

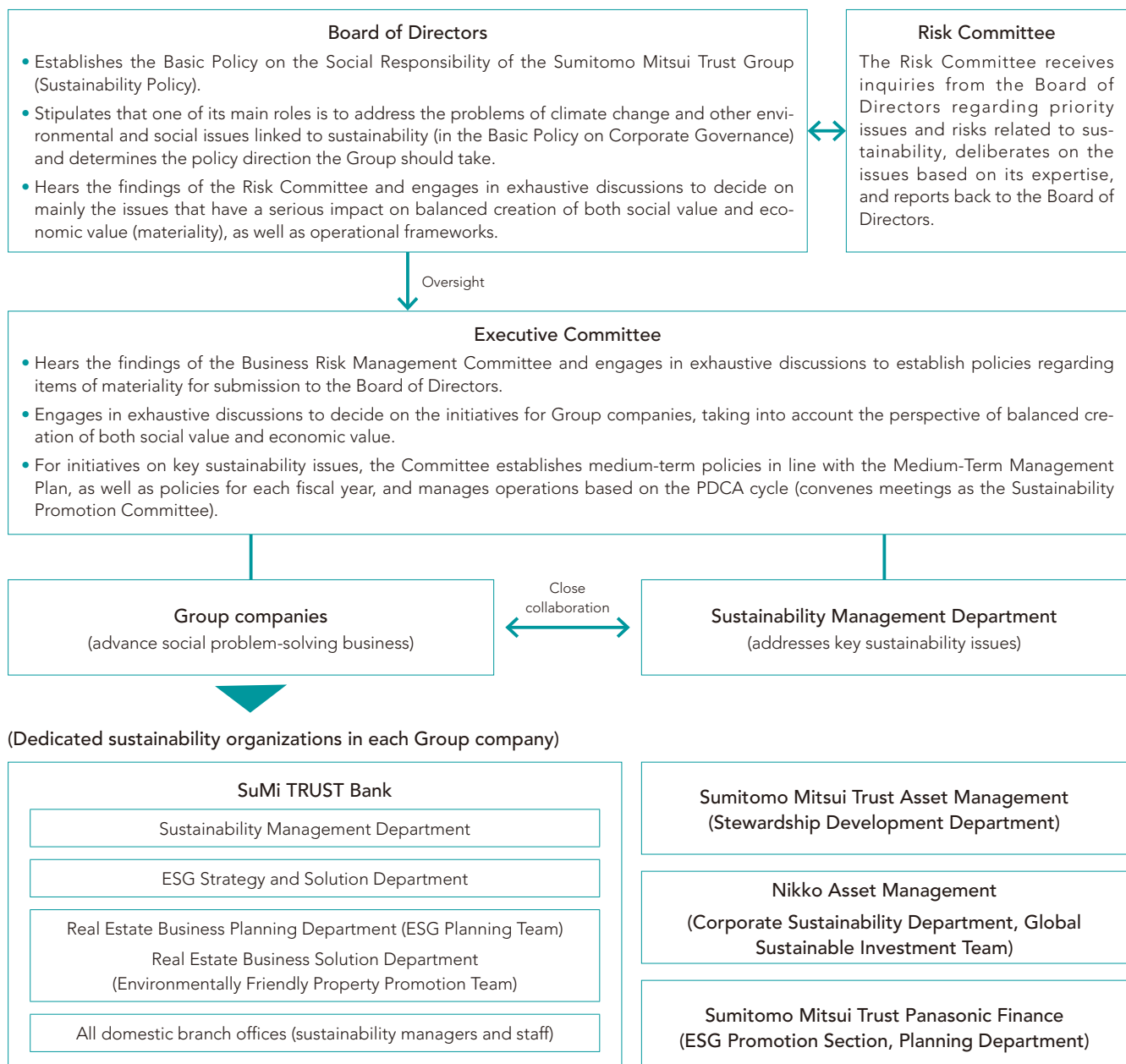
Sustainability Promotion System

The SuMi TRUST Group defines its reason for existence ("Purpose") as "Creating new value with the power of trusts and let prosperous future for our clients and society bloom," and places the "balanced creation of both social value and economic value" at the core of its management. As a result, sustainability has literally become a part of our daily conversation and is being emphasized in every aspect of our business. Our sustainability promotion system can be described as a framework for promoting the integration of sustainability into our existing business strategy.

1. Sustainability Promotion System

At SuMi TRUST Holdings, the Board of Directors sets Sustainability Policy, and based on this policy, the Executive Committee, which is the executive body, deliberates and decides on various measures to promote sustainability, and the Board of Directors supervises the execution of these measures.

The Executive Committee meets as the Sustainability Promotion Committee with regard to initiatives on key sustainability issues, engaging in exhaustive discussions and making decisions on the sustainability initiatives of each Group company from the perspective of balanced creation of both social value and economic value.



Sustainability Promotion System

Deliberations by the Board of Directors

SuMi TRUST Group has taken on a variety of sustainability-related initiatives to date. In FY2022, in light of the recent changes in the environment, the Group reviewed

its past sustainability initiatives and the Board of Directors had an opportunity to intensively discuss key topics based on reports from the Risk Committee.

