UN environment programme | finance initiative

Principles for Responsible Banking

Responsible Banking Progress Statement

for PRB Signatories

Summary template

[Sumitomo Mitsui Trust Group] FY2024

Principle 1: **Alignment**	Principle 2: **Impact & Target Setting**	Principle 3: **Clients & Customers**
Content We first identified items of materiality in FY2015 and revised them in FY2019 and FY2022. In identifying the current materiality, we took as our starting point the common metrics in "Toward Common Metrics and Consistent Reporting of Sustainable Value Creation," which was compiled by the Big Four accounting firms based on the recommendations of the World Economic Forum's International Business Council. The first step was to identify "materiality themes" based on the points categorized into "Planet," "People," "Prosperity," and "Principles of Governance" in the common metrics. In the second step, materiality themes were organized into items related to the society and values we aim to achieve in line with our corporate purpose and strategic management themes, and identified as materiality. We conduct periodic reviews of materiality and materiality themes and report them to the Board of Directors in order to appropriately capture points arising from changes in economic and social conditions.	**Content** Through the following steps, we identified key impact areas and established KPIs to measure and manage them (May 2023 Executive Committee Resolution, Board of Directors Report). Impact areas were identified using the impact analysis tool provided by United Nations Environment Programme Finance Initiative (UNEP FI). Corporate Business ・Positive Impact: Resource circulation, infrastructure development ・Negative Impact: Climate change Retail Business ・Positive and Negative Impact: Financial inclusion (Regarding financial inclusion, based on our trust bank business model, we recognize that difficulties in asset administration due to conditions like dementia represent a significant social challenge, constituting a major negative impact.) Based on these results, we prioritized areas based on the magnitude of impact, the scope of influence, and the impact of our operations. Eventually, we identified climate change and financial inclusion as key impact areas and established the following KPIs to measure and manage them. KPI Progress Status [Climate Change] ① Net-Zero Greenhouse Gas Emissions in Investment and Loan Portfolio Establish and sequentially disclose interim reduction targets in accordance with the Net-Zero Banking Alliance (NZBA) framework.	**Content** [Climate Change] Increasingly severe extreme weather and natural disasters year after year are threatening our lives and livelihoods. Given that our "Purpose" is "Trust for a flourishing future," the issue of climate change is an unavoidable challenge of the highest priority. In addition to pursuing decarbonization of OWN GROUP, we will support the decarbonization of our clients with the power of trusts and contribute to the realization of a decarbonized society. The Group will provide the financial support by attracting funds from individual and institutional investor clients while supporting clients' decarbonization through engagement with corporate clients and the provision of a wide range of solutions. In our transition plan toward carbon neutrality, we will engage with clients after understanding their current situation and challenges with the use of various surveys centered on Governance Survey. We will provide solutions and financial support by leveraging the expertise of the TBF Team and collaborating with global top players such as Breakthrough Energy, ECP, and ERM. [Financial Inclusion] The importance of provident asset formation is increasing more and more in the current situation with low birth rate, aging society, and inflation. While the government holds up the "Promoting Japan as a Leading Asset Management Center" scheme and asset management opportunities are increasing, our Group supports clients' medium to long term asset formation through various solutions and advisory services.

