learning platform for all employees to complete.

Through proper understanding, we aim to eliminate harassment, foster a culture of mutual respect, and create a comfortable and rewarding workplace environment.

System to Respond to Complaints Related to Labor Practices, etc.

In view of the need for appropriate workforce management, SuMi TRUST Bank has established, within the Human Resources Department, the Personnel Consultation Desk (LGBTQ Consultation Desk), at which all employees (including course employees, professional employees, associate employees, part-time workers, and temporary employees) can receive consultation without going through the regular reporting line when problems related to personnel and labor affairs management, such as unfair or unjust labor affairs management practices or workplace harassment, occur. As a safety net to guard against labor affairs problems, the Personnel Consultation Desk strives to appropriately handle consultation cases—also received anonymously—while promptly cooperating with relevant persons.

With respect to associate employees, in addition to personnel management at workplaces, SuMi TRUST Bank has started "personnel affairs support services," including rotation interviews with employees, through an affiliated company (Sumitomo Mitsui Trust Business Service).

SuMi TRUST Bank strives to prevent labor affairs problems by trying to grasp the circumstances of individual employees and collecting opinions and views which maybe difficult to express in the workplace (see page 120).

Number of Consultations Concerning Labor Practices, etc. at SuMi TRUST Bank

FY2016	78
FY2017	65
FY2018	76
FY2019	68
FY2020	99

Results of the Employee Satisfaction Survey

SuMi TRUST Bank conducts an "attitude survey" of all employees in order to objectively identify employees' perception of the dissemination of measures taken by the company, the personnel system and its operation, and the workplace environment and engagement. The results of the survey are returned to management and frontline employees for use in improvement activities.

	FY2015	FY2016	FY2017	FY2019	FY2020
Vitality level	61.5	60.9	62.1	59.1	60.4
Satisfaction level	61.1	60.8	59.8	60.4	63.2

Vitality level: Indicator of the level of expectations for the future, forward-looking thinking, willingness to contribute to the organization, work motivation.
Satisfaction level: Indicator of how much satisfaction employees get from the contents of their job duties, the working environment and personal relationships.

Employee Breakdown (Sumitomo Mitsui Trust Bank)

	As of end of March 2020	As of end of March 2021
Number of employees	13,527 (5,950 men) (7,577 women)	13,740 (5,988 men) (7,752 women)
Hong Kong	63	68
Japan	12,737	12,936
China	131	130
Korea	4	3
Singapore	142	140
Indonesia	6	6
UK	237	241
USA	204	213
Sydney	3	3
Average age	41.4 (Male: 43.5) (Female: 39.6)	41.6 (Male: 43.6) (Female: 39.6)
Average continuous years of employment	14.1 (Male: 16.3) (Female: 11.8)	14.0 (Male: 16.2) (Female: 11.9)
Average annual salary *Guaranteed minimum wage by region as prescribed by the MHLW	7,349 thousand yen	7,064 thousand yen
Number of temporary staff	446	453
Number of part-timers	49	42
Number of disabled persons employed	301 (Disabled person employment ratio: 2.28%)	303 (Disabled person employment ratio: 2.32%)
Number of employees using the Elder Partner Program	455	467
Number of employee turnover (annual)	285 (128 men) (157 women)	220 (109 men) (111 women)
Number of work-related accidents (annual)	125	99

Diverse Human Resources with Expertise That Support the "Power of Trusts"

Qualification/role	Number of employees
Financial Consultant/Trust Consultant	271*1
1st grade Certified Skilled Professional of Financial Planning	673
Gerontology Test	960
Bank Gerontologist Certification Exam (Financial Services Level 3, Senior Correspondent Banking Practice Course)	3,502
Real Estate Appraiser (total of real estate appraisers and assistant real estate appraisers)	175*2
Real Estate Transaction Specialist Exam	6,268
ARES Certified Master	357
First-Class Architect	27
Securities Analyst	813
CFA (Chartered Financial Analyst)	18
Pension Actuary	45
In-house Lawyer	31
Certified Administrative Procedures Legal Specialist	55
Certified Public Accountant	10
Certified Public Accountant (US)	16
Licensed Tax Accountant	10
Certified Internal Auditor (CIA)	56
Labor and Social Security Attorney	41
System Auditor	12
Project Manager	10
Advanced System Administrator	12
Information Systems Security Administrator	17
IT Strategist	11
Overseas Graduate School graduates (Master's/PhD)	44

(All figures are SuMi TRUST Bank's actual results as of the end of September 2021) (Note: *1 is as of the end of March 2021; *2 is for the entire SuMi TRUST Group)

Respecting Human Rights

1. Human Rights Management

Establishment of Human Rights Policy

Under the "Basic Policy on the Social Responsibility of Sumitomo Mitsui Trust Group (Sustainability Policy)," the Group upholds respect for individuals' human rights and diverse values and rejects unjustifiable acts of discrimination in all its activities. Moreover, in December 2013, to ensure the execution of the aforementioned basic policy, the Group formulated its human rights policy, which serves as a standard for acts and judgments concerning human rights, and on November 1, 2016, we amended this policy to add text prohibiting discrimination against LGBTQ and disabled people. Based on this policy, the Group respects the human rights of all stakeholders with whom we are involved when conducting routine business activities and providing products and services.

Human Rights Policy

At the Group, based on the "Basic Policy on the Social Responsibility of Sumitomo Mitsui Trust Group (Sustainability Policy)," we strive to foster a corporate culture and workplace environment that respects the basic human rights of clients and all stakeholders, always act with a strong sense of ethics and social conscience in all aspects of our corporate activities, and achieve sustainable development as a corporate group that is trusted by society.

1. Respect International Standards

We respect international standards on human rights, such as The Universal Declaration of Human Rights and corporate codes of conduct based on the United Nations Global Compact.

2. Prohibit Discrimination

We reject, in all our corporate activities, discrimination and infringement of human rights based on race, nationality, gender, sexual orientation, gender identify, origin, social status, beliefs, religion, disability, physical characteristics, and the like.

3. Foster a Corporate Culture that Respects Human Rights

We regard every kind of human rights issue as one facing us and encourage our employees to think from the other person's point of view so as to foster a corporate culture that respects human rights.

4. Establish a Pleasant Workplace Environment

We establish a pleasant workplace environment by encouraging all executives and employees to treat each other as business partners and build equal relationships that allow a free exchange of opinions.

We acknowledge that such behavior as sexual harassment and power harassment impair human dignity; therefore, we do not allow such behavior.

5. Ensure Fair Recruitment

We implement strict and fair screening in the recruitment of employees and others, solely based on individual capability and suitability.

6. Implement Human Rights Education Training

With the aim of resolving all kinds of actual or potential issues related to human rights and encouraging all executives and employees to develop a deep appreciation of human rights that appropriately reflects relevant and accurate facts and information, we work on a wide range of human rights education activities, including one addressing discrimination against the Dowa caste, a specifically Japanese social minority, through every kind of opportunity, mainly annual workplace-based human rights education training.

The above-mentioned policy also applies to our overseas network, and the Group gathers information on cases where the corporate activities of our domestic and overseas suppliers and contractors (supply chain), and companies that we invest in or lend to, negatively impact human rights. In cases where relevant laws, standards, and policies are violated, necessary measures are taken as appropriate.

Basic Philosophy

The Group's human rights management is based on the "Guiding Principles for Business and Human Rights," which was adopted by the United Nations Human Rights Council in June 2011.

Human Rights Management System Based on the Guiding Principles for Business and Human Rights

Commitment	Establishment of the Human Rights Policy
Implementation of human rights due diligence*1	Once a year, the Human Rights Due Diligence Self-check List*2 is distributed to all branches, departments, and affiliates both at home and abroad as a tool to check the status of respect for human rights at each unit.
Access to redress	The Personnel Consultation Desk (LBGTQ consultation desk) in the Human Resources Department serves as a contact point.

*1 Human rights due diligence refers to a series of initiatives to identify actual or potential impact on human rights, resulting from the activities of the Group or related outside parties, to develop measures for the prevention or mitigation of such impacts, and to continuously verify and disclose the effectiveness of such measures.
*2 A check list serves to verify the progress in each department concerned with the Human Rights Management System, such as the status of implementation of human rights due diligence, compliance with the Human Rights Policy, and occurrence of human rights violations.

Outline of the Human Rights Management System

The Human Rights Due Diligence Liaison Committee, chaired by the head of the Sustainability Management Department, was established in December 2013 as a joint organization by SuMi TRUST Holdings and SuMi TRUST Bank. The roles of each relevant department are shown below.

Human Rights Due Diligence Liaison Committee

- Chaired by the head of the Sustainability Management Department, the Liaison Committee investigates how human rights are being addressed at all Group companies, including overseas entities, identifies issues that need to be addressed, and discusses and implements measures for improvement.
- This committee conducts annual investigations into the status of addressing human rights by using the Human Rights Due Diligence Self-check List.
- In light of the current external environment surrounding human rights, we are currently considering a review of the system.

Sustainability Management Department

This department formulates objectives and plans for the development and reinforcement of the framework to address human rights issues within the Group, based on discussions at the Human Rights Due Diligence Liaison Committee.

Human Resources Department and Human Rights Education Committee

These organizations engage in the planning and implementation of measures including human rights education training, based on discussions at the Human Rights Due Diligence Liaison Committee. Specifically, the Human Rights Education Committee, chaired by the executive in charge of the Human Resources Department, plays the central role in implementing various training programs and conducting education activities concerning human rights issues.

Organizational Structure of the Human Rights Education Committee

Chairman	Executive in charge of the Human Resources Department
Vice Chairman	General Manager of the Human Resources Department
Members	General Managers and employees responsible for personnel affairs at branches and departments
Secretariat	Human Resources Department

Personnel Consultation Desk (LGBTQ Consultation Desk)

While responding to various claims and inquiries concerning human rights, the Consultation Desk works together with the relevant departments and units to swiftly take necessary steps in cases where it becomes evident human rights have been infringed. The Consultation Desk also offers anonymous consultation in cases where privacy needs to be protected.

If requested by the employee bringing the case, the Personnel Consultation Desk may approach the workplace, conduct interviews with parties involved and other relevant third parties, and recognize the fact. Furthermore, the Personnel Consultation Desk may take action to transfer parties involved so as to improve the working environment of the consulter, or may discipline the perpetrator in accordance with company rules.

Number of Inquiries Received at the Personnel Consultation Desk in Fiscal 2020

	Number of inquiries	Number of unresolved inquiries
Total	73	13
Harassment-related	30	8
Power harassment	27	6
Sexual harassment	3	2
Human resources related (including employment related)	6	1
Organizational management	15	3
Human relations (including health-related, etc.)	7	1
General inquiries (about systems, etc.)	15	0

All Branches, Departments, and Affiliates at Home and Abroad

Each unit verifies the status of compliance with Human Rights Policy, based on the Human Rights Due Diligence Self-check List.

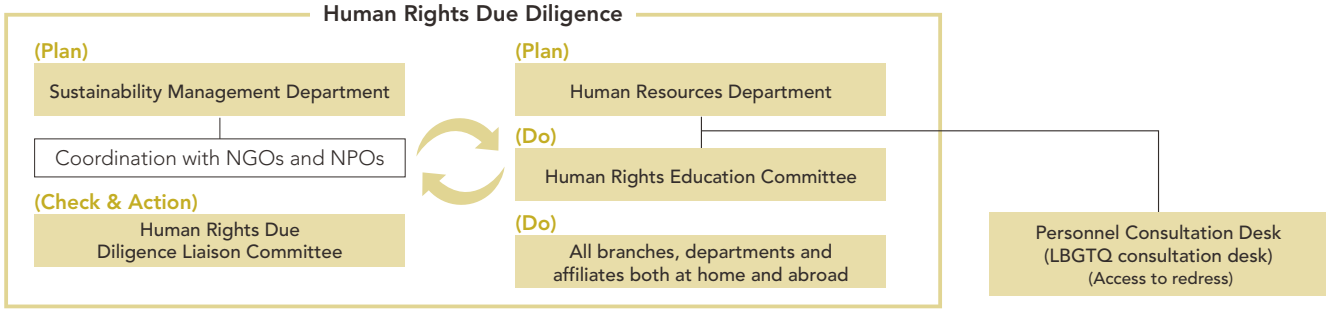
Main Items on the Human Rights Due Diligence Self-check List

- Consideration for Human Rights Issues in Management
- System to Promote Human Rights Awareness (system administration, response when human rights issues occur, etc.)
- Human Rights Education (implementation of human rights awareness training, etc.)
- Response to Human Rights Issues by Category
  - Understanding and awareness of the Dowa Issue
  - Whether recruitment and hiring are implemented fairly
  - Companies and society (ending discriminatory expressions, understanding of universal design, etc.)
  - Human rights in the workplace (harassment prevention, consideration for the elderly, consideration for the disabled, understanding for those with contagious diseases such as HIV, etc., understanding for LGBTQ community)
  - Balancing work and family (consideration for employment diversity in personnel system, consideration for maiden name use, understanding for childbirth & childrearing support and for nursing case leave, etc.)
  - Pursuit of job satisfaction (fairness in personnel evaluation and treatment, equality of opportunity, respect for the individual, safety and crisis management that take into account disabled and pregnant workers, etc.)
  - Awareness activities about various human rights issues (discrimination on the basis of nationality, discrimination against the elderly, child labor; discrimination against lepers, those identifying as LGBTQ, and ex-convicts, etc.)
  - Consideration for human rights issues in loans & investments and supply chain (racial discrimination, child labor, human health, environmental destruction that affects people's livelihoods, weapons and armament manufacture contrary to humanitarian concerns, fairness in hiring activities, consideration for employee human rights, etc.)
- Activities of those responsible for human rights awareness in Human Resources Department

Human Rights Management Based on PDCA Cycle

Through the PDCA cycle, the Group strives to improve the quality of its human rights management so as to cultivate a workplace environment and corporate culture where the basic human rights of all stakeholders are respected, unjustified acts of discrimination are rejected, and individual rights and diverse values are respected.

Human Rights Management System Based on PDCA Cycle



2. Education Concerning Respect for Human Rights

The Human Rights Education Committee informs all employees via email once a month about its human rights awareness tool, which highlights positive case examples of respecting human rights. In addition, various training sessions concerning human rights issues are held at all Group companies and branches and departments. Training aimed at raising awareness about human rights in the Group was conducted through e-learning at SuMi TRUST Bank in fiscal 2020, with a total of 25,438 participants across all Group companies. Furthermore, a total of 1,492 participants attended a total of 10 hours of rank-based training at SuMi TRUST Bank.

If further education is deemed necessary for some issues as a result of human rights due diligence, these topics are brought up for discussion as themes of the annual workplace-based human rights training.

3. Protecting Various Human Rights

Initiatives for Diversity & Inclusion

The Group disseminates information to employees to share the ideals and objectives of and steadily promote "diversity and inclusion" for the entire Group.

Initiatives to Address Dowa and Foreign Residents Issues

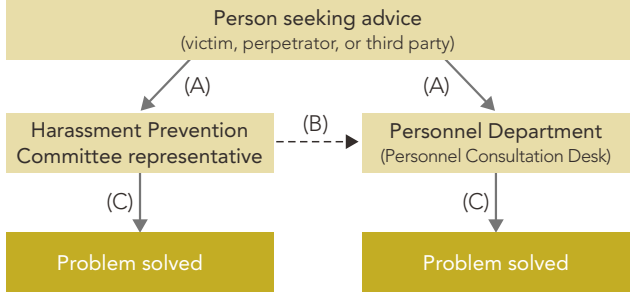
The Group regards tackling discrimination against the Dowa caste as a particularly important theme in the promotion of human rights education. The origins of our Group's efforts to be more active in human rights education goes back to the Dowa issue. The Group has continued to draw on insights from external bodies, such as the Industrial Federation for Human Rights, Tokyo, and at the same time, we have worked to completely eliminate prejudiced or discriminatory views against the Dowa caste through various training programs and education activities, including new employee training.

With regard to foreign residents issues, we discuss the residency management system, which was launched on July 9, 2012. Rank-based training was provided on giving consideration to the human rights of foreign residents, including the handling of personal authentication documents and respecting privacy, envisioning such situations as identifying oneself at service counters.

Prevention of Sexual Harassment and Power Harassment

Sexual harassment and power harassment are actions that infringe on the human rights and personal dignity of individuals and are prohibited. In terms of power harassment,

Structure for Advice/Complaints and Response Relating to Harassment



(A) Advice is sought and complaints are registered via the Harassment Prevention Committee representative in each branch or department, or directly by the Personnel Consultation Desk within the Human Resources Department.
(B) The Harassment Prevention Committee representative will, where necessary, consult the Personnel Consultation Desk within the Human Resources Department and request advice or measures to address the case.
(C) The Harassment Prevention Committee representative or the Personnel Consultation Desk within the Human Resources Department will, once they understand the details of the complaint being registered by the complainant, interview the party accused of harassment, as well as other related parties as necessary, in order to accurately understand the situation, and attempt to solve the issue via advice or other measures.

we are working toward the elimination of all forms of this problem. This problem is based on advantageous positions in the workplace. It is not limited to harassment by superiors of subordinates, but also includes harassment between senior employees and junior employees, colleagues, and even harassment by subordinates of their superiors. In the event harassment does occur, advice is sought and complaints are registered via the Harassment Prevention Committee representative in each branch and department, or directly by the Personnel Consultation Desk within the Human Resources Department. When advice is sought by a victim, a person in charge conducts an overall investigation that includes interviews with relevant parties on the specific behavior indicated, the relationship of the people involved, the response of the victim, etc. Either stringent corrective measures or punishment—or both—are implemented against the perpetrators.

Furthermore, we discuss on the prevention of harassment in workplace-based human rights training, new employee training, and a range of rank-based training in our ongoing efforts to raise awareness.

In addition, in step with the consultation cases coming to the Consultation Desk and recent social trends, in fiscal 2018 we created the Harassment Prevention Handbook, which is distributed to all employees to further raise awareness.

The Consultation Desk also offers anonymous consultation in cases where privacy needs to be protected.

Addressing LGBTQ Issues

As already mentioned, when we amended our Human Rights Policy in November 2016, we added a clause prohibiting the discrimination against any person who identifies as LGBTQ. To establish a workplace environment in which sexual minorities can simply be themselves (including people who consider themselves to be part of the LGBTQ community), SuMi TRUST Bank continues to work on educating its workforce through the establishment of a consultation hotline, reviewing its employee benefit schemes, and running training sessions. We have also announced, internally and externally, our stance on supporting the LGBTQ community. For example, same-sex partners can now take out a SuMi TRUST Bank mortgage loan because the Bank recognizes same-sex partners as spouses, and the SuMi TRUST Group has thrown its support behind the Tokyo Rainbow Pride festival. In recognition of these initiatives regarding sexual minorities and the LGBTQ community, wwP (work with Pride), a voluntary organization that supports the promotion and establishment of diversity management regarding LGBTQ issues, has continuously awarded its Gold rating, the highest rating in the Pride Index*1, to SuMi TRUST Bank since fiscal 2017. In fiscal 2021, SuMi TRUST Holdings*2 and Nikko Asset Management received Gold ratings. In addition, SuMi TRUST Bank was selected for the Rainbow Certification, which was newly established in fiscal 2021 to recognize collective impact initiatives.

In November 2021, we announced our support for Business for Marriage Equality and the Business Support for LGBT Equality in Japan, a campaign to enact LGBT equality laws in Japan, with the aim of developing into a sustainable and strong organization by creating a comfortable work environment where each individual can be who they are.

*1 URL: https://workwithpride.jp/pride-i/
*2 Awarded jointly with SuMi TRUST Bank, Sumitomo Mitsui Trust Asset Management, Sumitomo Mitsui Trust Business Service, Sumitomo Mitsui Trust Card, and Sumitomo Mitsui Trust Club

4. Factoring Human Rights Issues into Lending and Investment Decisions

Engagement Activities Related to Human Rights Issues

As a responsible institutional investor, Sumitomo Mitsui Trust Asset Management (SMTAM) actively works with investee companies on a global scale and encourages them to address issues through engagement and the exercise of voting rights.

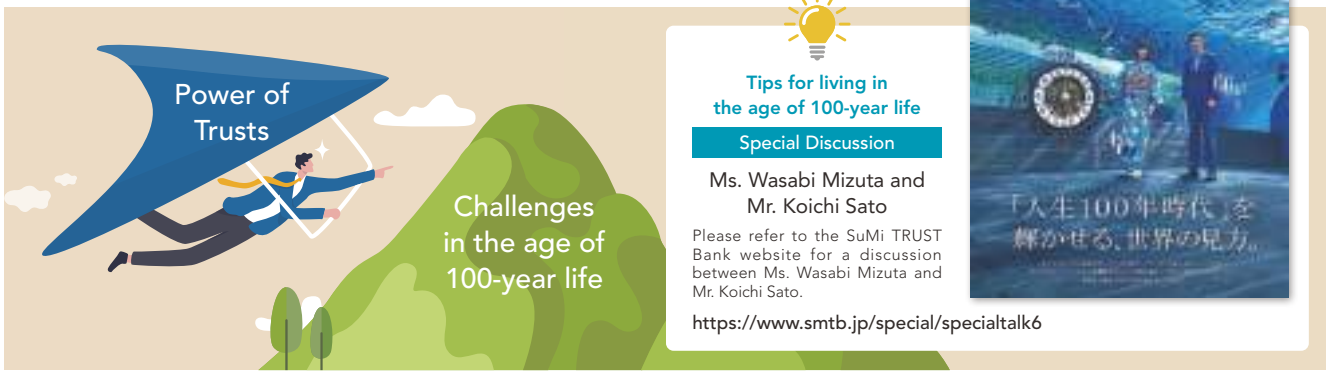
In particular, human rights are priority issues for companies expanding their business globally, and we have positioned human rights as one of the 12 ESG themes to be addressed in our engagement activities. In addition to verifying whether or not there is child labor or forced migrant labor in the supply chain, we have been engaging in dialogue with our investee companies to encourage them to improve the verification functions of their boards of directors and strengthen the commitment of top management. We have also been conducting engagement activities with companies that manufacture inhumane weapons (cluster bombs, anti-personnel mines, biological and chemical weapons) for many years to encourage them to withdraw from the business. The top management of Sumitomo Mitsui Trust Asset Management also got involved, and as a result, a South Korean company announced its withdrawal from the manufacture of cluster bombs.

5. Human Rights in Supply Chain Management

Based on the CSR procurement policy we have formulated, we strive to conduct transactions with and procure products and services from suppliers who respect basic human rights, give consideration to industrial safety and health, and avoid violations of human rights, such as unjust discrimination, forced labor and child labor (see page 96).

Addressing Issues of a Super-Aged Society

1. What Is the Age of 100-Year Life?



Tips for living in the age of 100-year life

Special Discussion

Ms. Wasabi Mizuta and Mr. Koichi Sato

Please refer to the SuMi TRUST Bank website for a discussion between Ms. Wasabi Mizuta and Mr. Koichi Sato.

https://www.smtb.jp/special/specialtalk6

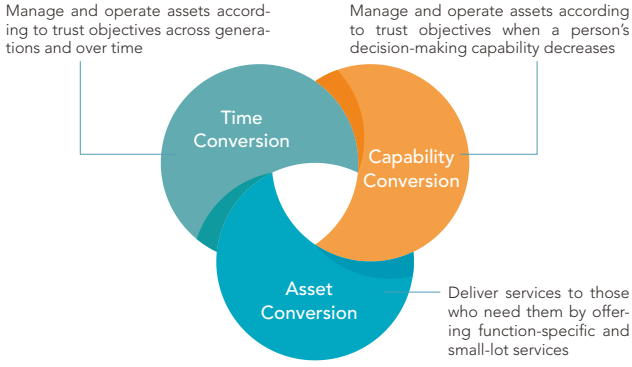
The average life expectancy of Japanese people born in 2000 is estimated to be 104 years, according to a cohort study at UC Berkeley. Japan has already entered an age of 100-year life.

And trusts have the conversion functions shown on the right as a way to fulfill the aspirations entrusted to us.

In the age of 100-year life, where the family tree extends further as a result of longer living and where loss of decision-making capabilities is highly probable at some point in one's life, the power of trusts to convert time and capabilities is a very useful function.

The challenges of a super-aged society are on a different level compared to the way our parents and other older people in our lives lived. SuMi TRUST Bank is engaged in generation-specific consulting activities to contribute to improving the well-being of our clients by proposing concrete solutions, such as trust solutions, while taking into consideration the concerns that arise at each life stage in the age of 100-year life, and learning about each client's thoughts, assets, and family structure.

The Power to Fulfill the Entrusted Wishes of the Trust



According to the Chinese classic, "The Book of Filial Piety," the meaning of the word "trust" was originally defined as something that brings friends together. With the power of trusts, we will be there as our clients' Best Partner in the age of 100-year life, and by being useful, we will make the age of 100-year life blossom to create a society that celebrates longevity.

100-Year Life Solution Department

Given the advent of an age in which more and more people will likely live to be 100 years old, SuMi TRUST Bank established a 100-Year Life Solution Department with the goal of providing new value through the power of trusts to address the various challenges faced by our individual clients and society. So far, we have introduced the 100-year Life Support Trust and Anshin Support Trust, which help clients prepare for declining decision-making capabilities such as from dementia; the Trust for Single Old Age (Solitary Trust), which includes post-death arrangements for funeral services and personal belongings including digital items; the Will for Pets service, which is a will trust for people with pets; and the Housing Will, a free will custody service for mortgage loan clients. We will continue to introduce offerings that provide new value through the power of trusts.

Establishment of Anshin Support Corporation to Provide Estate Management and Inheritance-Related Services

The Anshin Support Corporation was established by SuMi TRUST Bank in November 2018 and having become part of the Bank*, it now offers estate management services to elderly clients. For example, guarantor services for seniors moving in to a new facility, nursing care and other contract execution services, discretionary guardianship services, and post-mortem services.



*Providing peace-of-mind solutions for client assets, or solutions to be carried out in accordance with the wishes of the client, by combining various trusts (such as Trust for Single Old Age (Solitary Trust) and Anshin Support Trust) with segregated management and other functions, including SuMi TRUST Bank's money trusts, will execution trusts, and life insurance trusts.

Generation-Specific Consulting

Client concerns and issues at each stage of life

Working Generation



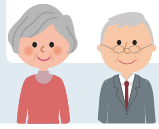
- Preparing funds for the future
- Purchasing a house
- Emergency fund
- Education fund
- Inheritance, nursing care, and dementia of parents

Retired Generation



- An abundant second life
- Renovation and moving homes
- Preparing for illness and nursing care
- Giving to children and grandchildren and inheritance planning
- Parental inheritance, nursing care, and dementia

Senior Generation



- Funding a long life
- Renovation, moving, elderly housing
- Preparing for illness and nursing care
- Estate management in preparation for dementia
- Inheritance preparation

Products and Services

Save and Grow

- Term deposits
- Discretionary investment management products
- Investment trusts
- Foreign currency deposits

Real Estate

- Real estate brokerage services
- Land utilization Consulting

Borrow

- Home loan
- Housing assistance loan for seniors aged 60 and older (also known as "Rokumaru")
- Real estate utilization loans (Reverse mortgage)
- Card loans (also known as: "My family's friend" and "Friend of daily living")
- Apartment loans

Services

- Trust Premium Service
- Sumitomo Mitsui Trust Diners Club Card
- Total Solution Package
- Sumitomo Mitsui Trust Diners Club Point Club
- Sumitomo Mitsui Trust Direct
- Civil trust support and expert introduction

Set Aside and Prepare

- Will trusts
- Will custody service
- Estate liquidation [One-Stop Inheritance Service ("Makasete Anshin")] [Inheritance Procedure Support Service]
- 100-Year Life Solution Trust (100-Year Passport) (100-Year Passport Plus)
- Trust for Single Old Age (Solitary Trust) / Life Insurance Trust for Single Old Age
- Anshin Support Trust (money trust)
- Tuition Fund Endowment Trust (nickname: Caring for Grandchildren)
- Wedding and Child-Rearing Support Trust (nickname: A Link between Generations)
- Annual Donation Support Trust
- Family Consideration Trust (Lump Sum & Annuity)
- Security Trust
- Personal Pension Trust
- Whole life insurance
- Term insurance and income protection insurance
- Smart Will
- Housing Will
- Will trusts (with special clause for pet care)
- Estate planning
- Personal pension insurance
- Medical & cancer insurance

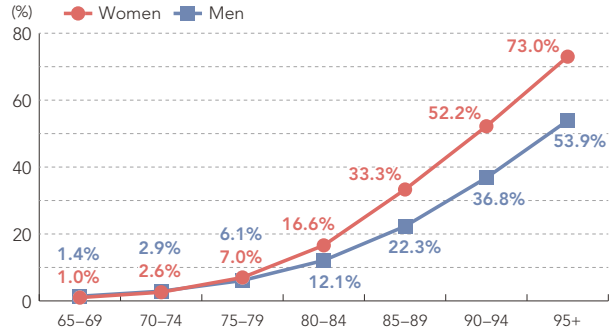


2. Addressing Decreased Decision-Making Capacity Due to Dementia or Other Illnesses

With the transition from the age of an 80-year life to the age of a 100-year life, we can now assume that there will be a period in our lives when we will have dementia or need nursing care. This means we are now living in a time when planning in advance is necessary.

SuMi TRUST Bank is working on various initiatives from the perspective of normalization, aiming to create a society where even clients with dementia can lead the same kind of life as they always have.

Dementia Incidence Rate



Source: Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology (2012 comprehensive assessment of dementia)

Asset Management for Clients with Dementia

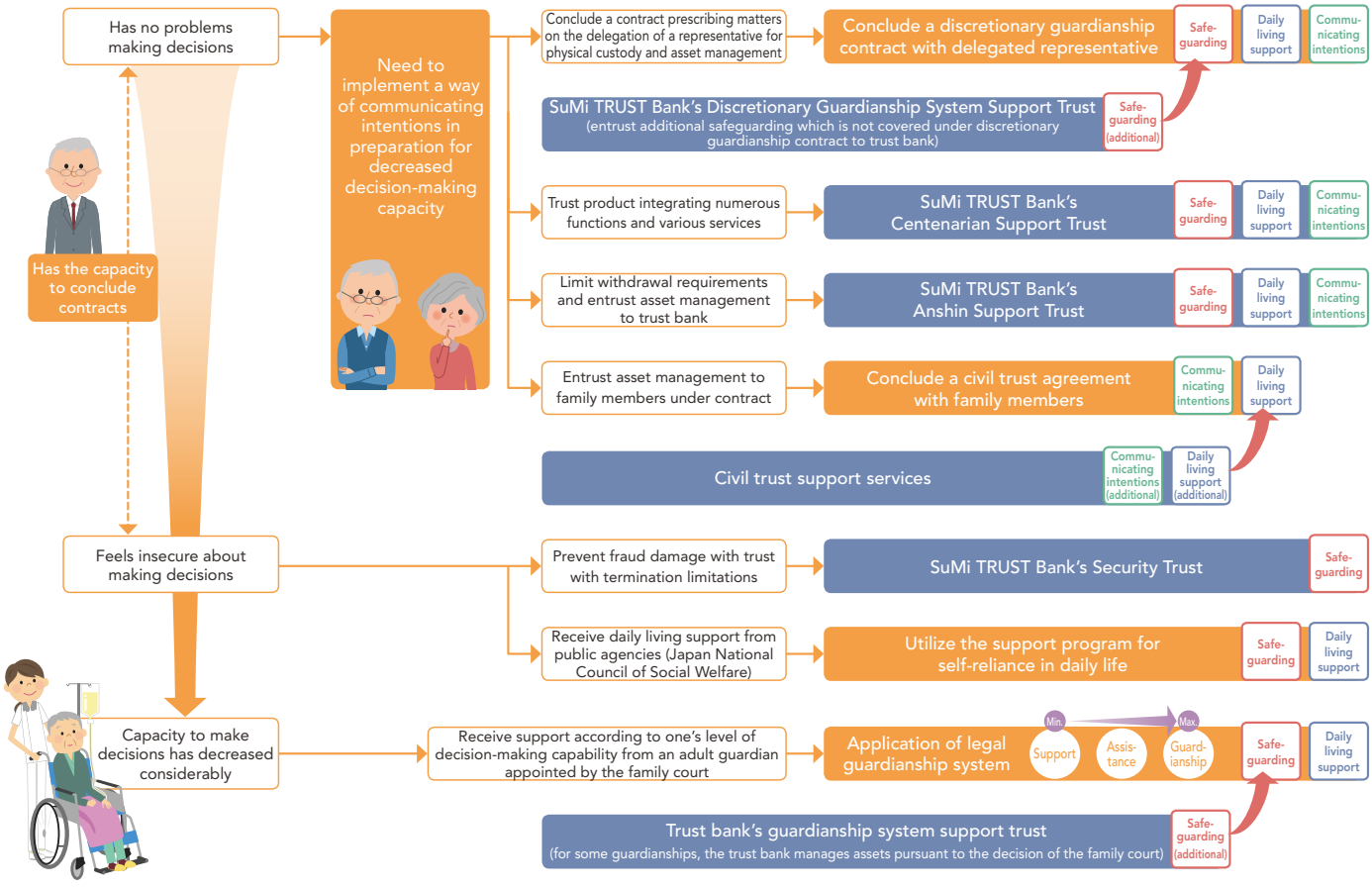
Once a person loses his or her ability to make decisions because of dementia or some other reason, they struggle to manage their deposits and savings or stay on top of various financial agreements. This makes them easy targets for bank-transfer scams or unscrupulous business practices. In asset management, needless to say, the safeguarding of finances must be prioritized before anything else. This is followed by daily living support, the second priority in asset management. They may require help in managing their day-to day finances, for example, collecting pension payments, paying taxes and utility bills, or paying money when they go shopping. And offering support to help them communicate their intentions is also key. Even though someone with dementia may find it difficult to communicate their thoughts, what they want to do or what they want done remains the same. However, there is a limit to how much they can rely on the considerations of their supporters, so particularly with regard to legal procedures, such as contracts, they will need a way to communicate their intentions under a private contract while they are still capable of making decisions. In our digest report for seniors (Considering the Problems of Dementia), we provide easy-to-understand explanations of the adult guardianship system and other public support schemes, as well as our financial products and services that complement those schemes.

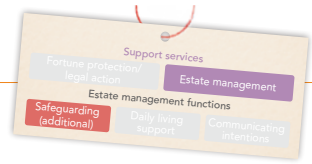
Digest Report for Seniors: Considering the Problems of Dementia



https://www.smth.jp/-/media/th/sustainability/report/2019/all5.pdf

Lineup of Asset Management Services for Addressing Dementia

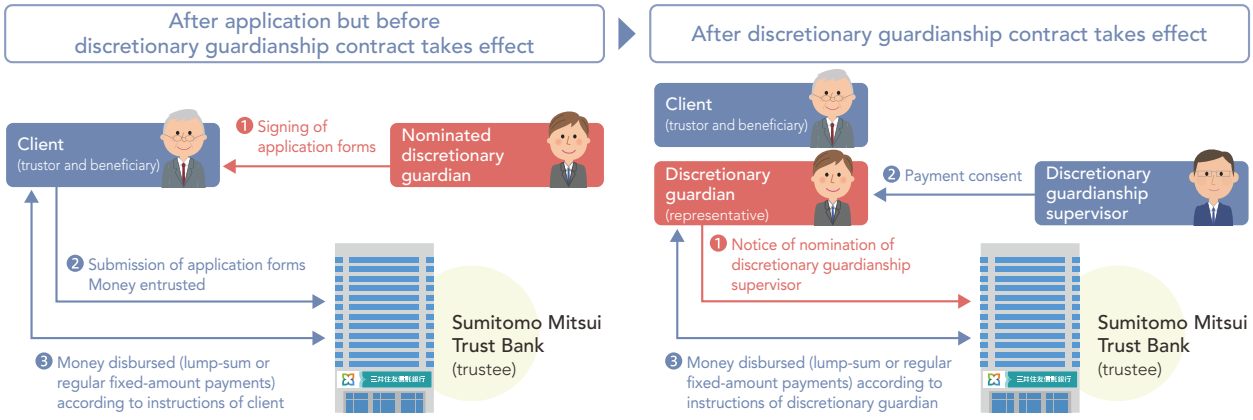


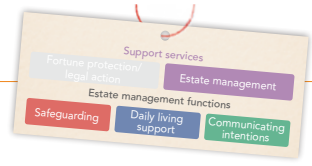


Discretionary Guardianship System Support Trust

Key Point **Under the Discretionary Guardianship System, a Separate Money Trust Provides an Extra Level of Safeguarding.**

This money trust supports the discretionary guardianship system by managing the assets of its users. It safely and soundly protects assets held in the money trust because after the discretionary guardianship contract takes effect, funds can only be released (lump-sum payment) with the consent of the discretionary guardianship supervisor. Funds required for day-to-day living expenses can also be released periodically (regular fixed-amount payments), which alleviates the burden of asset management on the discretionary guardian. Until the discretionary guardianship contract comes into effect, the client or their nominated representative can take charge of procedures for lump-sum or regular fixed-amount payments. An authorization form signed by the client must be submitted each time the representative wishes to take charge of procedures on behalf of the client.





100-Year Life Solution Trust (100-Year Passport)

Key Point **Incorporating a Number of Useful Features in Preparation for Decreased Decision-Making Capacity among Many Clients in the Future When More People Are Likely to Reach the Age of 100, This Trust Product Has Been Designed to Help Clients Feel at Ease and Enjoy a Productive Life.**

A money trust armed with a host of useful features to combat the problems elderly clients may face, such as withdrawing from their bank account, when the ability to make decisions has declined because of dementia or other similar symptoms. Along with tie-up solutions under the adult guardianship system and broad-ranging client-focused consulting, the 100-Year Life Solution Trust is the product best suited to an age when more people will likely live to be 100.



Four Features in One Package

Delegation of payments (pension deposits and other payments as needed) — Communicating intentions / Safeguarding / Daily living support

In preparing for dementia or other health concerns, another person can be designated in advance to take care of payment procedures.
A relative within the fourth degree of kinship, lawyer, judicial scrivener, or tax accountant can be nominated.

During dementia or ill health:

- Monthly living expenses (up to ¥300,000/month) can be paid into the trust account. One additional payment per year is also permitted.
- The trust can also be used to pay large sums that might arise from medical fees, nursing care expenses, housing costs, taxation, or social insurance premiums. A person approving withdrawals can also be set up in advance.

Security — Safeguarding

To avoid falling victim to the many types of scams—of which there are up to 16,000* cases annually—a person approving withdrawals can be set up in advance.

Pension collection — Daily living support

Monthly living expenses can be deposited on a periodic basis. This money can also be used to pay for additional creature comforts or gifted to loved ones.

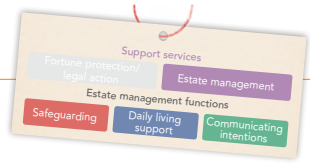
Considerate inheritance — Communicating intentions

Inheritance money of up to ¥5 million can be smoothly paid out to heirs designated in advance.

*According to the Metropolitan Police Department, 16,851 cases of fraud occurred in 2019 for a total loss of roughly ¥36.39 billion.

100-Year Life Solution Trust (100-Year Passport Plus)

Key Point **Trust Product that Combines the Stable Medium- to Long-Term Asset Management Functions of SMTB Fund Wrap with the Asset Management Functions of 100-Year Passport. This Trust Product Helps Clients Prepare for Dementia and Other Illnesses Early on, While Providing a Worry-Free Lifetime Investment.**



Anshin Support Trust (Money Trust-Type & Fund Wrap-Type)

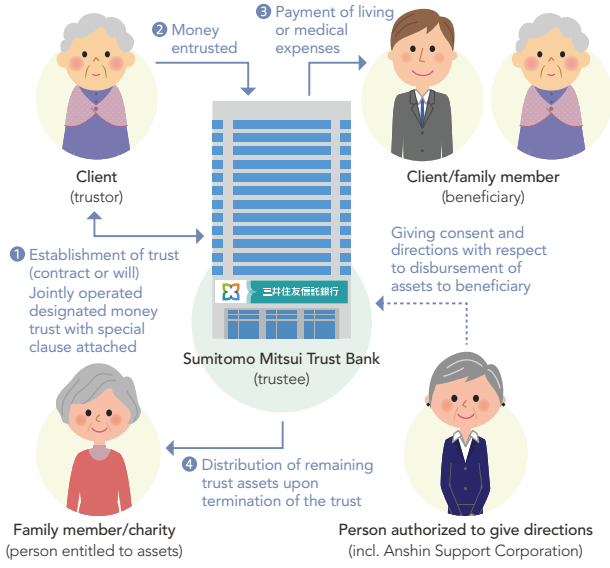
Key Point **It Also Facilitates Ongoing Asset Management Based on the Intentions of the Client Even After a Decline in Decision-Making Capabilities.**

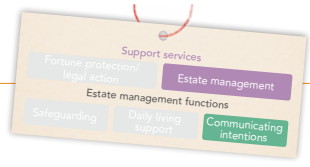
The Anshin Support Trust offers clients and their families medium- to long-term customized support for the preservation and management of their precious assets. Through collaboration with the Anshin Support Corporation established by SuMi TRUST Bank, this unique trust bank product eases concerns about assets and loved ones. The details of the trust agreement are designed together with the client after more information about the client's approach to asset formation and management is learned.

As for the fund wrap-type, the client continues to undertake asset management, but management with SuMi TRUST Bank's fund wrap means the assets can be drawn down whenever required and converted to cash in order to pay for living expenses, medical costs, or nursing care. The conditions for cash conversion and payments can be set up in advance under a trust agreement, whilst SuMi TRUST Bank will also make a decision on whether or not payments are to be made in times of emergency, for example.

*Only some branches offer the Anshin Support Trust product.

Structure of Anshin Support Trust



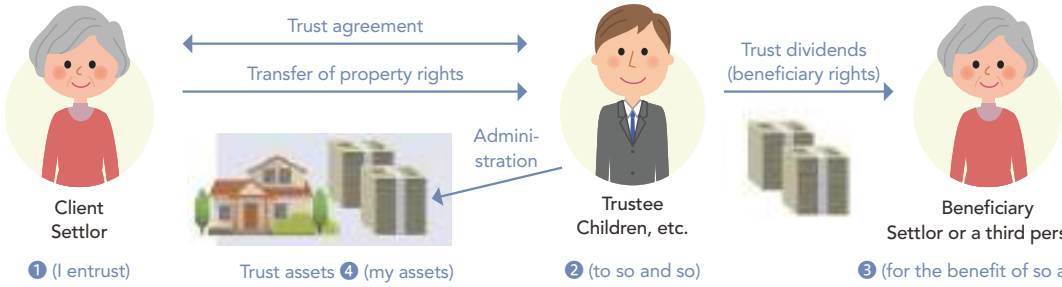


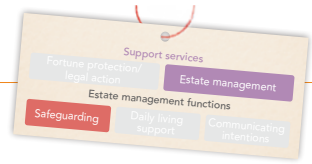
Civil Trust

Key Point **An Agreement for a Civil Trust Can Be Freely Designed So That the Client's Intentions Can Be Communicated and Unlike a Normal Trust in Which the Trust Bank Acts as the Trustee, a Family Member or Somebody Else Can Perform This Role. In More and More Cases, Civil Trust Agreements Are Being Supported by Professional Associations.**

Structure of Civil Trust

*Civil trusts require a deposit account (trust account) for the trustee to separately manage the trust assets (funds).





Security Trust

Key Point **Safeguards Precious Assets from Malicious Scams with Two-Tier Account Security.**

The concerns of our clients and their children (many of whom live apart) are growing as more crimes targeting the elderly, such as bank-transfer scams, are becoming increasingly sophisticated. Our Security Trust safeguards the assets of our clients from such financial crimes. The product is structured so that funds can only be withdrawn after approval of the previously nominated consenting party (a relative within the third degree of kinship to the client) has been obtained. The trust can also be utilized in conjunction with the regular fixed-amount payment method.

Lump-sum payment method

Under this structure, funds held in the trust cannot be withdrawn without the approval of a previously nominated family member.
This prevents the client from being drawn into a scam because it provides the client with an opportunity to first discuss any planned withdrawals with family members.

