

# Respect the Individual

## Enhancing Human Capital to Increase Corporate Value

### Human Resources Strategy

The Group's Codes of Conduct ("Value") state: "We will realize our organizational capabilities full of mutual trust and creativity through improvement by mutual learning and continuous personal transformation of various people who share the enthusiasm for trust." It is essential that we create more sophisticated human capital to raise corporate value and maximize the value we provide to stakeholders.

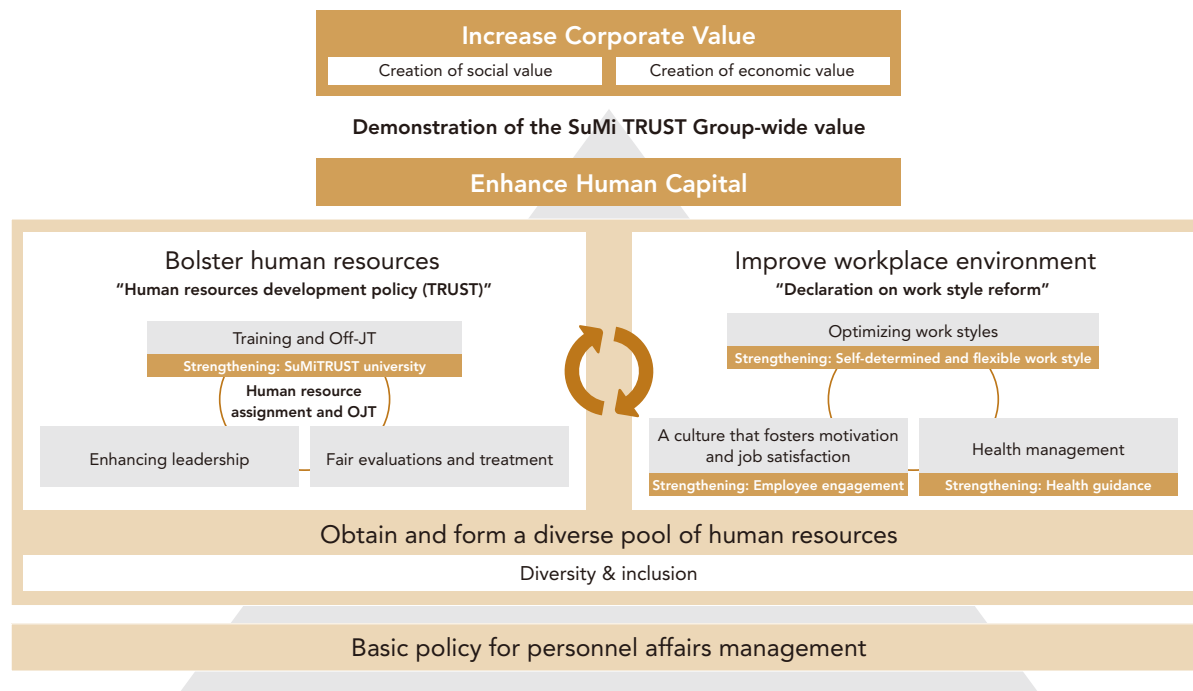
The Group categorizes individual human resources measures by function. We then apply a long-term investor's perspective to processes that create more sophisti-

cated human capital while activating synergies between each function. This approach is also conducive to the enhancement of information disclosure.

By enhancing our engagement with employees, the organization and individual employees can draw upon diversity and continue to contribute to mutual growth with the same expectations as a foundation for activity. In this way, we will seek to create new value even despite significant changes in the structure of Japanese society.

### Personnel System and Management Principles

1. SuMi TRUST Bank respects individuals' diversity and promotes voluntary initiatives so as to exercise creativity and create value added in a broad range of fields.
2. SuMi TRUST Bank promotes friendly rivalry among employees to improve themselves as well as their autonomous growth in order to enhance its expertise and comprehensive capabilities as a trust bank.
3. SuMi TRUST Bank assigns the right person to the right job according to job capability in order to make the most of individuals' potential.
4. SuMi TRUST Bank gives fair and just evaluation and treatment to individuals according to their capability, role and achievement so that they can have motivation and feel a sense of satisfaction at achieving self-fulfillment and contributing to the Company.



### Basic Policy for Personnel Affairs Management

The SuMi TRUST Group provides a workplace in which individuals' diversity and creativity are fully utilized as value-added to the organization and they can have dreams and pride and feel motivation when working. It also forms a group of personnel capable of providing comprehensive solutions by making full use of their advanced expertise and comprehensive capabilities and helps them to make successful achievements.

## Diversity & Inclusion

### Promoting Diversity & Inclusion

The Group has various functions and a diverse business portfolio, which is one of our strengths. Our human resources basic policy therefore calls for a workplace in which individuals' diversity and creativity are fully utilized to add value to the organization. As diversity promotion becomes a more widely recognized concept in society, SuMi TRUST Bank established the Diversity & Inclusion Office (D&I Office) within its Human Resources Department in October 2016 to accelerate the efforts to promote diversity and inclusion by correlating diversity promotion with a corporate culture that emphasizes diversity. The D&I Office comprises specialists from the Human Resources Department and members from business supervision departments. The Office promotes diversi-

fied work styles for individual employees and implements measures that increase corporate value in a way that is tailored to each business unit's circumstances.

In addition, promoting diversity has become a major business trend and long-term investors emphasizing ESG are taking a greater interest. In response, SuMi TRUST Holdings also established the D&I Office within its Human Resources Department in October 2017 to promote diversity and inclusion throughout the Group.

