



SuMi TRUST
SUMITOMO MITSUI TRUST HOLDINGS

CSR REPORT **2013**

Natural Capital



Sumitomo Mitsui Trust Group's Eco-Trustution

The Group has coined the word “Eco-Trustution” to represent its environmental financial business based on the concept of providing solutions to ecological issues through the use of our trust function. We will continue to develop and provide solution-based financial instruments and services.

Solutions that use the unique functions of a trust bank

Editorial policy

The CSR Report 2013 consists of a full report, a digest report, and four feature booklets on *Climate Change*, *Natural Capital*, *Responsible Investment*, and *Environmentally Friendly Property*. Through fiscal year 2012 (ended March 2013), we only published a full CSR report annually, but to enable readers to obtain a deeper understanding of our Group's proactive initiatives we have decided to publish a digest version of our CSR report along with feature booklets from this fiscal year. You can visit our website to view our other CSR initiatives: <http://www.smtb.jp/csr/>

* This booklet introduces various initiatives and activities by our Group, led by Sumitomo Mitsui Trust Bank.



Addressing Natural Capital

Basic Policy of the Sumitomo Mitsui Trust Group

Our lives depend on natural capital such as soil, air, water, and living creatures.

We obtain our food, drinking water, and the raw materials for industry from natural capital, and our sewage, greenhouse gases, and waste materials are cleaned up by ecosystem services that are rooted in natural capital as well. However, natural capital is not an inexhaustible resource, and human beings must use it in a sustainable way.

The Group formulated its Action Guidelines for Preserving Biodiversity, and it has strived to preserve the diversity of living creatures, an important element of natural capital. In 2012, the Group became a signatory to the Natural Capital Declaration advocated by the United Nations Environment Programme Finance Initiative (UNEP FI). The scope of our efforts was expanded to target the soil, water, and air that form the foundation of biodiversity. We will continue to develop our efforts to contribute to the maintenance and conservation of natural capital through our financial instruments and services as well as our social contribution activities.

The Natural Capital Declaration

Sumitomo Mitsui Trust Holdings became a signatory to the Natural Capital Declaration advocated by the United Nations Environment Programme Finance Initiative (UNEP FI) at the United Nations Conference on Sustainable Development “Rio+20” held in Rio de Janeiro in June 2012. Sumitomo Mitsui Trust Holdings is the only financial institution in Japan to have signed the declaration.



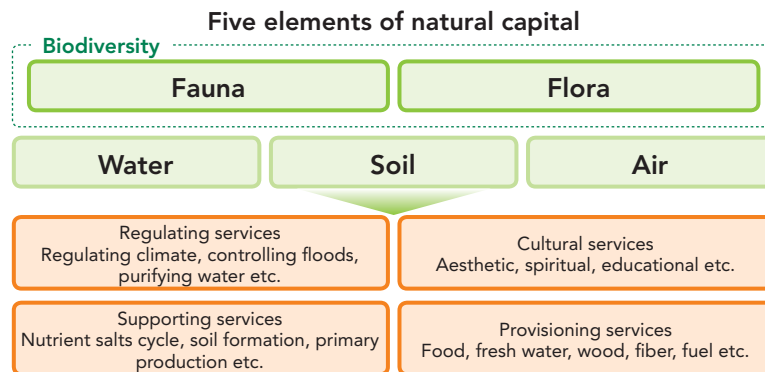
Commitment of Financial Institutions under the Natural Capital Declaration (Excerpt)

We will support the development of methodologies that can integrate natural capital considerations into the decision-making processes for all financial products and services including loans, investment, and insurance policies.

- (a) We will apply a holistic approach to the evaluation of bonds and stocks by integrating natural capital considerations in environmental, social, and governance (ESG) risk analysis in short-, medium-, and long-term growth forecasts of investee companies.
- (b) We will systematically incorporate the consideration of evaluating natural capital into the credit policies of specific sectors, including commodities, that have a major impact on natural capital, either directly or indirectly through the supply chain.