Board of Directors' matters of deliberation in FY2022

(April 2022 - January 2023)

Topic	Points of deliberation
Climate change initiatives	Reported and deliberated on climate change-related policies and progress
Review of sustainability-related rules and regulations	Deliberated and adopted resolutions on revisions to sustainability-related rules and regulations, including climate change governance structure and risk management posture
Enhancement of human rights risk management posture	Reported and deliberated on initiatives and review process to advance the risk management posture on human rights, and philosophy and contents for identifying key human rights risks
Review of materiality (1st)	Reported and deliberated on the direction of materiality identification (process, management)
Review of materiality (2nd)	Deliberated and adopted resolutions on materiality identification
Review of human rights policy	Deliberated and adopted resolutions on reviewing the human rights policy and identifying key human rights risks

Deliberations by the Sustainability Promotion Committee

The Executive Committee deliberates on the initiatives for key sustainability issues in the Sustainability Promotion Committee as shown in the table on the right.

Through these initiatives, the Board of Directors passed resolutions on the review of materiality in December 2022 and on the review of human rights policy in January 2023.

We plan to enhance our materiality review by checking processes from a materiality perspective, confirming the status of initiatives in related business plans, and communicating with stakeholders, with the aim of resolving social issues by creating positive impact through our value creation process.

With regard to reviewing our human rights policy, we will develop our environmental and social risk management system, build cooperative relationships with clients (borrowers and investees) and suppliers, identify substantial negative impacts on human rights in a highly effective

manner through our human rights due diligence, and strive to prevent and mitigate them. In addition, we plan to step up initiatives to inspire awareness of human rights among directors, officers, and employees.

See pages 21-23 for the review of materiality.

See pages 25-27 for the review of human rights management system.

Sustainability Promotion Committee's topics of deliberation in FY2022

(April 2022 - January 2023)

Topic	Number of deliberations
Review of materiality	4
Review of human rights policy	2
Identification of key human rights risks	2
Climate change	1
Information disclosure	1

Establishment of Sustainability Committee

Starting in FY2023, we will establish a Sustainability Committee as an advisory body to the Executive Committee. As a result, matters related to sustainability will be deliberated by this committee and then presented to the Executive Committee. The Sustainability Committee will be comprised of the officer in charge of the Corporate Planning Department, the officer in charge of the Human Resources Department, and the officer in

charge of the IR Department, with the officer in charge of the Sustainability Management Department serving as the chairperson. With the establishment of the Sustainability Committee, we will clarify the universe of sustainability issues and enhance our posture to undertake a series of initiatives, including identifying challenges, formulating policies, implementing measures, and providing public disclosure, in an organized manner.

2. Review of materiality

Definition of materiality

SuMi TRUST Group defines materiality as “an event that has a significant impact on the process of improving the ability to generate value sustainably through the accumulation of financial and non-financial capital”.

The circulation of capital is similar to the circulation of blood. If capital is steadily accumulated in the same way blood flows freely around the body, the ability to generate value will continue to increase in a sustained fashion. Too much bad cholesterol in the body causes arteries to harden, which prevents blood flow. Conversely, good cholesterol in the body helps prevent the arteries from hardening. Applying this analogy to priority issues (materiality) that affect our value creation process over the medium to long term, we consider materiality to be comprised of factors that either inhibit (bad cholesterol) or promote (good cholesterol) the circulation of capital.

History of materiality revisions

(1) Materiality identification in FY2015

We identified 14 materiality items from a list of 28 items considered highly important to the Group, after interviewing external directors, external experts, and relevant internal departments about their medium- to long-term impact on the Group’s enterprise value and the Group’s impact on stakeholders.

(2) Materiality revision in FY2019

With the balanced creation of both social value and economic value placed as the cornerstone of our growth strategy, we consolidated each of the top risks, which were separately managed as matters that could have a significant impact on our financials, into our Materiality, and passed a resolution for the new materiality items (17 items) at the October 2019 Board of Directors meeting. As a result, we have established a system that comprehensively identifies important matters from the perspective of both risks and opportunities with respect to both impacts on our finance and social impacts, and discusses the most appropriate responses.

(3) Three categories of materiality

As discussions on materiality have become active globally, we incorporated the unified concept of materiality sorted out by major international standards for disclosure (GRI, SASB, IIRC, CDP, CDSB) in FY2020, and divided materiality into three categories: Impact materiality, governance and management framework materiality, and financial materiality.

As part of revising materiality in FY2022, we defined the three categories as follows.

Impact Materiality	Items in which our corporate activities have an impact (both positive and negative) on the economy, society, and the environment. Items that are in a phase where we can take concrete steps toward achieving both social value and economic value.
Governance and Management Framework Materiality	Items where environmental and social issues affect our corporate value enhancement process. Non-financial items that do not immediately affect finances but are likely to affect finances over the long term, so they are highly defensive.
Financial Materiality	Items where environmental and social issues affect our financials.

Materiality revision in FY2022

Since the materiality revision in FY2019, the economic and social situation has changed dramatically over the past three years, with increasing societal demands to address climate change, the spread of COVID-19, and the emergence of geopolitical conflicts. To sustainably achieve the balanced creation of both social value and economic value amid such sweeping changes in the short term, we must identify materiality in a way that comprehensively covers events that may occur in the medium to long term.