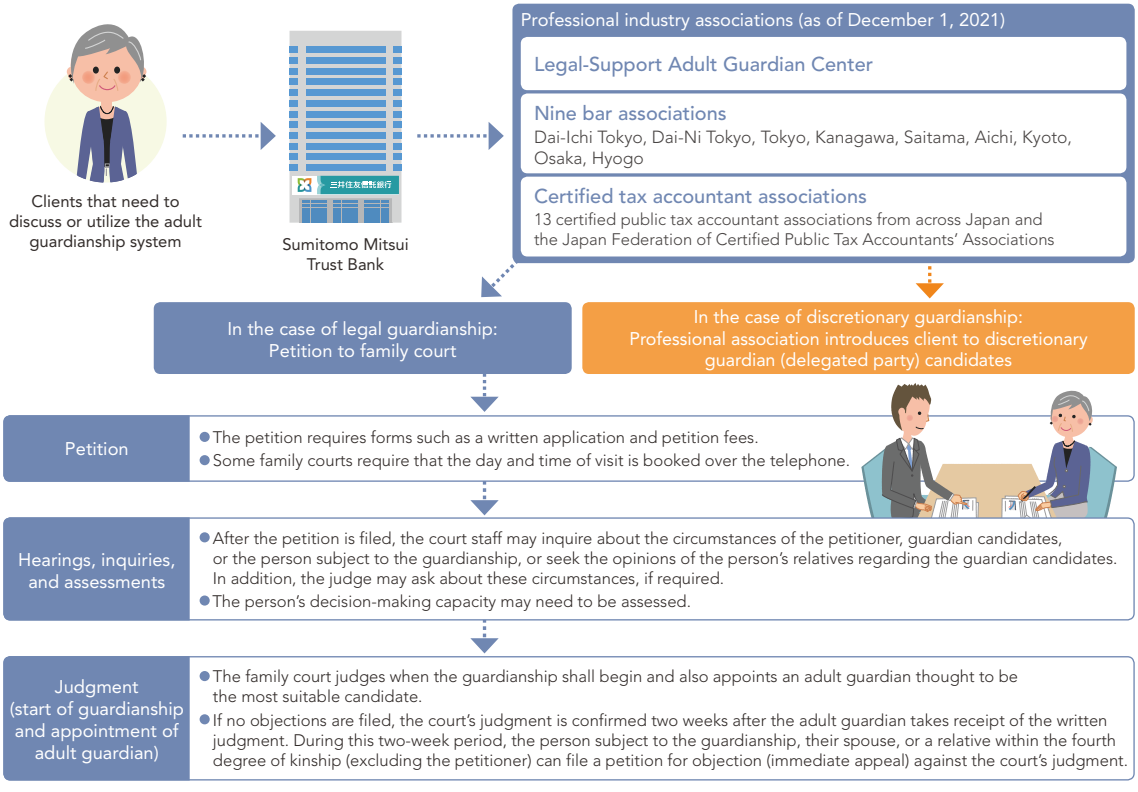
Regular fixed-amount payment method

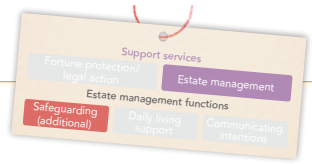
A fixed amount of the funds held in the security trust can be withdrawn periodically to pay for living expenses (up to ¥200,000/month).

*No management fees

Consultations and Inquiries Related to Adult Guardianship System

SuMi TRUST Bank has entered into agreements with various professional industry associations that are active in the area of adult guardianship and refers the consultations and inquiries from clients regarding the adult guardianship system to these professional associations.





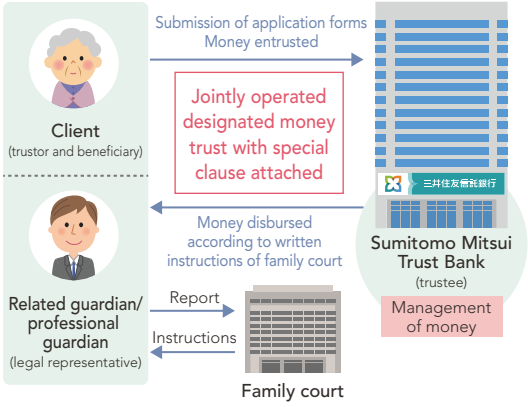
Guardianship System Support Trust

Key Point **The Trust Bank Safeguards the Client's Assets Pursuant to Instructions of the Family Court to Prevent Guardian Dishonesty.**

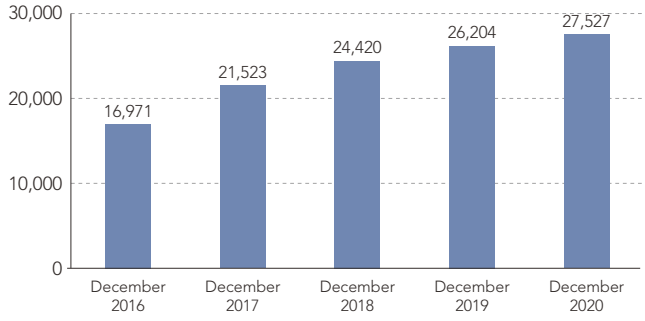
This is structured so that the savings and deposits needed for day-to-day payments for a person receiving assistance under the legal guardianship system are managed by a guardian while money not ordinarily used is entrusted to the trust bank.

When utilizing this trust, written instructions issued by the family court in advance are required in order to withdraw the trust assets or cancel the trust contract. In principle, a professional guardian such as an attorney or judicial scrivener will act on behalf of the client to make decisions regarding the entrustment of assets, including the trust bank to which the assets are entrusted and the amount of trust assets, and conclude a trust contract with the trust bank pursuant to instructions of the family court.

This trust provides appropriate protection from the misuse of the client's assets by an adult guardian.



Cumulative Number of Users of Guardianship System Support Trusts



Source: Jan-Dec 2020 data on use of guardianship system support trusts
Family Bureau of General Secretariat of Supreme Court of Japan

SuMi TRUST Bank Civil Trust Initiatives

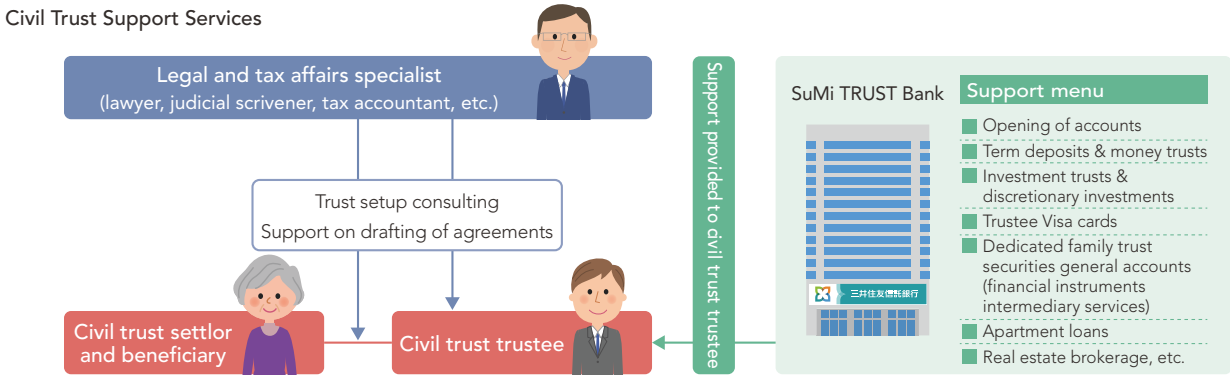
Demand for and Features of Civil Trusts

Japan is experiencing an unprecedented aging of its population as well as an increase in the number of people suffering from dementia, and the issues of asset management and succession for the elderly are highly diverse, especially as it involves personal protection. Therefore, there has been a great deal of interest in trust systems that are highly individualized. According to one study, Japan has the highest proportion of elderly people among the world's 201 countries and regions, with a recent survey showing a rate of 28.7%. In particular, there are high expectations for asset management methods using civil trusts, which have complementary and alternative functions to the adult guardianship system, as a means of protection without limiting the capabilities of the individual.

Although civil trusts are not governed by the Trust Business Act, they are governed by the Trust Act, which is the substantive law, and in this sense, they are no different from commercial trusts in terms of how they are treated. The trustee must also fulfill the duty of care, duty of segregation, duty of loyalty, etc. in civil trusts, consistent with the Civil Code, Civil Procedure Law, Bankruptcy Law, and other general civil laws. (Excerpt from the Trust Act Study No. 45)

Civil Trust Support Services

SuMi TRUST Bank provides financial services like trust



accounts for the trustees of civil trusts (please consult with a specialist in legal and tax affairs when setting up a civil trust).

SuMi TRUST Bank contributes to the healthy development of civil trusts by working together with legal and taxation experts to offer civil trust consulting and agreement drafting support services and by providing civil trust trustees with deposit accounts (trust accounts) and other financial and trust-related products and services that are indispensable to the proper segregation and management of assets.

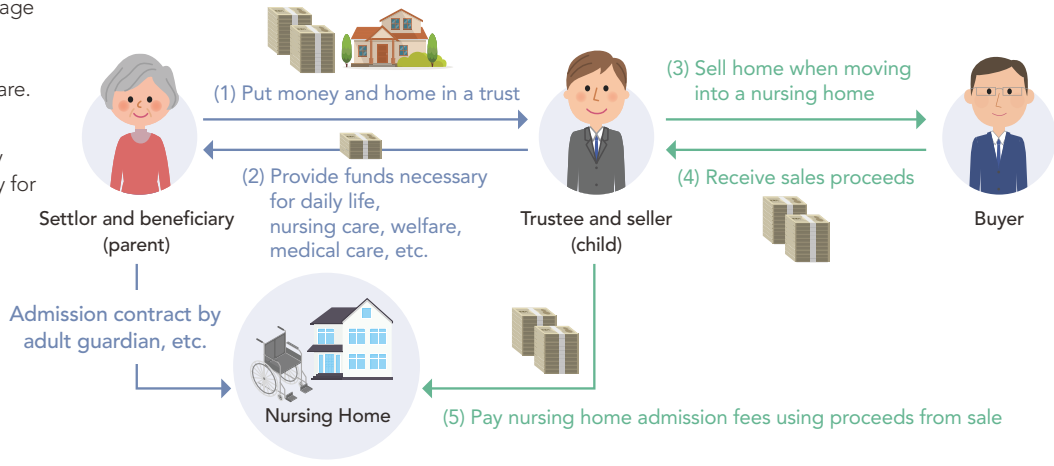
Welfare Trusts

The majority of civil trusts brought to SuMi TRUST Bank are set up for the purpose of assisting the elderly in managing their assets. Among these, welfare trusts, which are self-supporting trusts designed to provide asset management and daily living support to the elderly and others who have difficulty in properly managing their assets on their own, are the most widely used.

In practice, the purpose of trusts is often to provide for the payment of funds necessary for daily living, nursing care, welfare, medical care, etc., and there is no doubt that welfare trusts, especially civil trusts as an alternative to adult guardianship, are the main type of trusts used. According to a 2020 sample survey by SuMi TRUST Bank, 97% of trusts were adult guardianship support trusts, and 87% were broadly defined will substitution trusts with provisions for designating a person entitled to assets. This is the same trend as with civil trusts in the United States. (Excerpt from the Studies of the law of trust No. 45)

Example **Trusts for money needed for daily life, nursing care, welfare, medical care, etc. and for the home**
— Preparing for dementia and selling or otherwise disposing of the home —

- I want my child to manage the money needed for daily life, nursing care, welfare, and medical care.
- When I enter a nursing home, I want to sell my house and use it to pay for admission fees.



Introducing Lawyers for Consultation and Use of Civil Trusts

In aiming to contribute to the sound development of civil trusts, SuMi TRUST Bank entered into an agreement with the Tokyo Bar Association to refer clients to a lawyer when setting up civil trusts.



Scope of consultation	(1) Setting up a civil trust (2) Second opinion on a civil trust (3) Other matters concerning civil trusts
Availability	Head office and branches in Tokyo
Introduction fee	No charge
Legal consultation fees	Initial consultation: One hour free of charge (special benefit when using this scheme) Subsequent consultations: ¥5,000 per 30 minutes (before tax)
Contracts with lawyers	Contracts with lawyers will attract a fee. The decision to enter into any contract with the appointed lawyer is the sole decision of the client.

3. Thinking About a Second Life Home

In this age of a 100-year life, the time we spend living our second life has become very long. In addition, we are spending more time at home as a result of the COVID-19 pandemic.

Japanese houses are said to have low thermal insulation and airtightness compared to global standards, and the large temperature differences inside the house can easily trigger a heat shock when bathing. Additionally, fractures resulting from falling in the home are also said to be a cause for needing nursing care.

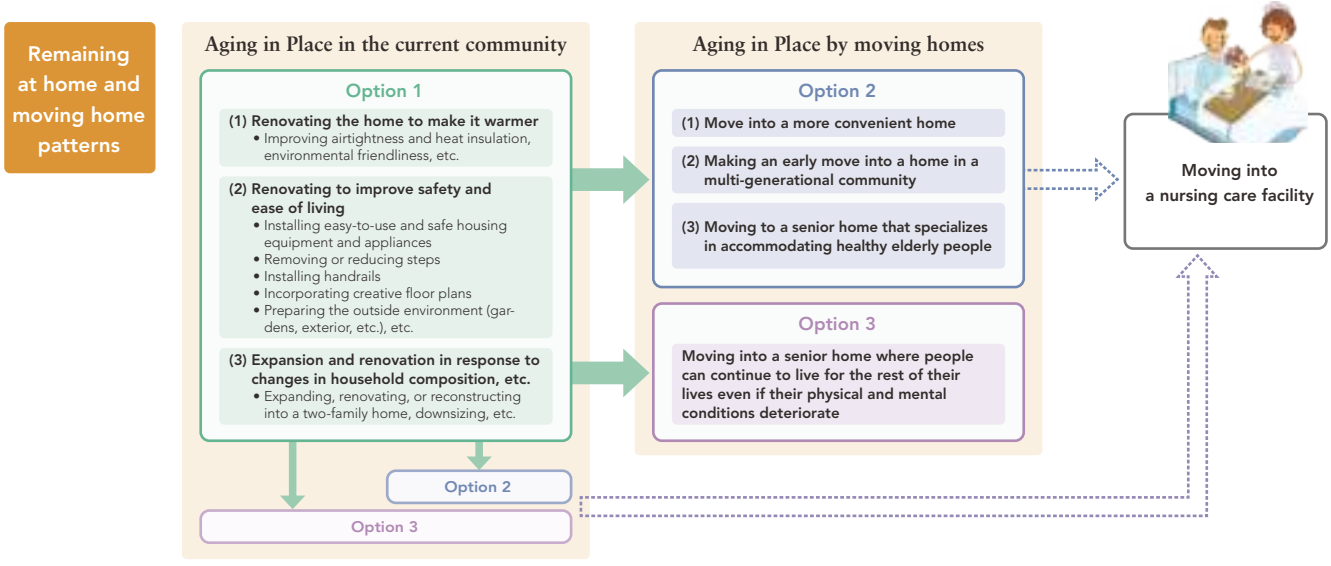
To help seniors live longer and healthier lives in the age of a 100-year life and to make it easier for caregivers to care for their loved ones when they need nursing care, SuMi TRUST Bank offers consulting services on housing for seniors.

SuMi TRUST Bank aims to help elderly clients live on while maintaining and improving their QOL (quality of life) by proposing "Aging in Place" consulting services, which consists of continuing to live as long as possible in their familiar homes and communities, regardless of problems associated with aging or physical and mental deterioration.

Digest Report for Seniors Thinking about Senior-Generation Housing



https://www.smth.jp/-/media/th/sustainability/report/2020/all5.pdf



Our Lineup of Products and Services That Provide Housing Assistance to Seniors

Renovation Loans

Sumitomo Mitsui Trust Panasonic Finance offers renovation loans that provide the funds necessary to make such renovations as barrier-free improvements as a way to support elderly clients to live comfortably in their old age.

Housing Assistance Loans for Seniors

SuMi TRUST Bank offers clients aged 60 years or older a housing assistance loan that can be used to purchase a home. This product helps clients reconsider their living arrangements in order to prolong their healthy life expectancy. For example, by renovating their current dwelling to make it barrier free, or moving to a more user-friendly house that is also closer to their children.

Reverse Mortgages

SuMi TRUST Bank offers reverse mortgage loans whereby the client puts up their home as collateral to borrow funds for retirement. The funds can be used for various purposes, such as home renovations or for the deposit when moving into a nursing home.

Services Relating to Real Estate

Sumitomo Mitsui Trust Realty provides brokerage services that ensure secure, reliable property purchases and sales to clients looking to relocate, leveraging the consulting capabilities and broad-based information network of our Group. We assist with sales and effective use of assets such as residential property, inherited property, idle property, and real estate owned for business or investment purposes.

Total vacant home support | Housing equipment repair support | Building inspection services

Bridge Loans for Sales of Real Estate

Sumitomo Mitsui Trust Loan & Finance offers bridge loans for real estate sales to clients who are considering a move to a conveniently located condominium or a residence for seniors so they do not have to rush to sell their precious property, providing them with support as they seek a new home that suits their lifestyle in their golden years.

Consultations on Taxes and Estate Planning Relating to Housing

Each SuMi TRUST Bank branch has been assigned experienced financial consultants with expertise in real estate, taxes, and inheritance and succession that can provide consultations relating to various housing options.

Website URL:
http://www.smtb.jp/csr/withyou/successfulaging/

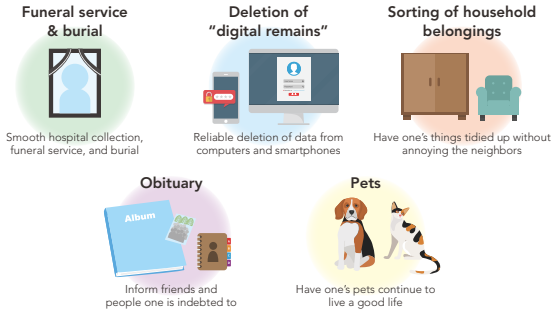
4. Assisting End-of-Life, Asset Inheritance, and Endowments

End-of-Life Assistance

GOOD DESIGN AWARD 2021年度受賞

Trust for Single Old Age <Solitary Trust> <Money Trust-Type & Life Insurance-Type>

Key Point **Final Letter of Instruction Service to Assist End-of-Life Procedures, including Arrangements for a Funeral Service, the Interment of Ashes, the Cleanup of Belongings, and the Placement of an Obituary Notice.**



This service, based on a final letter of instruction that can be updated via smartphone, takes care of certain matters after death for the client according to their wishes. Post-mortem services are provided by Anshin Support Corporation, an entity established by SuMi TRUST Bank, whilst the segregated management of assets is executed through the Anshin Support Trust.

*With the life insurance-type Funeral Trust, clients can start with less capital by using level-premium insurance to cover after-death expenses.

おひとりさま信託

Four Key Points in the Trust for Single Old Age (Solitary Trust)

(1)	The final letter of instruction is stored safely on our system and can be updated at any time.
(2)	An easily managed safety confirmation SMS can be sent out once a month, once a week, or as often as the client wishes.
(3)	After-death expenses and funds for donations are safely held in a principal-guaranteed money trust.
(4)	The Anshin Support Corporation takes care of all matters after death so the client can depart this world in any way they like.

Helping with Smooth Planning for Inheritances

Estate Planning

Estate planning is a service that provides support (consulting) aimed at summing up the client's wishes regarding the succession of their assets and drawing up a specific plan for this. Using the know-how that we have built up over decades in the field of asset management, inheritance, and will-related services, SuMi TRUST Bank offers the following consultation services.

Will Trusts

This service provides will-making consultation, follow-up consulting (changes, etc.), safekeeping services, and even high-quality will execution services with SuMi TRUST Bank serving as will executor so that the assets of our clients are handed over according to their wishes. Based on our experience of many years as an executor, we provide will consulting during the will-making process to ensure a high-quality will execution process. In October 2019 we launched a free online will trust service with which clients can prepare their own draft of a will by following the on-screen instructions, and in July 2020 we started accepting applications for will trusts based on holographic wills after the Legal Affairs Bureau started accepting them for safekeeping.

Then, in June 2021, we released a will trust (with special clause for pet care) that helps pet lovers live with their pets in comfort even after retirement.

https://www.smtb.jp/personal/entrustment/succession/webwill/

One-Stop Inheritance Service (Estate Liquidation Services)

SuMi TRUST Bank offers a One-Stop Inheritance Service to ensure that complex inheritance procedures proceed smoothly. Based on an application by an heir, we will provide support and carry out the following procedures on their behalf, according to their request.

- Confirmation of the legal heirs
- Investigation and identification of inherited property
- Advice in discussions concerning the division of the estate
- Change of name on savings and securities and/or their conversion into cash (we will carry out the procedures prescribed by each financial institution on the heir's behalf)
- Change of name on real estate
- Advice concerning allowances to pay tax obligations, such as income tax and inheritance tax

Helping Still-Living Clients to Give to the Next Generation

Annual Donation Support Trust

Annual Donation Support Trust is a service that supports the implementation of procedures for lifetime donation to relatives, such as compilation of a donation contract. Each year, SuMi TRUST Bank provides customers with information on documents necessary for the donation, helping them to not miss the opportunity for donation. This service makes it easy to execute lifetime donations. Once each year, SuMi TRUST Bank sends a donation report to both the donor and recipient.

Tuition Fund Endowment Trust

An exemption from the gift tax has been created for lump-sum donations to cover tuition funds, allowing grandparents to make a tax-free lump-sum donation to grandchildren, etc. aged under 30, to help with tuition fees and other educational costs (up to ¥15 million per grandchild, etc.).

SuMi TRUST Bank pays for the cost of education with this product in accordance with payment requests from grandchildren, etc.

Wedding and Child-Rearing Support Trust

As a tax incentive, up to 10 million yen can be given as a tax-free lump-sum donation for wedding or child-rearing purposes to a child or grandchild who is at least age 20 up until he or she turns age 50. As disbursements are made from a "money trust" that requires receipts confirming payments for wedding or child-rearing purposes, this product can clearly be the answer for donors who want their gifts to be used for marriage or child-rearing purposes.

Social Contribution Donation Trust

SuMi TRUST Bank offers products and services meant to support building a prosperous future for the next generation by enabling donation activities that serve the public interest. One such product is the social contribution donation trust, where clients select recipients every year from a list of organizations that SuMi TRUST Bank provides, and we process the donations (see page 158).

Medical Support Donation Trust

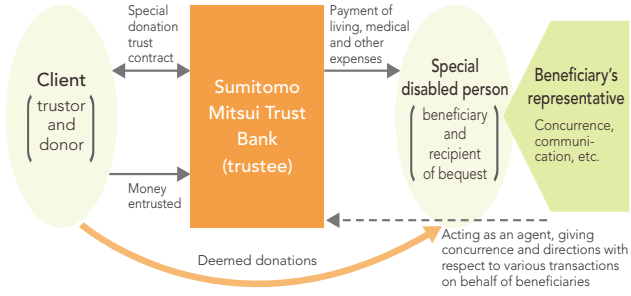
This is a trust product that enables donors to select a recipient from among the 13 participating universities under the common theme of medical support, based on a comparison of specific research and activities such as the creation of future medical care, research to overcome serious diseases, and the improvement of medical systems (see page 159).

Special Donation Trust

The special donation trust is a product for the purpose of contributing to stable living into the future for specified persons with disabilities. With this trust, funds donated are managed securely by SuMi TRUST Bank through jointly operated designated money trusts and other instruments, and disbursed to the specified person with disabilities by the bank on behalf of the client.

"Specified persons with disabilities" who become beneficiaries are divided into "special persons with disabilities" and "other specified persons with disabilities" according to the degree of disability. Special persons with disabilities may receive up to 60 million yen tax-free in periodic installments to cover living costs or medical expenses, while other specified persons with disabilities may receive up to 30 million yen without paying tax.

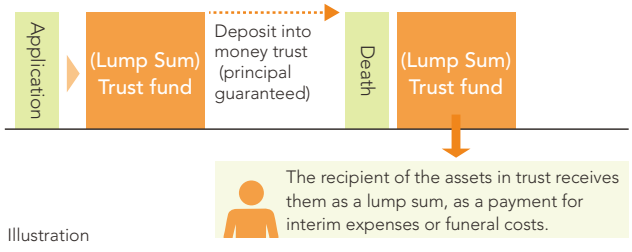
Structure of Special Donation Trusts



Family Consideration Trust (Lump Sum)

In the event of a bereavement, family members have to deal with various procedures, including arrangements for the funeral and inheritance-related procedures. The Family Consideration Trust (Lump Sum) is a product that, in the event of a client's death, pays out the deposited assets in trust to a recipient designated in advance by the client from among their legal heirs so as to cover interim expenses and funeral costs.

The recipient of the assets in trust receives them as a lump sum.



Illustration

*Along with the lump-sum Family Consideration Trust shown above, we also offer an annuity-type product from which the assets in trust are paid to a beneficiary on a regular basis.

4 Prosperity
—Economic Considerations

Companies perform better when their employees are well-trained, diverse and financially secure. The inclusion of prosperity as the fourth pillar takes this project's work beyond simply "ESG," highlighting the importance of prosperous societies and the role of businesses in fueling economic growth, innovation, and shared wealth.

From the World Economic Forum White Paper "Measuring Stakeholder Capitalism"

135 The Group's Approach to Prosperity (Economic Considerations)

136 Creation of Employment and Wealth

138 Providing Value to Clients

150 Helping Invigorate Communities and Society

196 Trust Future Forum

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The Group's Approach to Prosperity (Economic Considerations)

In the World Economic Forum's white paper Measuring Stakeholder Capitalism—Towards Common Metrics and Consistent Reporting of Sustainable Value Creation, which this report references, the following definition of "prosperity" is quoted from the UN Secretary-General's Synthesis Report.

Definition of "Prosperity"

- Economic growth, built upon decent employment, sustainable livelihoods, rising real incomes, social protection, and access to financial services for all people
- Innovation and transforming business models to create shared value, including investments in sustainable and resilient infrastructure, settlements, industrialization, SMEs, energy, and technology
- Shared prosperity and equitable growth, based on sustainable production and consumption

In other words, the idea of prosperity is not about how prosperous a company has become—it is a measure of how prosperous a company has made society. Accordingly, this would obviously include a company's business contributions to society and the economy, as well as its employment program, tax payments, community investments, participation in social activities, and initiatives such as financial inclusion. More specifically, and based on this thinking, in this section of the report we provide information about the SuMi TRUST Group's initiatives in line with the following three themes.

Creation of employment and wealth	We create significant economic value for employees, shareholders, and wider society through job creation and investing in the productive capacity of the economy.
Providing value to clients	We more broadly create economic value and social value for clients and society by providing suitable and innovative products and services to meet our clients' changing needs and desires.
Helping invigorate communities and society	We endeavor to invigorate the societies and communities in which we operate, through investment in communities, promotion of, and participation in social activities, and indirectly through taxes paid to help finance government services for those communities. Also, we contribute to the enhancement of buying power in the community through equitable and inclusive economic development.

Related Materiality

Impact Materiality

Materiality	Risk/Opportunity	Key Stakeholders	Main Responses
Pursuing sustainability-themed business opportunities	Opportunity	Clients, communities	Maximizing positive impacts through core businesses Individual clients: Asset formation for the people Corporate clients: Contributing to sustainable growth of the Japanese economy and corporations/regional revitalization Investors: Contributing to investment chains that give rise to virtuous cycles between individuals and corporate entities
Financial inclusion	Opportunity	Clients, governments, communities	Providing products and services to the financially vulnerable, guaranteeing access to finances for clients with dementia and other problems, and developing frameworks for returning assets to society and circulating money for the purpose of eliminating disparities
Technological innovation	Risk/Opportunity	Clients, employees	Improving user friendliness for clients (development of IT-driven financial services, expanding non-face-to-face channels, etc.), using IT to make operations more efficient, preventing system issues, and promoting system upgrades

Governance and Management Framework Materiality

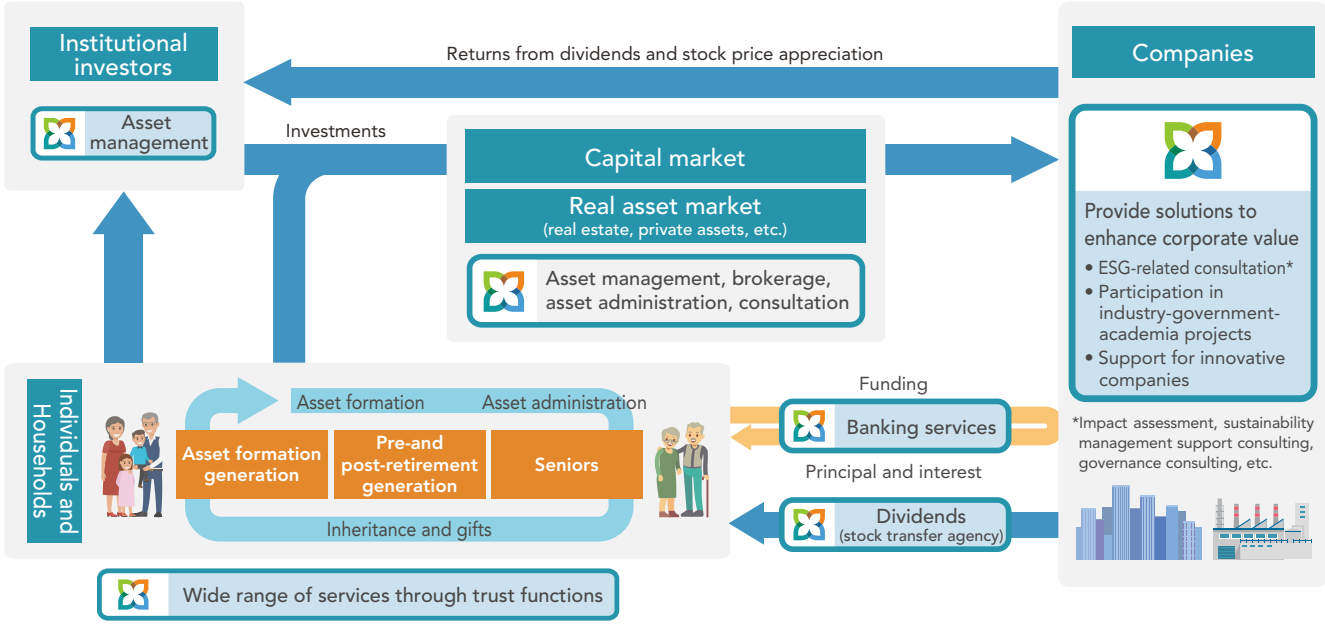
Materiality	Risk/Opportunity	Key Stakeholders	Policies
Client-orientated approach/ fiduciary duty	Risk/Opportunity	Clients	Initiatives aimed at being our clients' "best partner" and initiatives concerning fiduciary duty
Protection of personal information and client data	Risk	Clients	Client protection management (including client information protection)
Stability of financial system	Risk	Governments, international organizations	Ensuring ample shareholders' equity, qualitatively and quantitatively, and strengthening our sound financial base

Highly Relevant SDGs



Creation of Employment and Wealth

As a trust banking group, we have many points of contact in the capital markets, real asset markets (real estate, infrastructure, etc.), and over the course of an individual's life. It has been said that one structural problem with Japan's finance sector is that approximately ¥100 trillion individual or household bank deposits and some ¥300 trillion in company funds currently lay idle without being invested in anything at all. Major opportunities for sums of capital to be utilized en masse are now in reach as part of the decarbonization movement and other initiatives that are driving social change. An enormous amount of capital is required to largely transform the structure of society and fight issues such as climate change. This in turn leads to the provision of investment opportunities to investors struggling to secure investment returns in a low interest rate environment, and to households too with mounting asset formation needs in the leadup to retirement. It is this kind of environment that prompted the SuMi TRUST Group to set about building a virtuous cycle of funds, assets, and capital that delivers benefits to households through the enhancement of corporate value. As a bank and also as an institutional investor, the SuMi TRUST Group has a connection to every link in the investment chain. By broadly utilizing our trust functions to encourage a virtuous cycle of funds, assets, and capital, we will not only create new markets and new investment opportunities, but we also hope to tap into the focal points of numerous cycles in order to drive our own growth.



Companies create significant economic value for employees, shareholders, and society at large through job creation and investing in the productive capacity of the economy. Employment creation, employee retention, and investing in society contribute to better living standards and wealth creation over the long term. As a result, strong economic prosperity drives a more educated workforce and higher workforce productivity, as well as greater buying power for the company's customer base, which then triggers a chain reaction of economic value creation through renewed economic growth. From this point of view, the World Economic Forum has identified absolute number and rate of employment, economic contribution, and financial investment contribution as the common metrics for measuring employment and wealth generation.

Absolute Number and Rate of Employment

Employment and job creation are key drivers of economic growth, dignity, and prosperity and provide a basic indication of a company's capacity to attract diverse talent, which is key to generating innovative new products and services. One of our top commitments is to offer a workplace where the diversity and creativity of its employees are more fully utilized to add value to the organization and where employees can take pride in their work and be highly motivated in fulfilling their missions. Specifically, we are working to (1) achieve diverse work styles and work-life balance, (2) support health improvement through measures such as boosting health awareness and appropriately managing work hours, and (3) provide opportunities for all employees to grow while participating actively with a sense of purpose. We believe we have been able to maintain a low turnover rate as a result of these initiatives.

	Employees at FY-end	New employees	Percentage	Retired employees	Percentage
FY2020	13,740	394	2.91%	220	1.61%
FY2019	13,527	396	2.94%	285	2.11%

*Figures above are for Sumitomo Mitsui Trust Bank

Economic Contribution

Economic contribution provides a basic indication of how a company has created wealth for stakeholders. This is represented as direct economic value generated and distributed (EVG&D), which covers the basic components of the organization's global operations.

(¥100mn)

Components measured	Category	FY2019	FY2020
Revenues	Total gross business profit	6,908	6,808
Operating costs	General and administrative expenses	4,309	4,195
Employee wages and benefits	Labor costs	1,902	1,899
Payments to providers of capital	Total dividends + total amount of share repurchases	740	563
Payments to government*	Payable taxes	756	560
Community investment	Donations, project implementation costs, etc.	2	5
Financial assistance received from the government*	Tax breaks, subsidies, investment grants, etc.	0	0

*"Contribution to government" is calculated as "payments to government" less "financial assistance received from the government."

Financial Investment Contribution

Financial investment is a key driver of an economy's growth and a company's capacity to expand its operations and create additional employment.

(¥100mn)

Components measured	FY2019	FY2020
Total capital expenditures (a)	483	619
Depreciation and amortization (b)	352	346
(a) – (b)	130	273
Share buybacks (c)	175	0
Dividends (d)	565	562
Shareholder returns (c) + (d)	740	563

Infrastructure Investments and Services Supported

As a financial institution, one role of the SuMi TRUST Group is to support the building of a sustainable and prosperous society as a facilitator of investments and loans. With regard to project finance for infrastructure indispensable to people's livelihoods, such as energy, water, and transport, we have signed on to the Equator Principles and the Poseidon Principles and we take into full account the impacts infrastructure projects have on the natural environment and communities when we extend investments and loans. In addition, we are working to realize a carbon-free society together with clients by providing new products and services (see pages 48-59 for details).

Significant Indirect Economic Impacts

In terms of climate change issues, we believe we must assume even greater responsibility as a financial institution because the investments and loans we extend to clients to finance their economic activities have a direct impact on the environment, whilst indirect impacts also arise from investee companies and their projects. Also, to assist regional economies grappling with an aging society, a shift in the working population to urban centers, and the overseas relocation of production sites, we are working together with regional financial institutions to gain an understanding of regional resources and issues so that we can better promote lending and primary business support (ESG regional finance) based on a medium- to long-term view of the ESG risks and opportunities linked to these regions and the companies based there.

Creation of Social Impacts

A key topic for the business of the SuMi TRUST Group is to adapt to the changing times, create systems that are well-suited to the present day, and help solve new challenges arising in society. We therefore make sure to provide trust functions that are in step with the times and continuously sow the seeds of future growth. Furthermore, to truly solve issues in society, we must take into account not only the clients affected directly by our operations, but also the impacts that affect clients further afield and draw up a roadmap that ultimately leads to the generation of social value.

In this way, the consideration of impacts based on the thinking that impacts are indirectly linked is the underlying approach to how we embody the Group's reason for existence, or purpose, to create new value with the power of trusts and let prosperous future for our clients and society bloom. For example, the scope of impact of a corporate pension plan offered by the SuMi TRUST Group is far-reaching in the sense that it provides services to not only client companies that directly participate in the plan, but also indirectly to all employees of companies further afield.

Much like the time it takes for a tree to bear fruit after starting out as a solitary seed, the SuMi TRUST Group's business services require a long period of time to deliver results. As such, instead of pursuing near-term gains, we will continue to leverage our ingenuity to provide services truly needed by society over long time spans.

No. of companies that have introduced an installment savings scheme	467
No. of subscribers to Business Advantage	Approx. 0.28 million
No. of subscribers to asset formation and installment savings schemes	Approx. 0.41 million
No. of mortgage loan clients	Approx. 0.41 million
No. of Sumitomo Mitsui Trust Direct users	Approx. 1.58 million
No. of subscribers to defined contribution pension plans	Approx. 1.60 million
No. of real estate brokerage transactions*1	480
No. of positive impact finance transactions*2	20

*1 FY2020 data
*2 As of end-September 2021
*Other data as of end-March 2021

Providing Value to Clients

Innovative Products and Services

1. Product development capabilities supporting total solutions

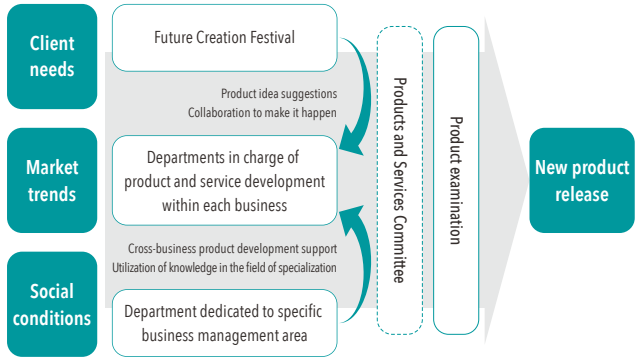
The SuMi TRUST Group continues to further the development of new products and services by drawing on its expertise and comprehensive capabilities as a trust banking group. SuMi TRUST Bank possesses the ability to develop new products and services in each of its businesses and continues to engage in development by leveraging its expert knowledge and taking into account client needs and market trends, among other factors.

Also, for the field of business management, we have established dedicated units such as the Business Research and Development Department, Regional Revitalization Planning and Promotion Department, Digital Transformation Department, and Sustainability Management Department. These departments conduct research studies in their respective fields of trusts and related areas, regional revitalization, digital transformation, and sustainability. A system has also been built to facilitate and support the development of new products and services across business lines.

Moreover, we have set up a Product & Services Committee as a meeting body for mainly directors and executive officers to discuss the development of new products and services. The committee meets regularly to share information about issues that ought to be resolved during the development process and measures for further propelling development from a medium- to long-term management strategy perspective that extends beyond the boundaries of on-site product development.

Also, since fiscal 2018 we have run an annual business plan contest called Future Creation Festival with the objective of fashioning the future of the SuMi TRUST Group based on ideas generated by employees. All Group employees can enter the competition with any manner of business plan, which means various ideas that are extremely novel or carry an element of surprise can also be submitted. As part of the final selection process, applicants are given the opportunity to directly present their plan to the judges (a panel of executive officers and external experts) and the winning applicant then gets the chance to turn their product or service proposal into a viable business.

System for Development of New Products and Services



2. Case example of realizing prosperity through product development: Anshin Support Trust (fund wrap-type)

The Anshin Support Trust (fund wrap-type)* is a product that offers the client ongoing asset management services even after the onset of dementia and can also appropriate funds the client needs to pay for living expenses and the like.

Investment decisions typically become more challenging when a person's decision-making capacity is impaired as a result of dementia or other illness. With more people living to the ripe old age of 100 in today's society, investment management for the purpose of extending one's wealth span to ensure a fulfilling life in one's golden years is important, but some of our elderly clients were worried about eventually having to put an end to their investment management activities in order to prepare for the decline in their own decision-making capacity.

The Anshin Support Trust product was therefore developed to solve such issues of elderly clients by combining the fund wrap investment functionality already used by many of our clients with the asset administration functions inherent in trust schemes. The key phrase associated with this product's success is "respecting the person's wishes." We made sure that the client could continue to benefit from our asset management service by having them nominate in advance the methods with which their assets should be managed after their decision-making capacity turns to decline. And the client can also have the trustee take care of such matters as converting assets to cash and making necessary payments. This product also has an asset inheritance mechanism in place so that in the event of the client's death, the assets held in trust can be used to assist the livelihoods of remaining family members.

The Anshin Support Trust was developed by an interdepartmental project team spearheaded by the Business Research and Development Department. Discussions by executive officers and the like at product development offsite meetings (the predecessor to the Product & Services Committee) concerning the key points of the product—for instance, deciding on the scope within which a trustee can act on behalf of a client who has lost their decision-making capacity—were reflected in the product's development.

Going forward, SuMi TRUST Bank will strive to provide new value to clients by focusing its energy on developing products that harness trust functions with the goal of solving various issues in society, including those related to Japan's aging population.

*Please follow the following link for more information.
https://www.smtb.jp/-/media/tb/about/corporate/release/pdf/201111-2.pdf

Client-Oriented Initiatives

In recent years, financial institutions have been urged to be even more client-oriented. In the SuMi TRUST Group too, as a financial institution underpinned by our fiduciary spirit, we consider our client-oriented approach and fiduciary duties to be the most important items of materiality. Here we provide some information about the client-oriented initiatives and client protection management practices we undertake with the aim of being our clients' "Best Partner."

1. Providing Value to Clients

In these extremely turbulent times, the asset formation, management, reexamination, and succession needs of both individual and corporate clients are growing increasingly complex, while the need for trustworthy financial institutions is also growing stronger. The SuMi TRUST Group aims to be the "Best Partner" for providing maximum value to both individual and corporate clients by accurately ascertaining their needs and offering total solutions in the form of various highly specialized products and services best suited to solving client issues. To this end, we not only endeavor to be completely client-oriented, but we have also established a sophisticated conflict of interest management framework so as to effectively utilize our comprehensive capabilities derived from the amalgamation of various trust and banking functions as Japan's only independent financial group specialized in trust banking.

We have also merged the organization tasked with client-oriented business operations (fiduciary duties) with the organization responsible for enhancing client satisfaction so as to further evolve client-oriented practices and client satisfaction as a source of differentiation. In this way, we continue to strengthen initiatives geared towards improving our ability to manage the quality of operations.

Group Initiatives in Recent Times

2016	September	Development of Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group
	October	Establishment of Fiduciary Duties Planning and Promotion Department (also established at SuMi TRUST Bank)
		Establishment of Fiduciary Duties Discussion Panel
2017	January	Development of Policy for Enhancement of the Conflict of Interest Management Structure relating to the Asset Management Operations at SuMi TRUST Bank
	April	Establishment of Conflicts of Interest Management Enhancement Committee (executive side and at SuMi TRUST Bank)
	May	Amendments to Management Policy Concerning Conflicts of Interest (enhancement of conflict of interest management framework)
	June	Amendments to Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group in light of the FSA's March 2017 publication of Principles for Customer-Oriented Business Conduct
		First announcement of KPIs for initiatives aimed at becoming our clients' "Best Partner" (announced every year thereafter)
	July	Establishment of Conflicts of Interest Committee as an advisory body to the Board of Directors
2018	September	Announcement of Shared KPIs on Investment Trusts and Initiatives of Sumitomo Mitsui Trust Bank
2019	June	Announcement of Voluntary Declaration of Consumer-Orientation
2020	April	Addition of CS promotion function to Fiduciary Duties Planning and Promotion Department and establishment of Fiduciary Duties and Customer Satisfaction Planning and Promotion Department (FD & CS Planning and Promotion Department) (the FD & CS Planning and Promotion Department at SuMi TRUST Bank was established through a merger of the Fiduciary Duties Planning and Promotion Department and the Customer Satisfaction Promotion Department)
	September	First announcement of results of initiatives based on Voluntary Declaration of Consumer-Orientation (announced every year thereafter)
2021	June	Amendments to Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group in light of the FSA's January 2021 revisions to Principles for Customer-Oriented Business Conduct

2. Implementing a Client-Oriented Approach

So that we can provide our clients with the products and services best suited to meet their genuine interests as their "Best Partner" and in order to carry out and instill fiduciary duties across all our business operations, in September 2016 we formulated and released our Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group ("Policies") and since then we have continued to further strengthen our initiatives by revising them whenever necessary. The SuMi TRUST Group has put in place an extensive organizational structure from the management level to the working level, and strives constantly to enhance its initiatives in this area (please see page 145 for enhancement of the conflict of interest management framework).