Principle 1: **Alignment**	Principle 2: **Impact & Target Setting**	Principle 3: **Clients & Customers**
	October 2022: Power sector; February 2023: Oil & gas sector; October 2023: Real estate & shipping sector; March 2024: Steel & automotive sector ② Cumulative Sustainable Finance Initiatives: ¥5.3 trillion by the end of March 2025 (cumulative initiatives of ¥15 trillion by FY2030) [Financial Inclusion] Number of Financial Inclusion Services for the Elderly as of the End of March 2025: 46,000 (53,000 as of the end of March 2030)	Asset administration Amid an aging society, we strive to improve our asset administration services including developing a trust product which integrates effective functions to prepare for dementia and other problems to ensure the safe and secure life of elderly clients anxious about their future asset administration as well as that of their family. Asset succession An aging society and changes in tax systems have revealed suffering and anxiety about inheritance and succession to the next generation, which has become a social issue. Our representatives with expertise help clients' smooth succession of their assets.
Links & references [References to where additional information can be found in external reporting. Include links and page numbers,] ・Definition and Identification Process of Materiality Sustainability Report 2024(p.4-6) all.pdf	**Links & references** [References to where additional information can be found in external reporting. Include links and page numbers,] ・Climate Change Report 2024/2025 (p.14) climate_all.pdf ・Progress Toward Carbon Neutrality (p.25-31) Project_English_NetZero.pdf	**Links & references** [References to where additional information can be found in external reporting. Include links and page numbers,] 【Climate Change】 ・Transition Plan Climate Change Report 2024/2025 (p.10-11) climate_all.pdf ・Specific Initiatives Progress Toward Carbon Neutrality (p.25-31) Project_English_NetZero.pdf 【Financial Inclusion】 ・Initiatives for Financial Inclusion Services for the Elderly Overview of the 100-Year Passport (a trust product that prepares for future concerns like dementia and health issues) 100-Year Life Solution Trust 〈100-Year Passport〉 | Asset Administration & Inheritance | Sumitomo Mitsui Trust Bank

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<tr><th>Principle 4:
Stakeholders</th><th>Principle 5:
Governance & Culture</th><th>Principle 6:
Transparency & Accountability</th></tr>
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At the Group, we believe that it is our social responsibility not only to practice sound management based on a high degree of self-discipline with the background of a fiduciary spirit but also to actively contribute to building a sustainable society. Under this belief, we pay due consideration to the impact our business activities have on society and provide unique value through our core business to solve social and environmental problems faced by our clients and other stakeholders.
The Group’s stakeholder engagement is divided into three approaches: direct engagement by relevant departments at each company of the Group according to the theme, direct participation in domestic and international initiatives, and internal engagement by the Sustainability Management Department with relevant departments at each company of the Group based on dialogue with its own stakeholders and information gathering from ESG assessment organizations. These approaches are used to diversify dialogue channels and enhance the quality and quantity of inputs.</td><td>Content
In SuMiTG, the Executive Committee, which is an executive body, discusses and decides policies and strategies for promoting sustainability, and the Board of Directors supervises this process, in accordance with the Sustainability Policy.
The Board of Directors, as a supervisory body, has established a Risk Committee as an advisory body to review and supervise the SuMi TRUST Group’s sustainability initiatives.
In FY2023, the Executive Committee established the Sustainability Committee as an advisory body with the aim of organizationally discussing issues with responsible departments to address sustainability issues, and reporting the progress. The Committee is comprised of the officer in charge of the Sustainability Management Department (CSuO from FY2024) as the chairperson and certain of the officers in charge of the corporate management departments. It checks the progress of the sustainability initiatives in the Group and deliberates various measures to promote sustainability.</td><td>Content
This report has not been subject to limited assurance.</td></tr>
<tr><td>Links & references
[References to where additional information can be found in external reporting. Include links and page numbers,]

・Stakeholder Engagement
Sustainability Report 2024 (p.7)
all.pdf
・Internal Engagement
Integrated Report 2025 (p.31)
all3.pdf
Sustainability Report 2024 (p.7-10)
all.pdf</td><td>Links & references
[References to where additional information can be found in external reporting. Include links and page numbers,]

・Sustainability Governance
Integrated Report 2025 (p.56-57)
all3.pdf
・Number of Sustainability Committee Meetings Held (Period: January–December 2024)
Climate Change Report 2024/2025 (p.7)
climate_all.pdf
・Executive Compensation
Integrated Report 2025 (p.84)
all3.pdf</td><td>Links & references
[References to where additional information can be found in external reporting. Include links and page numbers,]</td></tr>
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