\*The SuMi TRUST Group's initiatives on diversity and inclusion

URL: [https://www.smth.jp/en/about\\_us/management/human\\_resources/diversity\\_inclusion/index.html](https://www.smth.jp/en/about_us/management/human_resources/diversity_inclusion/index.html)

Diversity & Inclusion Report No. 3 (published May 29, 2020)

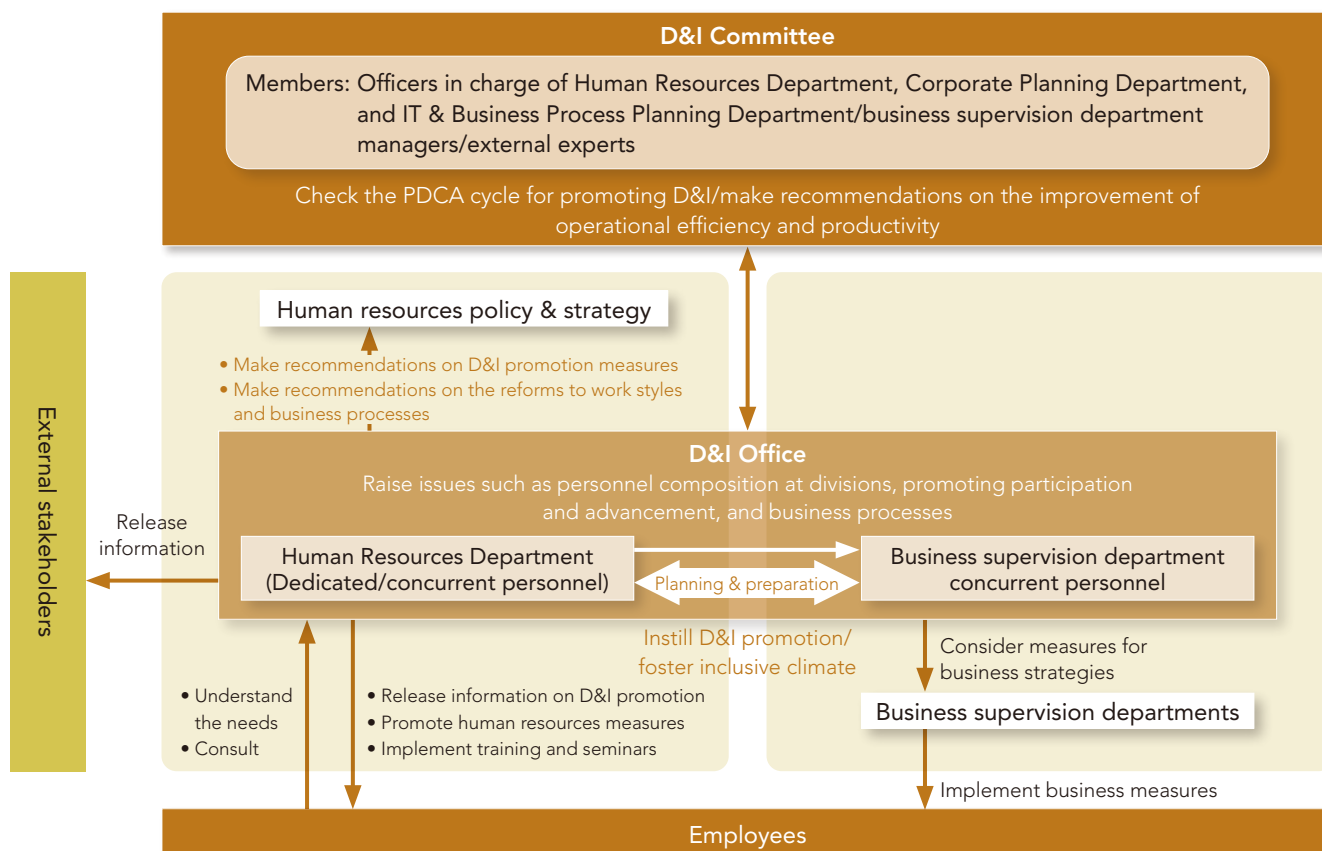
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### 1. Diversity & Inclusion Promotion Framework at SuMi TRUST Bank

SuMi TRUST Bank's initiatives for promoting diversity and inclusion focus on the empowerment of women, persons with disabilities, and global workforce, enhancement of

work-life balance, and encouragement of understanding human rights and the LGBTQ community.

#### Organizational Chart for D&I Promotion at SuMi TRUST Bank



D&I: Diversity & Inclusion

## 2. Initiatives for Promoting Women's Active Participation and Advancement

As the Group ensures "the right people are placed in the right positions based on their capabilities in order that all of our employees can realize their full potential," we place people in managerial positions based on their abilities regardless of gender.

Guided by its general business owner action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace, SuMi TRUST Bank aimed to have 300 female employees in managerial positions (section manager or higher) by the end of March 2020. This target was achieved ahead of schedule in October 2019 with 357 female employees appointed to such positions. And from April 2020, with the goal of increasing the number of women in decision-making positions, SuMi TRUST Bank formulated a new action plan to have more than 12% of female employees appointed to section manager or higher and more than 30% in charge of management operations by the end of March 2023.

Pipeline models have been formulated to facilitate the planned nurturing of employees in each business, while various types of training are being conducted with a view to future appointments of female employees to management positions as we set our sights on being the number one financial institution for both HR development and HR participation. Such training measures include seminars for women in leadership positions and training aimed at facilitating self-determined career planning. Furthermore, we are widening the scope of activities for female employees by offering a broad range of appointments through which they can take up the challenge of working in different roles. In addition to training, we provide growth opportunities through job relocation and reassignment.