In order to clearly communicate to our clients the results of these initiatives, we periodically publish a report entitled KPIs for Initiatives Aimed at Becoming Our Clients' "Best Partner" (see page 142). These KPIs include those commonly used by financial institutions regarding investment trust sales.

Promoting/Supervising Structure of the Group

	Organization		Initiatives
SuMi TRUST Holdings	Board of Directors	Conflicts of Interest Committee	• Manage conflicts of interest throughout the Group • Monitor progress on fiduciary duties
SuMi TRUST Bank	Executive Committee	Conflict of Interest Management Enhancement Committee	• Discuss important cases • Provide guidance on making improvements to relevant departments
	Department in charge	Fiduciary Duties Planning and Promotion Dept.	• Raise awareness about, and ensure implementation of, fiduciary duties, and drive improvements in CS
		Compliance Dept.	• Enhance conflict of interest management
Group Companies*	Group-wide	Fiduciary Duties Discussion Panel	• Supervise and guide fiduciary duty initiatives at each Group company and reflect in initiatives at each company

*Sumitomo Mitsui Trust Asset Management, Nikko Asset Management, Mutual Fund & Insurance Research Institute, and Sumitomo Mitsui Trust Life Partners

Establishment of Specialist Organization

In order to raise awareness about, and implement, the Group's fiduciary duties, we established the FD & CS Planning and Promotion Department as a specialist organization. It not only provides advice, guidance, and training to Group companies, but also collects information and engages in planning and development concerning the improvement of conflict of interest management. This department regularly compiles reports for the Board of Directors based on its monitoring of specific initiatives implemented at each Group company in line with the Policies.

Establishment of Group Company Action Plans

The Group companies subject to the application of the Policies examine and implement initiatives according to the nature of their business operations.

Of the Group companies, SuMi TRUST Bank, Sumitomo Mitsui Trust Asset Management, Nikko Asset Management, and Sumitomo Mitsui Trust Life Partners are engaged in the asset management, product development, sales, and asset administration businesses that form the core of fiduciary duties. These Group companies have adopted the Principles for Customer-Oriented Business Conduct and have established and made public specific initiatives relating to fiduciary duties ("action plans"). Progress updates are reported regularly to their respective Board of Directors, whilst the action plans are revised whenever necessary. Reviews of actions plans and a summary of the KPIs are also made public on a regular basis. Furthermore, Sumitomo Mitsui Trust Asset Management and Nikko Asset Management, as asset managers, regularly publish their respective KPIs.

Fiduciary Duties Discussion Panel

In order to further enhance the initiatives at Group companies engaged in the business of asset management, product development, sales, and asset administration, we have established a Fiduciary Duties Discussion Panel together with Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Trust Asset Management, Nikko Asset Management, Sumitomo Mitsui Trust Life Partners, and the Mutual Fund & Insurance Research Institute.

The Discussion Panel comprises directors and executive officers, as well as general managers responsible for promoting fiduciary duties at each of the aforementioned Group companies, with the FD & CS Planning and Promotion Department serving as secretariat. Each company reports on the matters listed below, shares successful case examples, and discusses how to ensure practices that reflect fiduciary duties take root at each Group company.

- Improvements in expertise
- Appropriate collaboration on product development and sales at each company
- Enhancement of risk management

Policies Regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group

Group Companies That Undertake Initiatives Based on the Policies

SuMi TRUST Bank	Sumitomo Mitsui Trust Asset Management	Nikko Asset Management	Sumitomo Mitsui Trust Life Partners
Adoption of Principles for Customer-Oriented Business Conduct as a business operator engaged in asset management, product development, sales, and asset administration			
Observance of action principles and implementation of initiatives based on the Policies according to the nature of their business operations			

Mutual Fund & Insurance Research Institute	Sumitomo Mitsui Trust Wealth Partners	Sumitomo Mitsui Trust Realty	Sumitomo Mitsui Trust Real Estate Investment Management	Sumitomo Mitsui Trust Research Institute	Sumitomo Mitsui Trust Investment
Observance of action principles and implementation of initiatives based on the Policies according to the nature of their business operations					

Principles of Action Policies on Fiduciary Duties

(1) Implementation of a client-oriented approach to consulting

In order to provide products and services suited to the true benefit of our clients, we will strive, through high-quality consulting, to gain a shared understanding of the asset and liability situation of our clients, which will change with their lifecycle, and their corresponding needs.

(2) Provision of easy-to-understand information

To assist in our clients' investment decisions, we will strive to provide easy-to-understand explanations about product characteristics, risks, and fees, etc., based on the complexity of the products and services, and the importance of the information to be provided, and to take proper action that fits with our clients' understanding.

(3) Development and provision of products and services that meet the diverse needs of our clients

In order to meet the diverse needs of our clients, we will make available a broad range of high-quality products and services that accord with the needs of our clients, based on the various voices and opinions of our clients and through activities such as collaboration with a broad range of asset management companies and insurance companies, etc., and joint-development of products and services.

(4) Enhancement of our client-oriented focus and expertise

(i) Establishment of a corporate culture with the aim of becoming our clients' "Best Partner"

Through measures such as training and discussion at each Group company, we will aim for thorough penetration of judgment and practices that are based on these Policies. Further, we will give thorough effect to our fiduciary duties by building performance evaluation and target systems that value initiatives that contribute to the implementation and penetration of client-oriented actions and, in so doing, promote the establishment of a corporate culture in which every one of our executives and employees aims to be our clients' "Best Partner."

(ii) Improvements to expertise to support client-oriented consulting, etc.

Through measures such as training of executives and employees and support for the acquisition of specialist qualifications, we will increase knowledge and specialist skills regarding market conditions, products and services.

(5) Provision of financial services that leverage the diverse functions of the trust bank group

As a trust bank group, while remaining thoroughly attentive to conflict of interest management, we will fully mobilize our diverse and flexible functions, such as the banking business, asset management and administration business, real estate business, etc., and swiftly and accurately provide optimal and comprehensive solutions for our clients, whether they are individuals or corporate entities.

(6) Client peace-of-mind and satisfaction, and contribution to the economy and society

(i) Provision of new products and services that are responsive to economic and social changes

As well as providing products and services that bring peace-of-mind and satisfaction to our clients, we will contribute to the economy and society by utilizing our investment functions, etc., and through the creation of new products and services that respond to structural changes to the economy and society.

(ii) Proactive initiatives for financial education and investment education

To enable clients to proactively and rationally select financial products, and engage in sound asset building, we will pursue activities in connection with improvement of financial education and knowledge, including life planning, by utilizing our know-how regarding investment education, etc. cultivated in our defined contribution pension operations, etc., and through our regular consulting activities and seminars, etc.

3. KPIs for Initiatives Aimed at Becoming our Clients' "Best Partner"

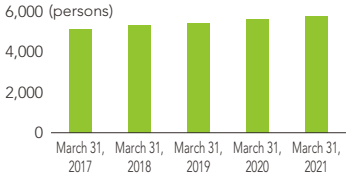
The SuMi TRUST Group fulfils its fiduciary duties and makes every effort to contribute to society and the economy by guaranteeing peace of mind for its clients by helping them create and manage wealth. And by working to enhance our reputation in the eyes of clients and society, we aim to achieve sustained and stable growth for the Group by becoming our clients' "Best Partner."

We regularly publish indicators regarding the initiatives we implement that we think will help us become our clients' "Best Partner," and whilst we continuously promote and expand the scope of such activities, we also periodically review them.

Client-oriented initiatives aimed at becoming our clients' "Best Partner" [our own actions]

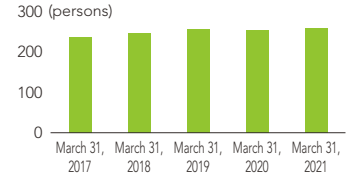
We strive to develop employees with high levels of expertise so that our clients can trust and consult with us with confidence.

Asset Formation Assistance
[Number of Holders of FP-Related Certifications]



*Shows the number of course employees of SuMi TRUST Bank who hold FP Specialist (Level 1, Level 2), CFP, AFP, or Kinzai Financial Skills Examination (Level 1, Level 2) certifications.

Assistance regarding Inheritance, Wills, Estate Planning
[Number of Financial Consultants]

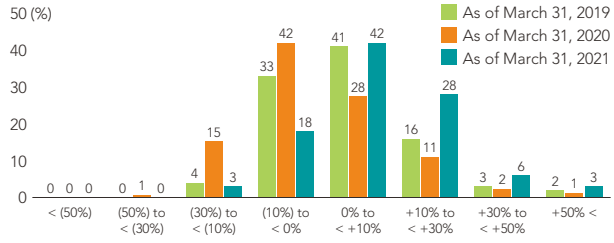


*SuMi TRUST Bank has financial consultants who are in-house experts in inheritance, wills, estate planning, etc. at all of its branches.

Client Comfort and Satisfaction, Contribution to Society and Economy [Evaluation by Clients and Society]

Improving Investment Returns for Clients

Distribution of clients with investment trust gains/losses, including realized profit and loss

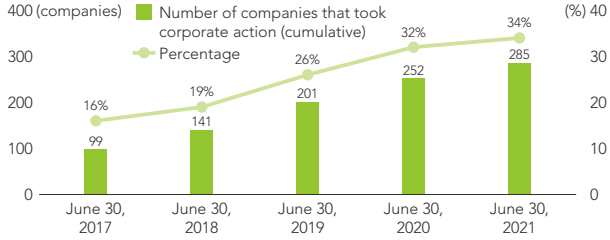


Client satisfaction rate **March 2019: 62% March 2020: 42% March 2021: 79%**

When proposing investment products to our clients, SuMi TRUST Bank emphasizes the importance of carefully following up on their intentions in light of major life events and changes in the market environment. In this way, we make every effort to improve returns and realized profits/losses for our clients.

Enhancement of asset management

Number of companies that took corporate action* and percentage of those companies with whom SMTAM engaged (cumulative)



As a responsible institutional investor, Sumitomo Mitsui Trust Asset Management (SMTAM) carries out engagement activities with a view to enhancing medium- to long-term corporate value and stewardship activities such as the exercise of voting rights. In this way, SMTAM seeks to maximize medium- to long-term investment returns for clients.

*The number of companies that have taken action consistent with the opinions they expressed during engagement activities.

SuMi TRUST Bank has earned an R&I Customer-oriented Investment Trust Sales Company Rating of "S+"

The rating is based on R&I's neutral third-party evaluation of banks, securities companies, and other financial enterprises engaged in the sale of investment trusts. The rating assesses their "customer-oriented business operations" and their policies and initiatives in this area. The SuMi TRUST Group will continue to pursue client-oriented initiatives and promote their adherence as we strive to be a "Best Partner," whom our clients entrust with their business for many years to come.

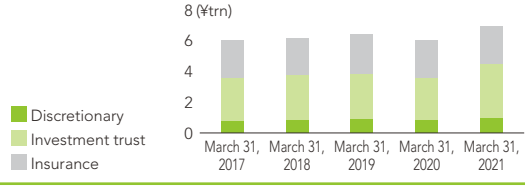
*The "R&I Customer-oriented Investment Trust Sales Company Rating" ("the rating") is not a statement of fact. Rather, it represents R&I's opinions regarding the "customer-oriented business operation" initiatives of companies engaged in the trust investment sales business. Though R&I uses information that it deems to be reliable when carrying out the rating, it does not independently verify the accuracy of this information. Furthermore, R&I does not guarantee the accuracy or integrity of this information, nor does it endorse the purchase, sale or holding of any specific product nor guarantee the future performance of any such product. All intellectual property rights (copyrights, etc.) and any other rights pertaining to the rating belong to R&I, and any reproduction or republication without permission is prohibited.

Sustainable and Stable Growth of the Group [Objective Parameters]

Offering a Wide Range of Products and Services that Meet the Diverse Needs of Clients

To meet the diverse needs of our clients, SuMi TRUST Bank offers a wide range of high-quality products and services, including investment trusts, discretionary investment management products, and insurance products, which continue to be highly popular with clients.

Comprehensive Offerings Drive Growth in Balances of Investment Trusts, Discretionary Investment Management Products, and Insurance



4. Shaping Corporate Culture to Become Our Clients' "Best Partner"

With the objective of entrenching a corporate culture geared towards becoming our clients' "Best Partner," each FD & CS Committee in each branch or department of SuMi TRUST Bank discusses and takes action to make improvements based on feedback from client questionnaires and organizes various training sessions.

Establishment of FD & CS Committees

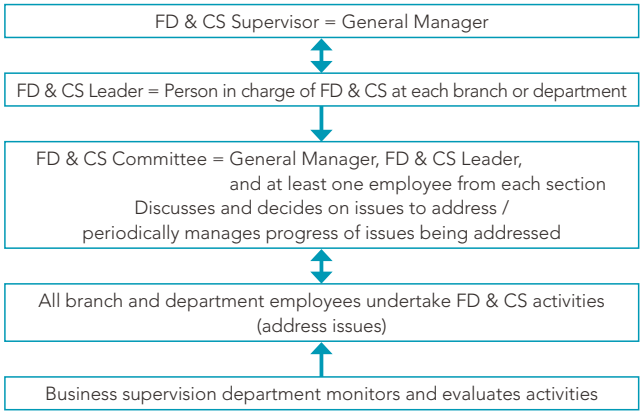
FD & CS Committees have been established for the purpose of enhancing FD and improving CS in each branch office and department. The FD & CS Committees are actively undertaking a whole host of activities according to the characteristics of each branch office or department.

Use of Client Questionnaires

For each of our businesses, we survey both corporate and individual clients with a questionnaire so that we can better manage and improve the quality of our services. We utilize the questionnaire results to identify issues in our business undertakings and subsequently implement initiatives that reflect measures for improving those issues.

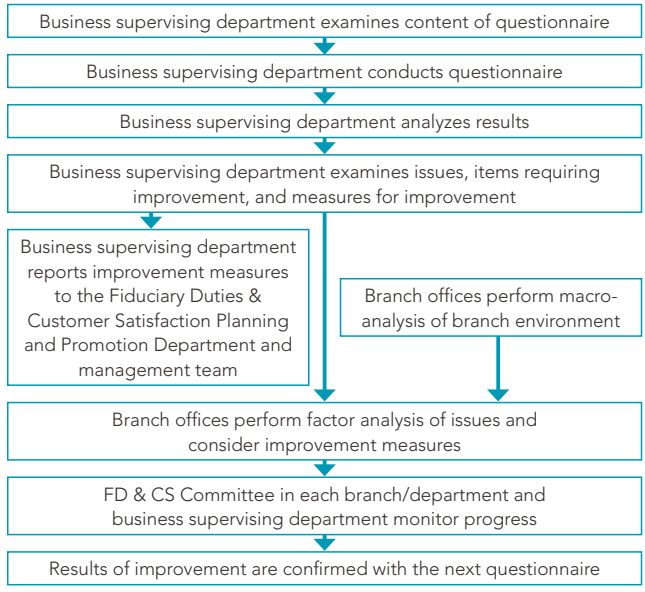
Examples of FD & CS Committee Activities

- Discussions relating to client-oriented business operations and improving CS
- Improvement activities based on client opinions
- Sharing of successful examples and improvement activities based on issues identified in cases subject to review



*Example of FD & CS Committee in the Retail Total Solution Services Business at SuMi TRUST Bank

Example of Utilizing CS Questionnaire in Each Business



Examples of Initiatives Aimed at Becoming Our Clients' "Best Partner"

No	Item	Description
1	Study sessions for improving CS awareness	Training sessions focused on upholding FD, improving CS awareness, sharing complaints and VOC items, and business manners are held for newly appointed branch managers, new recruits, and other employee ranks.
2	e-Learning	e-Learning-based FD & CS training for all employees aimed at upholding FD and improving awareness of CS and client support management training for employees to learn about the client support management system and people with disabilities/elderly citizens.
3	Improving complaint management	Analyzing causes of complaints, understanding trends, and strengthening prevention and improvement activities by being aware beforehand of the type of events that give rise to complaints.
4	Improving client questionnaires	Strengthening the improved PDCA cycle based on client evaluations by endeavoring to standardize the evaluation items in each questionnaire, enhancing our analyses, and sharing measures for improvement.
5	Collecting and making better use of daily client feedback	Promoting collection and analysis of VOC items and improvement and development of products and services.
6	CS lectures	Annual lectures for Group employees featuring a guest speaker. Topics include development of organizational and human resources, and communication.

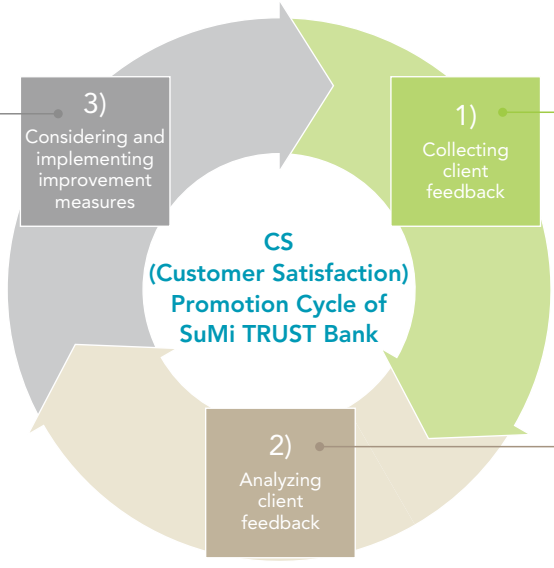
Initiatives in Line with Our Voluntary Declaration of Consumer-Orientation

By constantly striving to improve client satisfaction, be completely client-oriented, and help solve super-aging society issues and other problems in society, we aim to gain the trust of clients and society and continue to grow alongside each other. To this end, in June 2019 we drafted and made public our Voluntary Declaration of Consumer-Orientation. In July 2021 we published the results of our initiatives undertaken in fiscal 2020 in line with the Voluntary Declaration of Consumer-Orientation.

*Voluntary Declaration of Consumer-Orientation
The Voluntary Declaration of Consumer-Orientation is the Group's declaration for the approach toward consumer-oriented management (a business activity respecting general consumers' viewpoints and gaining consumer trust as the providers of a sound market, while being aware of its social responsibilities, and working toward the creation of a sustainable and desirable society) as promoted by the Consumer Affairs Agency and others.

5. Initiatives to Link "Voice of Customers" to Enhanced Customer Satisfaction

The Retail Total Solution Services Business of SuMi TRUST Bank collects feedback from clients at its branches and departments nationwide. Opinions and requests are also received from many clients via the Customer Services Promotion Office, in Voice of Customers Questionnaires, and through Sumitomo Mitsui Trust Direct. This feedback and information is used improve client satisfaction.



1) Collecting Client Feedback

SuMi TRUST Bank received approximately 360,000 valuable opinions and requests from clients in fiscal 2019 at its nationwide branch offices and departments, via its call center, website, or other means of communication, such as the Voice of Customers Questionnaires available at all branches.

Moreover, in aiming to further advance client-oriented activities and improve client satisfaction, SuMi TRUST Bank sends a client questionnaire to clients with term deposits or investment trusts to assess their level of satisfaction with the Bank's services.

[Main Ways Hear from the Voice of Customers]

- Record comments from customers we receive in branches and over the phone in a dedicated system
- Share inquiries, requests, complaints, and opinions we receive from customers over the phone with relevant departments
- Collect information from the "Voice of the Customers Questionnaires"
- Collect information via our letter and home page
- Implement a variety of questionnaires and surveys

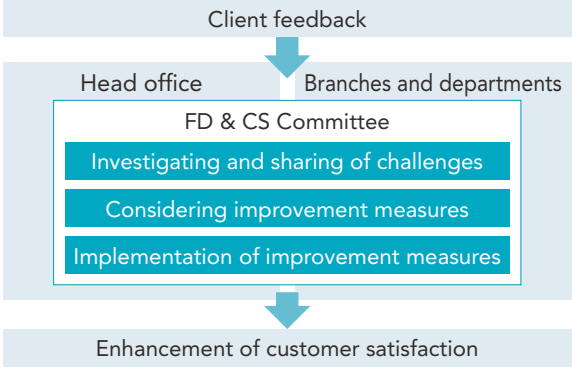
2) Analyzing Client Feedback

In order to realize customer satisfaction by utilizing hundreds of thousands cases of feedback we receive each year, we use the "CS Voice of Customers Portal," a system to analyze client feedback. We are striving to meet clients' needs by making client feedback "visible" so that we can better "recognize" client needs.



3) Considering and Implementing Improvement Measures

The branch offices and the head office work together to examine and analyze the reasons behind client opinions and requests with the aim of understanding problem areas. The results of this process are used to come up with improvement measures in an effort to provide better products and services.



6. Enhancement of Conflict of Interest Management Framework for the Entire Group

The Group makes publicly available a summary of the Management Policy of the Sumitomo Mitsui Trust Group Concerning Conflicts of Interest*1 and engages in appropriate management by identifying and categorizing in advance transactions that could lead to conflicts of interest so that the interests of our clients are not harmed unfairly when our Group companies or authorized parties offer their various services.

In August 2021, UBS SuMi TRUST Wealth Management commenced operations as a SuMi TRUST Group company. To coincide with that occasion, we revised the SuMi TRUST Group's Management Policy Concerning Conflicts of Interest and posted information on our website concerning appropriate conflict of interest management in connection with our joint operations with the UBS Group in the wealth management business.

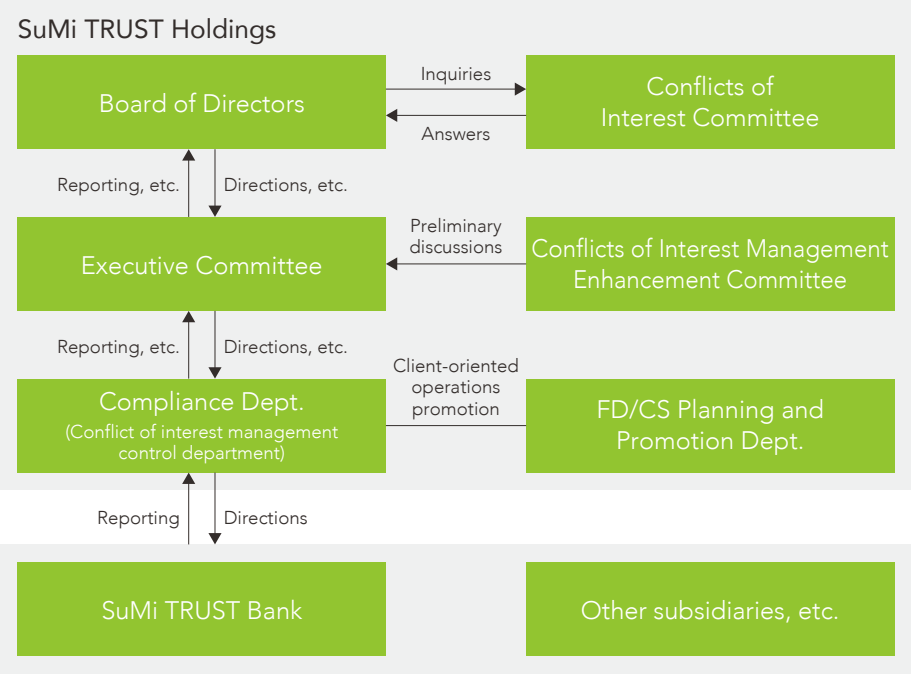
We also have in place a system to ensure that necessary improvements and guidance are implemented on an ongoing basis. Our Compliance Department—which functions as a conflict of interest management control department independent from our sales departments—periodically examines the effectiveness of the Group's overall conflict of interest management and reports the results to the Conflicts of Interest Management Enhancement Committee, Executive Committee, and the Board of Directors.

Moreover, for the purpose of improving the effectiveness of our conflict of interest management framework, its appropriateness is assessed by the Conflicts of Interest Committee, an advisory body to the Board of Directors comprised of mainly external members. The Conflicts of Interest Committee not only evaluates the Group's conflict of interest management framework as required by law, it also discusses the best practices of the framework and how fiduciary duty initiatives are being implemented for the purpose of being a "best partner" capable of earning the reassurance and trust of our clients. To this end, the Committee has convened 20 meetings thus far (in principle, four annually). The Committee also makes a summary of its meeting minutes publicly available on an ongoing basis*2.

In addition to the above, in regards to the conflict of interest management system for stewardship activities, under the umbrella of the Conflicts of Interest Committee, we have established a Stewardship Subcommittee*3 for the purpose of sharing information about stewardship activities across the entire Group and strengthening oversight of stewardship activities at Group asset management companies.

*1 https://www.smth.jp/english/coi
*2 https://www.smth.jp/english/about_us/management/customer
*3 A subcommittee comprising all members of the Conflicts of Interest Committee and members of committees related to stewardship activities at Group asset management companies.

Conflict of Interest Management System*1



Conflicts of Interest Committee Members

Chairperson: Hideki Kanda*2
Professor, Law School at Gakushuin University
Emeritus Professor, University of Tokyo

Member: Takeshi Suzuki
Tokai National Higher Education and Research System
Part-time Director

Member: Akiko Hosokawa
Partner, Baker & McKenzie

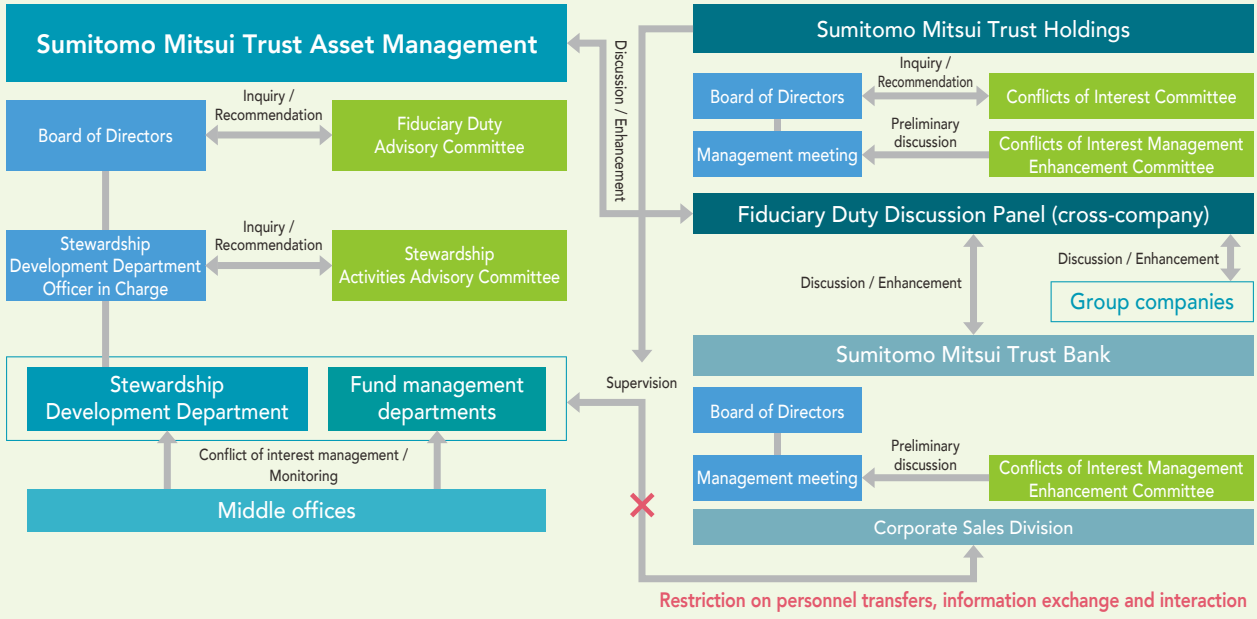
Member: Yasuyuki Suzuki
SuMi TRUST Holdings
Managing Executive Officer

*1 For roles and responsibilities of each management structure and main departments, please see page 140.
*2 External Director, SuMi TRUST Bank

7. Conflict of Interest Management Structure for Stewardship Activities

Sumitomo Mitsui Trust Asset Management (SMTAM) integrated the investment management function of SuMi TRUST Bank on October 1, 2018. It also added more independent external directors, shifted to a company with an audit and supervisory committee system, and beefed up its middle office operations. The integration means SMTAM has more independence from the Group's corporate divisions (lending, etc.), while its conflict of interest management is much more transparent. Given that the management of conflicts of interest is particularly important to the exercise of voting rights, SMTAM has established a Stewardship Activities Advisory Committee comprised mostly of external experts. The officer in charge of the Stewardship Development Department—the person responsible for the exercise of voting rights—exercises voting rights in a highly transparent manner by giving the fullest possible consideration to the recommendations of the Advisory Committee.

Conflict of Interest Management System for Stewardship Activities



Nikko AM (NAM) has established appropriate risk management and compliance frameworks to ensure that the interests of clients and beneficiaries are the top priority and that such conflicts of interest are appropriately managed if they arise. Fund managers and analysts aim to avoid the occurrence of any conflicts of interest in compliance with NAM's internal regulations. If there is a heightened risk of conflicts of interest arising, all known facts are immediately reported and steps are taken quickly to resolve any issues.

NAM also established its Stewardship and Voting Rights Policy Oversight Committee in June 2016 in order to increase transparency in its stewardship activities and strengthen its governance. From its perspective as a body composed of a majority of external members with no special interests in NAM, the Stewardship and Voting Rights Policy Oversight Committee monitors and oversees whether NAM's exercising of voting rights and other stewardship activities are in line with its objectives and whether it is making the proper efforts to fulfill its fiduciary duties consistently. The committee also provides necessary advice from a fair and neutral standpoint.

NAM envisages that conflicts of interest may arise when it exercises voting rights in regard to its parent company, distributors, and client companies. In order to avoid conflicts of interest and enable objective decision making in its exercise of voting rights, it has established a control framework to maintain appropriate voting decisions pursuant to its Guidelines on Exercising Voting Rights.

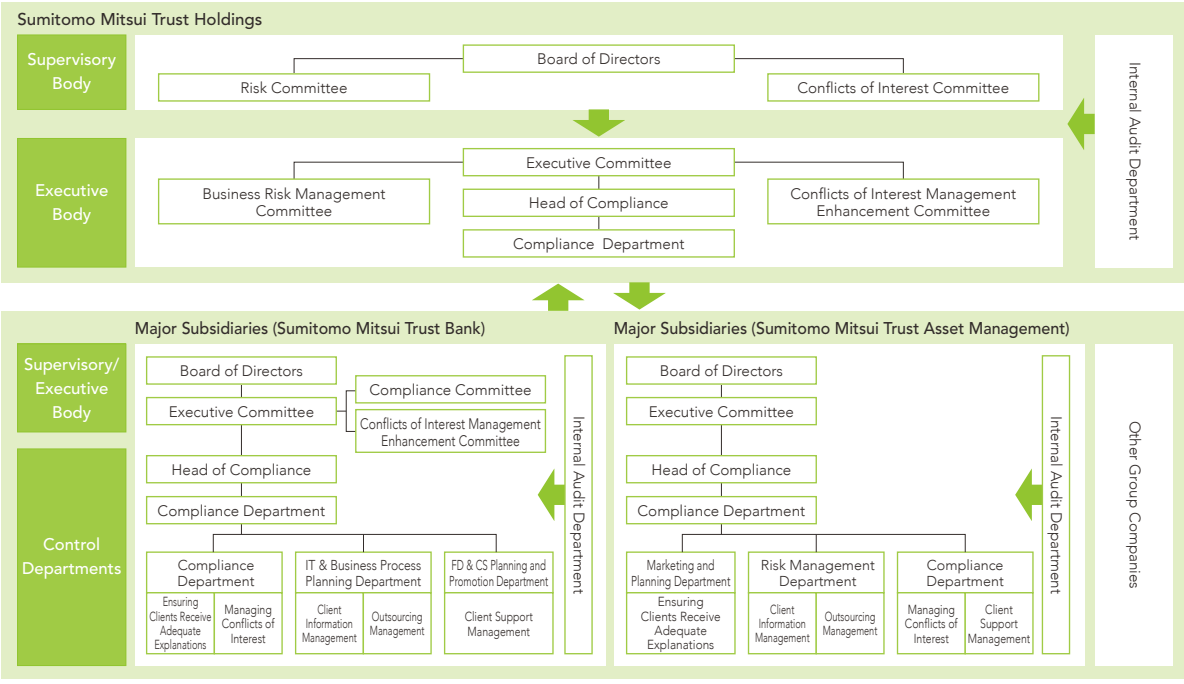
Client Protection Management

Basic Initiative Policy

The Group considers client protection to be a top management priority. We have put in place a basic policy aimed at enhancing client protection and convenience in the Group's regulations* concerning policies for acting in the best interests of clients (approved by the Board of Directors) in order to develop an appropriate client protection management framework that reflects the business attributes of each Group company.

At each Group company, a supervising department to oversee client protection management and function-specific control departments have been established in accordance with the Group's basic policy. The supervising department manages overall client protection management by primarily drawing up annual plans concerning client protection, periodically reporting to the Board of Directors, and maintaining internal regulations. The control departments are tasked with establishing a system through the development of internal rules for their respective functions. They also endeavor to ensure appropriateness and sufficiency for each function by providing guidance to relevant departments and improving the content of employee training.

*Principle-based guidelines designed to meet the expectations and trust our clients place in each SuMi TRUST Group company. With the aim of earning the long-term trust of clients and enhancing sustained corporate value by having Group directors, officers, and employees pursue the best interests of clients, these guidelines set out a management framework for that very purpose and so client protection and convenience can be improved.



Client Explanation Management

When offering financial products and services to our clients, we make sure to provide appropriate and sufficient explanations and easy-to-understand information based on the client's knowledge, experience, assets, and purpose of transactions so that we gain their understanding and consent.

Specifically, we have made our policy on the solicitation and sale of financial products and services publicly available, we properly enforce the suitability rule*1 and maintain a manual on providing explanations to our clients about matters such as appropriate information disclosure, and we have a system in place for improving employee training. On top of this, in an effort to ensure the fair solicitation and sales of financial products from the standpoint of our clients based on the action principles outlined in our Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group*2, we implement client-oriented consulting*3, provide easy-to-understand information*4, and take steps to expand the content of training sessions with the aim of increasing the knowledge and expertise of officers and employees regarding financial markets, products, and services.

In particular, we monitor whether our explanations to clients about risky financial products, such as investment trusts and life insurance, are up to standard. We leverage the results of the aforementioned initiatives to maintain a system that guarantees a high standard of client consulting and explanations and so that we can revise our solicitation rules when necessary.

*1 The suitability rule prohibits financial institutions from soliciting clients in ways that are inappropriate in light of the client's knowledge, experience, assets, and transaction purpose.
*2 https://www.smth.jp/en/about_us/management/customer/fiduciaryduty/index.html
*3 This involves client proposals in line with their needs by utilizing (1) easy-to-understand materials describing case examples of life planning that reflect life events and asset management methods based on investment objectives and duration, and (2) simulation tools incorporating the client's assets, family structure, and life events.
*4 To provide easy-to-understand information, we are working to improve descriptions about risks and fees, politely following up on clients in consideration of market developments, and improving seminar content and hosting more sessions.

Conflict of Interest* Management

The Group makes publicly available an overview of its Management Policy Concerning Conflicts of Interest (following approval of the Board of Directors) and engages in appropriate management by identifying and categorizing in advance transactions that could lead to conflicts of interest so that the interests of our clients are not harmed unfairly when our Group companies or authorized parties offer their various services.

Notably, each Group company identifies in advance transactions that have the potential to cause conflicts of interest in their business operations and establishes management methods for such transactions. The Group attempts to prevent the harmful effects of conflicts of interest in the event those transactions are carried out by following predetermined methods for conflict of interest management or developing business execution systems. If new transactions with the potential for conflicts of interest are anticipated, they shall be identified as such and managed before they are executed with the established conflict of interest management methods.

In order for the Group to appropriately manage conflicts of interest, the Compliance Department—which functions as a conflict of interest management control department—maintains the framework for the entire Group and periodically examines its effectiveness. It then reports the results on a regular basis to the Conflicts of Interest Management Enhancement Committee, the Executive Committee, and the Board of Directors, before adopting necessary steps for improvement.

Moreover, from the perspective of upholding our fiduciary duties, we constantly strive to enhance our conflict of interest management framework based on the idea of maintaining a "best practice" system for managing conflicts of interest as outlined in our Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group. Please refer to page 145 for enhancement of our conflict of interest management framework.

*A conflict of interest refers to a situation where there are conflicting interests between the Group and its clients, or between clients of the Group.

Outsourcing Management

When outsourcing its operations, the Group takes measures to ensure that the outsourced operation is consigned to a contractor capable of: (1) establishing regulations for the appropriate management of risks from unexpected losses incurred by the Group or its clients, (2) recognizing problems related to the quality of service and the reliability of service continuity, and (3) implementing the operation accurately, fairly, and efficiently. From the viewpoint of preventing the intervention of and transactions with anti-social forces, before concluding new contracts and on an ongoing basis, we check that our contractors are not classified as anti-social forces.

At our core subsidiary SuMi TRUST Bank, the IT & Business Process Planning Department—which functions as the outsourcing management department—screens and monitors appropriate contractors within the Group pursuant to our outsourcing management regulations and periodically reports on how outsourcing is being managed to the Board of Directors. Moreover, each business designates a department to oversee operations outsourced to contractors and evaluates whether they are performing their assignments properly in accordance with relevant rules and their consignment contracts through confirmation of the status of consigned operations both on an ongoing periodic basis and in response to emerging situations. These departments also monitor contractors when necessary.

Solicitation Policy (Sumitomo Mitsui Trust Bank)

1. **Explain the basic policy**
   Sumitomo Mitsui Trust Bank, Limited (SuMi TRUST Bank) practices its Codes of Conduct ("Value") that calls for "completely client-oriented" service and "strict compliance with applicable laws and regulations," and recommends financial products and services based on this solicitation policy so that clients can decide for themselves what is most appropriate for them.
2. **Recommend financial instruments suited to clients**
   SuMi TRUST Bank recommends financial products and services suited to clients according to their "knowledge," "experiences," "asset situation" and "the purpose of their transactions."
3. **Explain the contents of financial products and services in an easy-to-understand manner**
   SuMi TRUST Bank explains not only the contents and merits of financial products and services we provide but also risks and fees in an appropriate, easy-to-understand manner so that they can be fully understood.
4. **Offer appropriate explanations and conduct appropriate solicitations**
   SuMi TRUST Bank does not make explanations or conduct solicitation activity that may mislead clients, such as communicating false information or providing definitive explanations concerning uncertain matters.
5. **Strive to conduct solicitation activity convenient for clients**
   SuMi TRUST Bank strives to conduct solicitation activity via telephone or visit at a time, place and means convenient for clients.
6. **Strive to improve in-house systems**
   SuMi TRUST Bank strives to improve in-house systems so that we can provide financial products and services suited to clients. SuMi TRUST Bank also strives to acquire accurate knowledge and master ways of providing easy-to-understand explanations.
7. **Created a consultation contact point for clients**

Client Information Management

In the SuMi TRUST Group we have established a Declaration for the Protection of Personal Information to make doubly sure we protect the personal information of clients. We make sure that client information is managed appropriately, but if it is shared within the Group, we only do so in accordance with privacy laws, finance sector guidelines on personal information protection, and other related laws and regulations.

As the department tasked with information security risk management, the IT & Business Process Planning Department oversees all operations concerning client information management pursuant to our Information Security Risk Management Rules formulated for the purpose of appropriately managing the Group's information assets. The IT & Business Process Planning Department periodically assesses the circumstances and effectiveness of information security risk management and reports its findings to the Board of Directors. Also, in addition to appointing general managers as supervisors of information management and administration at branch offices and in each head office department, all employees must submit a signed pledge concerning information management and attend two training sessions every year to ensure they have a clear understanding of matters relating to confidentiality information management, particularly with regard to sensitive information containing personal data obtained through the course of their duties.

Client Support Management

So that we can properly respond to client inquiries, requests, complaints or disputes, we have established a basic policy in the Group's client support management regulations in an effort to improve operations and provide better services.

In addition, our Compliance Department and the Fiduciary Duties & Customer Satisfaction Planning and Promotion Department work together to sincerely and quickly respond to complaints and inquiries from clients, aiming to reach outcomes with as much understanding and satisfaction as possible. These departments also work to improve operations by collecting and managing information under a complaints reporting system, regularly reporting to management, and analyzing the root causes of complaints with the use of our CS Voice of Customers Portal (see page 144).

In fiscal year 2020, SuMi TRUST Bank received a total of 8,093 complaints and inquiries.

Sumitomo Mitsui Trust Group Privacy Policy

We at the SuMi TRUST Group, in the utmost effort to protect the personal information of our clients and shareholders, have established the following policies, and we declare to abide by this policy.

1. Compliance with all Applicable Laws and Regulations, etc.

The companies in our group shall comply with the laws pertaining to the protection of personal information, the specific personal information and guidelines set forth by government agencies including other standards.

2. Appropriate Acquisition

The companies in our Group shall obtain personal information and the specific personal information from clients only to the extent necessary for our operations and only through proper and legal means.

3. Purpose of Use

The companies in our Group shall notify or announce how the personal information and the specific personal information shall be used, and shall only use it within the confines of the prescribed purpose except as otherwise provided by law, and shall not use it for any other purpose. The companies in our Group shall only use the specific personal information within the confines of the purpose stipulated by law.

4. Consignment

If the companies in our Group consign the handling of the personal information and the specific personal information then the consignee (including the consignees in two or more stages) shall be properly supervised to promote the safe management of the personal information.

5. Offering to Third Parties

The companies in our Group shall not provide to any third party personal information held for clients without obtaining prior consent from the client except in cases specified by law.

However, if the companies in our Group provide your personal information consequent to the succession of business in a merger or otherwise and it is shared with a specified party set forth separately then the personal information held for the client may be provided to the third party without obtaining the client's consent.

The companies in our Group shall not provide the specific personal information held for clients to any third party with or without obtaining consent from the client except in cases specified by law.

6. Responding to Inquiries from Clients, etc.

The companies in our Group shall establish the procedures for correcting and disclosing personal information, and any inquiries concerning questions, suggestions or inquiries and corrections of content, etc. related to personal information and the specific personal information shall be handled quickly and accurately.

7. Safety Measures

The companies in our Group take appropriate safety measures in terms of their organizational, personnel, and systems to manage personal information and the specific personal information, and we have developed the governance framework necessary to protect personal information.

8. Continuous Improvement

The companies in our Group continuously review and strive to improve the compliance program for protecting personal information. We also understand that it is important that all employees protect personal information and that they are trained in how to appropriately handle personal information and the specific personal information.

Helping Invigorate Communities and Society

Direct and Indirect Support (Cash Conversion)

Companies directly contribute to communities through investments and various services to society, but also indirectly through taxes paid to help finance government services for those communities. From this point of view, the World Economic Forum has identified total tax paid and total social investment as the common metrics for measuring community and social vitality.

(1) Indirect Support: Total Tax Paid

The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.

Taxes are important sources of government revenue and are central to the fiscal policy and macroeconomic stability of countries. They are also a key mechanism by which companies indirectly support social infrastructure because government revenues support public infrastructure and services.

Total tax paid

	FY2019	FY2020
Corporate taxes and other taxes	¥87.3 bn	¥67.8 bn

(2) Direct Support: Total Social Investment

Total social investment is a metric summing up all resources (operational expenses, staff time, etc.) that the company uses for mainly "S" in ESG efforts. It seeks to capture the multiple ways in which companies can demonstrate their investment in social activities beyond traditional charitable giving. We categorized our activities into three groups: (1) charitable donations; (2) community investments (in a narrow sense); and (3) cost of strategic activities.