What is Natural Capital?

Natural capital is made up of the elements that comprise the Earth's natural assets, including diverse living creatures (flora and fauna), and the water, soil, and air that foster them. Our lifestyle depends on four categories of ecosystem services that are rooted in natural capital (regulating services, cultural services, supporting services, and provisioning services). The range of benefits we receive from it is truly immeasurable.

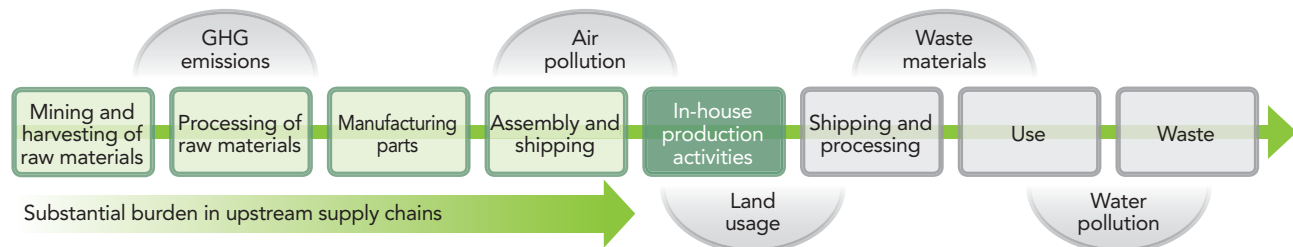


Four categories of ecosystem services

Sumitomo Mitsui Trust Holdings Action Guidelines for Preserving Biodiversity

- 1. Implementing Measures and Providing Support for Biodiversity Preservation:** We will strive to actively protect endangered and native species. In our role as a corporate citizen, we will work to support activities for the preservation of biodiversity.
- 2. Providing Products and Services:** We will endeavor to develop and provide products and services that contribute to the preservation of biodiversity, by conducting appropriate economic and social evaluations of the ecosystem and encouraging the sustainable use of living resources through our financial functions.
- 3. Collaboration with Stakeholders:** We will engage in dialogue and cooperation with our stakeholders while working to preserve biodiversity.
- 4. Education and Training:** We will ensure thorough implementation of these action guidelines at all Group companies and will work to provide education and training aimed at the preservation of biodiversity.
- 5. Information Disclosure:** We will actively disclose information about our efforts to preserve biodiversity.

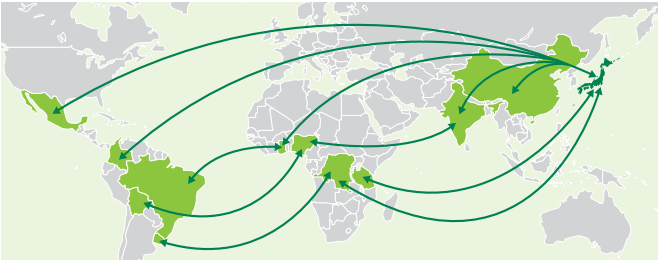
Natural Capital Risk and Supply Chain Management



In today's world, supply chains consist of complex channels that are global in scale. The burden on natural capital stemming from a company's business activities is not limited to its production sites and where its products are consumed but extends around the globe through its supply chain.

There are numerous risks related to natural capital. The upstream supply chain from resource mining to procurement has a significant impact on natural capital. In some cases, hidden risks are posed by secondary and tertiary suppliers that a company is unable to manage directly.

Particularly serious is procurement risk, which affects the business model and continuity of everyday operations at companies. Risk management is required throughout the entire supply chain in order to avoid or reduce these natural capital-related risks.



