

Management Commitment



Looking ahead to the next 100 years, we are fully committed to harnessing the power of trusts to build a sustainable society

Unprecedented natural disasters occurred throughout the world in 2022. At the same time, the prolonged crisis in Ukraine exacerbated the problem of energy shortages, especially in Europe. Those developments underlined the importance of steadily transitioning from fossil fuels to renewable energy in the fight against climate.

SuMi TRUST Group recognizes the fight against climate change to be an issue of top priority, which is why we have continued to strengthen our collaboration with various stakeholders to tackle the issue head on.

Meanwhile, if we look at the financial system, the central banks of the West have pivoted to monetary tightening, marking the start of a transition to a new phase from a lengthy period of global monetary expansion. Some financial institutions have even collapsed within a short period of time due to liquidity risks, highlighting the instability of the financial system. Considering the speed at which information is transmitted in this age of social media, it is imperative that we are cognizant of the numerous risks that could arise in the near term and that we steadily take steps to address issues in the environment and society from a long-term point of view.

Guided by this environment awareness, the Group will make every effort to balance sound management practices with appropriate risk taking and endeavor to solve environmental and social issues by providing a mechanism that facilitates a virtuous cycle of funds for individuals, households, and investors. In fiscal 2022 we reflected on the initiatives we have implemented thus far and focused our attention on laying the groundwork needed for solving the increasingly complex issues of sustainability.

More specifically, the Board of Directors engaged in thoroughgoing discussions to review the Group's materiality—the priority issues that impact the Group's value creation process. By clarifying the relationships between materiality and the Group's key strategies and setting quantitative targets, we hope that our stakeholders can gain a better understanding of our initiatives as we do our utmost to solve environmental and social issues.

The Board of Directors also thoroughly deliberated on the risks our business activities pose to human rights, and reviewed the Group's human rights policy. We will build collaborative relationships with our clients and suppliers to realize a sustainable society where human rights are respected.

We also believe it is important for our diverse workforce to fully demonstrate its expertise and capabilities in order to create value for our clients and society. Our employees are a crucial asset (human capital) and a source of value creation. We will endeavor to maintain the mental and physical health of every employee and seek to increase investments in personnel development. By pushing ahead with the creation of workplace environments in which every employee in our diverse pool of talent can make the most of their respective qualities, we hope to improve the well-being of each of our employees, and by extension, that of our clients and broader society as well.

In this report we showcase a number of different initiatives the Group is undertaking with the aim of solving environmental and social issues. For instance, SuMi TRUST Bank is actively working to provide financing that can create impacts, and equity investment, for corporate clients. Leveraging surveys to further dialogue with clients, the Bank is also providing a broad range of consulting services designed to support sustainability management. And for individual clients, it will look to support the attainment of financial well-being in this era of longevity. Meanwhile, the Group's asset management firms, Sumitomo Mitsui Trust Asset Management and Nikko Asset Management, are continuing to undertake their own engagement activities for the purpose of helping realize a sustainable society. The Group is committed to continuously improving these initiatives, and steadily developing and launching new products and services.

Last year, 2022, marked the 100th anniversary of the enactment of Japan's Trust Act and Trust Business Act. Since the time of SuMi TRUST Group's founding, we have long met the expectations of our clients by managing and administering their funds and assets with a high level of expertise. As we look ahead to the next 100 years, we will harness the power of trusts and make the greatest efforts possible in building a sustainable society.

I look forward to the continued warm support of all our stakeholders.

June 2023

Sumitomo Mitsui Trust Holdings, Inc.
Director, President