### Human Resource Development in Consideration of Placing Female Employees in Managerial Positions Support for Women's Solid Career Formation

SuMi TRUST Bank carefully runs training sessions for female employees to coincide with the turning points of their careers so as to provide them with opportunities to independently consider their career development and build networks. In fiscal 2019 the Bank significantly overhauled its training program in order to further expand its support on career development for A-course employees who are hired as non-transferable workers. It ran a career design training course for employees who had been with the Bank for five years to help them chart a course for their own careers over the medium to long term with advice from external lecturers and senior employees. SuMi TRUST Bank is also undertaking initiatives to earnestly listen to the concerns of female employees—who are susceptible to the impacts of major life events—and to provide them with opportunities as early as possible so they can design their own career as part of their life planning. The Bank also organized a leadership training session with a female director as the keynote speaker for A-course employees one step away from being appointed a section manager. SuMi TRUST Bank supports the growth of female employees so they can set their sights on even higher management positions by sweeping away the concerns and pressures associated with becoming a manager

and allowing them to demonstrate their capabilities in their own management style (see page 98 for information on the career course system).

### Female Executives and Managers at SuMi TRUST Bank

	End of March 2018	End of March 2019	End of March 2020
(1) Directors and executive officers	2 (2.8%)	2 (2.9%)	4 (5.7%)
(2) Women in general manager level positions	6 (2.4%)	9 (3.7%)	12 (4.8%)
(3) Women in section manager level positions	130 (11.3%)	134 (11.8%)	135 (11.7%)
(4) Women in section manager or higher positions ((2) + (3))	136 (9.7%)	143 (10.3%)	147 (10.5%)
(5) Women responsible for management operations	1,369 (22.6%)	1,423 (23.9%)	1,570 (25.8%)

\*The number inside the parenthesis is the female employee ratio. Executive officers included in (1). Women in assistant manager or higher positions shown in (5), which also includes (4).

### Use of Outside Networks and Dialogue with Directors and Officers

We send female employees to joint events with other companies to provide opportunities for them to broaden their perspectives through interaction with people from other businesses, as well as to make an objective reassessment of their careers. In addition to Company-hosted events and training, at branch offices and departments too, we adopt a bottom-up approach to furthering the participation of female employees by providing them with opportunities to think about their own careers through interaction with women from business affiliates.

Our executive officers are also actively involved in the nurturing of female employees. To that end, we organize executive seminars so that female employees can talk directly with executives, gain insights into management, and hear what executives expect of female employees. Some of the executive seminars are held at lunchtime so as to make it easier for female employees raising young children to attend, whilst various opportunities are provided to aid their professional development.

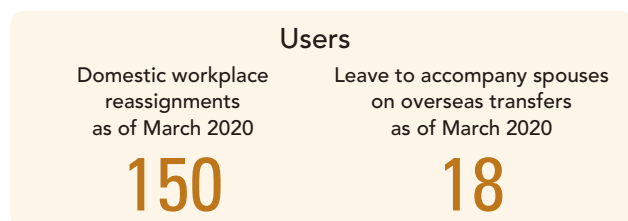
### Training for Directors, Officers, and Management

To promote a change in mindset throughout the management team—a key element in developing an environment in which women can thrive—SuMi TRUST Bank incorporates topics concerning unconscious bias and female health issues into manager training. In addition, the D&I Committee—which comprises the officers in charge of the Corporate Planning Department, Human Resources Department, and the IT & Business Process Planning Department—takes steps to deepen the understanding of executive officers regarding diversity and inclusion by, for example, organizing meetings at which young employees, female managers at Group companies, and external experts with experience of promoting diversity at other firms, have the chance to offer their own advice about the empowerment of women in the workplace.

### 3. Initiatives to Support Work-Life Balance

#### Career-Building Support to Weather Life Events A System of Workplace Reassignments and Leave to Accompany Spouses on Overseas Transfers

In fiscal 2016, SuMi TRUST Bank instituted a system so that A-course employees (who are not subject to new workplace assignments accompanied by relocation) can change their workplace location in the event of spouse's relocation. Furthermore, since July 2017, employees have been allowed a leave of absence to accompany a spouse on an overseas transfer, regardless of whether that spouse works for the same company or a different company. Both male and female employees can apply to take advantage of the system. When a spouse is transferred overseas, it imposes a heavy burden on the family environment. This system came about from a desire to help our employees independently build their careers by offering them more than just a choice between career and family. Both domestic workplace reassignments and leave to accompany spouses on overseas transfers are used as ways for employees to continue their careers despite life events.



#### Work-Life Balance

SuMi TRUST Bank targets a 100% paternity leave ratio for male employees as an initiative for achieving diverse working styles and a healthy work-life balance, one of the topics in its Declaration on Work Style Reform (see page 103). This initiative is being promoted throughout the Group for the purpose of fostering a culture in which male employees assuming responsibility for some household duties is considered normal and so they can make new discoveries outside of the workplace and get a feel for how society is changing. The 100% target was achieved again in fiscal 2019 (it was last achieved in fiscal 2017). We are continuing to undertake activities geared towards entrenching the practice of taking paternity leave as part of company culture; for instance, even after the 100% target has been attained, we are encouraging employees to take more days off work.

Also, as part of an action plan launched in April 2020 focusing on how employees can balance work with nursing care—a trend expected to increase in the future—we set a goal of achieving at least 60 evaluation points (considered a positive assessment) in an annual awareness survey on nursing care schemes and corporate culture. To further deepen employee understanding of nursing care, together with the employees' union we jointly hosted an online nursing care seminar so employees all over Japan could easily participate, and we also organized a seminar just for management so they could learn how to more smoothly communicate with subordinates that need to take time off to look after their loved ones.