On the other hand, we understand that items are too many to boost effectiveness by reflecting them on our management system, including management strategy and risk management, and disseminating them to employees. In addition, we believe we need to align these items with SuMi TRUST Group’s unique strengths and challenges both in terms of management strategy and risk management.

We revised our materiality in FY2022 to work toward creating a new Medium-Term Management Plan, including addressing these recognized challenges.

First, to ensure comprehensiveness, our materiality started from the Common Metrics presented in “Toward Common Metrics and Consistent Reporting of Sustainable Value Creation,” which was compiled by the four major global accounting firms based on recommendations from the World Economic Forum’s International Business Council. The Common Metrics cover 18 points under the categories of Planet, People, Prosperity, and Principles of Governance. Based on these points, we added necessary items to 17 items which were previously identified as materiality, and sorted them out, from the perspective of relevance to financial institution’s operations and comprehensiveness, and identified 27 items as our materiality themes.

We sorted out the materiality themes based on our “Purpose” and themes for management strategy into items related to the society and values we wish to achieve, and through discussions at the Executive Committee and

Sustainability Promotion System

various advisory bodies, and with the top management, we identified three categories containing 11 materiality items that are both comprehensive and unique to the Company.

Under the Group's "Purpose" of "creating new value with the power of trusts and let prosperous future for our clients and society bloom," our social issue-solving business will employ the slogan of creating "a virtuous circulation of funds, assets, and capital" and utilize the power of trusts to provide value to stakeholders in the three key strategic areas in which a virtuous circulation will be promoted. By reflecting this in our materiality identification, the new impact materiality items of "the age of 100-year life," "ESG/sustainable management," and "regional

ecosystems and global investment chain (networking)" are consistent with the three key strategic areas in which the Group is creating new value.

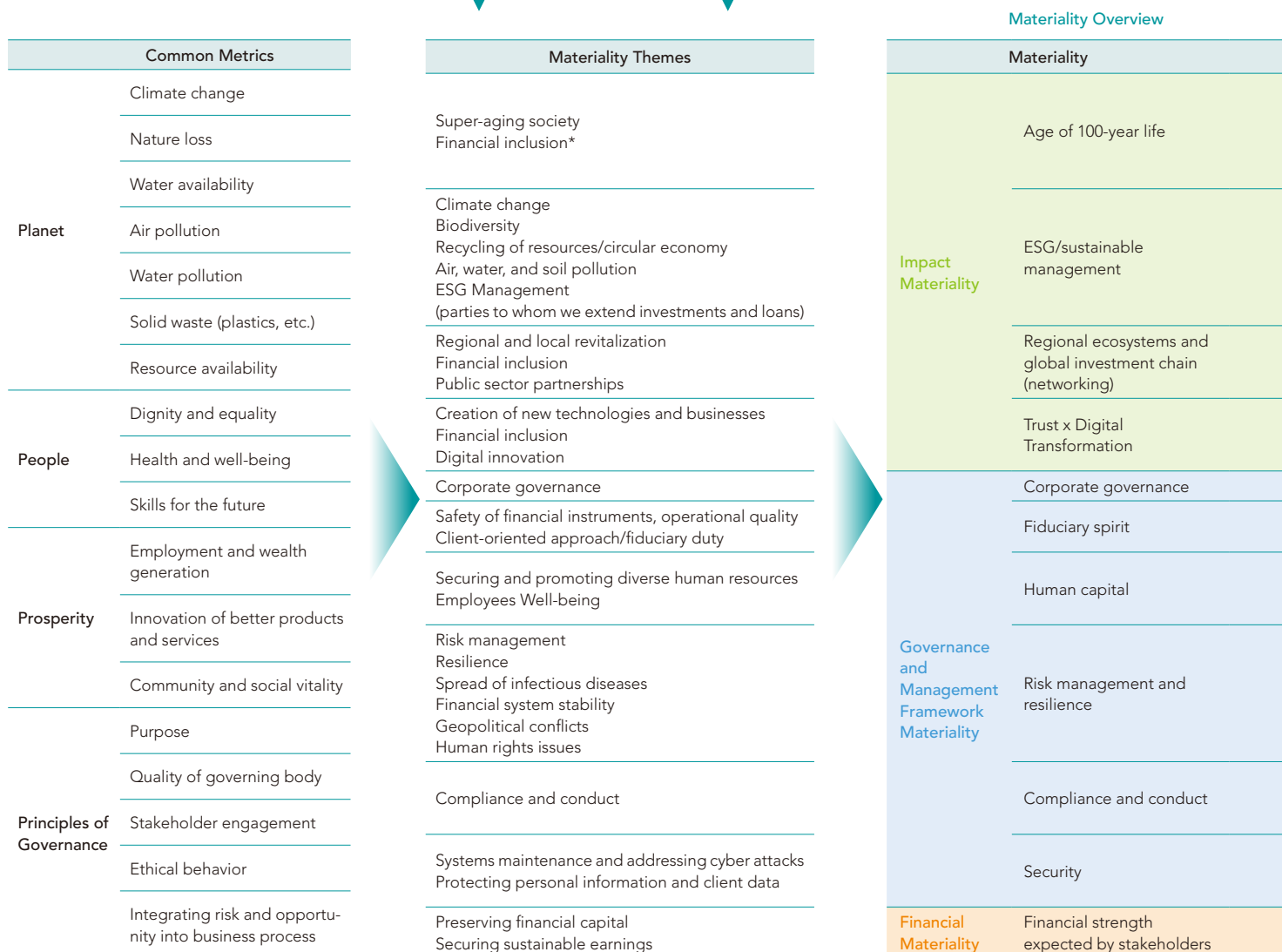
Incorporating into the value creation process (Materiality Management)