	FY2019	FY2020
(1) Charitable donations	227	489
(2) Community investments	342	294
(3) Cost of strategic activities	36	9
Total	605	792

(¥ mn)

Total social investment by the Group in fiscal 2020 came to around ¥800 million, some ¥500 million of which was associated with actual cash payments.

(1) Charitable donations: The total amount of donations for accounting purposes (excluding those related to sustainability)

(2) Community investments: The total amount of membership fees in various organizations like UNEP FI and the Biodiversity in Good Company initiative, running costs for the UN-driven Education for Sustainable Development (ESD) project, and personnel costs in connection with the "With You" activities (personnel costs are estimated based on a number of assumptions).

(3) Cost of strategic activities: The total amount of sustainability-related donations, such as those to the Network for Economic Education and UWC ISAK Japan*, plus the cost of running "With You" activities and other projects.

See page 164 for more information about ESD.

*UWC ISAK: A school that unearths and nurtures "changemakers" from disadvantaged backgrounds. See page 162 for more information about their activities.

Launch of industry-academia consortium for solving issues in society

In June 2021, SuMi TRUST Bank entered into an agreement with Keio Research Institute at SFC and NES Inc. to utilize their respective networks in setting up a consortium that aims to solve social issues through collaboration between industry and academia.

As the advancement of digital technology and the development of technology for realizing decarbonization-focused energy policies hold sway over Japan's international competitiveness, projects that seek to demonstrate how new technology can be adopted in society are crucial. Domestically too, there is a mountain of economic, social, and environmental issues that need fixing; for example, structural problems like growing population density in the greater Tokyo area and regional districts beset by dwindling economic activity owing to population decline, as well as the building of sustainable social infrastructure that can cope with Japan's super-aging society. And in many cases, the initiatives of public services and business operators alone are not enough to deliver solutions.

Under this agreement, the parties will aim to build a cross-industry network that brings industry and academia closer together whereby the technological knowledge of the Keio Research Institute at SFC is bound together with the finance functions of SuMi TRUST Bank with the objective of properly addressing social issues faced by each region and contributing to the creation of vibrant regions and the development of up-and-coming business entrepreneurs.

Financial Inclusion Initiatives (for a fair and inclusive economy)

According to the World Bank, financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs—transactions, payments, savings, credit, and insurance—delivered in a responsible and sustainable way. Furthermore, financial inclusion has been identified as a key enabler for eight of the 17 SDGs. Also, the promotion of financial inclusion can drive more global, inclusive economic growth and support the attainment of a wider range of goals.

Japan has one of the highest bank account ownership ratios in the world, but people living in remote areas, as well as the elderly, still require support in terms of access to their account and properly benefiting from account services.

The OECD too has listed people living in outlying regions and the elderly as those impacted by the COVID-19 pandemic. With infections spreading once again, it is becoming increasingly important that digital technology is used to maintain and improve accessibility to financial services.

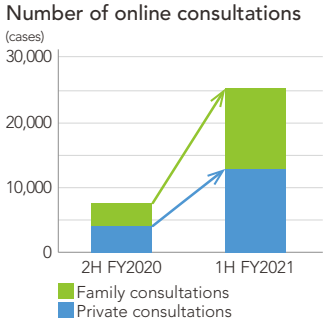
(1) Improving accessibility by expanding online transactions and the use of digital technology

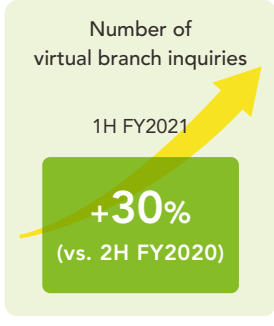
The ongoing COVID-19 pandemic has prompted more clients to avoid face-to-face meetings and other direct contact and instead request online consultations as a way of preventing the spread of infections. The SuMi TRUST Group has long offered high value-added face-to-face consulting services as a financial group specialized in trust banking, but given the spread of COVID-19, we have deployed a system through which we can deliver trust consulting and trust services even without meeting in person by making use of online consultations. In July 2021, we started an online "consultation plaza" service at SuMi TRUST Bank. This service makes it possible for a client to join an online meeting to discuss preparatory measures in the event their decision-making capacity turns to decline as a result of dementia or other illness, and also offers far away family members the opportunity to participate in online sessions to discuss inheritance or asset administration matters.

The number of online consultations in the first half of fiscal 2021 increased by more than 200% from the second half of fiscal 2020. In particular, there was an even bigger jump in the number of online consultations for family members not living together, so much so that they made up nearly half of all online consultations in the first half of fiscal 2021. With families not being able to meet so easily during the pandemic, we are using online means to provide opportunities for all family members to benefit from our consultation services at the same time.

As the pandemic has continued unabated, more people are working from home and commuting less, which is driving demand for consultations during the daytime. We are also seeing an increase in clients wanting to consider and discuss a broad range of life planning matters concerning property, inheritance, and asset management. For workplace clients, SuMi TRUST Bank opened a virtual branch in fiscal 2020 and the number of inquiries it fielded in the first half of fiscal 2021 grew 30% year on year—a telltale sign that this service has been favorably received.

We have also developed a new asset administration app for smartphones, which we plan to release in spring 2022.





Initiatives at SBI Sumishin Net Bank

SBI Sumishin Net Bank is an online-only bank that was launched in September 2007 as a joint venture between SuMi TRUST Bank and SBI Holdings. Since its foundation, the bank has concentrated its resources on providing 24-hour, 365-day internet banking that offers the most easy-to-use and attractive products and services. In February 2021, SBI Sumishin Net Bank's cumulative value of mortgage loans surpassed ¥6.5 trillion, and as of the end of March 2021, total deposits held across 4.51 million accounts stood at a little over ¥6.29 trillion. In recent years, for the purpose of delivering more convenience to society by integrating banking functions stripped back to the bare essentials into various industry sectors without relying on a physical branch network, SBI Sumishin Net Bank has been promoting its NEOBANK® business and the unparalleled client experiences that accompany it through the provision of BaaS (banking as a service) financial infrastructure.

(2) Initiatives in line with the G20 Fukuoka Policy Priorities

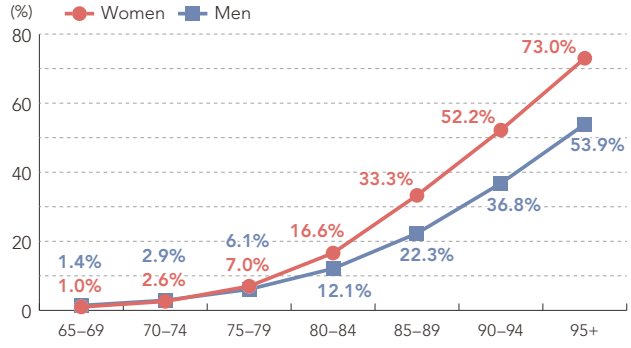
The Global Partnership for Financial Inclusion (GPFI) and the OECD together identified global issues pertaining to aging. To provide support for addressing such challenges, in June 2019 the organizations jointly presented eight key priorities in a report entitled *G20 Fukuoka Policy Priorities on Aging and Financial Inclusion*. The G20 Fukuoka Policy Priorities are measures that will sow the seeds of a prosperous future for both current generations of older people and future generations. Considering that the reason for existence, or purpose, of the SuMi TRUST Group is to create new value with the power of trusts and let prosperous future for our clients and society bloom, in June 2019 we threw our support behind the G20 Fukuoka Policy Priorities and have been undertaking related initiatives ever since.

Utilizing data and evidence

In this so-called age of centenarians, longevity is a trend currently sweeping the globe and a worldwide increase in the elderly population in the future is, for the most part, a foregone conclusion. In Japan, the weighting of the elderly population is more than 7% above what is considered a super-aged society (21%) and therefore represents a society of longevity unlike any other country on the planet, or in human history for that matter. In order to foresee what kind of unprecedented challenges lie ahead, the provision of products and services based on the utilization of data and evidence will be vital going forward.

For example, it is said that dementia is a key factor in life and asset planning under the assumption of a long life expectancy. Even the data shows that the likelihood of someone suffering from dementia is far greater if they live to 100 instead of 80, which is why people must make preparations to start planning their life and management of assets beforehand on the assumption that a time will come in their life when dementia or some other illness hobbles their decision-making capacity. In doing so, they can live happily with peace of mind in their later years.

Dementia Incidence Rate



Source: Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology (2012 comprehensive assessment of dementia)

An impaired judgment brought on by dementia or the like makes decision-making for contractual matters more difficult, and in some cases, it could mean a person no longer has access to their own savings or other assets—in other words, their assets are at risk of being frozen. For this reason, it is important that advance planning preparations are undertaken beforehand, with the use of a guardianship or trust fund, for example.

In fact, SuMi TRUST Bank is actively exchanging information with the operators of housing and care facilities for seniors and acquiring regional information databases for each municipality and senior housing databases containing information about each elderly home or facility. The Bank is using these databases to build market analysis tools and programs for calculating business operation expenditures.

SuMi TRUST Bank's research, based on various data, indicates that by the year 2030 the amount of financial assets held by people with dementia will have reached ¥214 trillion, while homes and other real estate is expected to be worth ¥100 trillion.

To address these issues, SuMi TRUST Bank is implementing the following measures to sow the seeds of a prosperous aging society in Japan in an era during which many people will likely live to be 100 years old.

Strengthening digital and financial literacy

There is a need to support the digital and financial literacy skills of older people, to help them keep up with the pace of change and avoid risk factors that could influence their financial well-being. Also, older people are more likely to need tailored provision of up-to-date knowledge and information presented in an appealing, jargon-free way—taking into account their diverse preferences and needs, physical and cognitive capacities and the rapidly changing financial landscape.

SuMi TRUST Bank has produced documents that are easier on the eyes of elderly clients and it is also making use of cartoon strips and pictures so that the content of such material is more easily understandable. It also launched its own YouTube channel in September 2021.

In light of the Group's ambition to be the "Best Partner" for our clients in this age of centenarians, we put a lot of effort into making sure that employees acquire knowledge of gerontology and master the methods needed to properly explain and provide information to elderly clients based that knowledge. Since 2014, it has been mandatory for all branch managers, deputy general managers, and section managers in the Retail Total Solution Services Business of SuMi TRUST Bank to obtain "Gerontology Concierge" accreditation, and the Bank also encourages all employees in this same business to take and pass the Bank Gerontologist exam, a test of gerontology and medical topics as they relate to financial services that was jointly developed by the Decision-Making

Support Organization of Japan (DMSOJ) and the Kinzai Institute for Financial Affairs in January 2021. As of October 2021, more than 60% of employees had already passed the Bank Gerontologist exam.

In addition, since 2012 the head office and each branch office have continued to collaborate on hosting Silver College seminars in order to provide easy-to-understand information about gerontology to the senior generation and our clients that currently assist them.

Related accreditations (as of end-Dec 2021)

No. of dementia support training participants	3,773
Gerontology exam*	834
Bank Gerontologist exam	3,495

*Employees that pass the exam are awarded "Gerontology Concierge" accreditation by the Society for Applied Gerontology Japan.

These initiatives mean our employees can explain our products and services in a way that is easily understood by elderly clients, and together with online consultations and other experiences described on page 151, can contribute to the enhancement of both financial literacy and digital skills.

Supporting lifetime financial planning

The G20 Fukuoka Policy Priorities report states that lifetime financial planning support should be provided by illustrating financial needs in old age, explaining the relevance of starting young, and providing access to the tools and services that make it possible. Such measures may be particularly relevant for women and younger people from the view point of financial inclusion.

SuMi TRUST Bank provides generation plans that detail the needs and events of each generation, as well as the Lifecyle-Navi simulation tool. And every season it uses a dedicated checkup sheet to run a periodic health check of client assets to ensure they are being properly managed, much like a regular health checkup.

The Bank also offers a digital final letter of instruction as part of its Funeral Trust product, as well as housing wills (free will custody service) for mortgage loan clients. These offerings provide clients the opportunity to kick off advance planning from a relatively young age.

For loans too, SuMi TRUST Bank provides housing assistance and reverse mortgage loans for seniors to help elderly clients finance a new or refurbished home.

COLUMN

Opening of Centenarian Anshin Plaza

Sumitomo Mitsui Trust Life Partners, the insurance sales arm of SuMi TRUST Bank, opened its second Centenarian Anshin Plaza in Nagoya in June 2021 after the first one was opened in Shinjuku. The plazas serve as a new face-to-face consulting channel primarily focusing on clients that are currently part of the working generation by blending SuMi TRUST Bank's specialist products, services, and consulting capabilities with insurance consulting know-how. The Group will look to utilize this consulting channel to promote the kind of insurance business model only a trust bank can deliver—one that offers comprehensive proposals while taking into account taxation, social security, and pension systems. In this way, we aim to be the financial institution chosen by our clients as their "Best Partner" in this age of 100-year living.

Please visit our website for more information.
https://www.smtb.jp/-/media/tb/personal/news/2021/pdf/20210603.pdf

Customizing

While it is important that financial inclusion policies and approaches address the diverse financial needs of older consumers in a customized way, it is also important to recognize that future generations of older people may not have the same requirements as those of today. As explained in the aforementioned section about utilizing data and evidence, the incidence rate of impaired decision-making as a result of dementia or other illness is now on a completely different dimension compared to when people were expected to live to the age of 50 or 80, for example. In 2019, SuMi TRUST Bank developed and started offering its Centenarian Support Trust (100-Year Passport) to combat dementia and then in fiscal 2021 it released the 100-Year Passport+ product for contracted fund wrap clients, which allows a representative nominated in advance to draw down managed assets when the client's cognitive capacity has deteriorated.

Cancellation options dependent on health for 100-Year Passport+

	Fund wrap only	Fund wrap & 100-Year Passport+
When healthy	○	○
With dementia	Freeze	○
Inheritance	Freeze	○

Investments need to be closed out (liquidated) at an earlier time → Long-term management is possible because assets can be liquidated

Furthermore, as a way of supporting the elderly who are worried about their beloved pet in the event that they should pass away, in June 2021 we developed a special pet clause for our trust products and will trusts so that our clients can feel comfortable about keeping a pet in old age.

Also, by making full use of our partnership with the Anshin Support Corporation, we have other trust products available to meet the wide-ranging needs of clients, such as the Anshin Support Trust (money trust-type and fund wrap-type) that can be paired with a discretionary guardianship.

Innovating

SuMi TRUST Bank has adopted the use of tablet devices for consulting, and as explained already in the section above about improving accessibility by expanding online transactions and the use of digital technology, it is pushing ahead with online client consultations and transactions. It is also furthering the exhaustive use of technology by providing an SMS-based monitoring service for the Funeral Trust—a product that takes care of after-death matters as stated in the client's final letter of instruction.

Moreover, with the aim of expanding decision-making support for the elderly, SuMi TRUST Bank is a full member of the Decision-Making Support Organization Japan and is currently helping promote innovation by undertaking R&D into innovative digital technology that uses algorithms. For more information, please refer to the supplementary materials accompanying the JFSA Strategic Priorities publication, as well as the research project of the New Energy and Industrial Technology Development Organization (NEDO) to develop digital technology to further refine regulations.

Collaborating with COLTEM on decision-making support



SuMi TRUST Bank is implementing dementia-related initiatives by collaborating with COLTEM (collaboration center of law, technology, and medicine for autonomy of older adults), which receives assistance from MEXT's Japan Science and Technology Agency, as well as the post-graduate school of Kyoto Prefectural University of Medicine, a leader in dementia research (in particular, Professor Jin Narumoto). The publication of our Guide for Dementia Friendly Financial Services in September 2017 is one accomplishment of this initiative. We have also contributed to improving the entire financial industry's response to dementia issues by taking the lead in hosting symposiums with a focus on finance and dementia. The knowledge gained from these alliances have greatly helped SuMi TRUST Bank develop its own products and services.

Also, the Bank has focused its efforts on improving the entire financial industry's response to dementia issues by hosting a working group to discuss issues on responding to elderly clients at financial institutions. SuMi TRUST Bank also helped establish the Decision-Making Support Organization Japan, the succeeding organization to COLTEM, and contributed to the creation of the Bank Gerontologist certification exam in January 2021.

Participating in the University of Tokyo's Institute of Gerontology (IOG)

SuMi TRUST Bank is participating as a main player in the establishment of a new "finance & law" field for conceptualizing new ways of monitoring and providing living assistance to the elderly mainly with the use of guardianship, trust, and reverse mortgage schemes. The Bank aims to shoulder more of a load as a fiduciary and contribute to urban development in Japan's super-aged society on the way to building a lasting and comprehensive support system offering mainly financial, real estate, healthcare, nursing care, and community services so that clients can continue to live out their twilight years in familiar surroundings in this age of centenarians.

Protecting the elderly

Addressing the problems of financial abuse and fraud of older people is definitely essential to financial inclusion. A study by the IOSCO found that there was an almost unanimous view among participating regulators that older investors are at greater risk than other investors of losing money to fraud or being taken advantage of.

To protect the elderly from scams, SuMi TRUST Bank provides money trusts and security trusts from which the withdrawal of funds requires the approval of a previously nominated consenting party. These trusts charge no management fees and their functions can also be packaged with the Centenarian Support Trust (100-Year Passport).

Encouraging stakeholder engagement

Given the multiple dimensions of the issue and the wide range of approaches and interventions that are needed, it is important that organizations from financial and non-financial sectors work together to support the financial inclusion of the elderly.

In November 2020, SuMi TRUST Bank entered into an agreement with the Tokyo Bar Association to refer clients wanting to discuss matters concerning the use of a civil trust. Also, in August 2019 the Bank was the first in the finance industry to form a partnership with the Daini Tokyo Bar Association to introduce visiting lawyers.

Further, the SuMi TRUST Group is a member of ILC-Japan, the Japanese branch of the International Longevity Center, a global alliance of organizations focused on gerontology. And since 2017 we have also chaired an industry-government-academia research group that studies societies characterized by longevity.

Not only does SuMi TRUST Bank work closely with the Anshin Support Corporation to provide its Funeral Trust product and other money trusts, but it also collaborates with companies that arrange funerals, burials, the cleanup of belongings, and other post-mortem services. The Bank also partners with veterinary hospitals and retirement homes for senior dogs in connection with will trusts that have a special pet clause attached.

In this way, the Group pursues partnerships through trusts that extend beyond the framework of financial services.

Targeting key audiences

Supporting these groups is particularly important as combinations of disadvantageous conditions are likely to increase vulnerability to financial and social exclusion and isolation.

To manage and safeguard a ward's estate under the guardianship system—for which demand is growing as a result of an increase in dementia and other conditions—SuMi TRUST Bank developed the Guardianship System Support Trust. Thanks to close collaboration with family courts and other relevant parties by each branch office and department, this trust product is by far the most widely used of its kind in the finance industry.

Also, for the trust purpose of contributing to sound living arrangements in the future for not only the elderly, but also people with disabilities, SuMi TRUST Bank offers a Special Donation Trust through which it can deliver, as the trustee, tax-free payments up to ¥60 million or ¥30 million to a disabled person even after a client's decision-making capacity has deteriorated or in the event of their death.

Given that more and more senior citizens are living alone in Japan's super-aged society, the Bank offers trust products well suited to the circumstances of clients and their households, including security trusts, the 100-Year Passport, and the Funeral Trust.

(3) Flexible approach to mainly terms of repayment on loan transactions

Responding to COVID-19

To handle inquiries about SuMi TRUST Bank loan repayment terms mainly in connection with the economic impacts wrought by the COVID-19 pandemic, the Bank has set up a dedicated hotline for individual clients wishing to discuss their loan repayment obligations. Clients can also still visit their transacting branch to discuss such matters.

In addition, in response to the spread of COVID-19 infections, in November 2020 SuMi TRUST Bank started offering additional mortgage loan repayment insurance coverage to mortgage loan clients insured for the eight major diseases in the event they become unemployed. The unemployment coverage means SuMi TRUST Bank will cover the client's monthly mortgage loan repayments for up to three months if their employer goes bankrupt or if they are laid off.

Flexible approach to mainly terms of repayment on loan transactions (initiatives for financial facilitation)

SuMi TRUST Bank believes that the smooth supply of necessary funds to clients is the most important role of a financial institution. In order to actively give full swing to this financial intermediary function, the Bank established a Basic Policy on Facilitation of Financing (excerpt shown below).

Basic Guidelines Concerning Facilitation of Financing

- When a client seeks to discuss or apply for a loan, or discuss or apply for changes to borrowing conditions, we will make every effort to address the client's request seriously and reach a solution appropriately and promptly after taking the client's circumstances into full consideration.
- When a client, for whom borrowing conditions had been changed, seeks to discuss or apply for a loan of necessary funds, we will address the client's request seriously and not reject it solely based on the fact that the client's borrowing conditions had been changed.
- When a client applying for changes to be made to borrowing conditions has transactions with other financial institutions, we will make every effort to protect the client's privacy and exercise due care in handling the client's personal information when collaborating closely with the financial institutions the client transacts with, provided we have been given the client's consent.
- When, for unavoidable reasons, we must turn down a client's request to discuss or apply for changes to borrowing conditions, we will make every effort to provide sufficient explanations to the client with as much time to spare as possible by referencing the client's hitherto transactions in order to gain the client's understanding and agreement.
- We will make every effort to appropriately and promptly respond to client inquiries, consultations, opinions, requests, or complaints about loans.
- When we receive a confirmation from a specified certified dispute resolution business operator (pursuant to paragraph 24 of Article 2 of the Act on Special Measures Concerning Revitalization of Industry and Innovation in Industrial Activities) to whom an SME client has requested the execution of specified certified dispute resolution procedures (pursuant to paragraph 25 of Article 2 of the Act; hereafter the "Turnaround ADR Procedures") whether we will make a request for the execution of the Turnaround ADR Procedures or not, we will make every effort to make the request so that a prompt dispute resolution can be reached.
- When we receive a debt factoring application from the Regional Economy Vitalization Corporation of Japan (REVIC) or the Great East Japan Earthquake Business Revitalization Support Agency, or when we receive a request for approval on claims management or disposal in accordance with a business revitalization plan, we will make every effort to respond appropriately.

  We will also make every effort to appropriately cooperate on changing borrowing conditions for the business revitalization plan for which our approval is sought.
- We will actively provide business consultation services to clients and support initiatives aimed at improving business management of clients.
- We will make every effort to provide training and guidance to employees so that they may improve their capabilities for appropriately assessing the business value of clients.
- We will respect our Guidelines for Management Guarantee and make every effort to sincerely and flexibly respond to cases where we conclude a guarantee agreement with a client.

Guided by the basic guidelines above, SuMi TRUST Bank promptly and politely responds to clients seeking to discuss changes to loan repayment terms if the loan has become difficult to repay because of financial circumstances. Individual and corporate clients can visit their transacting branch to discuss their situation in person, while mortgage loan and business loan clients can also make use of our toll-free number.

The table below shows the number of loan claims received the requests for changes to borrowing conditions as of the end of March 2021.

Number of Loan Claims Received the Requests for Changes to Borrowing Conditions

▶ In the Case of SMEs

	End of March 2021
Number of loan claims for which restructuring of loan conditions, etc. was requested	4,909
Of which, number of loan claims regarding implementation	4,524
Of which, number of loan claims regarding refusal	109
Of which, number of loan claims under examination	7
Of which, number of loan claims regarding withdrawal	269

▶ In the Case of Housing Loan Clients

	End of March 2021
Number of loan claims for which restructuring of loan conditions, etc. was requested	7,580
Of which, number of loan claims regarding implementation	5,802
Of which, number of loan claims regarding refusal	383
Of which, number of loan claims under examination	114
Of which, number of loan claims regarding withdrawal	1,281

Using Trusts to Promote Community Investments

Charitable Trusts

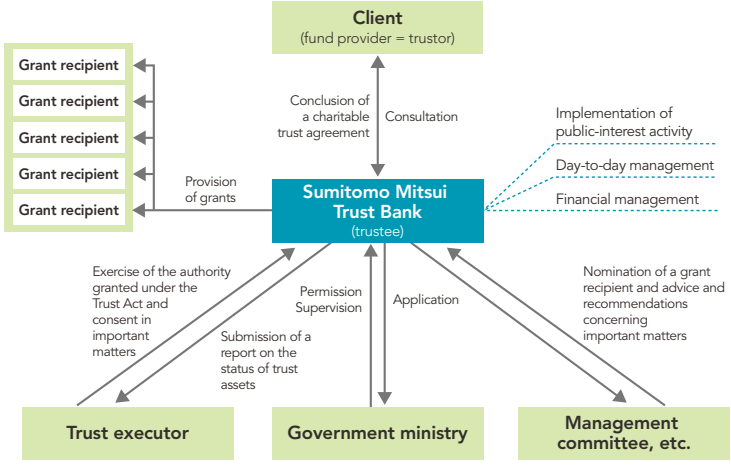
A charitable trust is a system in which funds are entrusted to a trust bank that administers and manages the funds to carry out charitable activities in a pre-determined way. For example, these trusts may be used by individuals wishing to provide funds for charitable activities or by companies that wish to return a portion of their profits to society. They have been used in a wide range of fields, including the provision of academic scholarships, support of environmental protection activities, and promotion of international cooperation and international exchanges.

Charitable trusts are often named for the trustor, so his or her aspirations can be remembered for years to come by many people. Moreover, to ensure the public interest is served in accordance with the client's intentions, a charitable trust can be "order made" to fit the client's instructions. What public interest is it to serve and what sort of granting process will it implement? The trust can be arranged to reflect the client's instructions on the monetary size of the grants (scholarships), the number, the regional scope, or the terms of eligibility.

Since launching its first charitable trust in 1977, SuMi TRUST Bank has served the public interest in various fields, supported by the good intentions of both individual and corporate clients.

As of March 2021, the Bank had accepted 174 charitable trust mandates worth ¥31.9 billion. In fiscal 2020, charitable trusts were used to pay a total ¥1.15 billion in grants (scholarships) to 2,507 organizations (including individuals).

Mechanism of Charitable Trusts



List of Charitable Trusts by Donation Type (as of March 2021)

Type	Number of trusts under management
Scholarship	61
Promotion of natural science research	33
Promotion of human science research	4
Promotion of education	17
Social welfare	9
Promotion of arts and culture	9
Protection and propagation of animals and plants	1
Conservation of the natural environment	6
Development and maintenance of the urban environment	18
Promotion of international cooperation and exchanges	11
Other	5
Total	174

TOPIC

Keidanren Nature Conservation Fund

In recognition of the fact that protection of the natural environment is a serious and lasting issue on a global scale, the Keidanren Committee on Nature Conservation commissioned the establishment of the Keidanren Nature Conservation Fund in 2000 for the purpose of taking concrete action to address this issue.

The Fund accepts donations from Keidanren member corporations, private sector firms, and individuals and extends approximately ¥200 million in grants every year to nature conservation activities carried out by NPOs and NGOs in Japan and emerging regions.



Short-tailed albatrosses observed by members of the Yamashina Institute for Ornithology

TOPIC

Suntory Fund for Bird Conservation

The Suntory Fund for Bird Conservation was established by Suntory Holdings Limited in 1990; its goal is to promote bird conservation, and thereby contribute to the preservation of the global environment. The Fund supports bird conservation activities both in Japan and overseas, providing grants worth approximately ¥40 million per year. It is comprised of three categories: the Bird Conservation Groups Activities Grant category; the Regional Bird-watching Activities Grant category; and the Waterfront Large Bird Conservation category.



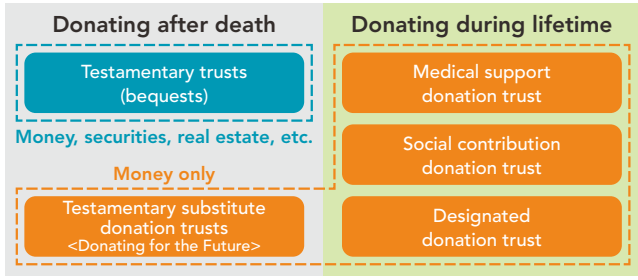
Grey-faced buzzard conservation education activities take place at an elementary school in a poaching settlement in the Philippines

Initiatives for donations

In order to respond to the social contribution needs of its donation-minded clients, SuMi TRUST Bank has long provided testamentary trusts and money trusts.

In recent years, due to the coronavirus pandemic and to an increasing awareness of SDGs activities, the needs of both individuals who wish to give donations and organizations wishing to receive donations are expanding.

Main donation-related solutions



Social Contribution Donation Trusts

SuMi TRUST Bank offers social contribution donation trusts (also referred to as "Bridge to Tomorrow") intended to make donations to charitable organizations etc. engaged in social contribution activities. Through the trust, clients can choose donation recipients from a list of organizations that SuMi TRUST Bank provides and donate one-fifth of the original trust principal once a year. (Donors can change donation recipients each year.) These clients receive reports from the recipient on how the donations were used and what activities were conducted.

SuMi TRUST Bank supports activities regarding not only the environment but also various themes including education, medical care, academia, and culture through social contribution donation trusts.

List of Donation Recipients (as of August 14, 2019)

Environment	World Wide Fund for Nature Japan (WWF Japan)
Environment	Ecosystem Conservation Society-Japan
Education	National Federation of UNESCO Associations in Japan
Medicine	Japan Cancer Society
Medicine	Center for iPS Cell Research and Application, Kyoto University
Medicine	Médecins Sans Frontières Japan
Social welfare	Japan Guide Dog Association
Academics	The Japan Prize Foundation
Culture	Japan Arts Council
Disaster reconstruction support	Central Community Chest of Japan
Support for children	The Nippon Foundation
Support for sports for people with disabilities	Special Olympics Nippon Foundation
Humanitarian support	Japan for the Office of the United Nations High Commissioner for Refugees (UNHCR)

Examples of items received from donation recipients

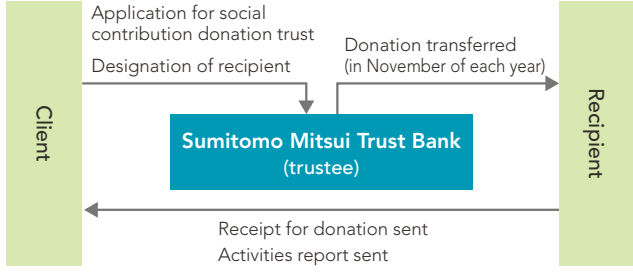


Gifts of nature
Eco-friendly towel and almanac of Japan's living things



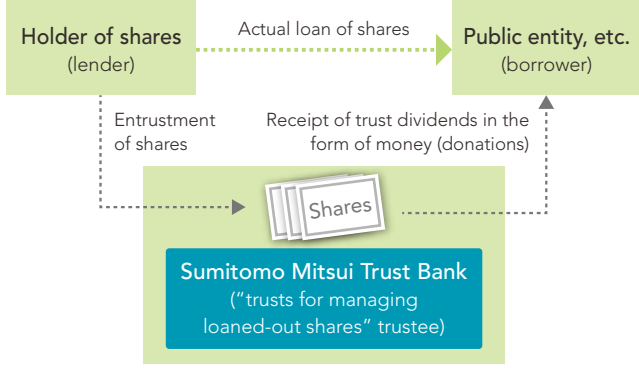
Reports
Trust reports

Mechanism of Social Contribution Donation Trusts



Trusts for Managing Loaned-Out Shares

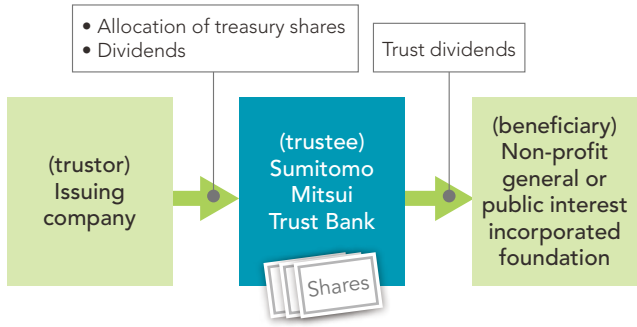
SuMi TRUST Bank offers trusts for managing loaned-out shares so shareholders can donate dividend income tax free to public interest foundations etc. Using this trust, shareholders lend shares without compensation to NPOs, etc. in a scheme that enables them to offer ongoing support to the designated stock borrower in the form of tax free dividend income from the shares.



Social Contribution Scheme Using Treasury Shares

SuMi TRUST Bank offers trust schemes for companies to donate dividend income from their treasury holdings to public interest foundations etc., as a way to contribute to society.

In fiscal year 2014, SuMi TRUST Bank implemented this scheme between Toyota Motor Corporation (trustor) and the Toyota Mobility Foundation (beneficiary). In this case, the dividend income is used to tackle many issues, such as eliminating the mobility disparity in emerging and developing nations, activities that promote the healthy development of the auto industry, and the funding of research into cutting-edge technology and systems in developed markets.



Designated Donation Trusts

Based on a scheme established following amendments to Japan's taxation system in fiscal year 2011, SuMi TRUST Bank also offers a "designated donation trust." Investment gains in the trust are tax free and together with the trust principal can be donated to a charitable organization. Donations can be made regularly over a 5-year or 10-year period to any organization, not just those listed by SuMi TRUST Bank.

Contributions to donations

In part due to the effects of the spread of COVID-19, Japanese individuals are now reported to be donating in excess of ¥1 trillion per year. SuMi TRUST Bank has offered a social contribution donation trusts entitled "Bridge to Tomorrow" since April 2011; in May 2020, it opened an account to accept donations for the development of vaccines and treatments for COVID-19, which received a total of ¥260 million in donations; in April 2021, it launched a medical support donation trust, and a testamentary substitute donation trust entitled "Donating for the Future," with the goal of providing support to universities carrying out medical research. In this way, the Bank is utilizing the power of trusts—namely to transform ability, time, and assets—to eliminate factors that prevent people from making donations, and so to support the transformation of good will and a desire to contribute to society into concrete donations. SuMi TRUST Bank manages 35,000 testamentary trusts, and helps the precious assets of its clients to be handed over according to their wishes via the provision of a will-making consultation service, and by accurately executing its role as a will executor.

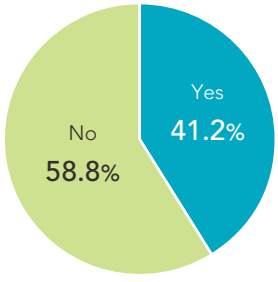
Testamentary trust partners (assisting bequeathal donations through the provision of testamentary trusts)

Partners	Number of partners
Incorporated educational institutions	116
Social welfare and medical care	47
International humanitarian aid	13
Scholarships and education	10
Promotion of art and culture	15
Other (environment, local public bodies, etc.)	11
Total	212

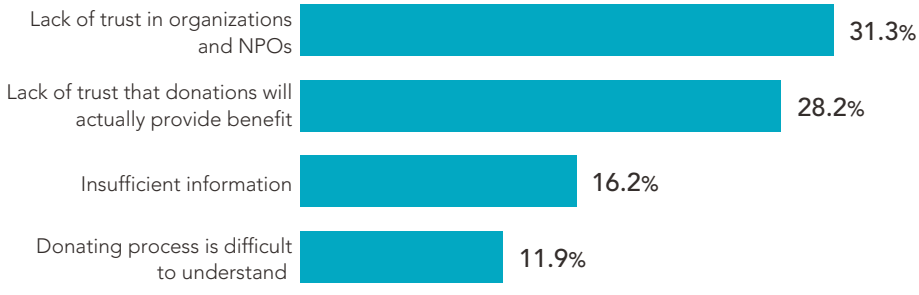
Number of partners

Fiscal year	Number of partners
FY2018	173
FY2019	183
FY2020	196
FY2021	212

Have you donated before?

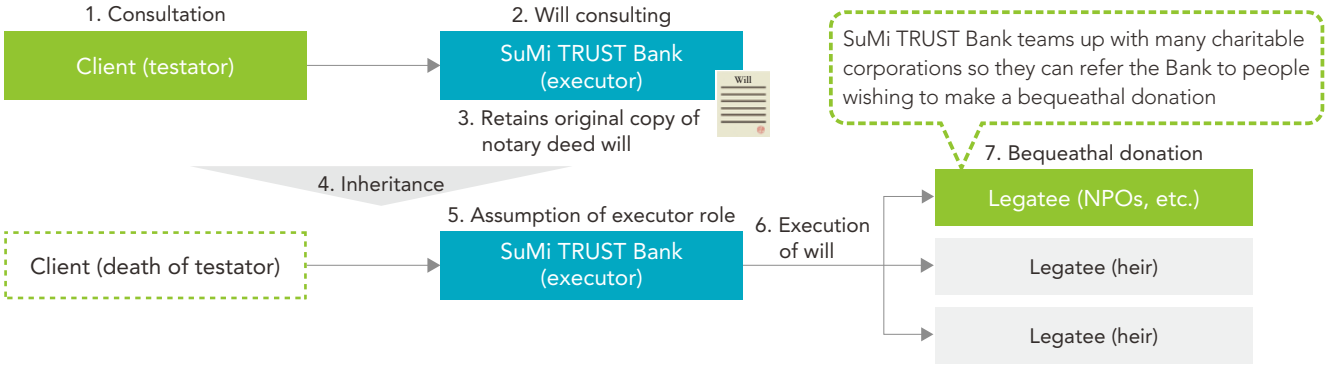


Reasons for not donating



"FY2016 Survey into social contributions by citizens," Cabinet Office

Overview of Bequeathal Donations Using Will Trusts



List of organizations receiving donations from medical support donation trusts (as of November 8, 2021)

Hokkaido University	Hospital Yume (Youth and Medicine) Fund
Tohoku University	Future Medicine and Health Care Design: establishing medical examination models for Japan
The University of Tokyo	Future Medicine and Health Care Development Project
The Kitasato Institute	Standing Up to Infection: Omura Satoshi Memorial Institute Fund
Tokyo University of Science	Data Science x Medical Care
Nagoya University	University hospital support project
Kyoto University	Research into overcoming and treatment of cancer and other intractable diseases
Osaka University	COVID-19 infection countermeasures fund
Kobe University	Utilizing ICCRC in our hospital research
Okayama University	Support for operating accommodation facilities for families of pediatric patients
Hiroshima University	Project to create a strong Japan against infectious disease
Ehime University	Project to extend healthy life expectancies based on understanding and controlling aging mechanisms
Kyushu University	Developing medical care and establishing medical care systems for realizing a healthy and secure society
Tokyo Institute of Technology	Research project into overcoming COVID-19

TOPIC

In December 2021, the Hiroshima Branch of SuMi TRUST Bank held the Hiroshima University Lobby Exhibition in collaboration with Hiroshima University.

In April 2021, the SuMi TRUST Bank began offering a medical support donation trust to help connect individual clients wishing to contribute to resolving social issues presented by COVID-19 with universities wishing to resolve social issues through their research; Hiroshima University is one of the recipients of donations from these trusts. This lobby exhibition featured a poster for the medical support donation trust, which was jointly produced with Hiroshima University to support the university's Project to Create a Strong Japan against Infectious Disease, and introduced the donor trust. The exhibition also displayed historical photos of Hiroshima University, and broadcast DVDs. Visitors to the exhibition voiced their support for Hiroshima University, and viewed with nostalgia the history of the university that had evolved hand-in-hand with the city itself. Through such initiatives, SuMi TRUST Bank intends to assist university research and carry out activities aimed at increasing the number of university supporters. Going forward, the Bank will continue to contribute to society through the provision of to trust-based solutions.





Participation in Social and Community Activities

Significance of Participating in Social and Community Activities

SuMi TRUST Group integrates an SDG viewpoint into the array of community and regional contribution initiatives it implements in communities where the Group and Group companies, including SuMi TRUST Bank, has office branches. Providing value helps support the soundness of our business foundation, and some also believe it is necessary as a social license to operate a business.

Activities of the SuMi TRUST Group

- Act as a "foster parent" for students participating in UWC ISAK summer school
- ESD Project
- National Trusts Support Activities

Contribution to SDG issues

Social license

Activities of SuMi TRUST Bank

- Contribution to SDG issues "With You" activities at branches across Japan

Contribution to SDG issues

Social license

Activities of Group Companies

- Each company selects a theme and actively promotes it Social license

Contribution to SDG issues

Social license



SUMI TRUST GROUP INITIATIVES 01

Supporting Education for Children to Grow into Next-Generation Leaders

We Support UWC ISAK's Goal of Empowering Changemakers*1

The Group is a proponent of the educational philosophy of United World College ISAK Japan (abbreviated UWC ISAK), which is to "Empower Changemakers." Since 2013, we have been supporting a two-week summer school program aimed at junior high school students on the ISAK Japan campus. Many of the students who participate in the summer school are from developing countries and impoverished socio-economic backgrounds. Each year the Group pays the tuition fees and other expenses of one scholarship student participating in the summer school from a developing country such as India.



The summer school was run from July 21 to August 2 in fiscal year 2021, with 80 junior high school students from 16 countries around the world attending.

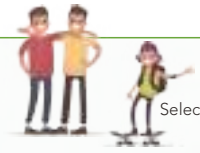
*1 A "changemaker" is a leader who helps transform the next generation of society.

Advance to Universities in Japan or Abroad/Gap Year*2

International baccalaureate (IB) diploma
Japanese high school diploma



United World College ISAK Japan
(UWC ISAK Japan)



Selection



Selection

Summer School

Main supporter

Every year SuMi TRUST Group pays the tuition fees for one scholarship student.

Selection

Accept Applications from Junior High Students from Countries Worldwide







Karuizawa

*2 Gap year: A period when high school students who have received a letter of acceptance to a university gain various life experiences without immediately proceeding to higher education. During the period, individual students pursue social experiences such as volunteer activities and internships, study abroad programs, and travel.

TOPIC 01

About UWC ISAK, the School We Support

UWC ISAK, a campus in the wilderness of Karuizawa, is a boarding-only high school that fosters changemakers who can play an active part in the international community. The school accepts students from 73 countries around the world. Of the approximately 200 students who attend the school, about 70% are overseas students. Many of the students are from economically disadvantaged backgrounds, and about 70% of the student body is on scholarships that do not require repayment. UWC ISAK's greatest attraction is living in dormitories with colleagues from all over the world. Students from a variety of social and economic backgrounds, as well as nationalities, become keenly aware of each other's viewpoints and cultures in an environment of sharing. In this environment, students grow up into adults who understand and respect different values and beliefs, rather than denying or rejecting them.



Karuizawa campus

Students SuMi TRUST Group Have Supported Since 2013

2013	2014	2015	2016	2017	2018	2019
						
Vietnam	India	India	Mexico	India	India	India
Hong Lien Ngyuen	Thulasi Priya Ramesh	Thanuja Ramesh	Eduardo Bautista	Prashanth Babu	Prathana Himalachi	Hemant Sharma



In fiscal year 2020, we were unable to provide the same level of support as before due to the COVID-19 pandemic, but in fiscal year 2021 we provided a full scholarship for one student and a partial scholarship for one student.

The COVID-19 pandemic meant that this year's summer school was mainly attended by students living in Japan. Multiple new programs that are not usually held were run, such as classes thinking about whether we all need to learn the same language.





Australia
Niko Carter

Niko, who was born and raised in Sydney, Australia, came to Japan at nine years old and has since been attending a Japanese school. With schools switching to remote classes due to the pandemic, she exhibits leadership by holding English classes for children in the local community with a lot of time on their hands. As a good listener, she is also skilled at talking to those around her with compassion and building relationships of trust. After those around her asked her about her presence as someone who is half-Japanese, she began to think deeply about her identity. She became interested in global human rights problems and LGBTQ issues, developing a desire to work to realize a society free of discrimination. Thanks to her upbringing with a diverse background, she understands what she wants to be. She took initiative leading the conversation at the summer school's "speak to someone of a different gender project." Reading the atmosphere in the classroom, where it was difficult to express what one really thought, she shared her own painful experience as someone who is half-Japanese, creating an environment where people could open up what they felt inside. School staff were surprised at how mature she acted despite being a junior high school student.





Vietnam
Khanh Chi Luu

Chi, who was born in Ho Chi Minh City, Vietnam, also goes to school in Japan. Out of the belief that one's own personal growth is the most necessary thing in order to change society, she is multi-faceted, speaking three languages, organizing classes to teach Vietnamese and English to children living in the area, and teaching herself programming. By living in Japan as a foreign resident, she has become aware of all types of issues. In particular, she would like to work to improve the labor environment and conditions of non-Japanese laborers working in Japan. She is quick to help when she sees someone in need, is proactive in reaching out to others, and makes friends easily with anyone. Despite this bright and intelligent personality, she said she was very nervous at the start of the summer school. She came out of her shell after singing in front of everyone on the day of the karaoke night and became able to engage with those around her while being herself. Helped by the understanding of those around her and the positive environment, she overcame her dislike of English, expressed her own opinions in her own words, and became able to confidently give presentations. She said that the summer school planted a sense of self-affirmation in her and significantly boosted her motivation to express herself in English.