### 4. Empowerment of Global Employees

SuMi TRUST Bank offers training every year to local-country employees working at its overseas branches and overseas subsidiaries and affiliates. Training is focused on deepening employees' understanding of the SuMi TRUST Group and its operations, and strengthening networks among participants and business lines. The training includes a management strategy briefing with an accompanying discussion as well as lectures on Japanese business culture and history, and business overviews.

In addition, to encourage smooth communication with newly hired overseas recruits assigned to Japan, we've conducted cross-cultural communication training for managers in departments where those new employees are placed. By comparing the difference in culture and custom between Japan and other countries, trainees learn about cultural diversity, such as values and customs. This is an initiative to spread an approach to communication that avoids the intercultural misunderstandings and trouble that may occur on the job.

### 5. Promoting Advancement of Disabled Persons

We aim to have even employees with disabilities thrive at work and find their jobs rewarding as members of the SuMi TRUST Group. Nikko Asset Management has been running the Athlete Employee Programme since 2013 and therefore focuses on hiring wheelchair athletes. The employees that joined Nikko AM through this program established a working group for disabled employees and some of those employees are involved in creating a more comfortable working environment for all employees—one of the missions of the SuMi TRUST Group.

Moreover, the number of places at SuMi TRUST Bank where disabled employees can work alongside their colleagues is growing. Such positions include customer service at branch offices or administrative duties in the head

office. We also make sure to sit down for a discussion with such employees after they have started working in order to address any concerns or requests they might have. The issues raised from these meetings prove useful when developing a more comfortable workplace environment, in terms of both physical and mental perspectives. As of September 30, 2020, the employment rate of disabled persons stood at 2.28%.

#### Employment Ratio of Disabled Persons

As of September 30, 2020

2.28%

#### Branches with Disabled Persons

As of September 30, 2020

110 branches

## Gaining & Shaping a Population of Diverse Human Resources

### Bolstering Human Resource

#### The SuMi TRUST Group Human Resources Development Policy

The SuMi TRUST Group will maintain its workplace environment and bolster its human resources based on a development spirit consisting of "TRUST," for the growth and career development of the employees who will create our future.

- Talent** .....Talent (individuality) can blossom
- Respect** .....Respect each individual
- Uniqueness** .....Develop true professionals
- Support** .....Make mutual teaching and support our motto
- Try** .....Praise small, daily challenges

Based on the "fiduciary spirit of TRUST," the SuMi TRUST Group aims to contribute to our clients and the continuous development of society through the growth of our employees, thereby maximizing the creation of shared value and becoming the corporate group that is chosen by society.



We have been advancing measures to be the "No. 1 financial group for human resource development" with the aim of "bolstering human resources," which is one of the two wheels for raising the level of our group of personnel that provides comprehensive solutions (see p. 94). Today, however, as digitization and other advances are transforming business models at an ever-accelerating pace, we need to share more concrete guidelines within the Group and accelerate their promotion. It was for this reason that, in April 2018, we created our "Human Resources Development Policy" as the shared human resource development slogan within the SuMi TRUST Group.

Through our Human Resources Development Policy, we have initiated various measures in fiscal 2019 aimed at becoming the "No. 1 financial group for human resource success," where all kinds of people, from young to senior, regardless of gender or course, can flourish.

#### Career Course System Enabling Proactive Choice

SuMi TRUST Bank has implemented a course-based system that promotes employee career formation. Employees are streamed into three courses, the G Course, the R Course, or the A Course, depending on their likelihood of being transferred and the nature of their work duties. There is also a system, applied to all courses, that places employees into four work groups based on their demonstrated capabilities. By adopting this system, we encourage personnel management based on ability, rather than age or gender. All employees regularly talk with their superiors on the status of career formation to be evaluated and receive feedback.

Course name		Residence and workplace relocation	Eligible business operations	Primary role
<b>G Course</b> (General & Global)	Nationwide relocation type	Possible	All operations	<ul style="list-style-type: none"> <li>• Leaders of department- and branch-level organizations, or</li> <li>• High-level professionals regarding various specific operations</li> </ul>
<b>R Course</b> (Retail & Region)	Operation- and region-specific type	Possible within the specified area*	Operations for retail total solutions	<ul style="list-style-type: none"> <li>• Leaders of department- and branch-level organizations engaged in operations for retail total solutions, or</li> <li>• High-level professionals that undertake operations for retail total solutions</li> </ul>
<b>A Course</b> (Area)	Region-specific type	None	All operations	<ul style="list-style-type: none"> <li>• General managers of departments and branches, or</li> <li>• Professions regarding various specific operations</li> </ul>

\*Nationwide- and regional-types (Tokyo, Kinki and Chukyo areas)

## Skill-Raising Human Resource Assignment and OJT\*

The SuMi TRUST Group views OJT as the foundation for human resource development. We also focus on assigning employees to roles that awaken their passion for growth and allow them to display their abilities to the maximum extent. SuMi TRUST Bank has introduced a program that enables new employees to experience multiple work domains within a fixed period after joining the Bank, which helps them ascertain their own job aptitude through their own work experiences. We are also advancing initiatives such as a trust internship program, in which employees spend a fixed period of time learning the trust business in a section that is responsible for planning and development of trust operations, products and services. The program is aimed at developing human resources who possess a "high degree of expert knowledge in trust operations" and a "deep understanding of the fiduciary spirit."

\*On-the-Job Training (OJT) is a process whereby workplace supervisors and senior employees teach subordinates the knowledge, skills, and duties required of them via daily tasks.