We can further improve our ability to generate value by incorporating materiality as a common concept in our management strategy, which executes our value creation process, as well as in our various management systems, such as internal control and risk appetite frameworks, and by enhancing the coordination of each of these functions. SuMi TRUST Holdings has formulated a Medium-Term

Common Metrics, Materiality Themes, and Materiality

(1) Extracted materiality themes based on common metric themes

(2) Set materialities by sorting out materiality themes, taking into account our management strategy and internal awareness



*Financial inclusion pertains to all three materialities.

Management Plan for FY2023 onward that incorporates the newly identified materiality. Going forward, we will report the measures and KPIs set in the Medium-Term Management Plan to the Sustainability Committee after reviewing them from the viewpoint of materiality, and utilize them in our communications with stakeholders to create a virtuous circulation in the value creation process.

In addition, to incorporate stakeholder perspectives into materiality management, we introduced an internal engagement mechanism (see next page), and the status of this internal engagement is reported to the Board of Directors as a materiality-related matter after discussions by the Sustainability Committee, the Executive

Committee, and other executive committees.

As part of materiality management, the Sustainability Committee considers whether or not a materiality revision is necessary, based on the confirmation and reporting mentioned on the left, in light of the concept of dynamic materiality, which holds that social conditions and values change and such changes affect enterprise value. In doing so, the Risk Committee receives inquiries from the Board of Directors on matters related to materiality, deliberates on the appropriateness of such matters based on its expertise, and reports back to the Board of Directors.

Summary

Provide products and services that support prosperous lifestyles and help prepare for social issues such as changes in social systems, including pensions and social security in a super aging society, and extended healthy life expectancy.
Create a situation in which clients have access to valuable and affordable financial products and services that meet their own needs and requirements.

Responding to climate change, biodiversity, resource recycling and the circular economy, air, water and soil pollution, and providing support and means for environmental, social and governance-friendly management for the companies to whom we extend investments and loans.

Build mutually complementary relationships among agents in the region and establish relationships with economic agents outside the region to promote multifaceted collaboration and co-creation. Provide investment opportunities by strengthening the investment chain through collaboration with advanced overseas players.

Create a virtuous circulation of funds, assets, and capital through integrating IT and management strategies, the power of trusts, and the power of digital transformation

Establish a management framework that achieve balanced creation of both social value and economic value.

Fulfill the trustee's responsibilities and act faithfully on behalf of clients (beneficiaries) with the due care of a prudent manager.

Recruit and promote human resources with diverse values, and build a group of them. Create a situation in which employees can utilize their values and strengths based on sound human relations where diversity is recognized while employees being physically and mentally healthy and sympathizing with our "Purpose"

Accurately assess risks and take necessary countermeasures to secure earnings and support sustainable growth by ensuring sound management and taking risks based on management strategy.

Comply with laws and regulations, market rules, internal rules and regulations, as well as social norms in general. Ensure that the conduct of directors, executive officers, and employees, which violates professional ethics or fails to live up to the expectations and trust of stakeholders, does not result in adverse effect.

Prevent cyber-attacks against core infrastructure providers and address incidents when they occur. Continuously review and improve system risk management structure. Acquire and use client information in accordance with rules and regulations, and manage it strictly.

Secure sound finances, sustainable growth, and sustained earnings.

Three key strategic areas

1) Age of 100-year life

2) ESG/sustainable management

3) Regional ecosystems and global investment chain (networking)

(3) Social issue-solving businesses that utilize the power of trusts provide value to stakeholders under the concept of "virtuous circulation of funds, assets, and capital" in three key strategic areas in which virtuous circulation is promoted. Impact materiality and key strategic areas become aligned at a certain point in the process.

3. Internal Engagement

Basic approach

At SuMi TRUST Holdings, the Sustainability Management Department engages in dialogue with relevant departments with respect to non-financial materiality items in the finance sector that ESG investors are interested in and for which the Group’s initiatives may face challenges in order to improve our approaches and enhance information disclosure. We refer to this initiative as internal engagement, and view it as a check function based on an external perspective on day-to-day operations, different from the supervisory function of the Board of Directors from a management perspective.

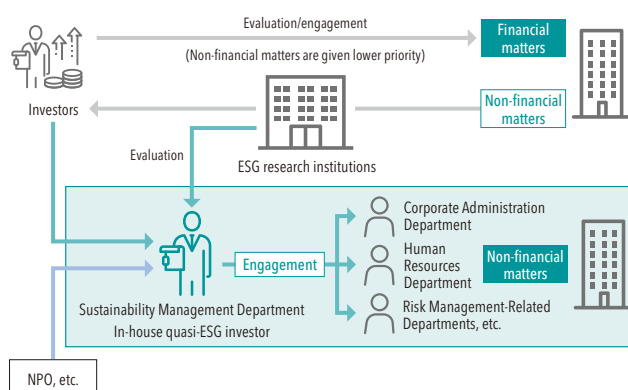
Internal engagement is primarily aimed at enhancing the internal management posture on the execution side, and for corporate governance issues, it clarifies which issues should be managed by the Board of Directors after coordinating information with the Corporate Secretariat.