We hope that the support of the Group will help the two of them to spread their wings powerfully on the global stage. We sincerely hope that Niko's and Chi's dreams come true in the near future.

TOPIC 02

Displays in Branch Lobbies Nationwide

Starting in fiscal year 2017, an ISAK lobby display toured branches across Japan. During the panel exhibition, UWC ISAK Japan founder Lin Kobayashi told us, "Three of the students you have supported to date at our high school are from India. I would like to express our appreciation for your deep involvement in helping to establish the first steps in changing the lives of these students. I sincerely hope that when they return to their home country in the near future, they will transform their society without succumbing to the disadvantages they face and will be able to make a significant contribution to society."

©Jun Toyosaki



Founder Lin Kobayashi

SUMI TRUST GROUP INITIATIVES 02

Education for Sustainable Development (ESD) Project



Based on the thinking that providing value to the community represents a social license to operate, the SuMi TRUST Group integrates SDG viewpoints into the array of social and regional contribution initiatives we undertake in the communities where we have an office presence. Our policy going forward will be to engage in the very business of addressing the SDGs and strengthen our initiatives so that we can constantly maintain a sound business foundation. In this section of the report we provide information about the ESD initiatives of SuMi TRUST Bank.

SuMi TRUST Bank's ESD* Project and the SDGs

Guided by the belief that problems concerning the environment and biodiversity are fundamental issues companies ought to address, SuMi TRUST Bank has, since 2003, continued to champion sustainability initiatives through its own business operations, financial products, and services in an effort to help solve these issues. ESD is one such initiative—a program endorsed by the United Nations that aims to educate and nurture leaders of a sustainable society.

To achieve a sustainable society, every single one of us must recognize that the environment we live in is irreplaceable and that we must change how we conduct ourselves on a daily basis. However, it must also be said that we will struggle to achieve a truly sustainable society if all we do is just protect the land that is currently on the verge of crisis. Thus, SuMi TRUST Bank believes that this goal can be achieved by leveraging future foresight and nurturing people who understand the value of nature. Since 2012 the Bank has undertaken various ESD projects with the aim of educating the next generation of children about the environment. One requirement in selecting a hosting site for an ESD project is that it must be nearby a SuMi TRUST Bank branch office. Each branch is working to build their own local brand through PR activities together with administrative agencies.

*ESD Stands for Education for Sustainable Development

Embracing Challenges in the "New Normal"

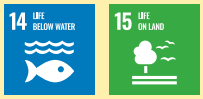
Since fiscal year 2020, we have been continuing to utilize ICT to take up new challenges in the new normal out of consideration for the COVID-19 pandemic, such as remote training sessions and class programs where participants and instructors are connected remotely.

In the first half of fiscal year 2020, an ESD leadership training session for teaching staff in Aichi Prefecture. The session was held online so that the participants from Aichi's schools could connect remotely with the Tokyo-based instructor, who delivered a lecture about incorporating ESD and the SDGs into classwork. In the second half of the same year, Online Dialogue with SDGs Specialists was held for third-year students of Saga Ryukokugakuen Ryukoku Junior High School in Saga City, Saga Prefecture. During this event, students engaged in direct online dialogue with experts active in their fields in order to enable them to explore the SDGs in more depth and detail, and to think independently about how to solve social issues of interest to them.

In the first half of fiscal year 2021, SDGs Class: Envisioning the Earth and Us Ten Years From Now was held for fourth-year students of Chinzei Keiai Gakuen Keiai Elementary School in Kitakyushu City, Fukuoka Prefecture. During this event, students were provided with original video materials featuring small organisms, and were asked to raise issues and present solutions to familiar social issues. In the second half of the same year, for first-year students of Kanazawa Municipal Takaoka Junior High School in Kanazawa City, Ishikawa Prefecture, Kanazawa branch employees instructed a class on Work, Money, and SDGs, interview videos of two local people working on a project to preserve Kaga Yuzen silk dyeing and revitalize the local community, and support was provided for Career Education to Foster Future Leaders of Urban Development.

Changes in ESD project topics

In our project based on the National Trust, the primary topics were about SDGs "14: Life Below Water" and "15: Life on Land."



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We also carried out a project related to "6: Safe Water and Toilets Worldwide" that highlighted the importance of water resources.



→

SuMi TRUST Bank continues to promote ESD projects focusing on actual SDG topics.



→

We believe that these activities are ultimately closely related to goals "11: Sustainable Cities and Communities" and "8: Decent Work and Economic Growth."





Initiatives over the Past Years

SuMi TRUST Bank received an award from the Biodiversity Action Award 2015 (sponsored by the United Nations Decade on Biodiversity 2011-2020).



For a summary of the ESD projects implemented thus far, please scan the following QR code.

*The video of the workshop can be viewed at "ESD in Video." https://www.smtb.jp/about/sustainability/esd

Nov. 2012 — Wakayama Prefecture



Tanabe Daisan Elementary School
Nature and biodiversity in Tenjinzaki

Sept. 2013 — Kanagawa Prefecture



Miura Municipal Koyo Elementary School
Koajiro Forest where the red-clawed crab lives

Sept. 2014 — Okayama Prefecture



Okayama City Municipal Tsunoyama Elementary School
Learning about the source of water in Okayama

Jan. 2015 — Kanagawa Prefecture



Kamakura City Shichirigahama Elementary School
Studying Oyatsu Forest, the birthplace of the National Trust

June 2015 — Osaka Prefecture



Yao Municipal Nakatakayasu Elementary School
Nature of Yao City, where the Japanese rosy bitterling fish lives

Jan. 2016 — Fukui Prefecture



Fukui Municipal Yashironishi Elementary School
Studying the Nakaikemi Wetlands

July 2016 — Aichi Prefecture



Aichi Prefectural Kisogawa High School
Lessons about local life and the future from the deepbody bitterling, an endangered fish

Feb. 2017 — Chiba Prefecture



Chiba Prefectural Funabashi Shibayama High School
Lessons about the "web of life" from the Shibayama Wetlands

July 2017 — Niigata Prefecture



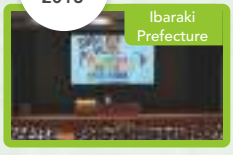
Niigata Municipal Akatsuka Junior High School
Lessons about building communities that coexist with nature from Sakata Lagoon, a wetlands registered under the Ramsar Convention

Feb. 2018 — Shiga Prefecture



Shiga Prefectural Moriyama Junior & Senior High School
Water source forest: Lessons for community and living from Lake Biwa and the SDGs

Aug. 2018 — Ibaraki Prefecture



Edogawa Gakuen Toride Junior & Senior High School
Lessons for sustainable societies/ SDGs from Japan's forests

Mar. 2019 — Hokkaido Prefecture



Sustainable Local High School event in Sapporo
How SDGs and tourism make Sapporo a sustainable city

Aug. 2019 — Kanagawa Prefecture



Teaching staff of Kanagawa Prefectural junior/high schools
SDGs seminar for teachers

Nov. 2019 — Toyama Prefecture



Toyama Prefectural Tonami High School
Life planning and the SDGs

Aug. 2020 — Aichi Prefecture



Teaching staff of elementary, junior, and high schools in Aichi Prefecture
ESD leadership training session

Mar. 2021 — Saga Prefecture



Saga Ryukokugakuen Ryukoku Junior High School
Online dialogue with SDGs specialists

Sept./ Oct. 2021 — Fukuoka Prefecture



Chinzei Keiai Gakuen Keiai Elementary School
SDGs class: Envisioning the earth and us ten years from now

Oct./ Nov. 2021 — Ishikawa Prefecture



Kanazawa Municipal Takaoka Junior High School
Career education to foster future leaders of urban development

SUMI TRUST GROUP INITIATIVES 03

Our Activities Supporting National Trusts

A movement that traces its origins to nineteenth-century England, the National Trusts acquires sites with natural value and historical buildings via donations from citizens. Its conservation activities protect private-sector sanctuaries as "trust land," highlighting this approach as an effective way to steadfastly protect natural capital. The Natural Trusts as a movement in Japan goes back to 1960, and the scope of its activities has broadened to now include over 50 regions across Japan.

SuMi TRUST Bank recognizes that increasing National Trusts landholdings is an investment in the foundation supporting our livelihoods, and through land acquisitions, environmental education, and our products using the trust system, we support its activities, which are rooted in the characteristics of each site.



Forest where Tsushima leopard cats live

The Tsushima leopard cat is an endangered wildcat living exclusively on Tsushima Island, Nagasaki Prefecture, with its population now down to just around 100. In addition to programs for Kuromatsunai town and Amami Oshima, SuMi TRUST Bank administers a donation program for funding purchases of National Trusts landholdings through social contribution donation trusts.

Nakaikemi Wetlands

The roughly 25-hectare Nakaikemi wetlands, surrounded by mountains on three sides, are rich with nature and designated under the Ramsar Convention. SuMi TRUST Bank has produced a video on the wetlands highlighting the 3,000 species of flora and fauna that call it home despite its proximity to a city center. The video is to be used for environmental education in Fukui Prefecture.

Northernmost Beech Forest



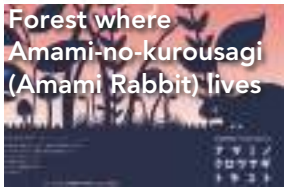
The Beech Forest in Kuromatsunai town is the most northern habitat of native beech. Moreover, the forest is valuable for awakening us to the environmental changes caused by global warming. Employees of the Sapporo Branch and Sapporo-Chuo Branch planted beech saplings on the National Trusts site and are active in regular activities to conserve the beech trees.

Oyatsu Forest



Oyatsu Forest spreads out behind the Tsurugaoka Hachimangu shrine. To protect this forest, the Kamakura Environment Conservation Society was established in 1964 as the first National Trusts chapter in Japan. SuMi TRUST Bank sponsored an environmental education class in Kamakura City to mark the 50th anniversary of the Society's founding.

Forest where Amami-no-kurousagi (Amami Rabbit) lives



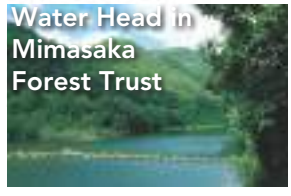
SuMi TRUST Bank has joined the Trust Campaign run by the Association of National Trusts in Japan to protect the rare Amami Rabbit, whose sole habitats are the islands of Amani Oshima and Toku-no-shima. The Kagoshima Branch donated a sum commensurate to that needed to purchase 8,066 m^2 of forest lands for the rabbit.

Tenjinzaki



Tenjinzaki is a promontory in Tanabe City, Wakayama Prefecture. Despite its location near a city center, the site is home to a rich natural environment. SuMi TRUST Bank produced education videos from interviews conducted by students of a nearby elementary school, and used these for environmental education classes.

Water Head in Mimasaka Forest Trust



The water head for the Yoshii River watershed is in a 62 hectare forest where nature has been preserved in a pristine state. SuMi TRUST Bank created educational materials on the water head forest and used them to teach environmental education classes to elementary school students, prompting the students to think about the importance of water.

Koajiro Forest



Koajiro Forest, located near the tip of the Miura Peninsula, has been preserved by the activities of the National Trust chapter in Kanagawa Prefecture. SuMi TRUST Bank, in collaboration with Green TV Japan, interviewed experts for an education video it produced for use in environmental education classes at elementary schools.



SuMi TRUST Bank joined a campaign led by the Association of National Trusts in Japan to protect the Utasai Bog, the oldest high-elevation marshland in Hokkaido with a history that goes back 24,000 years. The donation of the Sapporo Branch and Sapporo-Chuo Branch for the Utasai Bog is commensurate to the sum needed to purchase 1,500 m² of the site.

Employees in Branches Nationwide Are Learning About the National Trust and Mori-No-Boen To Promote Awareness Among Stakeholders

Since the start of the COVID-19 pandemic, SuMi TRUST Bank branches have been relearning about themes that they have been working on for many years through online in-house study sessions and proactively expanding activities to raise awareness among clients of the Retail Total Solutions Services Business and other members of the local community.

In fiscal 2020, we ran online study sessions themed around the National Trust, a nature conservation movement that traces its origins to the United Kingdom, and Mori-no-boen*, a cemetery made using its methods. Participants learned about summaries of the National Trust and Mori-no-boen as well as information that would be useful when clients ask for advice on real estate, end-of-life procedures, and inheritance.

*Mori-no-boen (forest cemetery): Opened by the Ecosystem Conservation Society-Japan in February 2016 in the town of Chonan in Chiba Prefecture. In order to naturally regenerate the land on which the forest was destroyed by sand excavation, the National Trust method is being used to turn the land into a cemetery by planting native tree saplings as grave markers. No man-made items such as gravestones are used in the cemetery, so for this reason it is attracting attention as a new type of cemetery business where a natural forest is expected to cover the entirety of the burial grounds in the future.

Branches nationwide are running lobby exhibitions exhibiting panels about various themes.

Fiscal year 2020 lobby exhibition results **Mori-no-boen: 53 branches** **National Trust: 56 branches**

Overview of Fiscal Year 2020 Online in-house Study Sessions

Month	September 2020	December 2020
Theme	Mori-no-boen	National Trust
Instructor	Ecosystem Conservation Society-Japan	The Association of National Trusts in Japan
Participation	261 participants from 51 branches and departments	328 participants from 76 branches and departments
Content	Recent situation and problems surrounding end-of-life procedures, overview of Mori-no-boen, and sharing needs for end-of-life procedures and inheritance	The history of the National Trust, the company's leading initiatives, and sharing needs related to real estate and inheritance


Online in-house study session on Mori-no-boen


Online in-house study session on the National Trust

Supporting National Trusts' Activities through Donations for Acquiring Land

Land is the foundation of natural capital in terrestrial ecosystems. While development has destroyed nature, another problem in recent years is that those lands whose succession rights have been relinquished or unregistered have grown sharply due to Japan's shrinking population. We believe that preventing the spread of mountain forests and farmland whose owner is unknown, while putting more land under management to sustain its nature, is an effective approach to arrest the degradation of Japan's natural capital.

SuMi TRUST Bank supports those groups, including the Association of National Trusts in Japan, which promote the activities to acquire high-value sites and land with bountiful nature through contributions from citizens and corporations. The Bank has donated funds to purchase those lands where endangered species live and of academically important. In 2014, the Bank donated funds toward the acquisition of forest land (equivalent to about 8,000 m²) in Amami Oshima, Kagoshima Prefecture, to conserve habitat for the endangered Amami rabbit. In 2015, the Bank donated funds toward the acquisition of the Utasai bog (equivalent to about 1,500 m² of the site), located within Kuromatsunai town, Hokkaido, to conserve the high-elevation wetland, one of the oldest in Hokkaido.

In addition, "social contribution vending machines" that donate a percentage of their sales to the Association of National Trusts in Japan have been installed in the Nakano Branch, the Tokorozawa Branch, the Tokorozawa-Ekimae Branch, and the Omori Branch. By October 2021, they had donated funds equating to the acquisition cost of 3,530 m² of forest land in Chichibu, a source region for water supply to the greater Tokyo metropolitan area.


A "social contribution vending machine" at the Nakano Branch

Challenge for SDGs!

Every company and individual person can contribute to achieving the SDGs. The Group seeks to achieve the 17 SDGs with our businesses and the "With You" activities!

As a financial institution, we have a major role to play in promoting concrete initiatives to achieve the SDGs (Sustainable Development Goals) advocated by the United Nations, as well as in spreading awareness of the SDGs to local communities.

In the SuMi TRUST Group, each and every employee comes up with plans to assume responsibility for raising awareness about the SDGs. In this way, all employees take action to facilitate greater understanding of, and implement initiatives towards achieving, the SDGs.

2018 October The Group's newsletter featured a special article about the SDGs, explaining the significance of addressing them and how each of the Group's businesses are connected.



Group newsletter Future Bloom (October 2018 issue)

2018 December onwards An e-Learning course for all directors, officers, and employees has been run every year in an effort to further promote understanding of the SDGs and call for specific initiatives to be implemented.



e-Learning (from left: December 2018 training, December 2019 training, December 2020 training)

2018 Second half Internal SDGs study session held at all 134 branches and departments across Japan

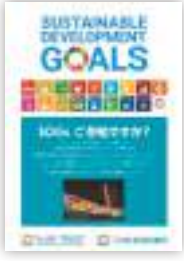
Internal SDGs study session
3,112 participants
(November 2018-March 2019)

2019 March onwards All employees of the SuMi TRUST Group started wearing an SDGs badge



Number of SDGs badges distributed
Approximately 22,000
(March 2019-December 2021)

2019 March Started to display posters raising awareness of SDGs





2019 August All 134 branch offices in Japan formulated their own SDGs Declarations (see page 171), which were published on branch blogs and websites



See here for branch blogs.
https://branchblog.smtb.jp

2020 March All 134 branch offices in Japan display their own SDGs Declarations posters



At new employee training, which is held every April, Sustainability Management Department employees served as instructors and explained in detail the Group's initiatives related to sustainability and SDGs.

In addition, since the start of the COVID-19 pandemic, SuMi TRUST Bank branches have been relearning about themes that they have been working on for many years through online in-house study sessions and proactively expanding activities to raise awareness among clients of the Retail Total Solutions Services Business and other members of the local community. Branches nationwide are running lobby exhibitions exhibiting panels about various themes.

Aiming to raise the overall level of the Group's activities, the internal intranet offers an environment where users can freely view archived content such as documents and videos from various internal study sessions, posters from lobby exhibits, exemplary store initiatives, and e-mail newsletters distributed by other Group companies. The SDG activities of branches and departments across Japan are occasionally posted on the "With You" branch blog website.






With You Eco Festival

The Group is focusing on initiatives related to the environment and biodiversity, with efforts including disclosure of information related to natural capital initiatives and formulating the SuMi TRUST Group Zero Plastic Waste Declaration that aims to realize zero plastic waste—that is, plastic discarded without being recycled—by 2030.

Under the slogan Think Globally, Act Locally, in fiscal year 2021, employees of SuMi TRUST Bank branch offices learned about natural capital and marine plastic garbage, and lobby exhibits and online study sessions were held to proactively raise awareness among Retail Total Solution Services Business clients and other members of the local community.

From October, in tandem with the announcement of the carbon neutral declaration, we have been running the With You Eco Festival that develops new activities around the theme of eco (the environment). This is a plan to boost the interest of each and every employee in eco (environment) related social issues and visualize the results of activities. Concrete results of activities related to decarbonization, ecological networks, the issues of food loss and plastic waste, energy saving, and various recycling activities are posted on the "With You" branch blog with the heading "Eco Festival."

Overview of Fiscal Year 2021 Online in-house Study Sessions

Month	June 2021	September 2021
Theme	Natural capital	How to deal with plastic
Instructor	The Association of National Trusts in Japan Sustainability Management Department employees	Sustainability Management Department employees
Participation	439 participants from 81 branches and departments	492 participants from 81 branches and departments
Content	The concept of natural capital, the Group's policy for initiatives and specific cases, and what we can do as a trust bank	Problems with plastic, how to deal with plastic moving forward, and the initiatives of the Group


Natural capital online study session


Lobby exhibit


How to deal with plastic online study session materials


Lobby exhibit

SuMi TRUST Bank

"With You" Activities Carried Out across Japan

The SDGs have also attracted attention in the business world. A variety of industries and companies across the globe are practicing business with the SDGs in mind. The new demand for funding thus creates an opportunity for the finance business.

SuMi TRUST Bank Seeks to Achieve the 17 SDGs with the "With You" Activities!



Initiatives Common to All Branches across Japan

To build strong relationships of trust with community members, SuMi TRUST Bank engages in social contribution activities rooted in local communities, which are known as "With You" activities.

With a view to promoting these activities systematically, SuMi TRUST Bank introduced a point system in FY2012 as a guideline that establishes standards for these activities, dividing activities into categories and measuring their degree of difficulty and effectiveness. The point system sets a baseline point target for each year and assesses each branch from the standpoint of "achieving business results," "reducing environmental burden," "improving brand image," and "disseminating information" as well as on the basis of its ingenuity in achieving sales results and disseminating relevant information, and posts on its "With You" branch blog. The branches have been steadily achieving their targets since the system began, and use of "With You" activities as an effective marketing approach has taken hold.

Furthermore, the "With You Excellence Award," "With You Special Award," "With You 'Shine Activities' Award," or "SDGs Declaration Award" are awarded to branches and departments that have achieved outstanding results from "With You" activities. We are actively developing "With You" activities by sharing these award-winning initiatives at branches and departments nationwide.

Goals of "With You" Activities



Branches That Achieved Target Points:
134 (100%)
Since 2H 2017 and Continuing

SDGs Declarations

The Declarations are a strategy to raise the visibility of the specific "With You" sustainability activities focused on by the local branch offices, while using the SDGs as a common language. Each branch office decides on its own course of action and develops concrete activities to achieve two SDGs: SDG 17 plus one extra SDG of the branch's choosing.



https://www.smtb.jp/about/sustainability/sdgs/declaration

Communication

SuMi TRUST Bank engages in social contribution activities rooted in the community centered on branch offices in regions nationwide to build strong trust-based relationships with local communities.

To communicate our branch office activities widely with everyone nationwide, we focus on sending out information using various forms of media.

"With You" Branch Blogs

SuMi TRUST Bank launched the "With You" branch blog site in 2012, and branches nationwide introduce their CSR activities (With You activities) on their blogs and update them as needed. Moreover, we use them as a tool to communicate with local clients such as by offering a timely guide to CSR seminars and panel exhibits. With the number of blog posts by each branch increasing every year, the branch blog has emerged as an important tool for disseminating information to local communities.

Since November 2018, SuMi TRUST Bank has been working to publicize branches' "With You" activities in connection with the 17 SDGs. In August 2019, all our 134 branch offices nationwide formulated "SDGs Declarations," with the aim of instilling the SDGs in local communities and linking them to community revitalization. In October 2021, we established our overseas bases blog, and have also been focusing on disseminating information about overseas initiatives.
Website URL: https://branchblog.smtb.jp

Total Number of Blog Posts
14,283
(As of January 12, 2022)

Quarterly Report SuMi TRUST With You (Fiscal Year 2021 With You Report)

We publish our quarterly report SuMi TRUST With You (Fiscal Year 2021 With You Report) four times per year to our clients nationwide. This report plays the role of an information dissemination tool offering coverage on topics of interest to seniors as well as seasonal topics. In fiscal year 2020, we posted a series of special articles on the theme of "living in an age of 100-year life." In fiscal year 2020, "Life Design in the Age of 100-Year Life in Numbers," a special article written by the Sumitomo Mitsui Trust Future Assets Institute was published, offering useful information and hints to leading a more abundant life based on the results of an original survey of 10,000 people up to age 64.



Branch-Produced "With You" Booklets

In addition to disseminating information via posts on their "With You" branch blogs and each branch publishes an original branch booklet called "With You." It is planned and produced so local communities and the branches where they are located can get to know each other in greater depth. The booklet features employee self-introductions, introduces branch features, includes special feature columns on "With You" activities and CSR plans, and the distinctive traits of each branch such as collaboration with prefectural government offices and municipal halls and preparations of public relations columns on distinctive regional features and attractions.



A Digest Report for Seniors

The topic of "an age of 100-year-life" has been the subject of increasing interest, boosted by the media. Mitsui Sumitomo Trust Group, acting as "Your Last Bank" has been focusing on providing seniors with information about ways to lead an affluent senior life.

Considering Senior-Generation Housing

The Sumitomo Mitsui Trust Group wants to be the bank that people can entrust their housing matters to with peace of mind in the last phases of their lives, in addition to managing their precious assets and their inheritance. "A Digest Report for Seniors - Considering Senior-Generation Housing 3.0," which we published in April 2021, is a booklet that presents three important options to consider concerning housing for seniors: (1) Keep living in your current home, (2) Move to somewhere that is easier to live in, and (3) Move to a home for the elderly. Branches offices nationwide display posters introducing this report to encourage people to take time to think about the best housing for senior generations, and offer assistance and consultation to help all people live a better life in their senior years (see page 131).





Lobby exhibit poster

https://www.smth.jp/-/media/th/sustainability/report/2020/all5.pdf

Considering the Problems of Dementia

In Japan, which is a super-aging society, one in four people aged 65 or above is said to have dementia or its early signs. "A Digest Report for Seniors - Considering the Problems of Dementia 2.0," which we published in August 2019, is a booklet that provides concrete information on what the disease of dementia actually is, the kinds of support its sufferers require, and what we can do to help. Sumitomo Mitsui Trust Bank has developed a lineup of asset management products adapted to dementia, and provides consulting that stands in our clients' shoes (see page 125). Our branches nationwide introduce this booklet in lobby displays, to allow people to take their time considering their health and futures.





Lobby exhibit

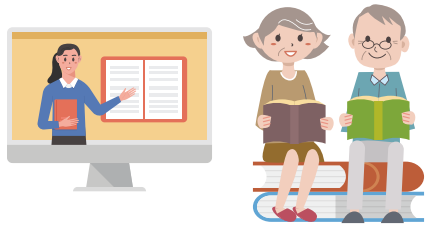
https://www.smth.jp/-/media/th/sustainability/report/2019/all5.pdf

Introduction of Branch Initiatives

Silver College Seminars

Silver College seminars are a place of learning for seniors among our clients to lead their second life with reassurance and contentment. Leading authorities from different business sectors talk about the thorough preparations needed to carry on a second life that is safe and enriching. There are many issues facing us as human life spans often exceed the century mark. In addition to seminars with fixed participants covering four basic topics (health, safety and security; late-life housing; the issue of dementia; how to lead an enriched life in old age), each branch plans and hosts its own distinctive Silver College seminars.

Face-to-face seminars have been suspended since February 2020 as a result of the COVID-19 pandemic, and a limited-time video edition has been produced.



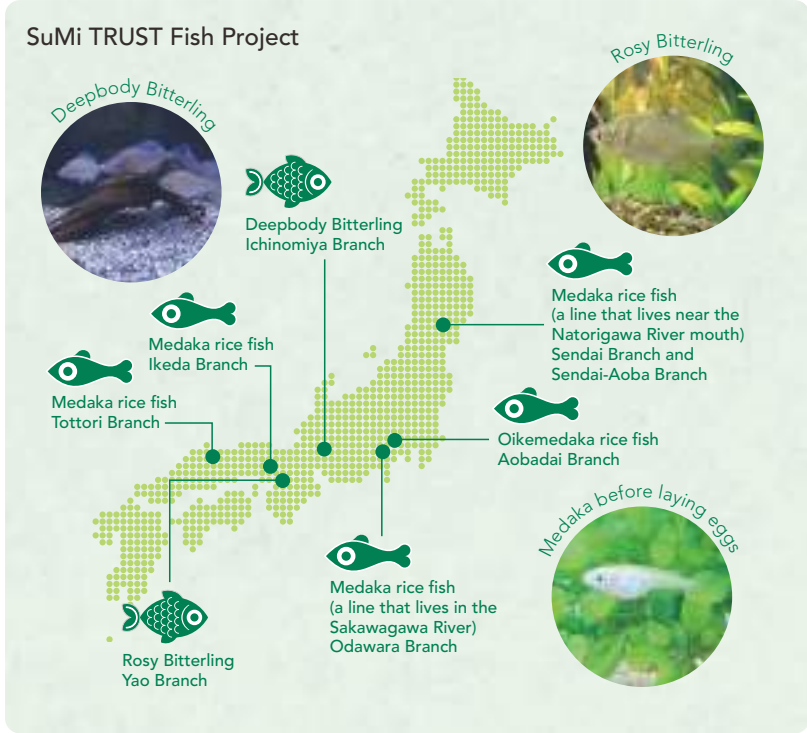
Activities to Support the Environment and Living Things

Sumitomo Mitsui Trust Bank works on sustainability activities (we call them "With You activities") at our branches nationwide. Based on the idea that "our lives are affluent because we are blessed with natural capital," we have set "Activities to Support the Environment and Living Things" as one of the themes of our diverse With You activities, which we do with the participation of our employees. As part of that effort, some branches are working on activities to conserve Japan's unique organisms. In August 2016, our Ichinomiya branch received approval from the Ministry of the Environment, and started the first private-sector exhibition of the Itasenpara bitterling (Acheilognathus longipinnis), an endangered species. From September 2021, we have taken on the challenge of breeding the Itasenpara bitterling for the sixth time. The conservation activities are spreading in the region, with our collaborator Ichinomiya Shogyo High School being added to the "Kiso San River Basin Eco-Net Support Group," a group to which the Ichinomiya branch belongs.

Since August 2005, the Yao branch has been continuously involved in the breeding of the endangered Rosy Bitterling. In August 2020, we installed a new information panel in the show window to raise awareness of this initiative.



Raising Itasenpara in our Ichinomiya branch



*Gene differentiation has been confirmed for medaka rice fishes depending on the water area of their habitats, and preservation activities of indigenous medaka rice fishes have been promoted in each respective region using systems such as foster care.

SuMi TRUST Bank "Inheritance from Me" Series

The SuMi TRUST Bank "Inheritance from Me" Series are 400-character stories and reasons related to "people, things, and matters" that are uniquely important in a person's heart. It was started in 2013 as part of CSR activities.

Precisely in this age of information overload and rapid change, we need to reevaluate what is important to us, and continue our activities as a way to preserve the connections with people and the things and matters that are being lost as shared assets for the future and the next generation. In our eighth content, we received over 8,200 entries.

The winning and runner-up pieces are put together in a pamphlet and handed out at branch lobbies nationwide and featured on the SuMi TRUST Bank website, newspapers, and other media.

"Inheritance from Me" is also a project that contributes to school education and local communities. We received many applications for the first contest from young children, students, and whole schools, so from the second contest, we established the "School Award" and started taking group applications from schools. In our eighth content, we received over 3,396 entries from 84 schools. From the sixth contest, we established the "Heart's Hometown Award" and have been asking for entries on one's town, village, and "Heart's Hometown" they want to convey. Ako City in Hyogo Prefecture was the stage for the 6th content, Oita City in Oita Prefecture for the 7th, and Goto City in Nagasaki Prefecture for the 8th, which were all covered by the local media and received positive feedback. We plan to announce winners of the ninth contest in March 2022.





Good Examples of Community Cooperation

As a financial institution, we are taking concrete action towards the attainment of the SDGs (Sustainable Development Goals) announced by the UN, but we also take on the important role of educating and informing local communities about the SDGs, and promoting the initiatives together with them. Based on the "SDGs Declaration" (see page 171) formulated by branches and departments and the needs of respective regions, branch offices nationwide are working on activities and events in cooperation with local communities.

Obtaining Recognition under Regional Revitalization SDGs Statement, Registration, and Certification Systems

Local governments have established Regional Revitalization SDGs Statement, Registration, and Certification Systems with the goals of: 1) visualization of companies contributing to the SDGs for local development, 2) promote support by local stakeholders and lay the foundation for the formation of an autonomous virtuous circle. SuMi TRUST Bank is proactively working to obtain recognition under the SDGs Statement, Registration, and Certification Systems of various regions, with the Yokohamaeki-Nishiguchi Branch and the Yokohama Branch obtaining the highest Y-SDGs certification of Supreme. In collaboration with various stakeholders, we are contributing to the expansion of efforts for local development driven by the SDGs. Key examples of branches and departments that have obtained recognition under the Statement, Registration, and Certification Systems are the Kawasaki Branch obtaining certification and the Kumamoto Branch, Kumamoto-Chuo Branch, and Kita-Kyushu Branch registering. As of September 14, 2021, there are a total of 34 municipalities that have established systems for registration and certification, with 7 statement systems, 25 registration systems, and 2 certification systems.



Obtaining the highest rank (Supreme) in Y-SDGs, Yokohama City's SDGs certification system

Food Loss Initiatives, Children's Cafeteria Support Activities

Japan generated a total of 25.31 million tons of food waste, etc., a year, of which 6 million tons a year is thrown away despite still being edible (according to fiscal year 2018 estimates). Food loss has become a major social issue in Japan, with the total food loss per person per year approximately 47 kilograms. However, with the COVID-19 pandemic causing the suspension of school meals due to the closure of elementary and junior high schools and temporary closures of children's cafeterias, people who need food support are facing difficult circumstances.

A food drive is an activity in which people bring surplus food from their homes and workplaces and distribute it to local welfare organizations, facilities, and children's cafeterias that need food support. Taking the lead in starting these food drive initiatives in 2019, our Namba and Namba-Chuo Branches donated food collected every month to Osaka Palcoop in cooperation with clients. This initiative has spread to branches and departments throughout the company, with branches participating in the Yokohama Food Drive Campaign (Konandai Branch) and the Shiga Prefectural Office Food Drive (Kyoto Branch, Kyoto-Shijo Branch, Otsu Branch).

In October 2021, the Saga branch planned and organized a lobby exhibit about food loss and food drives, calling for people to bring instant food, canned goods, and seasonings in addition to daily-use items that they no longer needed. Local media covered employees donating the collected items to Food Drive Saga. In September 2021, the Yokohamaeki-Nishiguchi Branch and Yokohama Branch donated unused fans to local children's cafeterias. This project was launched after a volunteer at the cafeteria mentioned at an online conference organized by the prefecture that they were having trouble due to a broken fan. Users of the fan sent us a thank you note with a photograph.



Donation to Food Drive Saga



Items donated to children's food cafeteria

Fujisawa Branch, Fujisawa-Chuo Branch, Osaka Business Department II

Fujisawa Sustainable Smart Town Cultural Festival 2021

As the only financial institution as part of a joint project with leading Japanese companies (Panasonic, Mitsui & Co., Mitsui Fudosan Residential, Tokyo Gas, Dentsu, etc.), SuMi TRUST Bank is participating in a town building project on the site of a former Panasonic Group factory (Fujisawa City). The Fujisawa SST Cultural Festival, a local community event held every year, always attracts a large number of participants. In fiscal year 2020, it was held online in order to prevent the spread of COVID-19.

The theme of the cultural festival held in November 2021 was "energize people, energize the town," and SuMi TRUST Bank participated in the program themed "saving the world by breaking away from plastic waste?!" The program was moderated by two new employees from the Fujisawa Branch and Fujisawa-Chuo Branch, who gave quizzes and explanations to the audience about how it is up to humans whether the beautiful seas of the Fujisawa area can be preserved for the future, working to reduce plastic waste as a matter of personal relevance by proactively using eco-bags and personal bottles, and the importance of 3R+Renewable. In addition, Tumbler in the Forest Fujisawa SST Models, made using high density cellulose fiber developed by Panasonic, were given out as presents to the audience, which were very well received.



New employees participating in Fujisawa SST Cultural Festival





Tumbler in the Forest

Yokohama Branch, Yokohamaeki-Nishiguchi Branch — Period Poverty Initiatives

SuMi TRUST Bank has partnered with Kanagawa Prefecture, which established a headquarters to promote support for those struggling due to COVID-19, to launch initiatives aimed at tackling period poverty. The Kanagawa Prefectural Government's Policy Bureau's Life and Future Strategy Headquarters Office has started distributing free sanitary towels at three universities in the prefecture, using advertising revenue from supporting companies. SuMi TRUST Bank was one of the first to endorse this initiative, supporting the production of the first batch to be distributed in December 2021 (approximately 5,000 bags). The Yokohama Branch and the Yokohamaeki-Nishiguchi Branch are working to raise awareness of period poverty issues by representing branches and departments in the prefecture to hold lobby exhibits and other activities.



Distributing with SuMi TRUST Bank advertisements

Kita-Kyushu Branch — Producing Eco-friendly Goods in Partnership with Local NPO

The Kita-Kyushu Branch is focusing on promoting sustainability activities through producing eco-friendly goods in partnership with a local NPO.

NPO Wakuwa-ku, which supports people with handicaps in finding jobs, runs events with the concept of creating places where local people can visit freely and the recycled paper initiative KAMIKURU Project. The KAMIKURU Project collects used paper from local schools, companies, and city halls, and sorts and processes it into "upcycled" products. One of the main features of this project is that it creates a circulatory society and employment for people with disabilities by using the paper generated in the community to create new products. The Kita-Kyushu Branch utilizes original message cards, notebooks, and paper files made in cooperation with the NPO to deepen collaboration with the local community.


Products made in cooperation with NPO Wakuwa-ku (Files, notebooks, and message cards)

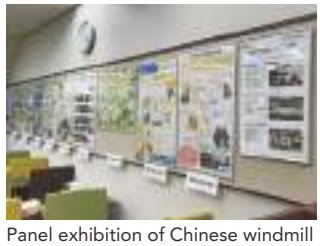
Nagoya Business Department, Nagoya Sakae Branch — Holding SDGs Interview Sessions in Cooperation with High Schools in the Prefecture

The Nagoya Business Department and Nagoya Sakae Branch are enthusiastically working to spread awareness of the SDGs through education, with activities including running a remote ESD project for Aichi prefectural teaching staff in collaboration with the Nagoya LA Department and SDGs interview sessions with high schools in the prefecture. An interview session was held in February 2021 upon the request of Nanzan Girls' Senior High School. In response to a request for an interview about SuMi TRUST Bank's SDGs initiatives as part of extracurricular classes, the school was connected online with the Tokyo Sustainability Management Department and the Nagoya Business Department, where original materials were used to explain the work of SuMi TRUST Bank and the initiatives of departments and branches. We also answered questions from the students.


SDGs interview sessions

Himeji Branch — Participating in a City-run Biodiversity Project

The Himeji Branch participates in "Biodiversity Project: Learning from Living Things—Raising Chinese Windmill Butterflies" run by Himeji City Environmental Bureau Environment Policy Office. Based on the Himeji Biodiversity Strategy, this project is a hands-on initiative for third-year elementary school students in the city to learn about the Chinese windmill butterfly, which is designated as the city butterfly of Himeji City, as part of their "raising butterflies" science curriculum. In September 2021, the branch ran a panel exhibition of Chinese windmill butterfly observation diaries kept by third-year elementary school students in cooperation with students from elementary schools in Himeji City. In addition, in order to make Himeji a city where Chinese windmill butterflies thrive like around 400 years ago, we are also participating in an activity to grow a plant called "Aristolochia debilis" which is eaten by the larvae of the Chinese windmill butterfly.


Panel exhibition of Chinese windmill butterfly observation diaries


Chinese windmill butterfly

Abenobashi Branch, Abeno Branch

Partnering with Public Interest Association to Communicate Information on Health

In June 2020, the Abenobashi Branch and the Abeno Branch entered into a business alliance with the Japan Stroke Association to serve as the reception desk for the "donation by bequest system." Cerebrovascular disease, most notably stroke, is one of the three biggest diseases. Based on the belief that it is socially significant to make employees and clients more aware of stroke and to take appropriate preventive measures to prepare for the onset of stroke, the branch planned and ran a lobby exhibit and an internal study session for employees. The lobby exhibit was designed to allow visiting clients to freely browse a pamphlet on the 10 Principles for Stroke Prevention, which was met with great acclaim.



"Stroke prevention tips to use from today" lobby exhibit

Shizuoka Branch, Shizuoka-Chuo Branch

Organizing a Lobby Exhibit to Promote the Appeal of the Area

With fewer people heading outside due to the COVID-19 pandemic, the Shizuoka Branch and the Shizuoka-Chuo Branch planned and ran "Cheering on the Local Area!! Do Your Best, Shizuoka!! Kouyamachi Shopping Street Then and Now Photo Exhibition" with the aim of rediscovering the appeal of traditional local Shizuoka towns and communicate it to the local people. Held in cooperation with the Kouyamachi Shopping Street Office, the photo exhibition ingeniously displayed 11 valuable photo panels from the 1950s, and was very well received by clients who know the history of the region and was covered by the local media several times.



Cheering on the Local Area!! Do Your Best, Shizuoka!! Kouyamachi Shopping Street Then and Now Photo Exhibition

Nakano Branch

Partnering with a Local NPO to Hold Lobby Exhibit Showcasing the Work of People with Disabilities

The Nakano Branch, together with members of local companies, has been participating in the Nakano Mirai Project organized by the Nakano City Office. By participating in this project, the branch is running several activities to promote local relations, such as creating an activity plan to dynamize Nakano. As one of these activities, we have been running the Art Brut Exhibition in partnership with Social Welfare Organization Aiseikai since 2013. Art Brut, sometimes described as "living art," refers to works created without formal art education, using original ideas and methods without being influenced by established artistic schools or trends. Since 2011, Aiseikai has been focusing on activities to promote Japanese Art Brut works both in Japan and abroad with the aim of raising awareness and understanding of people with disabilities and the participation of diverse people in society. Two or three times every six months, artwork of different styles are lent out to us.



Art Brut artwork exhibition



Initiatives at Overseas Offices

New York Branch

From the 17 SDGs, the New York branch has selected "climate action," "quality education," and "gender equality" as priority areas. In addition to action taken in the course of its business, the branch has conducted the following initiatives so far in fiscal year 2021 in order to encourage action among each and every individual employee.

Initiative 01 Green Loans

A Green Loan (financing with use limited to businesses that contribute to improving the environment, such as renewable energy and environmentally friendly property) was concluded on August 12, with Invenergy Renewables Group and three onshore wind power generation projects in Japan (Ibaraki, Inaniwa, and Rusutsu) as the initial recipients. Invenergy is a U.S.-based global developer and operator of renewable energy projects. This loan complies with the Green Loan Principles, and has received the highest possible "Green 1" rating in the Japan Credit Rating Agency (JCR) Green Loan Evaluation.

Initiative 02 Tree Program

Trees curb CO_2 emissions, improve air quality, prevent stormwater runoff, and contribute to creating a local community that is good for the environment and our health. More than 50 employees engaged in activities such as obtaining trees suitable for their respective housing environments for their homes, colleagues and friends, and donating more than 100 trees to forests. These activities are expected to reduce CO_2 emissions by an estimated 1.9 tons and prevent 100m^3 of stormwater runoff. Another expected result is a modest energy saving of $350 per year (reduced air-conditioning costs through planting trees).

Initiative 03 Virtual Honey Harvesting Event

Bees are crucial to healthy crops, and their rapid decline is a threat to global food security. Twenty-four employees participated in an experiential event using VR headsets, where they learned about bees and the importance of regenerative agriculture. It was possible to donate upward of 3,000 bees per capita to farms in developing countries.



Initiative 04 Back to School Project

Economically deprived families are on the rise in New York, particularly during the COVID-19 pandemic. It is not easy for homeless children to get the required academic supplies for their school lives, such as stationery, scissors, glue, rulers, and calculators. To this end, the New York branch elicited donations by employees, and along with a donation by the company (double the amount of employee donations), it delivered rucksacks filled with the necessary supplies to a total of 315 children.

Initiative 05 Distributing SDGs Boxes to Foster Awareness Among Employees

Employees themselves filled boxes with products that help lead sustainable lifestyles (reusable food storage bags, shopping bags, wool dryer balls that can be placed in the washing machine to save electricity and time, etc.), and sent them to all employees. Small mindset changes among each employee are expected to become a driving force for breaking free from disposable culture and realizing a sustainable society.



SDGs box

Initiative 06 Encouraging Employee ESG Investments Through 401k Pension Plans

The sustainable investment fund Fidelity U.S. Sustainability Index Fund (an investment trust benchmarked against an ESG score called the MSCI USA ESG Index), was added to the lineup of 401k defined contribution corporate pension plans for locally hired employees. This enables employees to use their existing pension plans to support U.S. companies that are more advanced in ESG initiatives than other companies in their industry through investments at no additional cost.

London Branch

Initiative 01 Charity Run Participation

The Standard Chartered Great City Race was held on July 20, 2021 in London.

This event is run by Standard Chartered every year, and donations from participants, sponsor companies, and others along with part of the entry fees are utilized for an education and entrepreneurship support program aimed at reducing economic disparity and promoting the financial inclusion of youth.

While the event was held just after a COVID-19 lockdown was lifted, approximately 30 employees of the London branch participated, both at the venue and virtually. Due to the COVID-19 pandemic, it was not possible for everyone to gather and run together as they do every year, but participants all ran wearing the same t-shirts, which helped deepen unity among employees.