Communication tool among new employees, development personnel, and branch managers



## Recruiting Highly Capable Human Resources

It is indisputable that employing capable human resources is the starting point for developing a robust corporate foundation. The recruitment section of SuMi TRUST Bank website provides clear explanations of the characteristics of its personnel system, the mechanism of trusts and their

### Number of New Recruits

	Total (total of male and female)	Male	Female
FY2016	412	168	244
FY2017	433	179	254
FY2018	402	178	224
FY2019	396	153	243
FY2020	402	140	262



Online training in progress

significance, and the overview of its businesses. The website is also carefully designed to give visitors an idea of what working at a Group company is really like with features such as employee interviews. In addition, human resources likely to demonstrate expertise as trust bank employees are strategically acquired by setting aside the recruitment quotas for experts in law and other fields, as well as assigning them to digital-related operations or asset management operations at the initial stage of job assignment.

More than 23,000 recent graduates applied via the website during the recruitment period for new entrants to join the Group in April 2021. We will go through a rigorous selection process to make hiring decisions.

## Respect for Employees' Will in Job Assignment

SuMi TRUST Bank determines new hires' job assignments after examining their aptitude through interviews with each of them before they formally join the Bank. On the other hand, SuMi TRUST Bank attaches importance to new hires' will and motivation and provides them with opportunities to try acquiring qualifications new hires themselves desire (pension actuary, real estate appraiser) and to challenge work at their first assignment (Global business, digital transformation, asset management and administration, market-related operations, etc.). SuMi TRUST Bank makes an effort to encourage an early acquirement of the expertise trust bank employees should have, as well as to continuously bring out specialized talent.

## Internal Job Posting System

With regard to employees' assigned positions, SuMi TRUST Bank has initiated an internal job posting system to encourage its employees to independently and voluntarily form their own careers. Under this system, employees applying for job quotas various departments set can actually move to the departments where they have applied if they clear the Human Resources Department's selection process.

### Internal Job Posting System Users

FY2018      FY2019  
538 → 680

\*From fiscal 2020 we changed the way we calculate the number of users and retroactively adjusted the figures going back to fiscal 2018

## Personnel Exchanges among Group Companies

To bolster consolidated management and create stronger human resources group-wide, the SuMi TRUST Group encourages mutual exchanges of human resources on temporary assignments. To ensure smooth human resource exchanges, Sumitomo Mitsui Trust Career Partners offers training to Group companies.



### Enhanced Off-JT\*, Including Training Programs

The Group's nurturing of human resources and development of capabilities is mostly carried out through OJT, but we also partner with educational institutions to offer training aimed at improving business skills and many self-development programs that encourage employees to continue enhancing their capabilities.

Collectively, these learning programs are known as the SuMiTRUST University, which aims to nurture human resources capable of demonstrating added value that is unique to a trust bank and distinctive of the SuMi TRUST Group. Having been relaunched in fiscal 2020, SuMiTRUST University seeks to evolve as a place of learning where any employee, driven by their appetite for knowledge, can freely enroll in one of its many programs from any location and at any given time.

All content is now provided entirely online; for example, new employee training previously conducted in groups, rank-based training sessions, and seminars featuring lecturers from outside the Group. A system has also been put in place that allows for the participation of employees from anywhere in Japan and even from Group offices overseas. And so that employees can engage in learning more freely without being constrained by their work, we are also focusing on a number of new initiatives. For instance, we have a program under which employees can attend university lectures for a short period of time, learning services that facilitate free study with the use of numerous video recordings, and in-house seminar activities that focus on specific topics of research.

As for the infrastructure that underpins employee learning, we are pushing ahead with the building of a learning platform that all Group employees can use regardless of Group company or employment contract type. Accordingly, we are aiming to develop a course management system that each person can use to freely design their own learning, as well as communication tools that support interactive learning between employees.

#### Various Training Programs

- Training for new employees, rank-based training, business process-based training, language training (English and Chinese); carefully tailored trainings are provided according to the levels of experience and skill.

#### Web Campus

- Learning system using the Internet, including e-learning
- All employees can learn compliance rules, operational knowledge, business skills, etc.

#### Self-Development Support

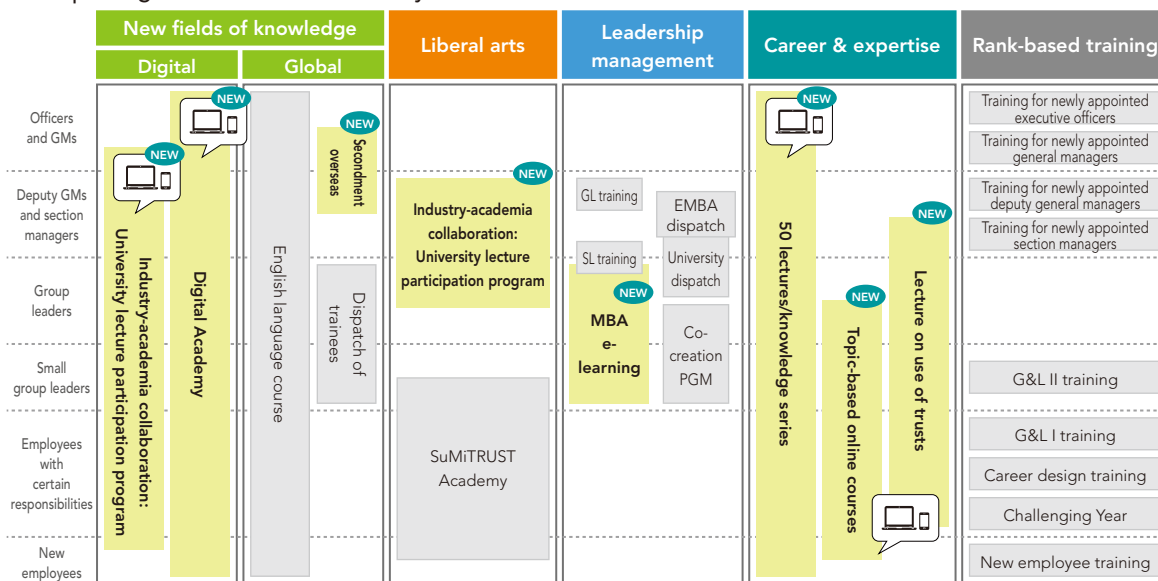
- Financial assistance to cover the cost of various qualification and certification tests, grants to support obtaining credentials, provision of books for the disabled

#### Various Trainee Programs

- Capability development training programs, including training for acquiring qualifications and language trainee programs, are implemented
- Overseas training and language trainee programs (English, Chinese, and Thai), business process trainee program (New York, London, Shanghai, Singapore, etc.)