Internal engagement process

The Sustainability Management Department selects themes for internal engagement based on findings from ESG assessment organizations, dialogue with domestic and international ESG investors, guidelines of voting advisory companies, letters from and dialogue with NGOs, and high-profile issues related to the corporate

governance code, ESG, and SDGs. The FY2022 internal engagement theme was reported to the Executive Committee in November 2022, and all directors and executive officers were made aware of the challenges. The results of the Sustainability Management Department’s ongoing efforts in addressing issues together with relevant departments were reported to the Board of Directors in March 2023 as part of our understanding of the challenges in materiality management. The opinions raised in the supervisory and executive bodies are identified as challenges for FY2023.

Internal Engagement



FY2022 initiative results and challenges

Theme	Remarks from investors and evaluation agencies	FY2022 results	Challenges for FY2023
Corporate governance	Ensure independence, diversity and expertise of the Board of Directors	<ul style="list-style-type: none"> Disclosed breakdown of “creation” of external directors in the skills matrix 	<ul style="list-style-type: none"> Improving the skills matrix, addressing continued demands of investors for disclosures
	Advancement of executive compensation disclosure	<ul style="list-style-type: none"> Earned a certain degree of recognition from investors for disclosing the integrated report 	<ul style="list-style-type: none"> Addressing demands of investors for ESG-related indicators including KPIs
Human capital	Review of easy-to-understand information disclosure	<ul style="list-style-type: none"> Reviewed three indicators disclosed in the financial statement 	<ul style="list-style-type: none"> Supplementary explanations in the Integrated Report, etc. Group-based data
Human capital Human rights	Disclosure and elimination of gender pay gap	<ul style="list-style-type: none"> Reviewed matters for disclosing the financial statement 	<ul style="list-style-type: none"> Supplementary explanations regarding disparities (policy)
	Strengthening of human rights due diligence and system development, including monitoring of human rights compliance by third parties	<ul style="list-style-type: none"> Revised human rights policy, identified key human rights risks Held a human rights due diligence liaison committee meeting, reviewed human rights awareness training program 	<ul style="list-style-type: none"> Begin monitoring human rights compliance of parties to whom we extend investments and loans Human rights awareness training program
Climate Change and Investment and Loan Policy	Making investment and loan portfolio carbon neutral and continuing to enhance policies for specific sectors	<ul style="list-style-type: none"> Incorporated carbon neutrality initiatives into investment portfolio Enhanced TCFD report Upgraded Carbon Disclosure Project rating (from C to B) Advanced policies for specific sectors 	<ul style="list-style-type: none"> Continue compliance with NZBA and NZAMI Continue advancing policies for specific sectors

4. Review of human rights management system

The Group is committed to respect for individuals as stated in the Basic Policy on the Social Responsibility of Sumitomo Mitsui Trust Group (Sustainability Policy), and pledges to respect human rights and diverse values of individuals and to eliminate unfair discriminatory practices in all corporate activities. To ensure thorough implementation of this policy, we established a human rights policy in December 2013, which serves as a standard for our actions and decisions regarding human rights.

Although we have established and implemented a human rights management system based on the Human Rights Policy, we discovered that a meeting of the Human Rights Due Diligence Liaison Committee was not held from FY 2018 to FY 2021, and that the identification of

issues and discussions of improvement measures based on the Human Rights Due Diligence Self-checklists submitted by branches and departments were insufficient.

We held the meeting in August 2022, and after reviewing the Human Rights Due Diligence Self-checklists including the period when the meetings were not held, no situation of concern was found.

Reflecting on these circumstances and taking into consideration the recent increase in the importance of respect for human rights and international requirement for human rights issues, we began reviewing our human rights management system in FY 2022. We are reconsidering the operational aspects of our human rights due diligence based on our revised Human Rights Policy and key human rights risks.

- The Group revised its human rights policy and reviewed the human rights due diligence system to identify negative impacts on human rights for each client and supplier after reviewing the relationship between the Group's business activities and its responses to human rights issues, and enhance the effectiveness of initiatives for preventing and mitigating negative impacts on human rights (human rights due diligence).
- In light of the nature of recent human rights issues, we identified the Group's key human rights risks in areas with significant risk.
- In addressing human rights issues, we believe it is important for directors, officers, and employees to have a better understanding of human rights issues and have an ownership when tackling. Accordingly, we overhauled the content of our human rights education training program that we continuously used until then, and began offering a new program.

(See page 123)

Review of human rights management system

1. Revision of human rights policy

The Group's human rights management system is operated as shown below, with the Human Rights Due Diligence Liaison Committee established in 2013 at the core.

Board of Directors	The Board of Directors supervises execution based on Sustainability Policy
Risk Committee	The Risk Committee receives inquiries from the Board of Directors regarding major issues and risks related to sustainability, deliberates the issues based on its expertise, and reports back to the Board of Directors.
Executive Committee	The Executive Committee is responsible for the overall execution of operations in accordance with Sustainability Policy, and discusses and decides on necessary matters. In addition, it proposes to the Board of Directors matters it deems important with respect to sustainability.
Human Rights Due Diligence Liaison Committee	The Human Rights Due Diligence Liaison Committee investigates the status of group-wide human rights efforts based on the human rights policy, identifies issues that need to be addressed, and discusses improvement measures. It conducts a survey on the status of human rights efforts once a year using the human rights due diligence self-check list.