Risk related to natural capital

Procurement risk	Risk of depletion	The risk of not being able to secure necessary raw materials due to depletion of resources or decreased harvests (includes deterioration in quality and cases where substitutes are not available)
	Regulatory risk	Risk of regulations being imposed on materials purchased, obtained, discharged or emitted
	Price risk	Risk of rising costs due to prices put on resources (such as water) that had been obtained inexpensively or at no charge, or on emitted substances (such as CO ₂)
	Pollution risk	Risk of environmental pollution arising from an accident and having to deal with the effects over a wide area, or being asked to pay large sums in compensation
	Risk to reputation	Risk of a decline in corporate reputation due to social problems or human rights issues brought about locally by suppliers beyond the reach of management or monitoring

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Lineup of Financial Instruments and
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**Products and Services that
Reflect Client Wishes**

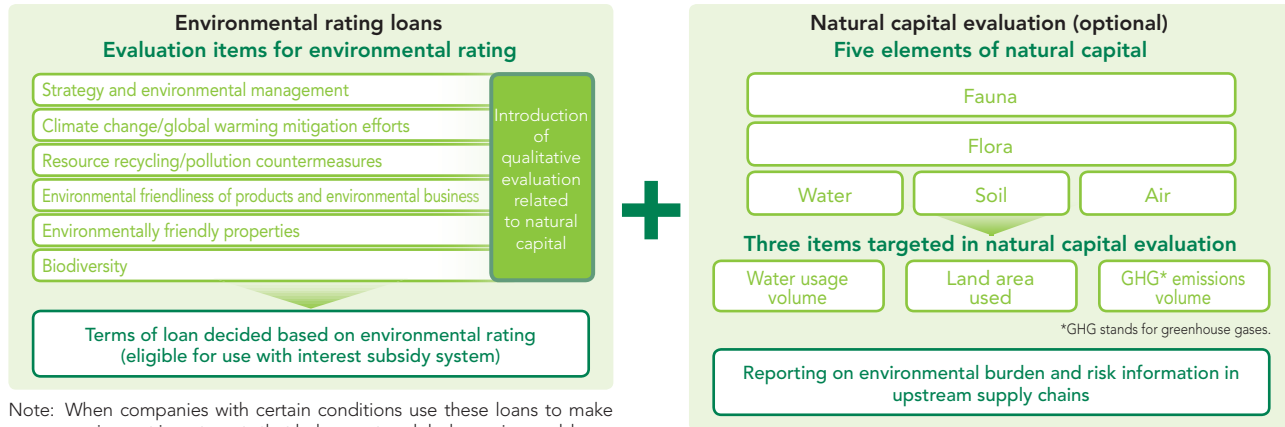
Lineup of Financial Instruments and Services Related to Natural Capital

Environmental Rating Loans with Evaluation of Natural Capital Preservation

Concept Behind Environmental Rating Loans

The sustainable use of natural capital as resources is vital for a company to continue its business. There is a growing awareness that efforts to address issues related to natural capital across the supply chain as well are an indispensable part of management strategy.

In April 2013, Sumitomo Mitsui Trust Bank launched its Environmental Rating Loans with Evaluation of Natural Capital Preservation, which incorporate the concept of evaluating impact on natural capital and a company's initiatives into the environmental-rating evaluation process that assesses its environmental measures. This is the world's first attempt to incorporate natural capital evaluation into loan criteria.



Note: When companies with certain conditions use these loans to make equipment investments that help counter global warming problems, they can receive interest subsidies under the Japan Environment Association's interest subsidy program.

Note: These options are provided by PricewaterhouseCoopers Sustainability Co., Ltd. and are not available without loan products.