Commemorative photo of the members who participated in the charity run

Initiative 02 Donations to Great Ormond Street Hospital

Since 2011 the London branch has made yearly donations to the Great Ormond Street Hospital instead of sending out Christmas cards. Founded in 1852, the Great Ormond Street Hospital is London's most famous hospital for children. It is also a charity organization. The hospital was a pioneer in the field of pediatrics by achieving numerous world firsts, including the first-ever successful bone marrow transplant in a patient with severe combined immunodeficiency. British author J.M. Barrie famously donated the copyrights to *Peter Pan* to the hospital, and the hospital is also well-known for being the place where *Charlie and the Chocolate Factory* author Roald Dahl worked on a collaborative effort to develop a medical shunt valve.

Donations received from the London branch and other donors are used for research on a number of life-saving treatments and for the operation of the hospital itself.

Initiative 03 Establishment of a Climate Change WG

The Europe, Middle East and Africa Division established a climate change WG as an official branch committee in July 2021. The local financial authority (PRA) has long been encouraging financial institutions to introduce climate change risk management frameworks, which has also been designated as one of PRA's Priorities every year.

Given these circumstances, approving the activities that have been carried out in the branch as a formal committee is intended to further invigorate activities.

Chaired by the Europe, Middle East and Africa Division general manager, the climate change WG has two sub WGs: risk management and business strategy formulation and promotion. It is composed of members contributing from all areas of the branch.

This activity is also coordinated with the Climate Change Response Promotion PT at Head Office, and is expected to provide information mainly on the latest trends in response to climate change-related regulations by European financial institutions.

Hong Kong Branch

At the Hong Kong branch, a Social Value Committee (SVC) primarily comprising local employees was formed in the previous fiscal year. During this fiscal year, its second year, the committee is focusing more on initiatives that involve the participation of all employees, and has been working proactively as follows. These initiatives are introduced in the With You branch blog by local employees in their own voices.

Initiative 01 Collaborating with Domestic Branches to Hold Online Exchange Between Local Staff and Japanese Junior High and High School Students

In March 2021, an online exchange with Saga Ryukokugakuen was held in collaboration with the Saga branch of SuMi TRUST Bank.

This event saw students interact with Hong Kong branch employees through opinion exchange about graphic postcards the school made in collaboration with the Saga branch under the theme of SDGs. In the first half of the session, locally hired employees mainly answered questions about SDGs initiatives, while in the second half, employees posted to Hong Kong from Japan answered questions about working and living overseas. In response to a question about what people should work on when they are a student, branch employees gave the advice that people who immersed themselves in something will thrive as working adults and to search for something that you can become absorbed in. It was heard that one student was inspired by the event, and took up a new challenge.

A branch employee said, "I will be happy if I have been able to contribute to the globalization of Japan by conveying local information in an easy-to-understand manner about working overseas, which has been difficult in recent years due to the COVID-19 pandemic." It is hoped that this exchange event will be of some reference to school students about understanding cultural differences with other countries and the satisfaction of working in global society and become a first step to getting closer to future dreams.



Hong Kong branch employees explaining as best they can despite nerves



Students enthusiastically presenting

Initiative 02 LGBTQ Seminar by Local NPO

In August 2021, the branch invited an instructor from the NPO "Rainbow of Hong Kong," which has been running LGBTQ awareness raising and support activities for over 20 years in the area, to hold an LGBTQ seminar as part of SDGs activities and D&I promotion.

On the day of the seminar, 44 branch employees, five Head Office employees, and eight employees of other overseas offices (total 57) participated. The seminar covered topics such as understanding of LGBTQ concepts, things to be aware of, and challenges in the local area. While the content was basic, the instructor (who has come out as a member of the LGBTQ community) had a sincere and open personality, and the session was lively with many questions from participants.

Local employees of SVC took the lead in the entire process of planning and announcing the event, as well as running it on the day. Prior to the event, the management staff felt uneasy about using LGBTQ, which is not usually explored, as a theme. However, branch employees were highly interested, and this first step ended in success.

The recent Olympic and Paralympic Games Tokyo 2020 were reported to have more out LGBTQ athletes than ever before. With global interest high, the branch would like to continue engaging with LGBTQ issues in some way.



Many employees participated in the online hybrid event



High interest was evident, with many participants asking questions to the instructor

Initiative 03 Participating in Food Donation Program FOOD-CO

In September 2021, SVC decided to participate in the food donation program FOOD-CO promoted by the local NPO St. James' Settlement in response to the growing momentum to reduce food loss in the region, establishing a food donation week in the branch and placing collection boxes for food donations in three locations throughout the branch.

During donation week, many branch employees donated 110 products (approximately 25 kg) including rice, snacks, moon cakes, and instant foods.

SVC members directly delivered the large amount of donated food to the NPO, keenly aware of how heavy it was and the thought that went into it. A letter of thanks arrived from the NPO at a later date.

It is said that there are 3,600 tons of food waste in the area every day. That is equivalent to one 500 ml plastic bottle per capita per day. At the same time, over one million people in the area have inadequate access to food. The Hong Kong government recently announced that the poverty level in 2020, assuming no support from the government, was approximately one-quarter of the total population, marking the worst level in years.

In response to these problems, the branch hopes to continue to regularly run this kind of activity to contribute insofar as is possible, while understanding that it is difficult for the branch alone to significantly improve the situation.



Directly delivering the food donated by branch employees to the NPO



Various donations from many employees

Initiative 04 Participating in a Workshop to Support Mental Healthcare

In November 2021, a total of 16 branch employees attended a workshop run by local mental health NPO The Mental Health Association of Hong Kong (MHAHK), as part of SDGs activities and well-being promotion.

The workshop was held at a facility where people with mental illness and physical disabilities (trainees) are actually trained to participate in and return to society. In this workshop, we directly participated in the final stage of the manufacture of leather products (this time, electronic money card folder with initials) that the trainees usually make for commercial sale. It took numerous participants around two hours to complete just one product.

Trainees provided careful support during the workshop. While those with mental illnesses find it difficult to communicate smoothly and to have good conversations, their enthusiasm for communicating was palpable, and combined with their high level of technical skills, all the participants worked earnestly and with great enjoyment.

The company bought all the completed products and gave them to those that made them. Many of the participants commented that they were happy to see their societal contribution taking shape. SVC is planning activities to contribute to employee wellbeing early next year.



Participants earnestly working on the workshop



The actual finished product from this workshop



Commemorative photo with the card folders made by each participant. Good memories

Singapore Branch

Initiative 01 Participating in POSB PAssion Run for Kids

The POSB PAssion Run for Kids was held in Singapore in November 2021. This is an annual event co-hosted by POSB*1 (Post Office Savings Bank) and PAssion*2 (People's Association). A portion of donations and participation fees from participants and sponsors are used to support the POSB PAssion Kids Fund, which organizes events and programs that contribute to the education and development of the youth.

Since 2012, many of the Singapore branch employees and their families have participated in the event, and the branch continues to donate through the running event. Due to the COVID-19 pandemic, the event has been held since last year in a virtual participation format whereby participants download a smartphone app and register the distance they ran. With this year seeing a high level of health-consciousness due to work from home and other factors, many branch employees ran in support of the charity. They registered the distance they ran at their own pace in the app, and it was a valuable opportunity for them to support the activities of POSB PAssion Kids Fund, and use the app to encourage each other and interact with people in the community.

*1 POSB (Post Office Savings Bank) is the oldest bank in Singapore, and is currently under DBS Bank, a comprehensive business partner of SuMi TRUST Bank.
*2 PAssion is the common name of The People's Association, a government organization.



Plaque for past participation

Initiative 02 Holding Online Seminar on ESG/SDGs

Given the United Nations climate change countermeasures conference the 26th UN Climate Change Conference of the Parties (COP26) held in Scotland in the UK in November 2021, the Singapore branch invited instructors from the NPO Singapore Environment Council*1 on November 12 to hold an online*2 seminar on the theme of Environmental, Social and Governance (ESG)/Sustainable Development Goals (SDGs) in order to deepen the understanding of branch employees on environmental issues and other matters.

The instructors introduced the impact of climate change on Singapore, the urban heat island phenomenon, the history of greening in the area and future plans, and the contribution of plants to improved indoor air quality in workplaces and homes. Participants said that they became more interested after learning of greening initiatives in familiar places and that they were able to gain a concrete understanding of the impact of climate change on Singapore and the current state of response.

The seminar was a meaningful experience, deepening participants' understanding of the impact of climate change in Singapore and government-led measures to address global warming, and providing an opportunity for them to learn what they can and should do on a personal level.

*1 An NPO/NGO leading initiatives to address local environmental problems in Singapore.
*2 The event was run in an online format based on government regulation banning gatherings in offices due to the COVID-19 pandemic.

SuMi TRUST Consulting (Beijing)

Initiative 01 Sponsoring Event Run by the Green Development League of NETDZs

SuMi TRUST Consulting (Beijing) Co., Ltd. registered as a sponsor company for the Green Innovation Cup Green Technology Competition held with the Green Development League of National Economic & Technological Development Zones (NETDZs), which was jointly established by 36 of China's approximately 230 NETDZs that are advanced in green development and international cooperation.

In addition to the SuMi TRUST Group, which is focusing on ESG, the green technology field in China is also an area of focus for Japanese companies entering the Chinese market. Through this sponsorship, the company aims to contribute to the business development of Japanese companies in the green field.



General Manager Kishigami participating in a Green League conference

Sumitomo Mitsui Trust (Ireland) Limited

Initiative 01 Electronic Signature System (DocuSign)

Our Irish subsidiary has introduced eSignature, an electronic signature system provided by DocuSign.

Using eSignature has made it possible to centrally manage tasks in the electronic signature process for documents such as reports, contracts, and approval requests via the system from any location using PC or smartphone. These tasks include requesting signatures from signers, electronic signatures, and management of approved documents. This has removed the need to print paper, fax or scan signed documents, mail them, or store them.

Furthermore, concerning the environment, DocuSign has announced that digitization of signature tasks by users of the eSignature system it provides has reduced the use of paper by approximately 837 tons (equivalent to approximately 14,230 trees). By using this system, our Irish subsidiary is contributing to environmental protection.

In this way, DocuSign eSignature is an electronic document management and signature system that can promote operational efficiency improvements and consideration for the environment. This is a major component of promoting green initiatives recommended in Ireland, and an important step under the "Green Boardroom" initiative proposed last year.

Initiative 02 Culture Working Group

A culture working group has been formed at our Irish subsidiary. This working group includes members from the Risk Management Department, the Compliance Department, the Human Resources Department, the Corporate Governance Department, the Operations Division, and employees dispatched from SuMi TRUST Bank. It regularly discusses and reviews culture and sustainability activities.

Four subgroups have been created to focus on "diversity and inclusion," "employee surveys," "mission, vision, value," and the "SMT brand." A survey was conducted anonymously among all employees on October 22, 2021, with each subgroup proposing the content of the survey from its own perspective. Based on the results of the survey, the culture working group will consider its next action.

The field of culture and conduct will continue to be a priority field for the Central Bank of Ireland, and the culture working group will continue to conduct activities toward promoting the dissemination of corporate culture and sustainability activities.

Initiative 03 Step Challenge

Our Irish subsidiary introduced the step challenge program in 2021 as part of employee engagement initiatives. This Step Challenge aims not only to promote health but also to encourage exchange between colleagues who might not usually communicate during their daily duties by having challenge participants post photos and trip records in the internal newsletter. By doing so, the challenge also aims to improve employee happiness and camaraderie. To date, we have held three Step Challenges, with a total of 16,400 km walked by participants. During the Step Challenge, participants submitted beautiful scenery from different parts of Ireland.



Beautiful scenery from different parts of Ireland submitted by participants

Sumitomo Mitsui Trust Bank (Thai)

Initiative 01 Contributing to the Realization of a Sustainable Society Through Mangrove Planting and Conservation Activities

Sumitomo Mitsui Trust Bank (Thai) Public Company Limited is planning to go to a mangrove forest to plant trees, release fish, and pick up trash in January next year as an ESG activity that involves the participation of all employees for this fiscal year. Although the activity has been delayed due to the COVID-19 pandemic, the recent decrease in the number of cases in the area has finally provided an environment to conduct the activity.

In addition to absorbing more CO_2 than tropical rainforests, mangroves are essential for forming a cyclical natural environment that sustains fish and other ecosystems. Ahead of the actual ESG activities in mangrove forests, Sumitomo Mitsui Trust Bank (Thai) Public Company Limited has launched an ESG project team and run a study session. The study session helped foster an ESG mindset in employees and boost motivation. Rather than being a one-off event, this activity will be run on an ongoing basis. Through its future ESG activities, Sumitomo Mitsui Trust Bank (Thai) aims to contribute to the local community and be a presence loved and recognized by the local people.



Study session by ESG project members

Zijin Trust

Initiative 01 Ongoing Charitable Trust Initiatives

Ever since its founding, Zijin Trust Co., Ltd. ("Zijin Trust") establishes a charitable trust every year. The charitable trusts established to date total 9.7 million yuan (approximately ¥1.72 million), providing support to upward of a total of 600 children from impoverished families with serious illness. In 2021, a hybrid online establishment ceremony was held on November 28 in tandem with the establishment of the 11th charitable trust.

To make trust-based social contribution take root in China, Zijin Trust will continue to promote charitable trusts.



Scenes of the 11th charitable trust establishment ceremony



Children supported by charitable trusts

Initiatives at Group Companies

Nikko Asset Management

Initiative 01 Initiatives as a Carbon Neutral Company

Since 2018, Nikko Asset Management has evaluated (calculated and analyzed) the amount of greenhouse gas emissions of Group companies, and obtained carbon credits to offset these emissions. Thanks to these efforts, it has been designated a carbon neutral company for three consecutive years. In 2021, the Environmental Policy, which sets forth initiatives that take into consideration the environmental impact of the Group's overall business activities, was updated. It set a target* of reducing its own greenhouse gas emissions for the entire Group by 40% per employee by 2030, compared to 2019. Moving forward, Nikko Asset Management will commit to monitoring progress and disclosing it regularly in reports such as their annual TCFD and Sustainability Reports.

*Covers direct and indirect emissions by the company under Scope 1 and 2 (emissions from fuel combustion, electricity supply, and other uses) as defined in the Greenhouse Gas Protocol, as well as some indirect emissions under Scope 3 (emissions from fuel and energy activities and business trips not included in Scope 1 and 2). The Greenhouse Gas Protocol is an international initiative established to develop and promote globally recognized standards for calculating and reporting greenhouse gas emissions.

Initiative 02 Promoting the Advancement of Women

In pursuit of diversity & inclusion, Nikko Asset Management has continually worked to create inclusive workplaces. In February 2021, it further accelerated its initiatives to promote the advancement of women, setting a new target of raising the ratio of female employees in management positions across the entire Nikko Asset Group, including overseas offices, to 30% by 2030. By setting a clear target for the ratio of female employees in management positions, it aims to secure transparency in progress toward achievement, further enhance initiatives to promote the advancement of women, and boost employee awareness about diversity. Moving forward, Nikko Asset Management will report the progress of this initiative in its yearly Sustainability Report and other materials.



To commemorate the establishment of the target, selfies of employees with hashtags were collected.

Please click here to view the 2022 Sustainability Report.
https://en.nikkoam.com/files/pdf/esg/sustainability-report-2022-en.pdf

Please click here to view the 2020 TCFD Report.
https://en.nikkoam.com/files/pdf/esg/tcfd_eng.pdf



Sumitomo Mitsui Trust Asset Management

Initiative 01 Participation in the Net-Zero Asset Managers initiative

In July 2021, Sumitomo Mitsui Trust Asset Management participated in Net-Zero Asset Managers initiative, a global by asset managers aiming for net zero greenhouse gas emissions in their investee companies by 2050. Through collaboration with international ESG promotion organizations across a variety of fields, we will contribute to a smooth transition to a low-carbon and carbon-free society through engagement, exercise of voting rights, appropriate product structuring, and other efforts by appropriately identifying risks and opportunities related to climate change issues. In addition, as part of these initiatives, Sumitomo Mitsui Trust Asset Management (hereinafter SMTAM) listed its first exchange traded fund (ETF), the SMT ETF Carbon Efficient Index Japan Equity, on the Tokyo Stock Exchange in June 2021.



David Semaya, Executive Chairman and Representative Director

Initiative 02 Signing the Financial Sector Commitment Letter on Eliminating Commodity Driven Deforestation Released at COP26*

On November 2, 2021, SMTAM signed the Financial Sector Commitment Letter on Eliminating Commodity Driven Deforestation released at COP26*.

Over 30 global financial institutions (with total assets of $8.7 trillion) have signed this commitment letter, and SMTAM was the only Japanese asset management firm to sign. SMTAM has been engaging with a variety of stakeholders, including not only companies it deals with, but also local authorities and NGOs, as well as related companies, for the conservation of tropical rainforests in the Amazon and Southeast Asia. Leveraging the opportunity of participating in this initiative, SMTAM will further strengthen engagement with target companies, countries, and related institutions and work to prevent deforestation. In addition, on the evening of November 2, SMTAM Chairman Semaya, gave a speech on behalf of the signatory management companies at a reception co-hosted by Charles, Prince of Wales in Glasgow.

* 26th UN Climate Change Conference of the Parties



Executive Chairman and Representative Director David Semaya gives speech on behalf of signatory management companies at a reception for signing the COP26 forest preservation declaration.



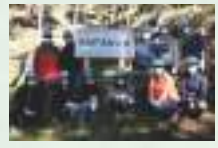
Charles, Prince of Wales at the reception



Speaking on a panel at the World Climate Summit on November 8 (Mr. Semaya is second from right)

Initiative 03 Third Year of Participation in Company Forest

Since July 2019, SMTAM has supported the Tokyo Metropolitan Government's Bureau of Waterworks' "Action Plan for Community-based Cultivation of Water Resource Forest" and entered into an agreement for the "Tokyo Waterworks Company Forest (naming rights)" project, which is now in its third year. Participating again this fiscal year on October 29, 11 employees entered the SMTAM Forest in Koshu City, Yamanashi Prefecture, under clear autumn skies to plant broadleaf tree seedlings, as part of activities to preserve and nurture the water supply source forest.



In front of the SMTAM Forest sign

Initiative 04 Discussing Sustainable Investment at an International Finance Conference

In January 2021, SMTAM participated in the 14th Asian Financial Forum. In light of the significantly changing environment due to the COVID-19 pandemic, the forum was held with the theme "Reshaping the World Economic Landscape." Held in an online format, the conference was a great success, attracting approximately 63,000 viewers from upward of 70 countries. SMTAM President Hishida appeared as the only speaker from the Japanese financial industry. At a panel discussion themed around sustainable investments, he exchanged opinions with top management from financial institutions from the United States, the United Kingdom, France, Switzerland, and Asia. SMTAM will continue to bolster its international presence and strive to improve the sophistication of its asset management related to sustainable investment.



The panel discussion

Please click here to view the 2021/2022 Stewardship Report. https://www.sumitrust-am.com/responsible-investment

Sumitomo Mitsui Trust Club

Initiative 01 Efforts to Provide High Quality Customer Experiences Recognized by Third-Party Organization

Call Center Awarded Three Stars in Monitoring Category of HDI Benchmarking Assessment for Two Consecutive Years

Under HDI Benchmarking, judges assess companies from customer perspectives in accordance with assessment standards established based on international standards by HDI, one of the world's largest membership associations for the support services industry. Assessments have four levels, ranging from zero stars to three stars.

Sumitomo Mitsui Trust Club has consecutively obtained three-star ratings in the monitoring category. In this category, judges listen to actual recordings of customer support, and assess companies under five items including service structure and communication. How the customer feels is an important perspective in the assessment.

Sumitomo Mitsui Trust Club received the following assessment from HDI-Japan (excerpt).

- Sincerely respectful, courteous, and flexible, providing speedy support as the situation demands.
- Provides a sense of security through response that works to resolve needs by focusing on the content of customer inquiries and the background to their questions.
- Aware of using language and expressions that are easy for customers to understand, and concise explanations. Calm and dependable response.
- Not only contributes to prompt resolution, but also provides adequate emotional care for customers with a sense of empathy and closeness.

Received the Fiscal Year 2021 CRM Best Practice Award for Establishing and Operating Customer Management System CREST

CREST, which went into operation in 2019, is a system that centrally manages customer information collected at multiple customer touch points and returns it to customer service.

Run by the CRM Association Japan, the CRM Best Practice Award aims to realize customer-centric relationship management by awarding companies, government bodies, and organizations for building relationships with customers from the perspectives of strategy, operations, and organization. The purpose of the award is to create model cases for CRM promotion and to provide an opportunity for human resource development. Below are selected comments.

<Special Service Model for Individual Customers>

Sumitomo Mitsui Trust Club is the only company in Japan to issue and operate Diners Club Cards, which is an international credit card brand. Given the characteristics of the business, the company has a variety of information on cardholder tastes, but it was unable to effectively utilize all of its information in cardholder touchpoints. By building an integrated CRM platform to resolve this issue and transform it into a strength, the company was able to promote the provision of high added value services from a customer perspective, realizing improved customer satisfaction and engagement. The company has also succeeded in providing more personalized "special service" by instilling a customer-centric relationship approach throughout the company. Moving forward, expectations are high for the development of new, more evolved services from the perspective of the individual customer using AI.

The new normal is seeing interactions between people and between people and companies continue to change drastically. Against this backdrop, Sumitomo Mitsui Trust Club will provide unique services, continually striving to serve our clients in a meticulous manner with our reliable discernment and support skills honed by history and experience for the benefit of its clients.

Initiative 02 Ongoing Initiatives

Diners Club provides clients with opportunities to contribute to society through activities to protect valuable cultural assets that must be passed on to future generations. Additionally, under the slogan "There are things that can only be found here," the brand provides clients with opportunities to leverage their experienced eye to spot young talent and provide support.

Daigoji Cultural Assets Restoration Project

In February 2021, as part of the restoration of the statue of Kongoyasha Myoo, the restoration of Godai Myoo was completed. The restoration of a painting on a 44-panel sliding paper door by Insho Domoto, a master of Japanese painting, is newly beginning. The long-term restoration project of the ancient documents and holy scriptures of Daigoji Temple (National Treasure) is also underway in parallel.

Artist Support Program

After more than a year of not being able to perform to clients due to the COVID-19 pandemic, it was possible to hold the long-awaited grand concert at Suntory Hall on October 22, 2021. Young artists and Diners Club members came together to create a vibrant and inspiring excitement.



Part of the Insho Domoto sliding door painting, for which restoration work is beginning

Sumitomo Mitsui Trust Panasonic Finance

Initiative 01 Green Bond Issuance

Based on the Green Finance Framework* that was formulated in September 2021, Sumitomo Mitsui Trust Panasonic Finance issued its first green bonds in October. Funds raised through green bonds will be used to finance or refinance the installation, etc., of facilities and equipment that contribute to higher energy efficiency and renewable energy equipment.

Moving forward, we will proactively utilize green finance, including this green bond issuance, for the necessary funding to promote support for measures to address climate change, and further contribute to the realization of a sustainable society.

お陰さまで創業70周年
あなたの『ありがとう』のために
70th Anniversary

*See here for more details on the Green Finance Framework.

Initiative 02 New Establishment of ESG Promotion Section

In April 2021, Sumitomo Mitsui Trust Panasonic Finance established a new ESG Promotion Section in its Planning Department.

As part of internal training, the section regularly issues an ESG Newsletter, which is an information magazine on the theme of ESG, with the aim of boosting employee ESG mindsets.

For example, by deepening employee understanding from basic content such as what ESG means to international frameworks such as the Paris Agreement, the section is cultivating a macro perspective on ESG throughout the entire company. It will continue to contribute to the realization of a sustainable society through a variety of initiatives.

Initiative 03 One-Stop Services for Demolition and Disposal of Plant Equipment for Asset Valuation

Japan Machinery Leasing and Sales, which is a subsidiary of Sumitomo Mitsui Trust Panasonic Finance, concluded a business alliance agreement with ENVIPRO HOLDINGS and ECONECOL to provide one-stop services for demolition and equipment disposal for asset valuation.

Recent initiatives have utilized the ECONECOL's many years of know-how in scrap processing and demolition and Japan Machinery Leasing and Sales' expertise in objects, including the assessment and trading functions of machinery and equipment, to provide integrated services from valuation of fixed assets to resale and recycling of unneeded machinery and other assets.

Sumitomo Mitsui Trust Panasonic Finance and Japan Machinery Leasing and Sales have stated in their sustainability policy that they aim to contribute to solving social and environmental problems through their business and to build a circulatory society.

By providing this service, we will promote recycling of machinery and equipment, reduce waste generation, and work to realize a sustainable society together with clients.





Sumitomo Mitsui Trust General Service

Sumitomo Mitsui Trust General Service engages in management and property administration of buildings in which SuMi TRUST Bank and affiliated companies are tenants. In each of its operations, the company engages in SDG-conscious initiatives that include energy consumption reduction, disaster prevention, and health-related initiatives.

Initiative 01 Regular Publication of SDGsNEWS

In order to promote awareness of the SDGs, we have been distributing a monthly newsletter to all employees, based on the concept of providing familiar information on the SDGs as part of our efforts to deepen employees' understanding of the SDGs, and will continue to do so this fiscal year. Since September 2021, this news has been archived on the intranet of SuMi TRUST Bank, recently covering themes such as ethical consumption, carbon neutrality, food loss, and Nobel Prizes and SDGs. Moving forward, we will continue to run awareness raising activities that help promote even more specific initiatives.



Initiative 02 Switching to Renewable Energy for Owned Buildings Electricity Procurement (Leasing Business Department)

As part of carbon neutrality initiatives of SuMi TRUST Bank Group, Sumitomo Mitsui Trust General Service plans to contribute to the resolution of global-scale challenges by switching from fossil fuels to renewable energy sources for owned building electricity procurement.

- Kanto region: Shinbashi Sansen Building, Ikebukuro Higashiguchi Building
  October 2021 Switchover completed
- Kansai region: Shijo Karasuma Building, Himeji Kitaguchi Building
  February 2022- Switchover start scheduled (agreed in October 2021)



Shijo Karasuma Building



Shinbashi Sansen Building

Initiative 03 Promote Food Drive for Emergency Supplies (Senri)

Emergency food nearing its best-before date, at SuMi TRUST Bank Senri Building, was donated to the Toyonaka City Council of Social Welfare in October 2021. The donated food will be used by the council of social welfare to help food supply to people in need and children's cafeterias. Moving forward, we will continue to work to reduce food loss.



Donated emergency foods



Initiative 04 Reusing Stationery Goods (Shiba, Fuchu, Kiba)

A reuse corner was set up in a location after a tenant raised the issue of disposing of a large amount of stationery. This initiative started from the Shiba location, and has spread to the Fuchu location and the Kiba location to great acclaim. We will continue to work on reducing waste through reuse and operate locations in an environmentally-conscious manner.



Shiba location



Fuchu location



Kiba location

Sumitomo Mitsui Trust Business Service

Initiative 01 Becoming the Tenth Company in Japan to Receive Platinum Eruboshi Certification

In February 2021, Sumitomo Mitsui Trust Business Service became the tenth company in Japan to receive Platinum Eruboshi certification established by the Ministry of Health, Labour and Welfare.

"Eruboshi (level 3)" and "Platinum Eruboshi" certification*1 are the highest level*2.

Sumitomo Mitsui Trust Business Service has been working on a daily basis to provide mutual support so that people can continue to play an active role even after major life events. As a result, as one example, 25% of regular female employees use maternity leave, childcare leave, and shorter working hours systems, and some employees are active as team managers and leaders while making use of shorter working hours, and the proportion of female team managers is approximately 80%. At training for employees scheduled to return to the workplace, employees who have finished maternity or childcare leave are provided opportunities to hear about the company's expectations as well as the efforts of senior employees at work and at home to ensure prompt catch-up. This is a company where young employees find it easy to imagine how they can balance work and home life.

As a system to broaden the work scope of various employees in different generations, the company enriches a system to provide a gateway for staff-level employees (mainly on fixed-term contracts) to become regular employees. To meet the needs of intending to be engaged in management duties, the company initiated this system to regular employees in fiscal year 2018. In fiscal year 2021, 45 employees became regular employees as of October 1.

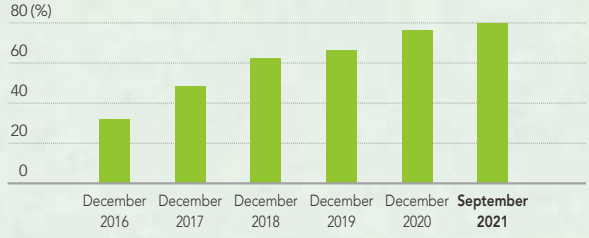
The company will keep striving to create a workplace in which each employee accepts each other while being conscious of diversity.

*1 Platinum Eruboshi certification is given to companies that meet the higher level requirements of the Eruboshi (level 1 to 3) certification, based on their efforts to promote the advancement of women.

*2 The Ministry of Health, Labour and Welfare's "General Site for Supporting Women's Activities and Work-Life Balance" will soon feature an interview article on Sumitomo Mitsui Trust Business Service.



Female team managers



Sumitomo Mitsui Real Estate Investment Management

Initiative 01 Obtained GRESB Real Estate Assessment

In October 2021, Shiba Wind Avenue GK (investment property: NEC Head Office Building), for which Sumitomo Mitsui Real Estate Investment Management is entrusted with asset management services, participated in the GRESB Real Estate Assessment for the first time. The company received a three star GRESB rating, which is a five-level rating based on the global ranking of the overall score.

GRESB is an annual benchmarking assessment, which measures the environmental, social and governance (ESG) considerations of real estate companies and funds, and the name of organization that manages it. GRESB data is widely used in the selection of potential investments and in dialogue with them. In Japan, many institutions use the results of GRESB assessments, including the Government Pension Investment Fund (GPIF). A total of 1,520 listed and private real estate companies and funds across the world participated in the 2021 GRESB Real Estate Assessment.

Sumitomo Mitsui Real Estate Investment Management believes that formulating and encouraging of responsible investment management strategy that considers ESG and endeavors to achieve continuous reduction in environmental degradation from our investment property eventually maintains and increases asset value, and maximizes shareholder value. Therefore, we have established our ESG Property Investment Management Policy and put this policy into our daily practice.

See here for the ESG Property Investment Management Policy of Sumitomo Mitsui Real Estate Investment Management.
https://www.smtreim.jp/policy/ESG.pdf

Sumitomo Mitsui Trust Realty

Initiative 01 Support for the Protection of Endangered Species

Chubu Head Office - Support for Higashiyama Zoo and Botanical Gardens

Sumitomo Mitsui Trust Realty's Chubu Head Office sponsors the spring and fall festivals of Higashiyama Zoo and Botanical Gardens every year. This fiscal year, we ran original animal underlay sheet making. On the surface of the sheets were photographs of endangered animals in the Higashiyama Zoo and Botanical Gardens, while the back featured pictures for coloring in and explanations of the animal. A hard laminate was then applied to create underlay sheets. Both spring and fall events were met with great acclaim, attracting the participation of a large number of visitors. We believed that making underlay sheets would help boost interest in the animals over a long period of time.

In tandem with the underlay sheet making, we also distributed 2,000 copies each of animal-themed clear files in the spring and the annual animal calendar in the fall. This was also well received, with many visitors saying that they look forward to it every year. We will continue our activities to support Higashiyama Zoo and Botanical Gardens.


2022 animal calendar


Red panda underlay sheet


Koala underlay sheet

Contributing to the preservation of endangered species by supporting Higashiyama Zoo and Botanical Gardens.

Kyushu Head Office - Support for Fukuoka City Zoo

Sumitomo Mitsui Trust Realty's Kyushu Head Office is a sponsor of the Fukuoka City Zoo.

Inspired by Trust-san, the mascot of Sumitomo Mitsui Trust Realty and a supporter of Fukuoka City Zoo, there is a large information panel (2.4 m x 1.2 m) explaining the distribution of tigers in the world in front of the tiger house where Kai, an Amur tiger, is kept. Amur tigers are one of the largest types of tiger, with each tiger requiring a large expanse of forest. However, they are in danger of extinction due to factors such as destruction of nature.

Zoos are facilities where you can feel the movement and smell of animals up close, and be impressed by both their power and cuteness. Learning about how animals live and their current situation encourages us to think about the environment and ecosystems in which animals live. Zoos also play an important role in the preservation of species and other activities, but their operation is becoming more and more difficult due to the decline in wild animals and rising prices.

We support the cost of feed for animals in the zoo as an animal supporter. We hope that this activity contributes, even if just a little, to the preservation and survival of species and the education of children.


Kai, a male Amur tiger at the Fukuoka City Zoo


A large-scale panel donated to Fukuoka City Zoo giving details about the tigers of the world



Sumitomo Mitsui Trust Systems & Services

Initiative 01 Running Online Programming Classes for Elementary School Students

As an IT company based in Fuchu City, Tokyo, Sumitomo Mitsui Trust Systems & Services runs initiatives to help develop children's programming thinking skills through hands-on activities to create the IT talent of the future at the Fuchu Citizens Festival every November.

Due to the COVID-19 pandemic, the festival was once again held online, following on from 2020. We hosted an online programming class for elementary school students using the videoconference tool Zoom and the programming language Scratch.

On the day, 29 parent-child groups participated from their homes using the videoconference tool. Employees of Sumitomo Mitsui Trust Systems & Services (a total of 20) served as instructors for the class, giving individual lessons based on the level and pace of the participants, from low to high grades of elementary school.

The children were absorbed in creating their own programs using the methods they were taught, and had a great time. The guardians who participated gave numerous comments, with some saying that their children have stayed interested even after the classroom and are having fun interacting with code, while others said that their children said that they will continue the rest themselves and seem to be interested. We felt that this class was a great opportunity for the children to gain an interest in programming, and we also gained a great sense of fulfillment.

Going forward, we will continue to monitor the needs of the times and the local community, and continue our activities as a good corporate citizen to stay close to the local community.



Online programming class

Initiative 02 "Platinum Kurumin" and "Eruboshi (Level 2)" Certification

In November 2020, Sumitomo Mitsui Trust Systems & Services received Platinum Kurumin certification for being an outstanding company conducting childcare support initiatives to a high standard.

Sumitomo Mitsui Trust Systems & Services is working to create an employment environment in which anyone, regardless of gender or age, can play an active role in their own way, and in which it is easy to create a work-life balance. In June 2021, the company was certified as an outstanding company in terms of promoting the advancement of women, meeting four of the five criteria for recruitment, continuous employment, working hours and other work styles, and the ratio of women in management positions, receiving "Eruboshi (level 2)" certification.

Moving forward, we will continue to study and promote these initiatives so that they are not only focused on women, but are also measures that enable both women and men to play active roles.



People in charge of promoting the advancement of women and supporting the development of the next generation

Sumitomo Mitsui Trust Life Partners

Initiative 01 Donations and Contributions to Parents House by Organizing a Bazaar

Participating in the social contribution activities of the Associates Association, which consists of Aflac agents, Sumitomo Mitsui Trust Life Partners ran a bazaar by all employees.

Proceeds from the bazaar were donated to the Children's Cancer Association of Japan and items on the wish list from Aflac Parents House* were also donated to the Parents House with the cooperation of employees.

For the donations, a wish list from Parents House was made available to the employees, which included items that were individually requested, calling for donations of food items such as retort foods and canned foods, daily necessities such as detergents and paper towels, as well as futon dryers, dolls, and other items that are used daily at Parents House.

Thanks to the cooperation of many employees, a variety of items were brought to the bazaar, including stuffed animals, paperback books, CDs, bags, and clothing, and there was a sense of how each and every employee wanted to get close to Parents House.

In addition, the bazaar was also an activity that contributes to SDGs activity "12. Responsible Consumption and Production," facilitating the effective use of resources such as goods that are not currently being used in each employee's home.

By continually working on this sort of activity, we would like to make social contribution activities a natural activity (for Sumitomo Mitsui Trust Life Partners).

*An accommodation facility for children with intractable diseases and their families operated by Children's Cancer Association of Japan and supported by Aflac. It is mainly used by children and their families who have to go to hospitals far from their homes for treatment of pediatric cancer and other diseases.



The bazaar venue which was visited by many employees and good donated to Parents House

Tokyo Securities Transfer Agent

Initiative 01 Hosted a TCFD-Themed Seminar for Entrustees

Japan's Corporate Governance Code was revised in June 2021, and from April 2022, companies listed on the prime market of the Tokyo Stock Exchange will be newly required to collect and analyze necessary data on the impact of climate change-related risks and earnings opportunities on their business activities, earnings, etc., and to disclose such data within the framework of TCFD, etc. TCFD refers to recommendations published in June 2017 by the Task Force on Climate-Related Financial Disclosures, which was organized in 2015. It is not something that corporate stock practitioners are very familiar with, and we imagined that many practitioners would not know what to disclose and how to disclose it.

To that end, Tokyo Securities Transfer Agent held an online seminar themed around an overview of TCFD about TCFD-based disclosure to entrustees of stock transfer agency services, inviting MS&AD InterRisk Research & Consulting Senior Researcher Kosuke Terasaki to be instructor. Following on from 2019 and 2020, this marks the third seminar for entrustees themed around sustainability. The seminar started with TCFD background and recommendations, followed by an easy-to-understand explanation of actual disclosure examples and scenario analysis. Similarly to the previous two seminars, it was met with great acclaim.

Climate change is currently a huge global issue. In order to realize a sustainable society, response is required not only from the government, but also on a company and group level. For this reason, Tokyo Securities Transfer Agent will continue to provide information on sustainability.



Cover and table of contents of the Tokyo Securities Transfer Agent online seminar materials

SBI Sumishin Net Bank

Initiative 01 Hosted the Online Economics Koshien Tournament

This quiz event is billed as the "Economics Koshien" and aims to make learning about finance and economics enjoyable for high school students across Japan.

Following on from last year, SBI Sumishin Net Bank hosted the Online Economics Competition, a preliminary for the all-Japan contest, for students to compete in the quiz via the Internet. Teams compete based on their knowledge about a wide range of finance and economics-related topics such as current events and money-related trivia, with the winning team able to proceed to the all-Japan contest. In the ninth Online Economics Competition, 113 teams participated, with the winning team from Kaisei Senior High School appearing in the all-Japan contest. We will continue to sponsor this event as a way to encourage more high school students to participate and learn more about finance and economics.



The National Economics Koshien Tournament

Winning team
Kaisei Senior High School (Tokyo)

Runner-up
Rakuhoku Senior High School (Kyoto)

Third place team
Takanawa Senior High School (Tokyo)

Initiative 02 Implementing SENSEI Yononaka Gaku

SBI Sumishin Net Bank has developed educational materials for financial and economic education for high school students in collaboration with ARROWS Corporation. The materials are packaged with a script and manual for teachers, making it easier for teachers themselves to provide financial and economic education that expands on the content of the textbook and is useful in real life. All materials are provided free of charge to schools and teachers who wish to use them, and we were able to offer classes to approximately 2,000 students in fiscal year 2019, the first year, and approximately 5,000 students in fiscal year 2020. Many schools have applied for the materials in fiscal year 2021, and we plan to offers classes to approximately 10,000 students, which is double the amount of last fiscal year.

SENSEI よのなか学



Classes in fiscal year 2020

Initiative 03 Launch of Smartphone App T NEOBANK

SBI Sumishin Net Bank partnered with T-money Co., Ltd. to launch the new financial service T NEOBANK in March 2021.

T NEOBANK is an online bank account specifically designed for use in a smartphone app. Basic bank services such as bank deposits, borrowing, and transfers are provided in the app, where users can also enjoy government-controlled gambling sports and sports lotteries. Users are also given T-points in accordance with their transactions, which can be used to repay credit card loans and purchase sports lottery tickets.

SBI Sumishin Net Bank will continue to strive to provide even better services utilizing cutting-edge technology.



Visualization of NEOBANK

Initiative 04 Received the Excellence Award in the Best Customer Support of The Year for the Second Consecutive Year

Through the analysis of client feedback (VOC*1/NPS*2 surveys), SBI Sumishin Net Bank has introduced features such as Smart Authentication NEO and ATM via App that allow clients to use services comfortably and without stress. These initiatives were well received, and in July 2021 we were awarded with the Excellence Award in the fiscal year 2021 Best Customer Support of The Year run by the Japan Institute of Information Technology. This is the second consecutive year to win the Excellence Award, following on from last year.

Moving forward, we will utilize technology to provide highly convenient services and contribute to sustainable global environment, economic and social development.

*1 Abbreviation of Voice of Customer. Refers to client feedback and client perception
*2 Abbreviation of Net Promoter Score. Refers to an indicator to measure customer loyalty

Trust Base

Initiative 01 Promote DX Without Being Bound by Existing Frameworks

Trust Base Co., Ltd. (Trust Base) was established in April 2021 as a digital strategic subsidiary 100% owned by Sumitomo Mitsui Trust Holdings in order to accelerate the promotion of digital transformation (DX) of the Sumitomo Mitsui Trust Group.

Trust Base will single-handedly be in charge of the DX strategy across Group companies and SuMi TRUST Bank businesses, and accelerate digitization. In addition, in the rapidly changing digital field, we will build a system to succeed amidst fierce competition by creating our own system development environment and simplifying business rules to achieve quickly adaptable business operations.

An employee in his 30s was appointed as the Director and CEO of Trust Base through open internal hiring at SuMi TRUST Bank. In addition to creating an environment that attracts a wide range of DX talent, not just from the financial industry, we will work to create new value with a diverse group of colleagues from major IT companies such as Microsoft Japan Company and Cybernetica of Estonia, as well as other leading overseas technology companies.

Moving forward, we will continue to carry on the Sumitomo Mitsui Trust Group's management principles, while at the same time creating a new culture within the Group with flexible ideas unconstrained by conventional wisdom.



Tanaka, Director and CEO, Trust Base Co., Ltd.

BIDV-SuMiTRUST Leasing

Initiative 01 Supporting Medical Facilities in Ho Chi Minh City

By the end of April 2021, there were very few cases of COVID-19 in Vietnam and a relatively calm situation had been continuing. However, from May, there was a rapid increase in infections of the Delta variant around Vietnam. In order to support medical practitioners, BIDV-SuMiTRUST Leasing donated supplies such as masks, rubbing alcohol, medical protective clothing, and gloves to medical facilities in Bắc Giang province in northern Vietnam, where many infections had occurred from May, and in Ho Chi Minh City, where the biggest outbreak had occurred from August.





Bringing in support supplies (Bắc Giang province [left], Ho Chi Minh City [right])





Trust Future Forum

Service to Society Aimed at Development and Spread of Trust System



Trust Forum Foundation

Trust Forum Foundation, a public interest incorporated foundation, has carried out surveys and research to contribute to the spread and development of Japan's trust system. With the aim of contributing to improve the quality of national living standards and domestic economic development, we offer subsidiaries to support outstanding research and activities. Established in July 1987, the Trust Forum Foundation will celebrate its 30th year anniversary in 2017.

Social Contributions via Survey and Research

One pillar of the mainstay survey and research business is establishing research themes relating primarily to the Trust Act and self-directed research carried out in study group meetings, and on mainly financial and economic matters, consigning research to a specialist research institute. These research results are released to the general public through book publications and research paper issuance. Since its founding, the Trust Forum Foundation has released 89 research books as of December 2021, and researchers and practitioners use them.

In pursuing research, scholars involved in trust research focused mainly on civil law, commercial law, and Anglo-American law made up the core of the research effort, and the research results became the cumulative foundation of intellectual capital for Japan relating to the trust system. The Trust Forum Foundation contributed in unparalleled ways in Japan as a specialist research institute such as when its research was referenced in amending Japan's Trust Act in 2007.

In the more than 10 years since the Trust Act amendment, a new era is emerging due to new ways of utilizing trusts, new methods, and new concepts as social issues have grown even more serious. The Trust Forum Foundation will continue as a public interest incorporated foundation to promote social contribution and activities with a high public interest.

Grants, Social Contributions via Endowed Courses

The grant-making program supports surveys, research, and activities on trusts and related finance and economics, and is the Forum's second pillar. It accepts applications from researchers in Japan and overseas, practitioners, and various organizations, and offers grants for research expenses, etc.