The Group's human rights policy was formulated in accordance with the Guiding Principles for Business and Human Rights adopted by the United Nations Human Rights Council in June 2011. However, we have revised the human rights policy in light of the increasing importance

of respect for human rights in recent years, international demands for addressing human rights issues, and also changes in the human rights issues expected of us to tackle as a financial institution.

Key points of revision

- We made revisions based on the following points of view, taking into account the contents of various international norms on human rights.
- Stipulated that the Group would identify significant human rights risks that might be caused by, encouraged by, or directly related to its operations, and would carry out human rights due diligence to prevent and mitigate these risks.
 - Clearly stated that human rights were to be respected among directors, executive officers, employees, and all other parties working for SuMi TRUST Group.
 - Stipulated that we would encourage the understanding of this policy and our approach to respecting human rights among clients and suppliers, and if negative impacts are identified through human rights due diligence and other means, we would have numerous careful conversations and build a cooperative relationship with clients, suppliers and their relevant parties, through which we would strive to prevent and mitigate such negative impacts.
 - Stipulated that we would provide relief if it became clear that our business was causing negative impact, and that we had a grievance hotline.

Human Rights Policy

The Sumitomo Mitsui Trust Group will take responsibility for the next generation, recognize its mission as building a society with enhanced readiness for changes, and continuously fulfill its commitment to respect for “human rights” toward realization of its purpose (reason for existence) “creating new value with the power of trusts and let prosperous future for our clients and society bloom.”

This policy is respected in all business activities in each company of the Sumitomo Mitsui Trust Group, and by following the policy, we will strive to solve various tasks of each of our stakeholders such as societies, clients, suppliers, and the Group’s directors and employees.

1. Commitment to respect for human rights

We will always act with a highly ethical viewpoint and a socially good sense on all aspects of business activities, and fulfill our responsibility for respect for human rights, as a socially trusted company group.

2. Respect for internationally recognized human rights

We will not only observe all laws applied to business activities, but also respect internationally recognized human rights such as the UN “International Bill of Human Rights” and the International Labor Organization (ILO) “Declaration of Fundamental Rights and Principles at Work” which stipulates fundamental rights at work. As a globally acting financial institution, we will also support the UN “Ten Principles of the Global Compacts” and observe various standards for the promotion of the protection of human rights, such as the UN “Guiding Principles on Business and Human Rights” and the Japanese government’s “Guidelines on Respect for Human Rights in Responsible Supply Chains.”

If the rules in the country where we conduct business activities are different from the internationally recognized standards on human rights, we will support and respect the internationally recognized standards on human rights, etc., and, if they are inconsistent, we will strive to find a way to respect the internationally recognized human rights as much as possible.

3. Scope of application

This policy will be applied to directors/employees and all people working for the Sumitomo Mitsui Trust Group. We will strive to win the understanding on the policy of all stakeholders including individual/corporate clients, outsourcing companies, and suppliers of goods and services.

4. Human rights due diligence

In order to tackle severer negative effects on human rights as a priority, while recognizing the supreme target of our efforts on respect for human rights, we will specify significant risks on human rights which the Group may induce, encourage or directly participate in, as per the table below, and strive to prevent/mitigate them through human rights due diligence.

On such occasion, we will be counseled by the third parties, if necessary, and through constructive dialogues with our stakeholders, understand actual situations of negative effects and strive to improve them.

5. Human rights of directors/employees and all people working for the Sumitomo Mitsui Trust Group

We promise to create equal relations in which each of us respects liberty, equity and safety, respects each other, respects various senses of value and can freely exchange opinions, and to provide a workplace environment filled with job satisfaction, to directors/employees and all people working for

the Sumitomo Mitsui Trust Group. The Group will tackle development of capabilities of its employees and make efforts to promote their mental and physical health.

In every business activity, we will never allow discriminations and human rights violation based on race, nationality, age, gender, sexual orientation, gender identity, origin, social status, belief, religion, disability, physical feature, pregnancy, marriage or state of health.

We will clearly reject any bullying and harassment, which hurt human dignity. We will also respect freedom of association and collective bargaining rights.

We will conduct fair and just screening based on only capability and aptitude of applicants, in case of hiring of employees, etc.

6. Cooperation with clients and suppliers

We will make efforts to get our clients and suppliers to understand our approach to respect for human rights including the policy. If we identify a negative effect or fear of it through human rights due diligence, etc., we will strive to prevent or mitigate such a negative effect, through keeping close dialogues with our clients, suppliers and their participants and establishing cooperative ties with them.

7. Remedies

If it becomes clear that a negative effect on human rights is induced or encouraged by the Group through human rights due diligence, etc., we will make efforts to implement or to encourage implementation of remedies for stakeholders suffering from such a negative effect. In addition, if there is a negative effect on human rights directly related to the Group, our products or services, we will ask for cooperation of our clients and suppliers and make efforts to prevent/mitigate it.