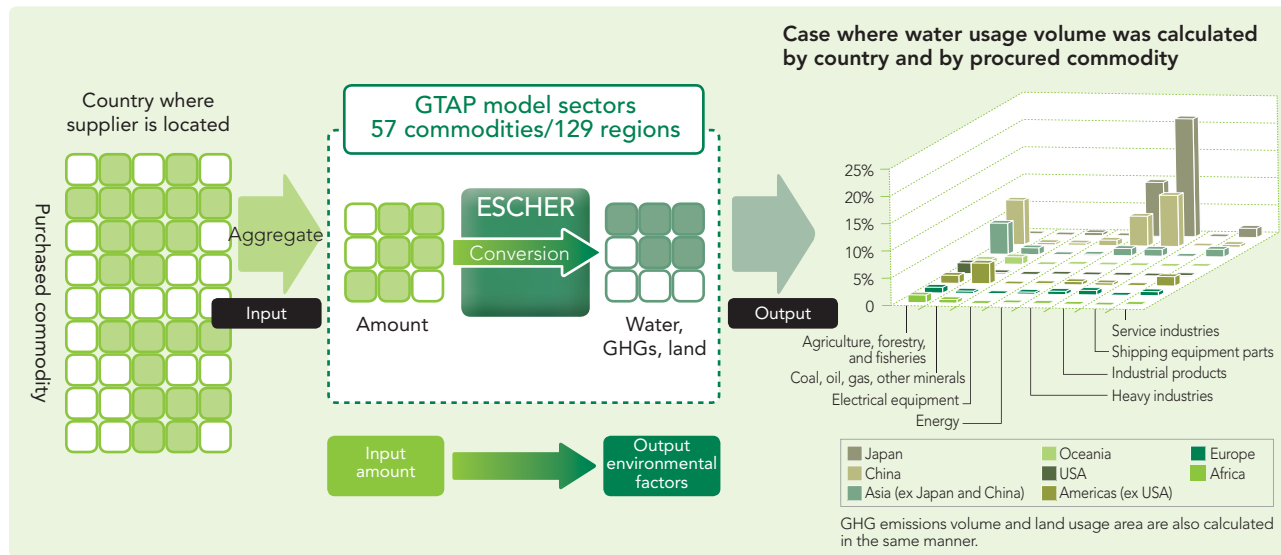
ESCHER Natural Capital Assessment Tool

ESCHER (Efficient Supply Chain Economic and Environmental Reporting) is a tool developed by PwC Germany that calculates the value of natural capital impacts. Based on procurement data, ESCHER calculations factor in industry-related input-output tables and trade statistics data to retrace the supply chain, and it estimates the degree of dependence and degree of impact on natural capital of each commodity procured, by country or region.

About ESCHER

Commodity data from mapping 57 GTAP* commodity sectors and commodity suppliers by location country into 129 regions are input into the ESCHER model for quantitative evaluation, and, as outputs, the model estimates water usage volume, GHG emission volume, and land usage area (environmental factors).

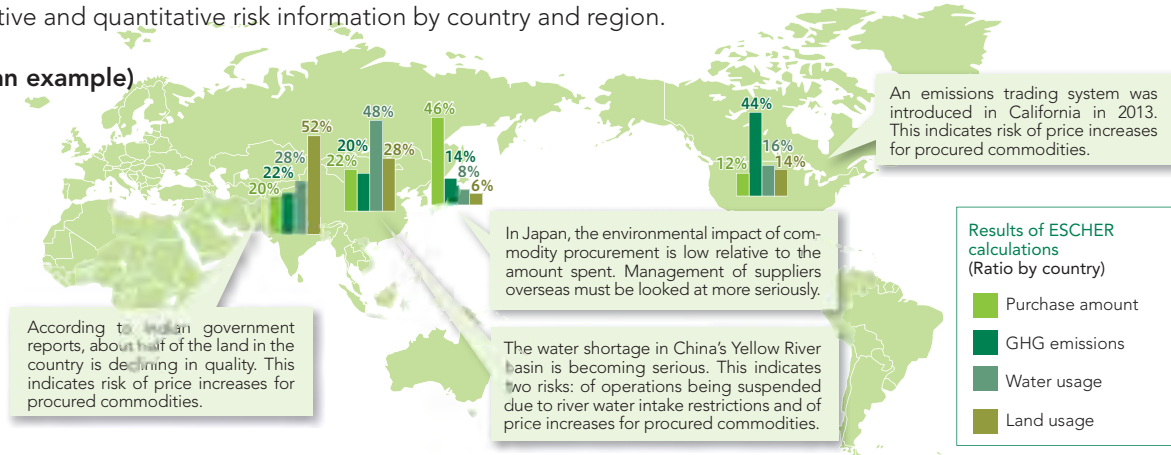
*The GTAP model is an applied general equilibrium model constructed for the purpose of quantitatively assessing the impact of multilateral trade policies. It was created by the Global Trade Analysis Project (GTAP), which was established in 1992.