In conjunction, with the aim of spreading trusts and promoting understanding, the Forum has established endowed courses on the Trust Act aimed at college undergraduates. In Japan, where an increasing number of people are bearers of trusts, these courses offer students a precious opportunity to properly obtain knowledge on the trust system while young.

Meanwhile, we are currently setting up a new course for elderly clients on the topic of donations using trust schemes in fiscal year 2021.

Themes of Self-Directed and Consignment Research (as of December 2021)

Self-Directed Research	Gerontology in housing and ways of living
	Trusts and inheritance planning in the U.S.
	A comparison of commercial trusts and corporations
	Expanding courses and promoting "Education related to trusts and financial economics"
	Shares and trusts
	New issues faced by trusts and the Trust Act
	Systems and legal principles of investment trusts
	The development of the Trust Act and trust-related principles of law
	Future prospects for the popularization of charitable trusts, in light of proposed amendments to the Act on Charitable Trust
	Financial transactions and taxation
Consignment Research	Nuclear power generation in Japan using trust methods Designing systems for decommissioning schemes
	Legal issues related to testamentary substitute trusts
	Research on regional development and regional finance using RESAS and regional economic cycle analysis

List of grant-assisted projects in FY2021

Hosting the 20th Japan-China Civil and Commercial Law Seminar
Suggestions for civil trusts in Japan, taken from the theory and practice of trusts in the U.S.
Comparative research into financial and economic education, including trusts in various Asian countries
Value-linking mechanisms and the function of trusts for stablecoins
Hermeneutics and legislative theory related to how welfare trusts should be taxed, from the perspective of the U.K. adult guardianship system
Intellectual property rights trusts in Japan and the U.S. (with a focus on patent rights trusts)

List of Endowed Courses Established

Kwansei Gakuin University	Undergraduate School of Law and Politics
Chuo University	Faculty of Law
Tohoku University	Faculty of Law
Doshisha University	Law School
Rikkyo Second Stage College	

The Sumitomo Foundation

Partnership with the Sumitomo Foundation

The Besshi Copper Mine in Ehime Prefecture was opened in 1691 after Tomoyoshi Sumitomo—the fourth head of the Sumitomo family—acquired mining rights from Japan's feudal government. It thereafter became the foundation of the various businesses of the Sumitomo Group. The Sumitomo Foundation was established in 1991 to commemorate the opening of the mine 300 years earlier and since then the SuMi TRUST Group has collaborated with the Foundation in various ways. For example, we have contributed money, played a part in its management as trustee, and dispatched staff.

Grant Business of the Sumitomo Foundation

As a universal grant-making organization, the Sumitomo Foundation extends grants to research activities and businesses in various fields, including basic sciences, the environment, art and culture, and international exchange. From fiscal 1991 through 2020 the Foundation had awarded a total of 7,069 grants worth more than ¥11.3 billion.

Basic Science Research Grants

Scientific advancements have contributed greatly to the development of society and science has the potential to open up the future of humankind. This grant provides support to basic science research projects considered important but lacking research funds, and especially budding research undertaken by young researchers expected to generate innovative ideas.

Cumulative number of grants from FY1991 through FY2020: 2,503 for a total of more than ¥4.0 billion

Environmental Research Grants

Environmental issues are some of the biggest problems currently confronting humanity. Researchers continue to investigate the causes and seek solutions to numerous environmental problems, including global warming, ozone-layer depletion, acid rain, species decline, food and population, desertification, and pollution. Given the need to develop analysis methods and various countermeasures based on a multi-faceted approach in order to solve the problems plaguing the environment, this grant provides support to research projects undertaken in a variety of fields (humanities, social sciences, natural sciences).

Cumulative number of grants from FY1991 through FY2020: 1,520 for a total of more than ¥2.9 billion

Grant for Projects for the Protection, Preservation & Restoration of Cultural Properties in Japan

When considering spiritual wealth, cultural assets are the source of a spiritually affluent lifestyle and the basis for the creation of new culture. And as a foundation for mutual understanding, they serve to deepen awareness of one's own culture and the cultures of other countries. Having access to cultural assets is therefore an extremely effective way of learning about the history of bilateral cultural exchange. From this point of view, it is the responsibility of the current generation to preserve cultural assets so they can be inherited by the next generation. That said, it is hard to say that there is always enough money to spend on preserving and restoring cultural property in Japan. This grant is for projects that aim to help protect, preserve, and restore cultural assets in Japan (fine arts such as paintings, sculptures, craftwork, handwriting, books, ancient documents, antiquities, and historical materials).



Inouchuzu (Map of Japan, made by Ino Tadataka), The University of Tokyo

Cumulative number of grants from FY1991 through FY2020: 864 for a total of more than ¥1.7 billion

Grant for Projects for the Protection, Preservation & Restoration of Cultural Properties outside Japan

Culture is the cornerstone of a country and the source of spiritual enrichment. Cultural properties are assets in which humanity and the history of mankind are interweaved—they represent the hope and pride of the people in all countries. Mutual understanding is deepened when the people of the world have access to each other's cultural assets, which in turn builds relationships of trust. It is the responsibility of the people alive today to protect cultural properties and pass them on to the next generation. That said, not enough has been done in other countries to preserve and restore cultural assets. With the aim of helping to hand cultural properties shared by all humanity down to posterity, this grant is for projects in other countries that preserve and restore cultural properties (fine arts and relics), as well as preliminary research that leads directly to preservation and restoration work.



Kaman-Kalehöyük archaeological site, Turkey

Cumulative number of grants from FY1991 through FY2020: 354 for a total of more than ¥830 million

Japan-Related Research Grants in Asia

This grant is for researchers in mainly East Asian or Southeast Asian countries undertaking research related to Japan, including comparative studies, international relation studies, and historical exchange studies that include Japan. The grant aims to lay the groundwork for deepening understanding of Japan in these countries and to help further mutual understanding between Asian countries and Japan.

Cumulative number of grants from FY1991 through FY2020: 1,676 for a total of more than ¥1.2 billion

Comparative Table of Common Metrics for Sustainable Value Creation

This report was created based on consideration of "Towards Common Metrics and Consistent Reporting of Sustainable Value Creation," a document put together mainly by the global Big 4 accounting firms based on the recommendations of the World Economic Forum's International Business Council. Measurement standards include core metrics and expanded metrics. This report was created in line with the disclosure items of the core metrics, and is also built to support some of the disclosure items of the expanded metrics.

Principles of Governance

Theme	Core metrics and disclosures	Page No.
Governing purpose	**Setting purpose** The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	P6-7
Quality of governing body	**Governance body composition** Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	P12-13
Stakeholder engagement	**Material issues impacting stakeholders** A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	P18-23
Ethical behaviour	**Anti-corruption** 1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	P28-34
	Protected ethics advice and reporting mechanisms A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organizational integrity; and 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.	P29-31
Risk and opportunity oversight	**Integrating risk and opportunity into business process** Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	P37-41, P48-61

Theme	Expanded metrics and disclosures	Page No.
Governing purpose	**Purpose-led management** How the company's stated purpose is embedded in company strategies, policies and goals.	P18 Integrated Report 2021 P4-11
Quality of governing body	**Progress against strategic milestones** Disclosure of the material strategic economic, environmental and social milestones expected to be achieved in the following year, such milestones achieved from the previous year, and how those milestones are expected to or have contributed to long-term value.	P15, P20-21
	Remuneration 1. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental and social topics, as connected to the company's stated purpose, strategy and long-term value. 2. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: • Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses and deferred or vested shares • Sign-on bonuses or recruitment incentive payments • Termination payments • Clawbacks • Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives and all other employees	Integrated Report 2021 P96-103

Theme	Expanded metrics and disclosures	Page No.
Ethical behaviour	**Alignment of strategy and policies to lobbying** The significant issues that are the focus of the company's participation in public policy development and lobbying; the company's strategy relevant to these areas of focus; and any differences between its lobbying positions and its purpose, stated policies, goals or other public positions.	P33
	Monetary losses from unethical behaviour Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice or violations of other related industry laws or regulations.	P34
Risk and opportunity oversight	**Economic, environmental and social topics in capital allocation framework** How the highest governance body considers economic, environmental and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments.	—

Planet

Theme	Core metrics and disclosures	Page No.
Climate change	**Greenhouse gas (GHG) emissions** For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO_2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	P93-99
	TCFD implementation Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	TCFD REPORT 2021/2022
Nature loss	**Land use and ecological sensitivity** Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	—
Freshwater availability	**Water consumption and withdrawal in water-stressed areas** Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	—

Theme	Expanded metrics and disclosures	Page No.
Climate change	**Paris-aligned GHG emissions targets** Define and report progress against time-bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. This should include defining a date before 2050 by which you will achieve net-zero greenhouse gas emissions, and interim reduction targets based on the methodologies provided by the Science Based Targets initiative, if applicable. If an alternative approach is taken, disclose the methodology used to calculate the targets and the basis on which they deliver on the goals of the Paris Agreement.	P66, P93 TCFD REPORT 2021/2022
	Impact of GHG emissions Report wherever material along the value chain (GHG Protocol Scope 1, 2 & 3) the valued impact of greenhouse gas emissions. Disclose the estimate of the societal cost of carbon used and the source or basis for this estimate.	—
Nature loss	**Land use and ecological sensitivity** Report for operations (if applicable) and full supply chain (if material): • Area of land used for the production of basic plant, animal or mineral commodities (e.g. the area of land used for forestry, agriculture or mining activities). • Year-on-year change in the area of land used for the production of basic plant, animal or mineral commodities. Note: Supply-chain figures can initially be estimated where necessary based on the mass of each commodity used and the average mass produced per unit of land in different sourcing locations. • Percentage of land area in point 1 above or of total plant, animal and mineral commodity inputs by mass or cost, covered by a sustainability certification standard or formalized sustainable management programme. Disclose the certification standards or description of sustainable management programmes along with the percentage of total land area, mass or cost covered by each certification standard/programme.	—
	Impact of land use and conversion Report wherever material along the value chain: the valued impact of use of land and conversion of ecosystems.	—

Comparative Table of Common Metrics for Sustainable Value Creation

Theme	Expanded metrics and disclosures	Page No.
Freshwater availability	**Impact of freshwater consumption and withdrawal** Report wherever material along the value chain: the valued impact of freshwater consumption and withdrawal.	—
Air pollution	**Air pollution** Report wherever material along the value chain: nitrogen oxides (NOx), sulphur oxides (SOx), particulate matter and other significant air emissions. Wherever possible estimate the proportion of specified emissions that occur in or adjacent to urban/densely populated areas.	—
	Impact of air pollution Report wherever material along the value chain: the valued impact of air pollution, including nitrogen oxides (NOx), sulphur oxides (SOx), particulate matter and other significant air emissions.	—
Water pollution	**Nutrients** Estimate and report wherever material along the value chain: metric tonnes of nitrogen, phosphorous and potassium in fertilizer consumed.	—
	Impact of water pollution Report wherever material along the value chain: the valued impact of water pollution, including excess nutrients, heavy metals and other toxins.	—
Solid waste	**Single-use plastics** Report wherever material along the value chain: estimated metric tonnes of single-use plastic consumed. Disclose the most significant applications of single-use plastic identified, the quantification approach used and the definition of single-use plastic adopted.	P97
	Impact of solid waste disposal Report wherever material along the value chain, the valued societal impact of solid waste disposal, including plastics and other waste streams.	P96-99
Resource availability	**Resource circularity** Report the most appropriate resource circularity metric(s) for the whole company and/or at a product, material or site level as applicable. Potential metrics include (but are not limited to) the Circular Transition Indicators (WBCSD), indicators developed by the Ellen MacArthur Foundation and company developed metrics. Disclose the methodological approach used to calculate the chosen circularity metric(s) and the rationale for the choice of metric(s).	P68-71

People

Theme	Core metrics and disclosures	Page No.
Dignity and equality	**Diversity and inclusion (%)** Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	P103-105
	Pay equality (%) Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	—
	Wage level (%) 1. Ratios of standard entry level wage by gender compared to local minimum wage. 2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	P107
	Risk for incidents of child, forced or compulsory labour An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	—
Health and well-being	**Health and safety (%)** 1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	P117
Skills for the future	**Training provided (#, $)** Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	P108-109

Theme	Expanded metrics and disclosures	Page No.
Dignity and equality	**Pay gap (%, #)** 1. Mean pay gap of basic salary and remuneration of full-time relevant employees based on gender (women to men) and indicators of diversity (e.g. BAME to non-BAME) at a company level or by significant location of operation. 2. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	P117
	Discrimination and harassment incidents (#) and the total amount of monetary losses ($) Number of discrimination and harassment incidents, status of the incidents and actions taken, and the total amount of monetary losses as a result of legal proceedings associated with: a) law violations; and b) employment discrimination.	P116, P120
	Freedom of association and collective bargaining at risk (%) 1. Percentage of active workforce covered under collective bargaining agreements. 2. An explanation of the assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk, including measures taken by the organization to address these risks.	P115
	Human rights review, grievance impact & modern slavery (#, %) 1. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country. 2. Number and type of grievances reported with associated impacts related to a salient human rights issue in the reporting period and an explanation on type of impacts. 3. Number and percentage of operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	—
	Living wage (%) Current wages against the living wage for employees and contractors in states and localities where the company is operating.	P117
Health and well-being	**Monetized impacts of work-related incidents on organization (#, $)** By multiplying the number and type of occupational incidents by the direct costs for employees, employers per incident (including actions and/or fines from regulators, property damage, healthcare costs, compensation costs to employees).	—
	Employee well-being (#, %) 1. The number of fatalities as a result of work-related ill-health, recordable work-related ill-health injuries, and the main types of work-related ill-health for all employees and workers. 2. a) Percentage of employees participating in "best practice" health and well-being programmes, and b) Absentee rate (AR) of all employees.	P115, P117
Skills for the future	**Number of unfilled skilled positions (#, %)** 1. Number of unfilled skilled positions (#). 2. Percentage of unfilled skilled positions for which the company will hire unskilled candidates and train them (%).	—
	Monetized impacts of training – Increased earning capacity as a result of training intervention (%, $) 1. Investment in training as a percentage (%) of payroll. 2. Effectiveness of the training and development through increased revenue, productivity gains, employee engagement and/or internal hire rates.	—

Comparative Table of Common Metrics for Sustainable Value Creation

Prosperity

Theme	Core metrics and disclosures	Page No.
Employment and wealth generation	**Absolute number and rate of employment** Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	P107, P117, P136
	Economic contribution 1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: • Revenues • Operating costs • Employee wages and benefits • Payments to providers of capital • Payments to government • Community investment 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	P33, P117, P136-137, P150, P231
	Financial investment contribution Total capital expenditures (CapEx) *minus* depreciation, supported by narrative to describe the company's investment strategy. Share buybacks *plus* dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	P137
Innovation of better products and services	**Total R&D expenses ($)** Total costs related to research and development.	—
Community and social vitality	**Total tax paid** The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	P150

Theme	Expanded metrics and disclosures	Page No.
Employment and wealth generation	**Infrastructure investments and services supported** Qualitative disclosure to describe the below components: 1. Extent of development of significant infrastructure investments and services supported. 2. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. 3. Whether these investments and services are commercial, in-kind or pro bono engagements.	P137
	Significant indirect economic impacts 1. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. 2. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities (e.g. national and international standards, protocols, policy agendas).	P137
Innovation of better products and services	**Social value generated (%)** Percentage of revenue from products and services designed to deliver specific social benefits or to address specific sustainability challenges.	—
	Vitality Index Percentage of gross revenue from product lines added in last three (or five) years calculated as the sales from products that have been launched in the past three (or five) years divided by total sales, supported by narrative that describes how the company innovates to address specific sustainability challenges.	P138
Community and social vitality	**Total Social Investment ($)** Total Social Investment (TSI) sums up a company's resources used for "S" in ESG efforts defined by CECP Valuation Guidance.	P137, P150
	Additional tax remitted The total additional global tax collected by the company on behalf of other taxpayers, including VAT and employee-related taxes that are remitted by the company on behalf of customers or employees, by category of taxes.	—
	Total tax paid by country for significant locations Total tax paid and, if reported, additional tax remitted, by country for significant locations.	—

PRB Initiatives

We became a founding signatory to the Principles for Responsible Banking (PRB) advocated for by the United Nations Environment Programme Finance Initiative (UNEP FI) and launched on September 22, 2019. We are committed to collaborating with other signatory banks worldwide to strategically align our business operations with the Sustainable Development Goals (SDGs) and the Paris Agreement on climate change. The signing of the PRB means we promise to be transparent about the positive and negative impacts our banking business has on people and the planet. By focusing on the areas in which our core business has the greatest impact, setting goals for specific initiatives, and taking action, we hope to make significant contributions towards achieving the targets of the SDGs on both a global and local level.

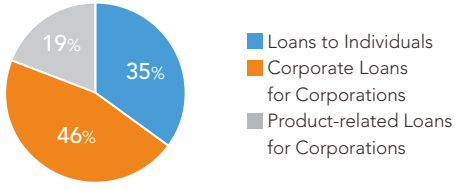
Having signed on to the PRB, we are obligated to disclose information about our PRB initiatives in our existing reports. More specifically, 18 months after signing (i.e., by March 2021 for the Company) and then every year thereafter, we must report on progress and self-assessments, and then within four years fully implement the following necessary steps as a signatory bank: (1) impact analysis; (2) target setting and implementation; and (3) accountability. Our first initiative is shown below.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
Principle 1: Alignment **We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.**		
1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant, the technologies financed across the main geographies in which your bank has operations or provides products and services.	The SuMi TRUST Group leverages its significant expertise and comprehensive capabilities to create unique value under a business model that combines banking, asset management and administration, and real estate services.	2021 disclosure materials

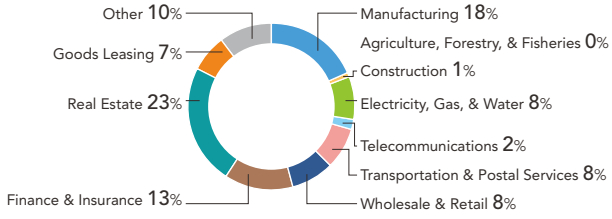
FY2020 Gross Business Profit by Segment (¥100mn)

Retail TS Services Business	1,776	Bank deposits, loans to individuals, sales of investment trusts and insurance, will trusts, asset inheritance services, etc.
Wholesale TS Services Business	2,077	Corporate credit loans, real estate lending, etc.
Stock Transfer Agency Services Business	403	Stock transfer agency services
Real Estate Business	499	Real estate brokerage, real estate securitization
Fiduciary Services Business	1,758	Pension trusts, securities management and administration
Global Markets Business	698	ALM, fixed income investments

Breakdown of Loan Balance



Industry Weighting of Loans to Domestic Corporate Clients



(Note) Share ratio calculated based on the assumption that the balance of loans for corporations at domestic branches is 100%.

Balance of Bank Loans in Japan and Overseas (March 31, 2021)

Japan	¥26 trillion	Overseas	¥4 trillion

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	The SuMi TRUST Group defines its Purpose—or reason for existence—as "To create new value with the power of trusts and let prosperous future for our clients and society bloom," and seeks to achieve the balanced creation of both social value and economic value. In order to realize its Purpose, the Group must organically combine the process of creating positive impacts while maximizing stakeholder value with the process of sustainably strengthening its own financial and non-financial management foundations (the six types of capital); and it must establish a system to appropriately manage these processes at the management level. The Group calls this system the "value creation process." The Group defines the "events that have a significant impact on the process of improving the ability to generate value sustainably through the accumulation of financial and non-financial capital" as "Materiality"—or priority issues—and has drawn up a list of 17 Materiality issues. Of these issues, the Group recognizes that climate change has a particularly large impact. For this reason, in October 2021 the Group announced its Carbon Neutral Commitment and joined the Net-Zero Banking Alliance, while its two core management subsidiaries—Sumitomo Mitsui Trust Asset Management and Nikko Asset Management—signed up to the Net-Zero Asset Managers initiative. The Group has chosen to accelerate initiatives aimed at reducing its own GHG emissions, as well as those generated by its trusts, and investments and loans in order to realize a carbon-free society.	Sustainability Report 2021/2022 Page 18 TCFD REPORT 2021/2022 Pages 7-9
Principle 2: Impact and Target Setting **We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.**		
2.1 Impact Analysis: Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements: a) Scope: The bank's core business areas and products/services across the main geographies in which the bank operates have been included in the scope of analysis, as outlined in section 1.1. b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies. c) Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates. d) Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/ salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d)) Show that building on this analysis, the bank has • Identified and disclosed its areas of most significant (potential) positive and negative impact • Identified strategic business opportunities in relation to the increase of positive impacts/reduction of negative impacts	With regard to domestic lending, the SuMi TRUST Group sought to identify the sectors that have the greatest impact. It analyzed industry types with the highest value in its loan portfolio; it used an impact radar that took into account the national needs of Japan; and for each sector, it measured positive and negative impacts. In Japan, global warming is the cause of an increasing number of natural disasters. Reducing GHG emissions, with the goal of mitigating global warming, is therefore an issue of great urgency. The Group used its impact radar to consider the characteristics of its impacts, and drew up a list of priorities for issues related to sustainable development; it designated climate change as the most important issue. When measuring impacts, the Group is experimenting with incorporating expert technical analyses and evaluations, primarily from the scientists and engineers belonging to the technology-based finance team. In order to respond to the key issue of climate change, in October 2021 the Group announced its Carbon Neutral Commitment. This formalizes its commitment to contributing to the realization of a carbon-free society by achieving net-zero emissions in its trusts, its loans and investments, and in its own initiatives. With regard to the GHG emissions goals outlined in its Carbon Neutral Commitment, the SuMi TRUST Group pledges to continually calculate and regularly report the results. Before it can calculate emissions, the Group must first establish an appropriate calculation system—a process that includes the creation of a database. In the meantime, the Group has come up with a broad estimate for the GHG emissions volumes of its current investments and loans portfolio. Details are provided in the TCFD Report.	TCFD REPORT 2021/2022 Pages 34-35

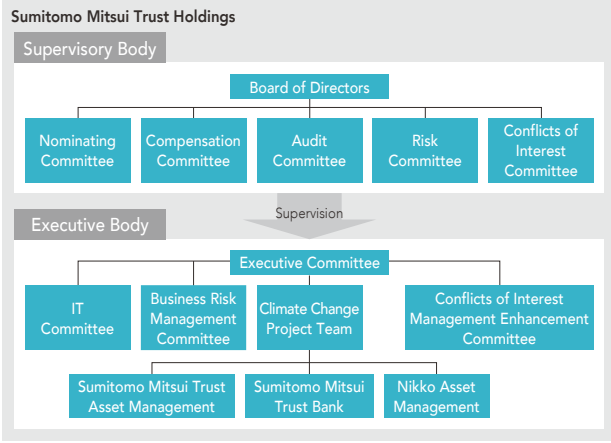
Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

The SuMi TRUST Group defines its Purpose—or reason for existence—as "To create new value with the power of trusts and let prosperous future for our clients and society bloom," and seeks to achieve the balanced creation of both social value and economic value.
In order to achieve its Purpose, the Group has drawn up a list of 17 Materiality issues, defined as "events that have a significant impact on the process of improving the ability to generate value sustainably through the accumulation of financial and non-financial capital."
Of these issues, the Group recognizes that climate change has a particularly large impact. For this reason, in October 2021 the Group announced its Carbon Neutral Commitment, and sought to accelerate initiatives aimed at reducing its own GHG emissions, as well as emissions generated by its trusts, and investments and loans in order to realize a carbon-free society.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
2.2 Target Setting Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact," resulting from the bank's activities and provision of products and services. Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline. Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/ climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.	**SuMi TRUST Group Carbon Neutral Commitment** The SuMi TRUST Group defines its Purpose—or reason for existence—as "To create new value with the power of trusts and let prosperous future for our clients and society bloom." The Group seeks to contribute to the realization of a carbon-free society, and to achieve the balanced creation of both social value and economic value. It intends to accomplish this by creating new markets and new investment opportunities, through executing its investments and loans functions, and its asset management and administration, in the distinctive manner of a trust bank group. 1) Contribute to achieving a carbon-free society by leveraging its wide-ranging and flexible functions as a trust bank group As Japan's only trust banking group, the SuMi TRUST Group aims for a balanced creation of both social value and economic value by harnessing the power of trusts. It will contribute to the realization of a carbon-free society through its transactions with clients by leveraging its diverse functions, including investments and loans from its own accounts, asset management, asset administration, and various advisory services. The SuMi TRUST Group is Asia's largest asset management group, with assets under management of ¥122 trillion, and intends to consider ways of achieving net-zero GHG emissions in its investment management operations. Both Sumitomo Mitsui Trust Asset Management (SMTAM) and Nikko Asset Management (Nikko AM) are already conducting independent engagement activities; they have also led Asian participation in international initiatives such as Climate Action 100+, and carried out joint engagement activities targeting corporations that are major greenhouse gas emitters. In the real estate sector, in 2010 the SuMi TRUST Group became the first Japanese financial institution to establish an organization dedicated to environmentally friendly property. Since then, the Group has engaged in various businesses aimed at popularizing environmentally friendly property. This includes providing consulting services for energy-saving building facilities, and providing support for clients looking to switch to renewable energy; the Group places a particular focus on consulting services for clients intending to apply for CASBEE Certification, a method for evaluating and rating the environmental performance of buildings. The Group has one of the highest-value portfolios of entrusted properties in Japan, with a combined value of approximately ¥20 trillion. Going forward, it intends to offer support plans for achieving net-zero GHG emissions at these properties. As the only financial group in Japan to specialize in trust banking, the SuMi TRUST Group will utilize its diverse and flexible functions to promote the creation of virtuous circles of financing, assets, and capital, and thereby contribute to the rapid realization of a carbon-free society. 2) Achieve net-zero GHG emissions in investment and loan portfolios The SuMi TRUST Group has committed to achieving net-zero GHG emissions (Scope 3) in its investment and loan portfolios by 2050; in order to strengthen its commitment, it has joined the Net-Zero Banking Alliance (NZBA), which was convened by the United Nations Environment Programme Finance Initiative (UNEP FI). In fiscal 2022, the Group will formulate interim targets for 2030 in line with the NZBA framework. In the shipping sector, SuMi TRUST Bank is a signatory to the Poseidon Principles. In October 2021, the Bank also signed up to the Getting to Zero Coalition (GZC)'s "The Call to Action for Shipping Decarbonization," which seeks to encourage decarbonization in the maritime shipping industry. The signatories to The Call to Action commit to achieving net-zero GHG emissions from international shipping by 2050; they also pledge to urge governments to formulate policies aimed at developing commercially viable zero-emission vessels by 2030. **Examples of sustainable finance:** • Positive impact finance • Renewable energy finance • Finance for green buildings The Group also intends to focus on transition finance that supports the transition to a carbon-free society. 3) Contributions from the Group's own initiatives The SuMi TRUST Group has committed to achieving net-zero GHG emissions (Scope 1 and Scope 2) from the Group by 2030.	TCFD REPORT 2021/2022 Pages 7-9
	Sustainable Finance Target SuMi TRUST Bank has set a long-term target for sustainable finance in the banking sector (loans to corporate clients) of ¥5 trillion in cumulative loans over the 10-year period from fiscal year 2021 through 2030, including ¥3 trillion in environment-related fields. As of September 30, 2021, the Bank has lent a cumulative total of ¥328.5 billion.	TCFD REPORT 2021/2022 Page 31

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.		
The SuMi TRUST Group is a signatory to the Principles for Responsible Banking (PRB), and announced its Carbon Neutral Commitment as part of its efforts to respond to climate change and achieve a carbon-free society. The Group will contribute to the realization of a carbon-free society by reducing its own GHG emissions, as well as emissions generated by its trusts, and investments and loans.		
2.3 Plans for Target Implementation and Monitoring Show that your bank has defined actions and milestones to meet the set targets. Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.	In its Medium-Term Management Plan, the SuMi TRUST Group has outlined a basic strategy of generating positive impacts geared toward solving social issues, placing sustainability at the core of its management approach. For climate change and other key sustainability issues in Japan and overseas, the Executive Committee convenes meetings as the Sustainability Promotion Committee, while the Board of Directors provides supervision. In its Carbon Neutral Commitment, the Group has committed to achieving net-zero GHG emissions (Scope 3) in its investment and loan portfolios by 2050, and will formulate interim targets for 2030 in line with the NZBA framework. It has also committed to achieving net-zero GHG emissions (Scope 1 and Scope 2) from the Group by 2030. As outlined earlier, the SuMi TRUST Group intends to use its functions as a trust bank group to contribute to the realization of a carbon-free society. This includes promoting activities at its management subsidiaries, as well as supporting initiatives in the real estate sector. The Group established the Climate Change Project Team to promote its responses to climate change; the Team reports to the Executive Committee on a regular basis. SuMi TRUST Bank's credit portfolio is managed by the Wholesale Business Planning Department; the Department reports quarterly to the Credit Risk Committee, the highest decision-making body for investments and loans. The Wholesale Business Planning Department also monitors the management of the Sustainable Finance Target.	TCFD REPORT 2021/2022 Page 9
Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.		
For our sustainable finance target in banking, we plan to determine numerical targets and disclose our progress on a fiscal year basis. We also aim to further enhance SuMi TRUST Bank's policy on investments and loans through dialogue with stakeholders.		
2.4 Progress on Implementing Targets For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target. Or explain why actions could not be implemented/needed to be changed and how your bank is adapting its plan to meet its set target. Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)	**1. GHG emissions reductions goals** 1) Achieve net-zero GHG emissions in investment and loan portfolios In its Carbon Neutral Commitment, the SuMi TRUST Group has committed to achieving net-zero GHG emissions in its investment and loan portfolios by 2050; during 2022, it will also formulate interim targets for 2030 in line with the NZBA framework.	TCFD REPORT 2021/2022 Page 9
	2) Contributions from the Group's own initiatives The SuMi TRUST Group has committed to achieving net-zero GHG emissions (Scope 1 and Scope 2) from the Group by 2030. SuMi TRUST Bank is transitioning to the use of green electricity at its office buildings in the Tokyo metropolitan region and elsewhere, which is expected to result in a 40% reduction in CO_2 emissions over fiscal 2019 levels. Going forward, the Group intends to expand the range of sites transitioning to green electricity, with the goal of achieving net-zero GHG emissions as soon as possible.	TCFD REPORT 2021/2022 Page 32
	2. Sustainable Finance Target SuMi TRUST Bank has set a long-term target for sustainable finance in the banking sector (loans to corporate clients) of ¥5 trillion in cumulative loans over the 10-year period from fiscal year 2021 through 2030, including ¥3 trillion in environment-related fields. As of September 30, 2021, the Bank has lent a cumulative total of ¥328.5 billion.	TCFD REPORT 2021/2022 Page 31
Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets.		
The Group intends to steadily carry out all manner of measures to achieve its goals, and will continue to provide reports on its progress.		

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
Principle 3: Clients and Customers **We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.**		
3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.	In September 2016, the SuMi TRUST Group formulated and announced its "Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group." Through these policies, the Group seeks to become the "Best Partner" for its clients, providing them with products and services compatible with their genuine interests, and to carry out fiduciary duties across all its business operations. Where necessary, the Group revises and further strengthens its policies and initiatives. In order to clearly communicate the results of these initiatives to its clients, the Group periodically publishes a report entitled "Progress Status and KPIs regarding Initiatives to Become the 'Best Partner' for Clients." These KPIs include those commonly used by financial institutions for investment trust sales.	Sustainability Report 2021/2022 Pages 139–144 See Providing Value to Clients for details
3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.	**Positive impact finance (PIF)** In March 2019, SuMi TRUST Bank developed the world's first positive impact finance (PIF) for ordinary corporate credit (in which the use of loaned funds is unspecified) in line with the Principles for Positive Impact Finance of the United Nations Environment Programme Finance Initiative (UNEP FI). PIF is a loan agreement in which the Bank comprehensively analyzes and assesses the impacts of a company's supply chain on the environment, society, and the economy; it draws up specific KPIs for increasing positive impacts and limiting negative impacts, and requires the client commit to them. The Bank then encourages the client in its efforts to contribute to SDGs by monitoring and disclosing the results of these impacts, and supports client efforts to boost the competitiveness of its business, products, and services from a global perspective.	Sustainability Report 2021/2022 Pages 54–56, 58
	Impact evaluations on funds (expanding impact evaluations) SuMi TRUST Bank provides support for conducting impact evaluations on the impact investments funds created by Anchor Ship Partners Co., Ltd. ("ASP") and Real Tech Holdings Co., Ltd. ("Real Tech"). ASP carries out investments in the shipping industry—one of the 14 promising fields outlined by the Japanese government in its Green Growth Strategy—in line with global trends toward decarbonization; it also measures the impacts that investee companies have on the environment, society, and the economy, and carries out appropriate management. Through its impact evaluations and monitoring, SuMi TRUST Bank will provide support for ASP's fund, which encourages initiatives aimed at decarbonization in the shipping industry. Real Tech invests in and nurtures "deep tech" startups—startups that seek to use cutting-edge scientific techniques and R&D to provide technological solutions for the earth and society—and is set to become the first deep tech startup fund to implement impact evaluations; to this end, it has signed an agreement for SuMi TRUST Bank to provide advisory services for impact evaluations and for the fund itself. Going forward, SuMi TRUST Bank will promote initiatives aimed at visualizing the impacts of deep tech, and at applying deep tech technologies in society.	Sustainability Report 2021/2022 Page 59
	Sustainability management consulting SuMi TRUST Bank defines sustainability management as "the establishment of a value creation process that balances the creation of value for stakeholders and the creation of value for oneself, in the three aspects of the economy, society, and the environment." It assembles project teams of experienced ESG consultants, governance specialists, and environmental specialists tailored to the needs of each individual client, and provides them with advisory services. The Bank provides support for implementation, promotion, disclosure, and dialogue in sustainability management, and has thus far worked with a total of 66 clients.	Sustainability Report 2021/2022 Pages 62-63
	Support for the social implementation of technologies The implementation of innovative technologies, the combination of various different technologies, and vast funds are required for the realization of a carbon-free society; more than ever before, financial institutions are being required to increase their knowledge of technologies, and to actively identify the risks and opportunities they present. For these reasons, the SuMi TRUST Group has established a technology-based finance team, comprised of researchers and experts with doctorates in science and engineering. Its goal is to provide financial support both for R&D into technologies that can contribute to the realization of a carbon-free society, and for their social implementation.	Sustainability Report 2021/2022 Pages 68-69

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
Principle 4: Stakeholders **We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.**		
4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.	In its Management Principles ("Mission"), the SuMi TRUST Group defines its stakeholders to be clients, shareholders, employees, and society; in its Basic Policy on the Social Responsibility of the Sumitomo Mitsui Trust Group (Sustainability Policy), the Group defines its major stakeholders to be clients, shareholders, investors, employees, business partners, local communities, NPOs, government authorities, and international institutions. The Group commits to respecting dialogue with these stakeholders and playing an active role in building a sustainable society. By identifying its stakeholders in this way, the Group is able to clearly understand how it relies on and impacts each stakeholder, and to establish a strategic foundation for the creation of social value.	Sustainability Report 2021/2022 Pages 22-27
	In October 2021, the Group announced its Carbon Neutral Commitment and joined the Net-Zero Banking Alliance, while its two core management subsidiaries—Sumitomo Mitsui Trust Asset Management and Nikko Asset Management—signed up to the Net-Zero Asset Managers initiative. The Group has chosen to accelerate initiatives aimed at reducing its own GHG emissions, as well as those generated by its trusts, and investments and loans in order to realize a carbon-free society.	Sustainability Report 2021/2022 Page 67
Principle 5: Governance & Culture **We will implement our commitment to these Principles through effective governance and a culture of responsible banking.**		
5.1 Describe the relevant governance structures, policies and procedures your bank has in place/ is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.	The SuMi TRUST Group believes climate change poses risks and generates opportunities with the greatest impact on the financial market; it has therefore identified climate change as a Materiality issue that significantly impacts the value creation process. With regard to Materiality issues, the Risk Committee and the Business Risk Management Committee act as advisory bodies for the Board of Directors and the Executive Committee respectively. The Group's various climate change initiatives are intimately linked to sustainability promotion and risk management; for this reason, in line with the relevant promotion and management systems, these initiatives are debated by the Executive Committee and supervised by the Board of Directors. Climate Change Governance System  	TCFD REPORT 2021/2022 Page 5

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
	Supervision 1) Board of Directors In light of the importance of environmental and social issues related to sustainability, the Board of Directors has prescribed a basic policy (the "Sustainability Policy") and environmental policy regarding the social responsibility that is to be fulfilled by each Group company; this is a way of communicating the Group's approach to climate change and sustainability both to internal and to external parties. Based on these policies, the Board of Directors receives reports from executive bodies regarding the progress of their climate change initiatives, and provides supervision with the help of the Risk Committee and other advisory bodies. 2) Risk Committee The Risk Committee is the advisory body to the Board of Directors. It checks the progress of the Group's climate change initiatives; it carries out flexible and in-depth discussions on climate change that include external directors with expert knowledge; it then reports its findings on the Group's climate change policies and strategies to the Board of Directors. In fiscal 2021, the Risk Committee defined climate change as a key topic requiring focused discussions. It receives regular reports from executive bodies regarding plans for climate change initiatives and how they are progressing, and holds discussions that reflect international trends to climate change response. **Execution** 1) Executive Committee The Executive Committee promotes the Group's response to sustainability and climate change by establishing medium-term policies and fiscal year policies for initiatives related to sustainability and climate change, and establishing systems for executing these policies. The Committee acts in a flexible and precise manner, carrying out PDCA cycle-based interim progress checks, and ordering policy reviews where necessary. In fiscal 2021, the Executive Committee made wide-ranging resolutions: to review the Group's climate change promotion systems; to establish the Climate Change Project Team; to publicly announce the Group's Carbon Neutral Commitment; and to join NZBA. The Committee receives regular reports from the Climate Change Project Team, holds discussions on the risks and opportunities presented by climate change, and makes decisions accordingly. 2) Business Risk Management Committee The Business Risk Management Committee is the advisory body to the Executive Committee. It holds discussions regarding the soundness of the Group's business management and financial affairs, the appropriateness of its work processes, and its management of compliance and risks. Climate change risks have a direct impact on the Group's financial affairs; for this reason, the Committee holds discussions and carries out monitoring from a risk management perspective. 3) Climate Change Project Team In 2019, the SuMi TRUST Group established the TCFD Project Team with the goal of strengthening its risk management and improving its information disclosure with regard to climate change; the Team has since carried out risk management, scenario analysis, and various initiatives related to climate change. In this fiscal year, the Group has grown increasingly aware of the importance of climate change to the world as a whole, and of the importance of utilizing its cross-organizational functions as a trust bank group for realizing carbon neutrality. As a consequence, in October 2021 the Group reorganized the TCFD Project Team as the Climate Change Project Team, with the goal of realizing rapid, Group-wide and business-wide responses to climate change. The Climate Change Project Team is composed of various business management departments at SuMi TRUST Holdings, various business departments at SuMi TRUST Bank, SuMi Trust Asset Management, Nikko Asset Management, the Americas Division, and the Europe, Middle East and Africa Division. The Project Team discusses and promotes Group-wide measures aimed at realizing the Carbon Neutral Commitment, which the Group announced in October 2021. It also discusses and promotes Group-wide strategies and projects aimed at maximizing the Group's functions to actively encourage the transition to a carbon-free society. The Project Team regularly reports the progress of its activities to the Executive Committee.	

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
	Major Initiatives in FY2020–2021 Committee or Body / Description of Activity Board of Directors: • Held in-depth discussions related to climate change (including the Carbon Neutral Commitment) as a management theme — Supervisory body Risk Committee: • Positioned climate change as an important topic of discussion for FY2021; with the participation of expert outside committee members, carried out regular checks on the progress of Group initiatives, and held regular discussions related to climate change — Advisory body to the Board of Directors Executive Committee: • Held discussions and made resolutions related to: reviewing the Group's climate change promotion systems, joining NZBA, and publicly announcing the Carbon Neutral Commitment • Submitted monthly reports on the progress of the Climate Change Project Team — Executive body Business Risk Management Committee: • Provided advice and heard opinions on the state of discussions related to: reviewing the Group's climate change promotion systems, joining NZBA, and publicly announcing the Carbon Neutral Commitment — Advisory body to the Executive Committee Climate Change Project Team Steering Committee: • Held monthly discussions on the progress of the Climate Change Project Team — Executive body	
5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, while including remuneration structures, performance management, and leadership communication, amongst others.	In order to foster a culture of responsible banking, the SuMi TRUST Group promotes understanding of Group strategies among all its directors, officers, and employees via the initiatives listed below. **Employee education activities** The SuMi TRUST Group defines its Purpose—or reason for existence—as "To create new value with the power of trusts and let prosperous future for our clients and society bloom," and seeks to achieve the balanced creation of both social value and economic value. Since adopting its new management system in April 2021, the Group has launched a Purpose Caravan, via which the President seeks to explain the Purpose of the Group directly to its employees. As part of this Caravan, the President of SuMi TRUST Bank held a total of 26 online discussions, attended by approximately 12,000 Bank employees, temporary overseas employees, and directors and officers from other Group companies. Since September 2021, by holding discussions and distributing videos, the Group has gradually broadened the scope of the Purpose Caravan to cover Group company employees, and national staff at overseas worksites. **Voluntary employee activities** Departments across the Group are promoting voluntary activities such as Challenge for SDGs, Our Own SDGs Declarations, and With You. The Group provides support for employees to think about SDGs for themselves, and act accordingly. **Compensation for directors and officers** In principle, compensation for directors and officers consists of a combination of monthly compensation (comprised of fixed compensation and individual performance compensation), bonuses for directors and officers (performance-linked bonuses), and BBT (Board Benefit Trust). In order to encourage the management to promote sustainability, the Group uses "ESG-related activities and rating agency scores, etc." as one of its KPIs for determining stock compensation for directors and officers.	Sustainability Report 2021/2022 Page 6
5.3 Governance Structure for Implementation of the Principles Show that your bank has a governance structure in place for the implementation of the PRB, including: a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.	a) The Group's Sustainable Finance Target and CO_2 reduction targets were established by the Executive Committee; however, each Group business formulates its own concrete action plans, and monitors its own progress towards achieving its targets. b) Progress on achieving targets and any negative impacts that may arise are reported to the Sustainability Promotion Committee, which then immediately considers if remedial action is required.	

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.

As a signatory to the PRB, we have established a governance structure for target setting and monitoring so that the Principles can be implemented effectively. The Sustainability Management Department works with departments tasked with managing target achievement to monitor progress status, and reports the details of such progress to the Sustainability Promotion Committee.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/Link(s) to bank's full response/ relevant information
Principle 6: Transparency & Accountability **We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.**		
6.1 Progress on Implementing the Principles for Responsible Banking Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4). Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. These good practices serve as a reference when setting priorities and goal levels. Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.	The SuMi TRUST Group discloses the content of its initiatives via various reports, including the Integrated Report, Sustainability Report, and TCFD Report. In 2021, the Group carried out the following initiatives: • Announced the Carbon Neutral Commitment (October 2021) • Revised sector-specific policies (December 2021) • Lent a total of ¥328.5 billion in sustainable finance (as of September 30, 2021) • Carried out two impact evaluations on fund investments	
Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking.		
In the first 18 months after signing up to the PRB, as measures to address climate change, the Group became a signatory to the Poseidon Principles, revised its sector-specific policies, and released its first-ever TCFD Report. It also disclosed information about biodiversity via the Natural Capital Report. In October 2021, the Group announced its Carbon Neutral Commitment and joined the NZBA; in order to strengthen its commitment, the Group also established the Climate Change Project Team. Going forward, the Group intends to take the necessary steps to further enhance its sector-specific policies.		

SASB Index

The Value Reporting Foundation was established in June 2021, following the merging of The International Integrated Reporting Council (IIRC) and the Sustainability Accounting Standards Board (SASB). In November 2021, the International Financial Reporting Standards (IFRS) Foundation announced the creation of the International Sustainability Standards Board (ISSB); the VRF is set to be integrated into this board, which will be formally established in June 2022. While sustainability is clearly an extremely dynamic field, these new organizations have nevertheless announced the continuation of the SASB Index.