We will establish a transparent grievance mechanism and strive to ensure convenience of users such as clients, suppliers, directors/employees and all people working for the Sumitomo Mitsui Trust Group.

8. Fostering our corporate culture which respects human rights

We will make efforts to get each of our directors/employees to have a right knowledge of respect for human rights and deepen understanding, and continuously strive to foster our corporate culture which respects human rights.

9. Disclosure

The Sumitomo Mitsui Trust Holdings will regularly report information about its efforts and progress on spread of the human rights policy, through its official homepage, other appropriate measures for communication, etc.

The policy mentioned above was approved at the board of directors of the Sumitomo Mitsui Trust Holdings on January 31, 2023.

2. Identification of key human rights risks

In line with the revision of the Group's human rights policy, we reviewed the risks to human rights posed by the Group's business activities and identified the following three items as key human rights risks in terms of scope of impact and severity.

- Prejudice and a sense of discrimination such as the DOWA caste issue
- Forced labor, child labor, and human trafficking
- Participation in conflicts and inhumane acts

In identifying the key human rights risks, we verified the scope of impact and severity based on the type of rights for each human rights category, after confirming where the risks may arise. As a result, we determined on the three items listed on the left because "prejudice and a sense of discrimination such as the Dowa caste issue," which is currently listed as a key theme, has a wide scope of impact, while "forced labor, child labor, and human trafficking" and "participation in conflicts and inhumane acts" have high severity and directly relate to physical infringement and life-threatening situations.

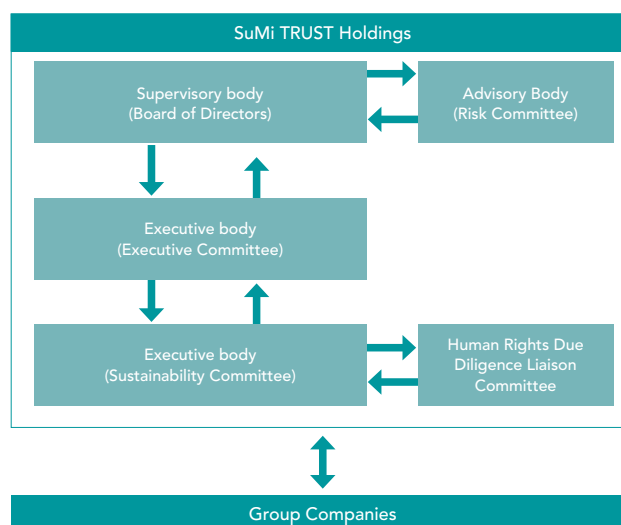
Key human rights risks

Types of rights by human rights category (prepared based on the types of rights in the Universal Declaration of Human Rights)		Scope of impact (frequency of occurrence)	Severity	Classification by party				
				Employees	Individual clients	Corporate borrowers	Investees	Suppliers and contractors
Physical infringement	Forced labor, child labor, human trafficking	Medium - small	Extra large	—	—	●	●	●
	Violation of workers' rights	Large - medium	Large - medium	●	—	●	●	●
Psychological infringement	Discrimination and harassment	Large	Large - medium	●	●	●	●	●
	Occupational safety and health	Large - medium	Large - medium	●	—	●	●	●
Societal infringement	Infringement on the life and culture of local residents (access to financial services)	Medium	Medium	●	●	●	●	●
	Restrictions on freedom of expression	Medium	Medium	●	—	●	●	●
	Invasion of privacy	Medium	Medium	●	●	●	●	●
	Personal injury based on misinterpretation of products	Medium	Medium	●	●	●	●	●
	Participation in conflicts and inhumane acts	Medium - small	Extra large - large	—	—	—	●	●

3. Review of human rights management system

We are reviewing the operational aspects of our human rights due diligence based on our human rights policy and key human rights risks. From FY2023, the Group will promote constructive dialogue with stakeholders and cooperate with clients and suppliers based on the new operation, in order to identify and improve the negative impacts on human rights that occur in the Group's business activities.

More specifically, we will deepen deliberations on human rights themes within the supervisory body (Board of Directors) and establish a Sustainability Committee as an executive body, which will engage in preliminary discussions on resolutions and reporting matters for the Executive Committee. Taking into account the discussions and report content of the Human Rights Due Diligence Liaison Committee, we will proactively pursue effective measures as a group to address various human rights issues.