Output from Natural Capital Evaluation (Results analysis)

Results from ESCHER calculations are provided to clients as quantitative risk information specific to the client as well as qualitative and quantitative risk information by country and region.

Output (an example)



Benefits of Natural Capital Evaluation

(1) Gaining quantitative risk data related to the supply chain that can be used for management judgments

- Can obtain previously hidden risk data related to environmental impacts and the use of resources that are essential to business strategy
- Can understand the supply chain risks of clients based on client-specific risk data as well as qualitative and quantitative risk data by country and region calculated on the basis of procurement conditions
- Clarifies points that need to be analyzed in greater detail with regard to countries, regions, or procured commodities that present significant risks

"You cannot manage what you do not measure."

Pavan Sukhdev
TEEB Project Leader

(2) Obtaining quantitative data on environmental impacts that can be used for information disclosure

- Can obtain results from model calculations that can be used in the Carbon Disclosure Project (CDP) or as "Disclosure of Scope 3 information" for CSR reports

Initiatives in Asset Management (Responsible Investment)

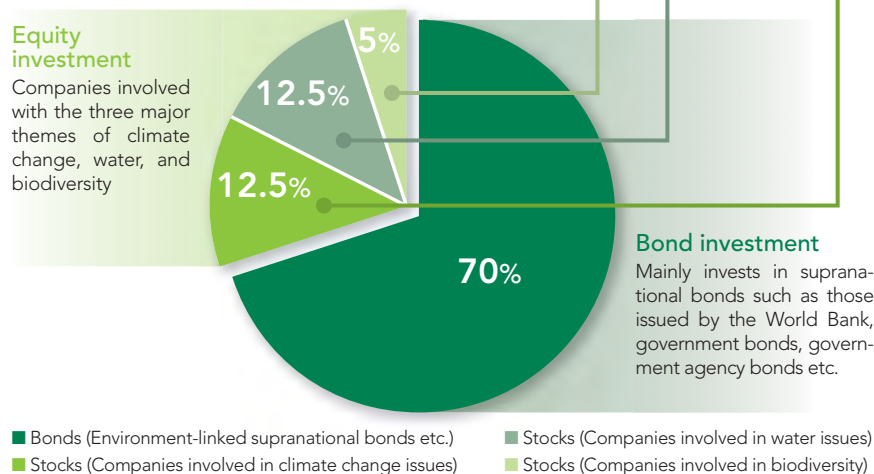
Green Balanced Fund

In 2010, our subsidiary Nikko Asset Management in collaboration with Sumitomo Mitsui Trust Bank developed the Green Balanced Fund. The equity fund portion invests in each natural capital element, namely fauna and flora (conservation of biodiversity and ecosystem services), water (preservation of water resources that are at increasing risk of depletion), and air (reducing GHG emissions), via companies involved in those three themes. The fixed-income fund portion invests in environment-linked bonds such as those issued by the World Bank and other organizations for the purpose of raising funds for environmental conservation in emerging countries.



