

Sumitomo Mitsui Trust Bank, Limited

<https://www.smth.jp/en/index.html>



Policy for the future:

Natural capital, such as water, air, soil, as well as marine and terrestrial fauna and flora that are grown in such resources, is not inexhaustible. For that reason, companies need to appropriate management dependence and impacts on natural capital both in Japan, where they lay their business foundation, and outside Japan, where they rely on highly for the procurement of raw materials and parts.

The SuMi TRUST Group has contributed to establishing the methodologies from a financial perspective, identified those natural capital risks that have serious impacts on the continuation of overseas procurement, businesses, and projects, and incorporated them into investment and loan processes from the ESG perspective.

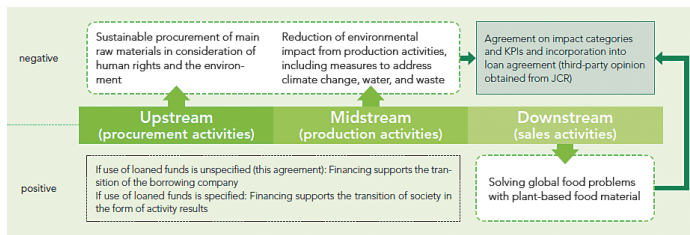
Taking into account that land is the foundation of natural capital in terrestrial ecosystems, we will strive to restore ecosystems that are suitable for various areas, ranging from mountainous regions to cities, and contribute to the formation of ecological networks.

< Positive Impact Finance >

The SuMi TRUST Group is committed to positive impact financing that takes into account not just relationships with clients, but the connections (impacts) between clients and society (surroundings), supports the optimization of those connections, and contributes to the transition to a sustainable society.

In March 2019, SuMi TRUST Bank concluded the world's first positive impact finance agreement with Fuji Oil Holdings whereby the use of loaned funds is unspecified. Under this loan agreement, the borrowing company is committed to achieving set goals for maximizing the positive impacts and minimizing the negative impacts in the upstream, midstream, and downstream stages of its supply chain.

The impacts on biodiversity that need to be managed are the activities for improving the supply chain with the goal of realizing an NDPE (no deforestation, no peat, no exploitation) approach to the sustainable procurement of main raw materials, as well as the initiatives such as the Roundtable on Sustainable Palm Oil (RSPO).



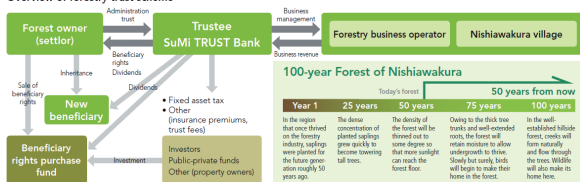
< Forestry trust initiative in Okayama Prefecture's Nishiawakura village >



SuMi TRUST Bank has kicked off initiatives in its forestry trust business in the village of Nishiawakura in Okayama Prefecture.

95% of the land area of Nishiawakura village is forest, of which 84% is plantation. The entire village continues to take up the challenge of growing a magnificent 100-year-old forest with trees planted roughly 50 years ago based on its 100-year Vision of Forest. Our forestry trust business is a solutions proposal unique to a trust bank in which we hope to support the village's 100-year Vision of Forest with the use of a trust scheme.

Overview of forestry trust scheme



< Message to the Society >

Biodiversity and Ecosystem are essential elements of Natural Capital that are indispensable for the survival of humans. We are doing our best to conserve these values using various functions of the trust bank.