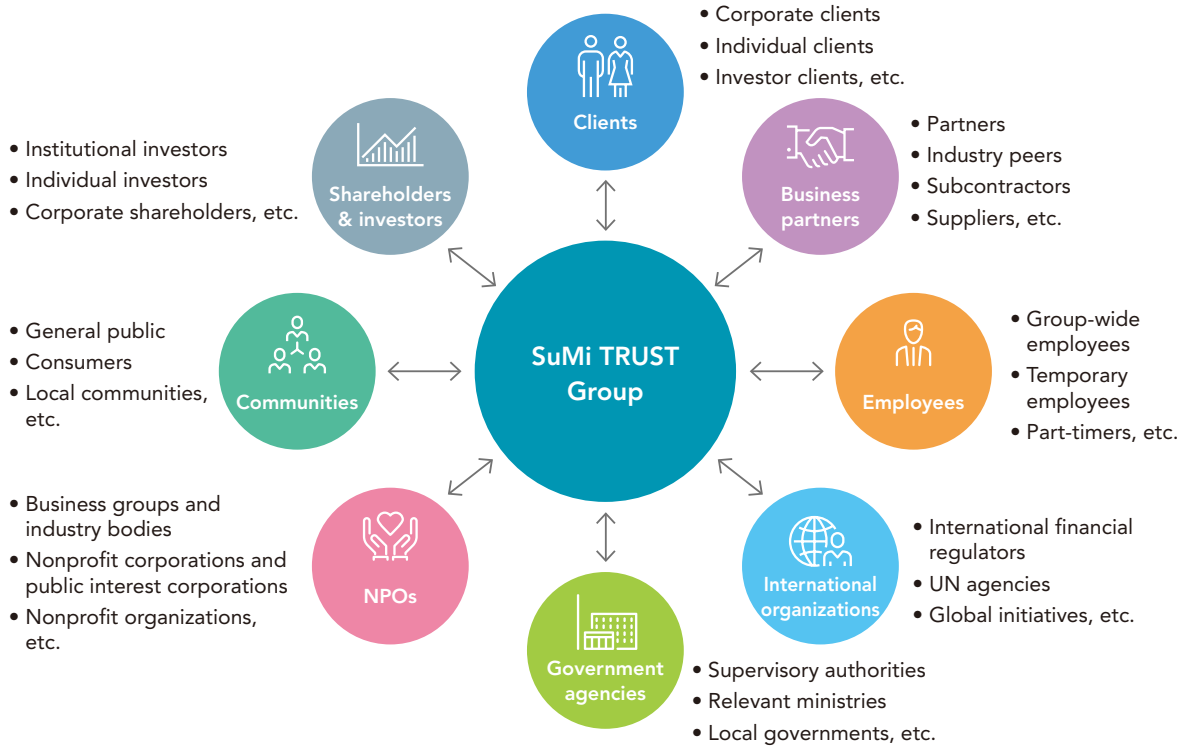
*See page 122 for progress on human rights due diligence conducted in March 2022 and page 123 for progress on human rights enlightenment initiatives in FY2022.

5. Stakeholder Engagement

The Company places clients, shareholders, employees, and society as its stakeholders in the Management Principles (“Mission”). In addition, in the basic policy on the social responsibility (“Sustainability Policy”), the Company further broadens the scope of stakeholders, listing clients, shareholders, investors, employees, business partners, local communities, NPOs, government

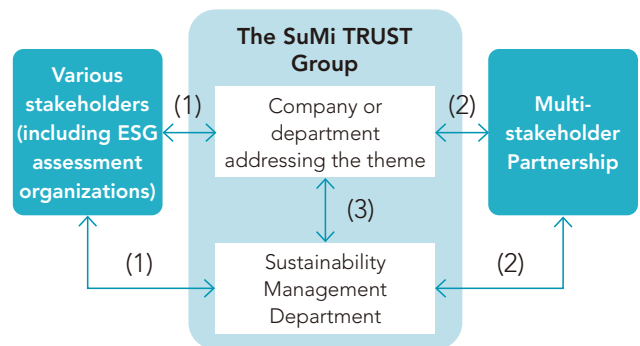
authorities, and international institutions as major stakeholders, and declares its commitment to respect dialogue and play an active role in building a sustainable society. By identifying stakeholders in this way, we aim to have a clear understanding of how the Group relies on and impacts each stakeholder.

Stakeholders of the Group



Three Approaches to Stakeholder Engagement

The Group’s stakeholder engagement is divided into three approaches: (1) direct engagement by relevant affiliates/relevant departments (in the case of SuMi TRUST Bank) according to the theme, (2) direct participation in multi-stakeholder partnerships by relevant affiliates/relevant departments, and (3) internal engagement by the Sustainability Management Department with relevant affiliates/relevant departments based on its own dialogue with stakeholders and information gathered from ESG assessment organizations. These approaches are used to diversify dialogue channels and enhance the quality and quantity of inputs.



Initiatives that SuMi TRUST Group participates in

To harness the power of trusts and undertake social issue-solving business, we actively participate in domestic and international initiatives and work with a wide range of

stakeholders to carefully execute each initiative in order to solve difficult social and environmental issues.

Main initiatives that SuMi TRUST Holdings has signed on or is participating in



United Nations Environment Programme Finance Initiative (UNEP FI)



United Nations Global Compact (UN Global Compact)



The Principles for Responsible Banking (PRB)



Principles for Financial Action for the 21st Century (PFA21)



TCFD (Task Force on Climate-related Financial Disclosures)



CDP



Natural Capital Finance Alliance (formerly the Natural Capital Declaration)

Main initiatives that SuMi TRUST Bank has signed on or is participating in



The Principles for Responsible Investment (PRI)



The Equator Principles



The Poseidon Principles



COLTEM



Well-being Initiative

Main initiatives that Sumitomo Mitsui Trust Asset Management and Nikko Asset Management has signed on or is participating in (excluding those signed by SuMi TRUST Holdings)



The Principles for Responsible Investment (PRI)



International Corporate Governance Network



Climate Action 100+



AIGCC



Thirty Percent Coalition Member
30% Club UK and 30% Club Japan Investor Group Member



Access to Medicine



Ceres



FAIRR



Investor Agenda