Equity investment

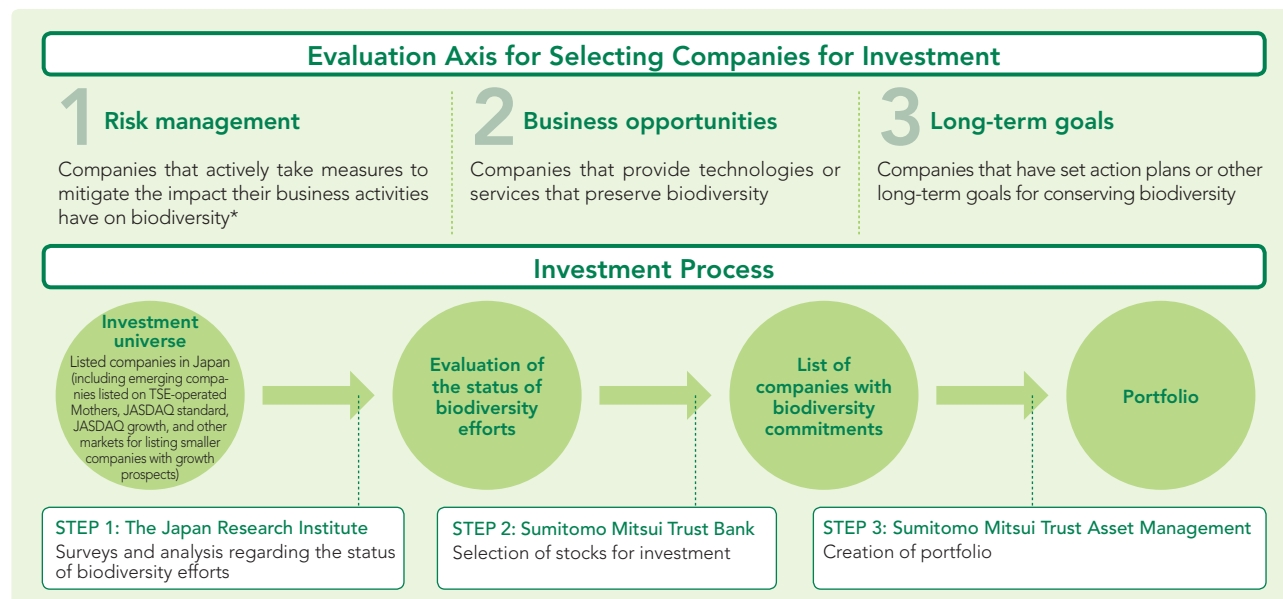
Companies involved with the three major themes of climate change, water, and biodiversity



(Asset management company: Nikko Asset Management Co., Ltd.)

Biodiversity Companies Support Fund

In 2010, Sumitomo Mitsui Trust Bank developed the world's first equity fund that invests in Japanese companies that commit themselves to biodiversity conservation and sustainable use of biodiversity-related resources (this finding is based on our research).



*The Natural Capital Efficiency Index is used as the standard to measure degrees of risk response readiness at companies based on the relationship between their sales and their footprints involving energy, water, and waste with an emphasis on their material balance reports.

(Asset management company: Sumitomo Mitsui Trust Asset Management Co., Ltd.)

Initiatives Related to Environmentally Friendly Property

Environmentally Friendly Construction Consulting that Considers Biodiversity

The value of ordinary buildings starts to decline as soon as construction is completed. However, biodiversity value increases every year with enhancement of the ecosystem and can make up for the decline in building value. Research shows office buildings with biodiversity-informed designs in city centers can contribute to enhanced intellectual productivity and can have an effect on rental income. Biodiversity considerations, along with factors such as energy-saving performance and durability, are an important indicator of a building's environmental performance. At Sumitomo Mitsui Trust Bank, biodiversity considerations are included in our menu of environmentally friendly construction consulting services.