The SuMi TRUST Group follows the SASB Standards issued for Commercial Banks in October 2018, and Asset Management & Custody Activities in December 2021. It discloses information on the Group's core businesses as classified by SASB, namely Commercial Banking (FN-CB) and Asset Management & Custody Activities (FN-AC). While the Group is not currently in a position to disclose all of the metrics included in the standards for these two businesses, going forward it intends to keep abreast of moves in sustainability information disclosure, and provide sustainability information that is useful, relevant, and meaningful to investors.

The data disclosed here is current as of the end of March 2021.
CB: Commercial Banks
AC: Asset Management & Custody Activities

Industry	Accounting Metric	Category	Code	Response
Sustainability Accounting Standards				
Data Security				
CB	Description of approach to identifying and addressing data security risks	Discussion and Analysis	FN-CB-230a.2	• Information Security Risk and Cyber Risk Measures 2021/2022 Sustainability Report; pages 43-45 • Cyber Security Management Declaration https://www.smth.jp/english/-/media/th/english/about_us/management/risk/pdf/%20CSMD.pdf
Financial Inclusion & Capacity Building				
CB	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	Quantitative	FN-CB-240a.1	• Status of loans to SMEs 2021 Annual Report – Financial Data Section; pages 142, 150 https://www.smth.jp/english/-/media/th/english/investors/annual/2020/all2.pdf
CB	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	FN-CB-240a.4	• Financial Inclusion Initiatives 2021/2022 Sustainability Report; pages 151-156 2021 Integrated Report; page 89 https://www.smth.jp/english/-/media/th/english/investors/annual/2020/all.pdf
Incorporation of Environmental, Social, and Governance Factors				
CB	Commercial and industrial credit exposure, by industry	Quantitative	FN-CB-410a.1	• Balance of exposure to credit risk at the end of the fiscal year and breakdown by type of exposure 2021 Annual Report – Financial Data Section; page 203 https://www.smth.jp/english/-/media/th/english/investors/annual/2020/all2.pdf
AC	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	Quantitative	FN-AC-410a.1	• Investment (asset management) initiatives 2021/2022 Sustainability Report; pages 60-61
CB	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Discussion and Analysis	FN-CB-410a.2	• Lending (banking) initiatives 2021/2022 Sustainability Report; pages 48-59

Industry	Accounting Metric	Category	Code	Response
Incorporation of Environmental, Social, and Governance Factors				
AC	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	Quantitative	FN-AC-410a.2	• Investment (asset management) initiatives 2021/2022 Sustainability Report; pages 60-61 2021 Integrated Report; page 88 https://www.smth.jp/english/-/media/th/english/investors/annual/2020/all.pdf
AC	Description of proxy voting and investee engagement policies and procedures	Discussion and Analysis	FN-AC-410a.3	• Sumitomo Mitsui Trust Asset Management 2021/2022 Stewardship Report https://www.sumitrust-am.com/responsible-investment • Nikko Asset Management 2022 Sustainability Report https://en.nikkoam.com/files/pdf/esg/sustainability-report-2022-en.pdf
Business Ethics				
CB AC	Description of whistleblower policies and procedures	Discussion and Analysis	FN-CB-510a.2 FN-AC-510a.2	• Compliance Hotline System 2021/2022 Sustainability Report; page 30 • Sumitomo Mitsui Trust Accounting Hotline https://www.smth.jp/en/about_us/management/compliance/index.html
Systemic Risk Management				
CB	Global Systemically Important Bank (G-SIB) score, by category	Quantitative	FN-CB-550a.1	Although SuMi TRUST Holdings has not been selected as a G-SIB, it discloses the following metrics: • G-SIB metrics 2021 Annual Report – Financial Data Section; page 251 https://www.smth.jp/english/-/media/th/english/investors/annual/2020/all2.pdf
CB	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Discussion and Analysis	FN-CB-550a.2	• Risk Appetite framework 2021 Integrated Report; page 114 https://www.smth.jp/english/-/media/th/english/investors/annual/2020/all.pdf • Enterprise Risk Management 2021 Annual Report – Financial Data Section; pages 162-164 https://www.smth.jp/english/-/media/th/english/investors/annual/2020/all2.pdf
Activity Metrics				
CB	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Quantitative	FN-CB-000.A	• Status 2021 Integrated Report; page 17 https://www.smth.jp/english/-/media/th/english/investors/annual/2020/all.pdf
CB	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Quantitative	FN-CB-000.B	
AC	(1) Total registered and (2) total unregistered assets under management (AUM)	Quantitative	FN-AC-000.A	
AC	Total assets under custody and supervision	Quantitative	FN-AC-000.B	

Comparative table of GRI Guidelines

Global Reporting Initiative (GRI):

Established in 1997 as a joint project between the Coalition for Environmentally Responsible Economics (CERES), a nonprofit organization in the United States, and the United Nations Environment Programme (UNEP), the GRI aims to improve the contents of sustainability reports to the level of financial reports while attaining the basic conditions of comparability, credibility, accuracy, appropriateness of timing, and verifiability of the information included in the sustainability reports. The initial guidelines were issued in 2000, then revised in fiscal years 2002, 2006 and 2013. In fiscal 2016, new guidelines were issued as the GRI standard.

●=core option disclosure

Item		Indicator	Corresponding Sections
Standard Disclosure			
Organizational profile			
102-1	●	Name of the organization	
		a. Name of the organization.	233
102-2	●	Activities, brands, products, and services	
		a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	—
102-3	●	Location of headquarters	
		a. Location of the organization's headquarters.	233
102-4	●	Location of operations	
		a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	232
102-5	●	Ownership and legal form	
		a. Nature of ownership and legal form.	232
102-6	●	Markets served	
		a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	232-233
102-7	●	Scale of the organization	
		a. Scale of the organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided.	117, 231-232
102-8	●	Information on employees and other workers	
		a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	117
102-9	●	Supply chain	
		a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.	14-21
102-10	●	Significant changes to the organization and its supply chain	
		a. Significant changes to the organization's size, structure, ownership, or supply chain, including: i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.	92-96

Item		Indicator	Corresponding Sections
102-11	●	Precautionary Principle or approach	
		a. Whether and how the organization applies the Precautionary Principle or approach.	33-34
102-12	●	External initiatives	
		a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	24-27
102-13	●	Membership of associations	
		a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	24-27
Strategy			
102-14	●	Statement from senior decision-maker	
		a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.	2-3
102-15		Key impacts, risks, and opportunities	
		a. A description of key impacts, risks, and opportunities.	37-45
Ethics and integrity			
102-16	●	Values, principles, standards, and norms of behavior	
		a. A description of the organization's values, principles, standards, and norms of behavior.	1, 6-7, 28-34
102-17		Mechanisms for advice and concerns about ethics	
		a. A description of internal and external mechanisms for: i. seeking advice about ethical and lawful behavior, and organizational integrity; ii. reporting concerns about unethical or unlawful behavior, and organizational integrity.	28-34
Governance			
102-18	●	Governance structure	
		a. Governance structure of the organization, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics.	12-13
102-19		Delegating authority	
		a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.	12-13
102-20		Executive-level responsibility for economic, environmental, and social topics	
		a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics. b. Whether post holders report directly to the highest governance body.	12-13
102-21		Consulting stakeholders on economic, environmental, and social topics	
		a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics. b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.	12-13
102-22		Composition of the highest governance body and its committees	
		a. Composition of the highest governance body and its committees by: i. executive or non-executive; ii. independence; iii. tenure on the governance body; iv. number of each individual's other significant positions and commitments, and the nature of the commitments; v. gender; vi. membership of under-represented social groups; vii. competencies relating to economic, environmental, and social topics; viii. stakeholder representation.	12-13
102-23		Chair of the highest governance body	
		a. Whether the chair of the highest governance body is also an executive officer in the organization. b. If the chair is also an executive officer, describe his or her function within the organization's management and the reasons for this arrangement.	12-13
102-24		Nominating and selecting the highest governance body	
		a. Nomination and selection processes for the highest governance body and its committees. b. Criteria used for nominating and selecting highest governance body members, including whether and how: i. stakeholders (including shareholders) are involved; ii. diversity is considered; iii. independence is considered; iv. expertise and experience relating to economic, environmental, and social topics are considered.	12-13

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Item	Indicator	Corresponding Sections
102-25	Conflicts of interest	
	a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed. b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum: i. Cross-board membership; ii. Cross-shareholding with suppliers and other stakeholders; iii. Existence of controlling shareholder; iv. Related party disclosures.	12-13
102-26	Role of highest governance body in setting purpose, values, and strategy	
	a. Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.	12-13
102-27	Collective knowledge of highest governance body	
	a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.	12-13
102-28	Evaluating the highest governance body's performance	
	a. Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics. b. Whether such evaluation is independent or not, and its frequency. c. Whether such evaluation is a self-assessment. d. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.	12-13
102-29	Identifying and managing economic, environmental, and social impacts	
	a. Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes. b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities.	37-59
102-30	Effectiveness of risk management processes	
	a. Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics.	37-59
102-31	Review of economic, environmental, and social topics	
	a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities.	38, 50-51
102-32	Highest governance body's role in sustainability reporting	
	a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered.	38, 50-51
102-33	Communicating critical concerns	
	a. Process for communicating critical concerns to the highest governance body.	12-13
102-34	Nature and total number of critical concerns	
	a. Total number and nature of critical concerns that were communicated to the highest governance body. b. Mechanism(s) used to address and resolve critical concerns.	—
102-35	Remuneration policies	
	a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares; ii. Sign-on bonuses or recruitment incentive payments; iii. Termination payments; iv. Clawbacks; v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.	15
102-36	Process for determining remuneration	
	a. Process for determining remuneration. b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management. c. Any other relationships that the remuneration consultants have with the organization.	15
102-37	Stakeholders' involvement in remuneration	
	a. How stakeholders' views are sought and taken into account regarding remuneration. b. If applicable, the results of votes on remuneration policies and proposals.	—

Item		Indicator	Corresponding Sections
102-38		Annual total compensation ratio	
		a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	—
102-39		Percentage increase in annual total compensation ratio	
		a. Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	—
Stakeholder engagement			
102-40	●	List of stakeholder groups	
		a. A list of stakeholder groups engaged by the organization.	15-27
102-41	●	Collective bargaining agreements	
		a. Percentage of total employees covered by collective bargaining agreements.	115
102-42	●	Identifying and selecting stakeholders	
		a. The basis for identifying and selecting stakeholders with whom to engage.	15-27
102-43	●	Approach to stakeholder engagement	
		a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	15-27, 54-57, 60-61
102-44	●	Key topics and concerns raised	
		a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organization has responded to those key topics and concerns, including through its reporting; ii. the stakeholder groups that raised each of the key topics and concerns.	15-27, 54-57, 60-61
Reporting practice			
102-45	●	Entities included in the consolidated financial statements	
		a. A list of all entities included in the organization's consolidated financial statements or equivalent documents. b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	231-232
102-46	●	Defining report content and topic Boundaries	
		a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organization has implemented the Reporting Principles for defining report content.	4
102-47	●	List of material topics	
		a. A list of the material topics identified in the process for defining report content.	14-23
102-48	●	Restatements of information	
		a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.	—
102-49	●	Changes in reporting	
		a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	14-23
102-50	●	Reporting period	
		a. Reporting period for the information provided.	4
102-51	●	Date of most recent report	
		a. If applicable, the date of the most recent previous report.	July 2021
102-52	●	Reporting cycle	
		a. Reporting cycle.	Half year
102-53	●	Contact point for questions regarding the report	
		a. The contact point for questions regarding the report or its contents.	233
102-54	●	Claims of reporting in accordance with the GRI Standards	
		a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either: i. 'This report has been prepared in accordance with the GRI Standards: Core option'; ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'.	4, 214
102-55	●	GRI content index	
		a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include: i. the number of the disclosure (for disclosures covered by the GRI Standards); ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials; iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.	214-230

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Item	Indicator	Corresponding Sections
102-56 ●	External assurance	
	a. A description of the organization's policy and current practice with regard to seeking external assurance for the report.	
	b. If the report has been externally assured:	
	i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;	—
	ii. The relationship between the organization and the assurance provider;	
	iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.	
Management Approach		
103-1	Explanation of the material topic and its Boundary	
	a. An explanation of why the topic is material.	
	b. The Boundary for the material topic, which includes a description of:	
	i. where the impacts occur;	14-23
	ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.	
	c. Any specific limitation regarding the topic Boundary.	
103-2	The management approach and its components	
	a. An explanation of how the organization manages the topic.	
	b. A statement of the purpose of the management approach.	
	c. A description of the following, if the management approach includes that component:	
	i. Policies	
	ii. Commitments	
	iii. Goals and targets	14-23
	iv. Responsibilities	
	v. Resources	
	vi. Grievance mechanisms	
	vii. Specific actions, such as processes, projects, programs and initiatives	
103-3	Evaluation of the management approach	
	a. An explanation of how the organization evaluates the management approach, including:	
	i. the mechanisms for evaluating the effectiveness of the management approach;	14-23
	ii. the results of the evaluation of the management approach;	
	iii. any related adjustments to the management approach.	
Topic Specific Standards		
Economic		
Economic Performance		
201-1	Direct economic value generated and distributed	
	a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:	
	i. Direct economic value generated: revenues;	
	ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;	231
	iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.	
	b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.	
201-2	Financial implications and other risks and opportunities due to climate change	
	a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:	
	i. a description of the risk or opportunity and its classification as either physical, regulatory, or other;	40, 50-51, 66-73, 92-99
	ii. a description of the impact associated with the risk or opportunity;	
	iii. the financial implications of the risk or opportunity before action is taken;	
	iv. the methods used to manage the risk or opportunity;	
	v. the costs of actions taken to manage the risk or opportunity.	

Item	Indicator	Corresponding Sections
201-3	Defined benefit plan obligations and other retirement plans	
	a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities. b. If a separate fund exists to pay the plan's pension liabilities: i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them; ii. the basis on which that estimate has been arrived at; iii. when that estimate was made. c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage. d. Percentage of salary contributed by employee or employer. e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.	—
201-4	Financial assistance received from government	
	a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including: i. tax relief and tax credits; ii. subsidies; iii. investment grants, research and development grants, and other relevant types of grant; iv. awards; v. royalty holidays; vi. financial assistance from Export Credit Agencies (ECAs); vii. financial incentives; viii. other financial benefits received or receivable from any government for any operation. b. The information in 201-4-a by country. c. Whether, and the extent to which, any government is present in the shareholding structure.	—
Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	
	a. When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage. b. When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage. c. Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used. d. The definition used for 'significant locations of operation'.	117
202-2	Proportion of senior management hired from the local community	
	a. Percentage of senior management at significant locations of operation that are hired from the local community. b. The definition used for 'senior management'. c. The organization's geographical definition of 'local'. d. The definition used for 'significant locations of operation'.	—
Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	
	a. Extent of development of significant infrastructure investments and services supported. b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. c. Whether these investments and services are commercial, in-kind, or pro bono engagements.	50-51, 66-73, 137
203-2	Significant indirect economic impacts	
	a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.	—
Procurement Practices		
204-1	Proportion of spending on local suppliers	
	a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally). b. The organization's geographical definition of 'local'. c. The definition used for 'significant locations of operation'.	—

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Item	Indicator	Corresponding Sections
Anti-corruption		
205-1	Operations assessed for risks related to corruption	
	a. Total number and percentage of operations assessed for risks related to corruption.	—
	b. Significant risks related to corruption identified through the risk assessment.	
205-2	Communication and training about anti-corruption policies and procedures	
	a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.	28-34
	b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.	
	c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.	
	d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.	
	e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.	
205-3	Confirmed incidents of corruption and actions taken	
	a. Total number and nature of confirmed incidents of corruption.	32-34
	b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.	
	c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.	
	d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	
Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	
	a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.	N/A
	b. Main outcomes of completed legal actions, including any decisions or judgments.	
Environment		
Materials		
301-1	Materials used by weight or volume	
	a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:	92-99
	i. non-renewable materials used;	
	ii. renewable materials used.	
301-2	Recycled input materials used	
	a. Percentage of recycled input materials used to manufacture the organization's primary products and services.	—
301-3	Reclaimed products and their packaging materials	
	a. Percentage of reclaimed products and their packaging materials for each product category.	—
	b. How the data for this disclosure have been collected.	
Energy		
302-1	Energy consumption within the organization	
	a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.	92-99
	b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.	
	c. In joules, watt-hours or multiples, the total:	
	i. electricity consumption	
	ii. heating consumption	
	iii. cooling consumption	
	iv. steam consumption	
	d. In joules, watt-hours or multiples, the total:	
	i. electricity sold	
	ii. heating sold	
	iii. cooling sold	
	iv. steam sold	
	e. Total energy consumption within the organization, in joules or multiples.	
	f. Standards, methodologies, assumptions, and/or calculation tools used.	
	g. Source of the conversion factors used.	

Item	Indicator	Corresponding Sections
302-2	Energy consumption outside of the organization	
	a. Energy consumption outside of the organization, in joules or multiples.	—
	b. Standards, methodologies, assumptions, and/or calculation tools used.	
	c. Source of the conversion factors used.	
302-3	Energy intensity	
	a. Energy intensity ratio for the organization.	92-99
	b. Organization-specific metric (the denominator) chosen to calculate the ratio.	
	c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.	
	d. Whether the ratio uses energy consumption within the organization, outside of it, or both.	
302-4	Reduction of energy consumption	
	a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.	92-99
	b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.	
	c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.	
	d. Standards, methodologies, assumptions, and/or calculation tools used.	
302-5	Reductions in energy requirements of products and services	
	a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.	92-99
	b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.	
	c. Standards, methodologies, assumptions, and/or calculation tools used.	
Water and Effluents		
303-1	Interactions with water as a shared resource	
	a. A description of how the organization interacts with water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts caused or contributed to, or directly linked to the organization's activities, products or services by a business relationship (e.g., impacts caused by runoff).	—
	b. A description of the approach used to identify water-related impacts, including the scope of assessments, their timeframe, and any tools or methodologies used.	
	c. A description of how water-related impacts are addressed, including how the organization works with stakeholders to steward water as a shared resource, and how it engages with suppliers or customers with significant water-related impacts.	
	d. An explanation of the process for setting any water-related goals and targets that are part of the organization's management approach, and how they relate to public policy and the local context of each area with water stress.	
303-2	Management of water discharge-related impacts	
	a. A description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined, including:	—
	i. how standards for facilities operating in locations with no local discharge requirements were determined;	
	ii. any internally developed water quality standards or guidelines;	
	iii. any sector-specific standards considered;	
	iv. whether the profile of the receiving waterbody was considered.	
303-3	Water withdrawal	
	a. Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable:	—
	i. Surface water;	
	ii. Groundwater;	
	iii. Seawater;	
	iv. Produced water;	
	v. Third-party water.	
	b. Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable:	
	i. Surface water;	
	ii. Groundwater;	
	iii. Seawater;	
	iv. Produced water;	
	v. Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv.	
	c. A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories:	
	i. Freshwater (≤1,000 mg/L Total Dissolved Solids);	
	ii. Other water (>1,000 mg/L Total Dissolved Solids).	
	d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	

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Item	Indicator	Corresponding Sections
303-4	Water discharge	
	a. Total water discharge to all areas in megaliters, and a breakdown of this total by the following types of destination, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Third-party water, and the volume of this total sent for use to other organizations, if applicable. b. A breakdown of total water discharge to all areas in megaliters by the following categories: i. Freshwater (≤1,000 mg/L Total Dissolved Solids); ii. Other water (>1,000 mg/L Total Dissolved Solids). c. Total water discharge to all areas with water stress in megaliters, and a breakdown of this total by the following categories: i. Freshwater (≤1,000 mg/L Total Dissolved Solids); ii. Other water (>1,000 mg/L Total Dissolved Solids). d. Priority substances of concern for which discharges are treated, including: i. how priority substances of concern were defined, and any international standard, authoritative list, or criteria used; ii. the approach for setting discharge limits for priority substances of concern; iii. number of incidents of non-compliance with discharge limits. e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	—
303-5	Water consumption	
	a. Total water consumption from all areas in megaliters. b. Total water consumption from all areas with water stress in megaliters. c. Change in water storage in megaliters, if water storage has been identified as having a significant water-related impact. d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modeled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors.	—
Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
	a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information: i. Geographic location; ii. Subsurface and underground land that may be owned, leased, or managed by the organization; iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas; iv. Type of operation (office, manufacturing or production, or extractive); v. Size of operational site in km^2 (or another unit, if appropriate); vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem); vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).	N/A
304-2	Significant impacts of activities, products, and services on biodiversity	
	a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following: i. Construction or use of manufacturing plants, mines, and transport infrastructure; ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources); iii. Introduction of invasive species, pests, and pathogens; iv. Reduction of species; v. Habitat conversion; vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level). b. Significant direct and indirect positive and negative impacts with reference to the following: i. Species affected; ii. Extent of areas impacted; iii. Duration of impacts; iv. Reversibility or irreversibility of the impacts.	N/A

Item	Indicator	Corresponding Sections
304-3	Habitats protected or restored	
	a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals.	74-79, 164-167
	b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.	
	c. Status of each area based on its condition at the close of the reporting period.	
	d. Standards, methodologies, and assumptions used.	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	
	a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk:	—
	i. Critically endangered	
	ii. Endangered	
	iii. Vulnerable	
	iv. Near threatened	
	v. Least concern	
Emissions		
305-1	Direct (Scope 1) GHG emissions	
	a. Gross direct (Scope 1) GHG emissions in metric tons of CO_2 equivalent.	92-99
	b. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all.	
	c. Biogenic CO_2 emissions in metric tons of CO_2 equivalent.	
	d. Base year for the calculation, if applicable, including:	
	i. the rationale for choosing it;	
	ii. emissions in the base year;	
	iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.	
	e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	
	f. Consolidation approach for emissions; whether equity share, financial control, or operational control.	
	g. Standards, methodologies, assumptions, and/or calculation tools used.	
305-2	Energy indirect (Scope 2) GHG emissions	
	a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent.	92-99
	b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent.	
	c. If available, the gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all.	
	d. Base year for the calculation, if applicable, including:	
	i. the rationale for choosing it;	
	ii. emissions in the base year;	
	iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.	
	e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	
	f. Consolidation approach for emissions; whether equity share, financial control, or operational control.	
	g. Standards, methodologies, assumptions, and/or calculation tools used.	
305-3	Other indirect (Scope 3) GHG emissions	
	a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO_2 equivalent.	—
	b. If available, the gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all.	
	c. Biogenic CO_2 emissions in metric tons of CO_2 equivalent.	
	d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.	
	e. Base year for the calculation, if applicable, including:	
	i. the rationale for choosing it;	
	ii. emissions in the base year;	
	iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.	
	f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	
	g. Standards, methodologies, assumptions, and/or calculation tools used.	
305-4	GHG emissions intensity	
	a. GHG emissions intensity ratio for the organization.	92-99
	b. Organization-specific metric (the denominator) chosen to calculate the ratio.	
	c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).	
	d. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all.	

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Item	Indicator	Corresponding Sections
305-5	Reduction of GHG emissions	
	a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO_2 equivalent.	92-99
	b. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all.	
	c. Base year or baseline, including the rationale for choosing it.	
	d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).	
	e. Standards, methodologies, assumptions, and/or calculation tools used.	
305-6	Emissions of ozone-depleting substances (ODS)	
	a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent.	—
	b. Substances included in the calculation.	
	c. Source of the emission factors used.	
	d. Standards, methodologies, assumptions, and/or calculation tools used.	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
	a. Significant air emissions, in kilograms or multiples, for each of the following:	—
	i. NOx	
	ii. SOx	
	iii. Persistent organic pollutants (POP)	
	iv. Volatile organic compounds (VOC)	
	v. Hazardous air pollutants (HAP)	
	vi. Particulate matter (PM)	
	vii. Other standard categories of air emissions identified in relevant regulations	
	b. Source of the emission factors used.	
	c. Standards, methodologies, assumptions, and/or calculation tools used.	
Effluents and Waste		
306-1	Water discharge by quality and destination	
	a. Total volume of planned and unplanned water discharges by:	—
	i. destination;	
	ii. quality of the water, including treatment method;	
	iii. whether the water was reused by another organization.	
	b. Standards, methodologies, and assumptions used.	
306-2	Waste by type and disposal method	
	a. Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable:	92-99
	i. Reuse	
	ii. Recycling	
	iii. Composting	
	iv. Recovery, including energy recovery	
	v. Incineration (mass burn)	
	vi. Deep well injection	
	vii. Landfill	
	viii. On-site storage	
	ix. Other (to be specified by the organization)	
	b. Total weight of non-hazardous waste, with a breakdown by the following disposal methods where applicable:	
	i. Reuse	
	ii. Recycling	
	iii. Composting	
	iv. Recovery, including energy recovery	
	v. Incineration (mass burn)	
	vi. Deep well injection	
	vii. Landfill	
	viii. On-site storage	
	ix. Other (to be specified by the organization)	
	c. How the waste disposal method has been determined:	
	i. Disposed of directly by the organization, or otherwise directly confirmed	
	ii. Information provided by the waste disposal contractor	
	iii. Organizational defaults of the waste disposal contractor	

Item	Indicator	Corresponding Sections
306-3	Significant spills	
	a. Total number and total volume of recorded significant spills.	
	b. The following additional information for each spill that was reported in the organization's financial statements:	
	i. Location of spill;	
	ii. Volume of spill;	—
	iii. Material of spill, categorized by: oil spills (soil or water surfaces), fuel spills (soil or water surfaces), spills of wastes (soil or water surfaces), spills of chemicals (mostly soil or water surfaces), and other (to be specified by the organization).	
	c. Impacts of significant spills.	
306-4	Transport of hazardous waste	
	a. Total weight for each of the following:	
	i. Hazardous waste transported	
	ii. Hazardous waste imported	
	iii. Hazardous waste exported	92-99
	iv. Hazardous waste treated	
	b. Percentage of hazardous waste shipped internationally.	
	c. Standards, methodologies, and assumptions used.	
306-5	Water bodies affected by water discharges and/or runoff	
	a. Water bodies and related habitats that are significantly affected by water discharges and/or runoff, including information on:	
	i. the size of the water body and related habitat;	—
	ii. whether the water body and related habitat is designated as a nationally or internationally protected area;	
	iii. the biodiversity value, such as total number of protected species.	
Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	
	a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:	
	i. total monetary value of significant fines;	
	ii. total number of non-monetary sanctions;	—
	iii. cases brought through dispute resolution mechanisms.	
	b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.	
Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	
	a. Percentage of new suppliers that were screened using environmental criteria.	—
308-2	Negative environmental impacts in the supply chain and actions taken	
	a. Number of suppliers assessed for environmental impacts.	
	b. Number of suppliers identified as having significant actual and potential negative environmental impacts.	
	c. Significant actual and potential negative environmental impacts identified in the supply chain.	
	d. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment.	—
	e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.	
Social		
Employment		
401-1	New employee hires and employee turnover	
	a. Total number and rate of new employee hires during the reporting period, by age group, gender and region.	107, 117
	b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum:	
	i. life insurance;	
	ii. health care;	
	iii. disability and invalidity coverage;	
	iv. parental leave;	110
	v. retirement provision;	
	vi. stock ownership;	
	vii. others.	
	b. The definition used for 'significant locations of operation'.	

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Item	Indicator	Corresponding Sections
401-3	Parental leave	
	a. Total number of employees that were entitled to parental leave, by gender.	112
	b. Total number of employees that took parental leave, by gender.	
	c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender.	
	d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.	
	e. Return to work and retention rates of employees that took parental leave, by gender.	
Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes	
	a. Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them.	—
	b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.	
Occupational Health and Safety		
403-1	Occupational health and safety management system	
	a. A statement of whether an occupational health and safety management system has been implemented, including whether:	—
	i. the system has been implemented because of legal requirements and, if so, a list of the requirements;	
	ii. the system has been implemented based on recognized risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines.	
	b. A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered.	
403-2	Hazard identification, risk assessment, and incident investigation	
	a. A description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks, including:	—
	i. how the organization ensures the quality of these processes, including the competency of persons who carry them out;	
	ii. how the results of these processes are used to evaluate and continually improve the occupational health and safety management system.	
	b. A description of the processes for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals.	
	c. A description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals.	
	d. A description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system.	
403-3	Occupational health services	
	a. A description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks, and an explanation of how the organization ensures the quality of these services and facilitates workers' access to them.	—
403-4	Worker participation, consultation, and communication on occupational health and safety	
	a. A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.	—
	b. Where formal joint management–worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.	
403-5	Worker training on occupational health and safety	
	a. A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations.	114
403-6	Promotion of worker health	
	a. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided.	113-115
	b. A description of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks, including the specific health risks addressed, and how the organization facilitates workers' access to these services and programs.	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	a. A description of the organization's approach to preventing or mitigating significant negative occupational health and safety impacts that are directly linked to its operations, products or services by its business relationships, and the related hazards and risks.	113-115

Item	Indicator	Corresponding Sections
403-8	Workers covered by an occupational health and safety management system	
	a. If the organization has implemented an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines:	—
	i. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system;	
	ii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited;	
	iii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been audited or certified by an external party.	
	b. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.	
	c. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	
403-9	Work-related injuries	
	a. For all employees:	113-117
	i. The number and rate of fatalities as a result of work-related injury;	
	ii. The number and rate of high-consequence work-related injuries (excluding fatalities);	
	iii. The number and rate of recordable work-related injuries;	
	iv. The main types of work-related injury;	
	v. The number of hours worked.	
	b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:	
	i. The number and rate of fatalities as a result of work-related injury;	
	ii. The number and rate of high-consequence work-related injuries (excluding fatalities);	
	iii. The number and rate of recordable work-related injuries;	
	iv. The main types of work-related injury;	
	v. The number of hours worked.	
	c. The work-related hazards that pose a risk of high-consequence injury, including:	
	i. how these hazards have been determined;	
	ii. which of these hazards have caused or contributed to high-consequence injuries during the reporting period;	
	iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.	
	d. Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls.	
	e. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked.	
	f. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.	
	g. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	
403-10	Work-related ill health	
	a. For all employees:	117
	i. The number of fatalities as a result of work-related ill health;	
	ii. The number of cases of recordable work-related ill health;	
	iii. The main types of work-related ill health.	
	b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:	
	i. The number of fatalities as a result of work-related ill health;	
	ii. The number of cases of recordable work-related ill health;	
	iii. The main types of work-related ill health.	
	c. The work-related hazards that pose a risk of ill health, including:	
	i. how these hazards have been determined;	
	ii. which of these hazards have caused or contributed to cases of ill health during the reporting period;	
	iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.	
	d. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.	
	e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	
Training and Education		
404-1	Average hours of training per year per employee	
	a. Average hours of training that the organization's employees have undertaken during the reporting period, by:	106-110
	i. gender;	
	ii. employee category.	

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Item	Indicator	Corresponding Sections
404-2	Programs for upgrading employee skills and transition assistance programs	
	a. Type and scope of programs implemented and assistance provided to upgrade employee skills.	106-110
	b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	
404-3	Percentage of employees receiving regular performance and career development reviews	
	a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	106-110
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	
	a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:	12, 103-105
	i. Gender;	
	ii. Age group: under 30 years old, 30-50 years old, over 50 years old;	
	iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	
	b. Percentage of employees per employee category in each of the following diversity categories:	
	i. Gender;	
	ii. Age group: under 30 years old, 30-50 years old, over 50 years old;	
	iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	
405-2	Ratio of basic salary and remuneration of women to men	
	a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.	—
	b. The definition used for 'significant locations of operation'.	
Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	
	a. Total number of incidents of discrimination during the reporting period.	120
	b. Status of the incidents and actions taken with reference to the following:	
	i. Incident reviewed by the organization;	
	ii. Remediation plans being implemented;	
	iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;	
	iv. Incident no longer subject to action.	
Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
	a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:	N/A
	i. type of operation (such as manufacturing plant) and supplier;	
	ii. countries or geographic areas with operations and suppliers considered at risk.	
	b. Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.	
Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	
	a. Operations and suppliers considered to have significant risk for incidents of:	N/A
	i. child labor;	
	ii. young workers exposed to hazardous work.	
	b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of:	
	i. type of operation (such as manufacturing plant) and supplier;	
	ii. countries or geographic areas with operations and suppliers considered at risk.	
	c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.	
Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	
	a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of:	N/A
	i. type of operation (such as manufacturing plant) and supplier;	
	ii. countries or geographic areas with operations and suppliers considered at risk.	
	b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.	

Item	Indicator	Corresponding Sections
Security Practices		
410-1	Security personnel trained in human rights policies or procedures	
	a. Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security.	121
	b. Whether training requirements also apply to third-party organizations providing security personnel.	
Rights of Indigenous Peoples		
411-1	Incidents of violations involving rights of indigenous peoples	
	a. Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period.	
	b. Status of the incidents and actions taken with reference to the following:	
	i. Incident reviewed by the organization;	N/A
	ii. Remediation plans being implemented;	
	iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;	
	iv. Incident no longer subject to action.	
Human Rights Assessment		
412-1	Operations that have been subject to human rights reviews or impact assessments	
	a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.	119-121
412-2	Employee training on human rights policies or procedures	
	a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.	119-121
	b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	
	a. Total number and percentage of significant investment agreements and contracts that includ human rights clauses or that underwent human rights screening.	—
	b. The definition used for 'significant investment agreements'.	
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	
	a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:	
	i. social impact assessments, including gender impact assessments, based on participatory processes;	
	ii. environmental impact assessments and ongoing monitoring;	
	iii. public disclosure of results of environmental and social impact assessments;	
	iv. local community development programs based on local communities' needs;	150-195
	v. stakeholder engagement plans based on stakeholder mapping;	
	vi. broad based local community consultation committees and processes that include vulnerable groups;	
	vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts;	
	viii. formal local community grievance processes.	
413-2	Operations with significant actual and potential negative impacts on local communities	
	a. Operations with significant actual and potential negative impacts on local communities, including:	
	i. the location of the operations;	N/A
	ii. the significant actual and potential negative impacts of operations.	
Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	
	a. Percentage of new suppliers that were screened using social criteria.	—
414-2	Negative social impacts in the supply chain and actions taken	
	a. Number of suppliers assessed for social impacts.	
	b. Number of suppliers identified as having significant actual and potential negative social impacts.	
	c. Significant actual and potential negative social impacts identified in the supply chain.	
	d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.	—
	e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.	

Comparative table of GRI Guidelines

Item	Indicator	Corresponding Sections
Public Policy		
415-1	Political contributions	
	a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.	—
	b. If applicable, how the monetary value of in-kind contributions was estimated.	
Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	
	a. Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	N/A
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	
	a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes.	N/A
	b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	
Marketing and Labeling		
417-1	Requirements for product and service information and labeling	
	a. Whether each of the following types of information is required by the organization's procedure for product and service information and labeling: i. The sourcing of components of the product or service; ii. Content, particularly with regard to substances that might produce an environmental or social impact; iii. Safe use of the product or service; iv. Disposal of the product and environmental or social impacts; v. Other (explain).	N/A
	b. Percentage of significant product or service categories covered by and assessed for compliance with such procedures.	
417-2	Incidents of non-compliance concerning product and service information and labeling	
	a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes.	N/A
	b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	
417-3	Incidents of non-compliance concerning marketing communications	
	a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes.	N/A
	b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	
Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	
	a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by: i. complaints received from outside parties and substantiated by the organization; ii. complaints from regulatory bodies.	N/A
	b. Total number of identified leaks, thefts, or losses of customer data.	
	c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.	
Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	
	a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of: i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms.	N/A
	b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.	
	c. The context against which significant fines and non-monetary sanctions were incurred.	

Financial Highlights

In the consolidated financial results for FY2020, net business profit before credit costs increased by ¥5.6 billion year on year to ¥294.7 billion, which far exceeded our published forecasts. The rise was mainly due to an increase in effective net interest income and related profit in SuMi TRUST Bank, despite a decrease in net fees and commissions and related profits due to the effects of self-restraint on business activities with the spread of COVID-19.

In the meantime, net income attributable to owners of the parent decreased by ¥20.8 billion year on year to ¥142.1 billion. This was because of impairments of software assets, etc. with an eye on "new normal" state of the economy in the future, partial realization of both unrealized gains on strategic-shareholdings and unrealized losses on hedge transactions, and improvement of mark-to-market value of hedging positions in net nonrecurring profits line and below. In the first year of the newly launched Medium-Term Management Plan, the plan mostly progressed as envisaged, achieving the initial plan of ¥140 billion.

Overview of the Financial Results in FY2020

<Consolidated> SuMi TRUST Holdings (Consolidated)

Billions of Yen (Unless specified otherwise)

	FY2020 (A)	FY2019 (B)	Change (A)–(B)	Rate of change
Net Business Profit before Credit Costs	**294.7**	289.0	5.6	2.0%
Ordinary Profit	**183.1**	257.6	(74.5)	(28.9%)
Net Income Attributable to Owners of the Parent	**142.1**	163.0	(20.8)	(12.8%)
Total Credit Costs	**(7.8)**	(43.8)	36.0	—
Return on shareholders' equity*	**5.41%**	6.25%	(0.84%)	—
Net Income per Common Shares (EPS) (Yen)	**379**	434	(54)	(12.6%)
Net Assets per Common Shares (BPS) (Yen)	**7,192.07**	6,822.48	369	5.4%

* [Net Income Attributable to Owners of the Parent / (FY-start total shareholders' equity (equity) + FY-end total shareholders' equity (equity)) / 2] × 100

<Non-consolidated> SuMi TRUST Bank (Non-consolidated)

Billions of Yen (Unless specified otherwise)

	FY2020 (A)	FY2019 (B)	Change (A)–(B)	Rate of change
Net Business Profit before Credit Costs	**206.5**	206.8	(0.2)	(0.1%)
Net Interest Income and Related Profit	**229.9**	134.1	95.7	71.4%
Net Fees and Commissions and Related Profit	**163.9**	174.3	(10.3)	(5.9%)
Net Trading Profit	**(33.2)**	102.1	(135.4)	(132.5%)
Net Other Operating Profit	**91.3**	42.5	48.7	114.6%
General and Administrative Expenses	**(245.4)**	(246.4)	0.9	(0.4%)
Total Credit Costs	**(6.3)**	(34.7)	28.4	—
Net Non-recurring Profit, etc.	**(86.2)**	4.4	(90.6)	—
Ordinary Profit	**114.0**	176.4	(62.4)	(35.4%)
Extraordinary Profit	**15.6**	1.0	14.5	—
Net Income	**95.9**	124.7	(28.7)	(23.1%)

(Note) Amounts less than ¥100 million are rounded down.

<Dividends>

	FY2020 (A)	FY2019 (B)	Change (A)–(B)
Dividend per Share on Common Share (Yen)	**150.00**	150.00	±0.00

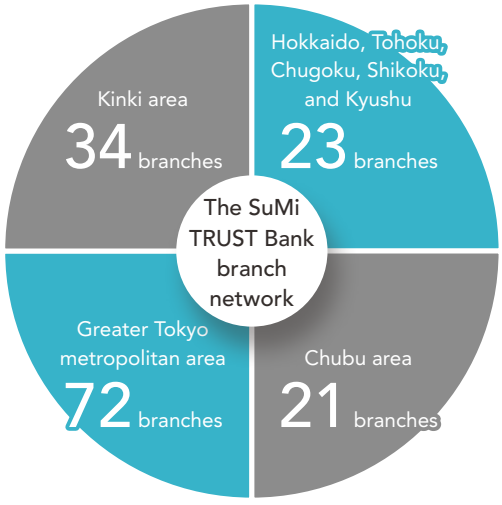
Network of the SuMi Trust Group (as of December 31, 2021)

Domestic Branch Networks and Overseas Network

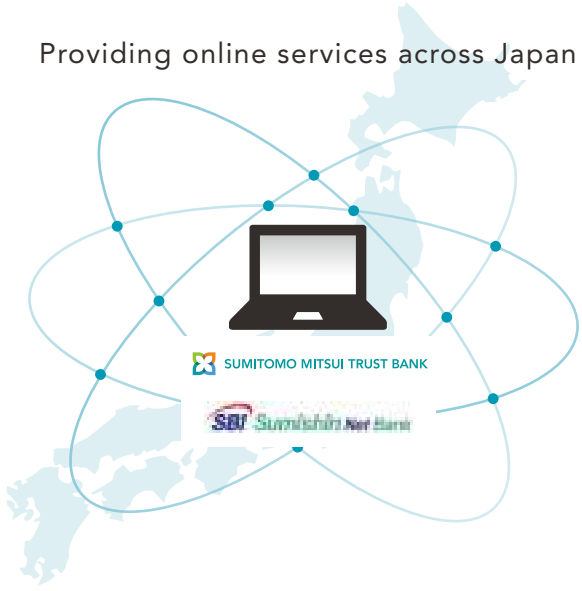
The Group has built a balanced network of offices focused on the Tokyo metropolitan, Kinki, and Chubu areas. In addition, SBI Sumishin Net Bank uses the Internet to cover all of Japan.

The Group also has an overseas network that can provide global financial services in the loan business, asset management and administration business, as well as the consulting business, among others.

Domestic Network



*The substantial number of branches is 115 when the branches at the same business site are counted on an aggregated basis.



Overseas Network

[U.S.]

- Sumitomo Mitsui Trust Asset Management Americas, Inc.
- New York Branch
- Sumitomo Mitsui Trust Bank (U.S.A.) Limited (Banking, Trust Businesses)
- Nikko Asset Management Americas, Inc.
- Midwest Railcar Corporation

[Europe]

- London Branch
- Sumitomo Mitsui Trust International Limited (Securities Business)
- Nikko Asset Management Europe Ltd.
- Sumitomo Mitsui Trust Bank (Luxembourg) S.A. (Trust, Banking, Securities Businesses)
- Sumitomo Mitsui Trust (Ireland) Limited (Trust Business)
- Sumitomo Mitsui Trust (UK) Limited (Trust Business)

[Asia/Oceania]

- Singapore Branch
- Sumitomo Mitsui Trust Leasing (Singapore) Pte. Ltd.
- Nikko Asset Management Asia Limited
- Shanghai Branch
- Hong Kong Branch
- SuMi TRUST Consulting (Beijing) Co., Ltd.
- Beijing Representative Office
- Beijing Representative Office (Securities Business)
- BIDV-SuMi TRUST Leasing Co., Ltd.
- Affin Hwang Asset Management Berhad
- Rongtong Fund Management Co., Ltd.
- Zijin Trust Co., Ltd. (Trust Business)
- Nanjing Zijin Financial Leasing Co., Ltd.
- Sumitomo Mitsui Trust (Hong Kong) Limited (Securities Business)
- Jakarta Representative Office
- Seoul Representative Office
- Sumitomo Mitsui Trust Bank (Thai) Public Company Limited (Banking Business)
- Nikko Asset Management New Zealand Limited
- Sydney Representative Office

An overseas network that can provide global financial services

Corporate Information (as of December 31, 2021)

Registered Trade Name: Sumitomo Mitsui Trust Holdings, Inc.

Headquarters Location: 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan

Date of Establishment: February 1, 2002 (Change of trade name: April 1, 2011)

Main Business: With trust banking at its core, Sumitomo Mitsui Trust Holdings, Inc., will focus on the management of business operations, as the holding company of the Sumitomo Mitsui Trust Group, and sets the following (1) - (8) as its key functions:

(1) Supervising management strategies
(2) Supervising financial management
(3) Supervising human resource management
(4) Supervising corporate administrative management
(5) Supervising operational process management
(6) Supervising risk management
(7) Supervising compliance management
(8) Managing internal auditing

Capital: 261,608,725,000 Yen

Stock Exchange Listings: Tokyo, Nagoya Stock Exchanges
Tokyo (1st Section), Nagoya (1st Section)

Securities Code: 8309

Rating Information (as of December 31, 2021)

		Long-term	Outlook	Short-term
Sumitomo Mitsui Trust Holdings	JCR	AA-	Stable	—
	R&I	A	Positive	—
Sumitomo Mitsui Trust Bank	S&P	A	Stable	A-1
	Moody's	A1	Stable	P-1
	Fitch	A-	Stable	F1
	JCR	AA-	Stable	—
	R&I	A+	Positive	a-1

Issued: April 2022

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SuMi TRUST
SUMITOMO MITSUI TRUST HOLDINGS



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