\*Off-JT: Off-the-Job Training. Through programs such as lectures and training sessions, Off-JT provides knowledge and skills employees cannot obtain in OJT.

Concept Image of SuMiTRUST University



### Strengthening Leadership

#### Developing Next-Generation Leaders

In cooperation with Hitotsubashi University's Graduate School, SuMi TRUST Bank offers GL training to nurture the next generation of executive Global Leaders (deputy general managers, associate general managers, and equivalents) and SL training to nurture the next generation of Strategic Leaders (section managers, operational chiefs, and equivalents). Candidates learn the values, general knowl-

edge (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, to develop leaders among our female employees and provide them a path to management, we run training for them at the three career stages where the role of female employees changes most dramatically (see page 96).

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

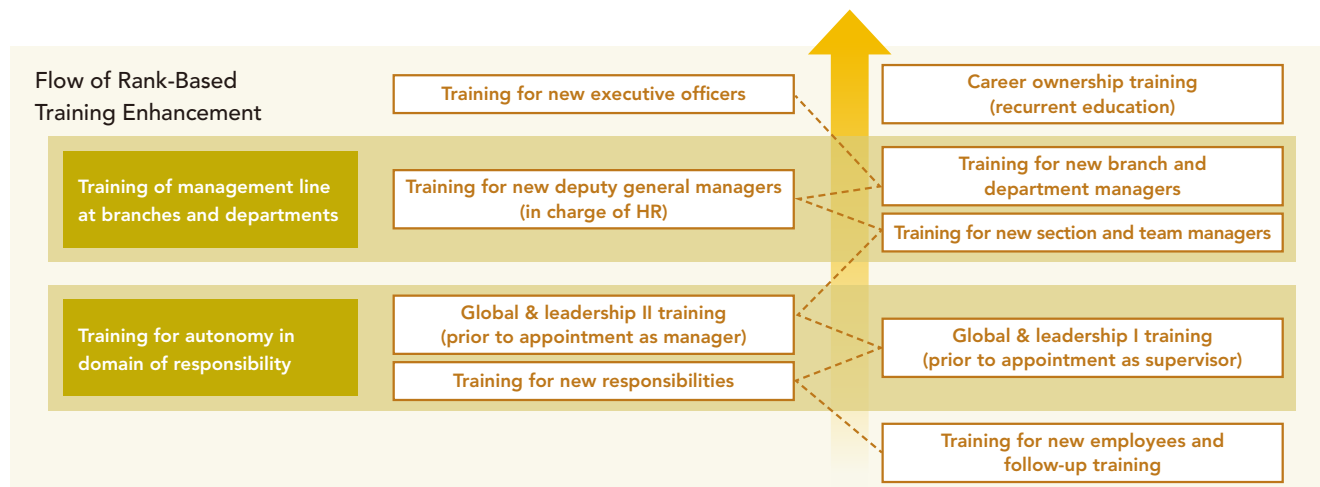
To foster a global mindset and produce a continuous stream of human resources who can succeed in business sectors both in Japan and overseas, the SuMi TRUST Group has increased the number of employees sent from Japan to work overseas to 213 as of March 31, 2020, up from 115 as of March 31, 2012. We have also increased the number of employees with foreign citizenship working in Japan to 65 as of March 31, 2020, 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.



### Rank-Based Training Enhancement

In addition to training to develop next-generation leaders to aggressively pursue strategic business development, SuMi TRUST Bank conducts rank-based training to maintain its talent pipeline and further strengthen its trust services as a social infrastructure. Young employees are provided with a variety of training aimed at acquiring business skills as well as a mindset that embraces autonomy in their domain of responsibility. 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). Human resources development requires not only classroom learning but also practical training through hands-on experience. Therefore, in order to build a more balanced talent pipeline, 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 the human resource development through our efforts which include recurrent education that looks ahead to an age of 100-year-life and, starting in fiscal 2019, the training provided to newly appointed executive officers inviting external instructors (former managers, university professors, etc.).

The training is based on a flexible management approach suited to a variety of work styles and is intended to promote human resource growth.



Data Concerning Training for Human Resources Development (FY2019)

Total number of trainees	Number of selected and nominated trainees	Total training hours	Training costs	No. of training days
10,628	98	5,785	¥540 million	192



### Bolstering Digital Human Resources

SuMi TRUST Bank is working to strengthen 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 factors and statistics. SuMi TRUST Bank is also embracing the challenge of sparking innovation with more capable digital human resources by, for example, teaming up with IT firms to run joint training sessions for the purpose of examining new 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 an employee stock ownership plan that regularly purchases shares of SuMi TRUST Holdings.

#### Employees to be evaluated

12,973 employees (as of end of March 2020)

#### 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

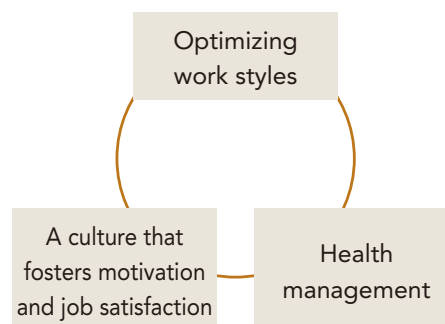
## Upholding Positive Workplace Environments

### 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 94), 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
- Ban smoking in all buildings
- 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 (FY2019 Results)

Average number of days of paid holiday use	16.2days
Average paid holiday usage rate	60%

#### Status of Overtime Hours among SuMi TRUST Bank Employees (FY2019 Results)

Average overtime hours per month (outside of mandatory work hours)	20hours
Ratio of career-course employees exceeding 60 hours of overtime per month (outside of mandatory work hours)	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

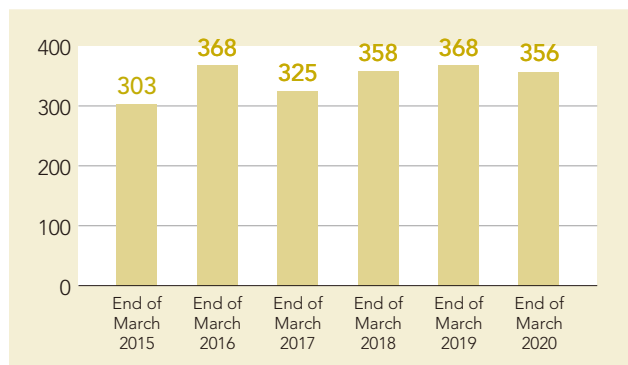
leave until children reach the age of two, SuMi TRUST Bank promotes childcare leave for male employees, and has established a nursing care leave system where employees with two or more children requiring care can apply for up to 10 days of leave per year. Furthermore, employees who are pregnant or who 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 2020, 356 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



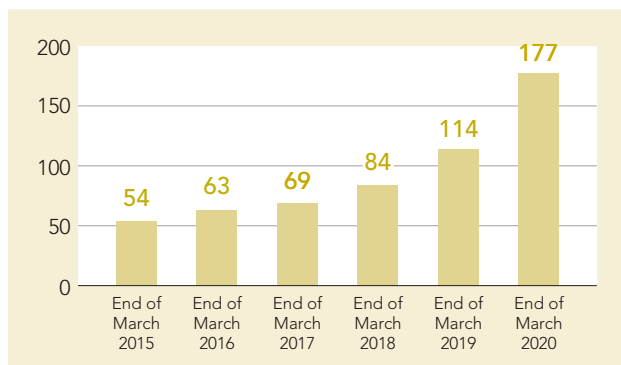
### Usage Status of Flexible Employment System (Fiscal Year 2019 Results)

Number of employees using shorter working hours system for childcare or nursing care	636
Number of employees using staggered work starts, overtime work exemptions for childcare or nursing care	240
Number of employees telecommuting	323

### 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				○	○	○	

by external lecturers for employees returning to work, and in addition to creating networks between female colleagues that 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). Also, in preparing for the sudden need to take care of a loved one and with the goal of improving the nursing care literacy of employees, twice a year we have employees undertake an e-learning module so they can learn about the characteristics of nursing care and Japan's nursing care systems.

### 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.

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

### 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.

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 recognition of these initiatives, the Group has been selected in METI's White 500 as an organization having outstanding health and productivity management for three 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.

### Physical Health

Obligatory health examinations are provided every year to all employees. The Human Resources Department or other responsible department takes an individual measure to ensure that all employees who require medical treatment receive a checkup. We also support health examinations such as complete medical checkups for employees' family members through health insurance associations.

### Mental Health

Once a year we have all employees undergo a stress check, and in addition to individuals providing feedback, an occupational physician provides guidance so that line managers can provide the right care. We also have in place user-friendly consultation systems—for example, our in-house health promotion centers set up mental counselling times and the health insurance association provides free health counselling over the telephone. 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.



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

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.”

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 2020, the employees’ union has 11,650 members, which accounts for 87.5% 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.



Business briefing held prior to open recruitment

### 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.



## 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 enable our employees to obtain a deeper understanding of the behavior and sentiments of people in other countries and thus build 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 110).

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

FY2015	42
FY2016	78
FY2017	65
FY2018	76
FY2019	68

## 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. Note that due to a review of the timing of the survey it was not conducted in fiscal 2018. Also, the survey was conducted in fiscal 2020, but as of January 2021, the results were still being collected.

	FY2014	FY2015	FY2016	FY2017	FY2019
Vitality level	62.1	61.5	60.9	62.1	59.1
Satisfaction level	61.4	61.1	60.8	59.8	60.4

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 2019	As of end of March 2020
Number of employees	13,469 (5,956 men) (7,513 women)	13,527 (5,950 men) (7,577 women)
Hong Kong	62	63
Japan	12,744	12,737
China	131	131
Korea	4	4
Singapore	144	142
Indonesia	8	6
UK	176	237
USA	200	204
Sydney	—	3
Average age	42.4 (Male: 43.5) (Female: 41.4)	41.4 (Male: 43.5) (Female: 39.6)
Average continuous years of employment	13.4 (Male: 16.0) (Female: 11.0)	14.1 (Male: 16.3) (Female: 11.8)
Average annual salary <small>*Guaranteed minimum wage by region as prescribed by the MHLW</small>	7,198 thousand yen	7,349 thousand yen
Number of temporary staff	402	446
Number of part-timers	45	49
Number of disabled persons employed	289 (Disabled person employment ratio: 2.21%)	301 (Disabled person employment ratio: 2.28%)
Number of employees using the Elder Partner Program	424	455
Number of employee turnover (annual)	301 (134 men) (167 women)	285 (128 men) (157 women)
Number of work-related accidents (annual)	93 (accidents during work: 45; accidents during commuting: 48)	125

## Initiatives Concerning 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 stan-

dard 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.

### Departments Forming Human Rights Due Diligence Liaison Committee

#### Sumitomo Mitsui Trust Holdings

Sustainability Management Department, Human Resources Department, Corporate Administration Department, Risk Management Department, Compliance Department

#### Sumitomo Mitsui Trust Bank

Sustainability Management Department, Human Resources Department, Corporate Administration Department, Risk Management Department, Compliance Department, Fiduciary Duties & Customer Satisfaction Planning and Promotion Department, Global Business Planning and Coordination Department, Fiduciary Business Planning Department, and Wholesale Business Planning Department

### 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

### 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 Dowry 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

### 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.

The Personnel Consultation Desk received 68 cases in fiscal 2019, of which 27 were cases potentially infringing upon human rights including harassment.

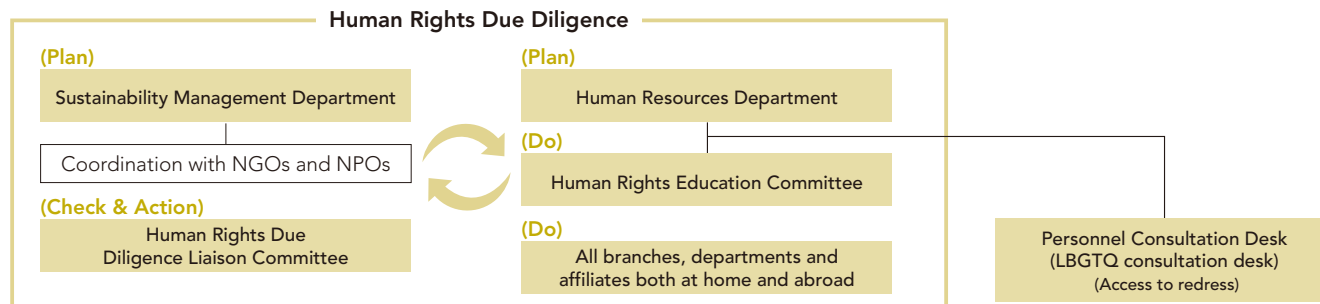
If requested by the employee bringing the case, the Personnel Consultation Desk may approach the workplace, conduct interviews with parties involved and other relevant third parties, and recognize the fact. Furthermore, the Personnel Consultation Desk may take action to transfer parties involved so as to improve the working environment of the consuler, or may discipline the perpetrator in accordance with company rules. All cases the Personnel Consultation Desk received in fiscal 2019 have been resolved, with the exception of 5 cases.

## 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 was held at 261 departments in fis-

cal 2019. Together with lectures delivered during rank-based training sessions, 403 hours in total were dedicated to human rights, reaching 24,177 participants.

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.

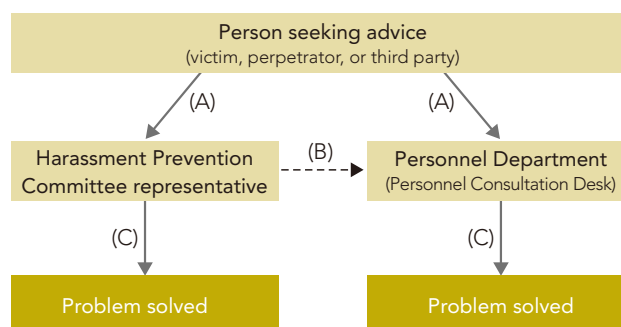
With regard to foreign residents issues, we discuss the residency management system, which was launched on July 9, 2012. Rank-based training was provided on giving consideration to the human rights of foreign residents, including the handling of personal authentication documents and respecting privacy, 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 indi-

viduals and are prohibited. In particular, we strictly prohibit sexual harassment. Such behavior can both damage the character of an individual and infringe upon his or her human rights. We have taken a particularly strict stance on prohibiting sexual harassment within the workplace. In terms

### 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.



## Respect the Individual

of power harassment, 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 prohib-

iting 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, awarded its Gold rating in the Pride Index to SuMi TRUST Bank for two consecutive years through fiscal 2018. Having expanded its initiatives throughout the Group, in fiscal 2019 SuMi TRUST Holdings, SuMi TRUST Bank, and Sumitomo Mitsui Trust Asset Management all collected a Gold rating, and then in fiscal 2020, with the addition of Sumitomo Mitsui Trust Business Service, the initiatives of SuMi TRUST Holdings and three Group companies\* were awarded a Gold rating.

\*SuMi TRUST Bank, Sumitomo Mitsui Trust Asset Management, and Sumitomo Mitsui Trust Business Service. Nikko Asset Management was also awarded a Gold rating for its stand-alone initiatives in fiscal 2019 and 2020.



## 4. Factoring Human Rights Issues into Lending and Investment Decisions

### Basic Policy

The Group collects information on whether the business activities of the companies in our loan and investment portfolios, including those based overseas, negatively impact human rights. In cases where relevant laws, standards, and policies are violated, necessary measures are taken as appropriate.

### 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.

As an example of engagement related to human rights issues, we engaged with an Israeli military and defense company over concerns about the production of cluster bombs. Manufacturers of cluster bombs expose themselves to reputational risk from a humanitarian perspective, since international treaties such as the Oslo Convention have declared these weapons inhumane and banned their production and use. SMTAM advised the company that it should not start manufacturing cluster bombs, and should at least clarify and disclose the risks and future policies related to the production of cluster bombs. As a result, the company responded promptly and disclosed its policy not to engage in business activities that contravene international treaties.

## 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 (Page 89).