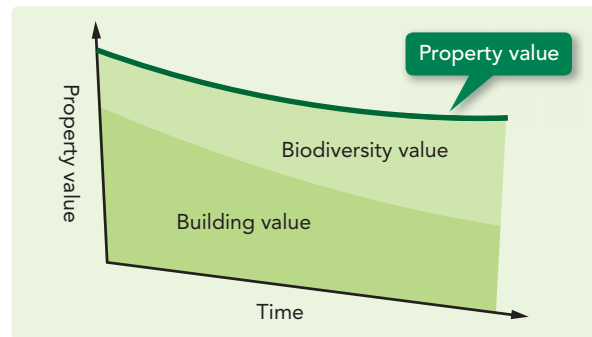
In addition, richness of biodiversity ought to go beyond the level of individual buildings to encompass neighboring sites, and these sites linked together across a broader area have an impact on the sustainability of the town as a whole, and beyond that on Japan's sustainability. It is our hope a more sophisticated ecological network that gives due consideration to natural capital comprising diverse living creatures, land, air, and water will take root.



**Toyo Seikan Group Holdings, Ltd.
Osaki Forest Building**

Building area: Approx. 3,400 m²
Total area: Approx. 72,000 m²
Steel construction and steel-frame reinforced concrete structure, 21 floors above ground, 2 basement floors, 1 rooftop floor
Completed in December 2011

Change in property value with age (image)



Integration of CASBEE and Natural Capital with JHEP

The overall value of a building and the local area can be raised by focusing on a building site's biodiversity considerations and by utilizing both CASBEE for Market Promotion and the JHEP evaluation certification program.

CASBEE for Market Promotion

The evaluation items of CASBEE for Market Promotion, a system devised to show the environmental performance of a building, include many items related to natural capital. As a result, CASBEE for Market Promotion can be used to evaluate the impact of a building's environmental friendliness on natural capital.

Energy/ Greenhouse gases	Target setting and monitoring/energy-saving standards, usage and emissions intensity (calculated values), usage and emissions intensity (actual values), renewable energy
Water	Target setting and monitoring, water usage intensity (calculated values), water usage intensity (actual values)
Use of resources/ Safety	Disaster prevention and safety (new earthquake resistance etc.), high earthquake resistance/seismic isolation and vibration damping etc., usage of recycled materials, service life of structure material, necessary renewal interval for main equipment functions, higher facilities self-sufficiency ratio (electricity etc.), maintenance and operation
Biodiversity/Site	No use of invasive alien species, enhancement of biodiversity, soil environment quality/regeneration of brownfields, proximity to public transportation, measures in preparation for natural disaster risks
Indoor environment	Attainment of building sanitation management standards, use of daylight, natural ventilation function, view

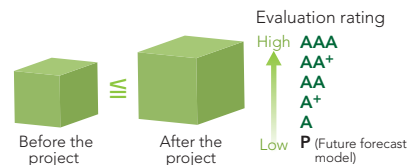
Items in green are evaluation items related to natural capital.

JHEP: a Habitat Evaluation Certification

An objective assessment of the degree to which a real estate project reflects biodiversity considerations can be obtained by acquiring the JHEP certification, which evaluates environment issues with emphasis on the wildlife habitat.

What kinds of projects contribute to biodiversity?

JHEP is a program that compares the value of biodiversity before and after a project is implemented. If the value of biodiversity after the project exceeds that before the project, the project is certified as contributing to biodiversity.



Japan Habitat Evaluation and Certification Program (JHEP)

JHEP is a system developed by the Ecosystem Conservation Society-Japan to quantitatively evaluate and certify efforts to contribute to the conservation and restoration of biodiversity. In addition to the JHEP for project developers, there is CHEP for construction contractors.

STEP 1 Confirming the time axis: The starting time of the target real estate project is determined. In general, the habitat value for 30 years prior to the project (evaluation baseline value) and the habitat value for 50 years in the future (total habitat value) are compared.

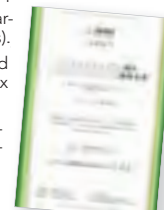
STEP 2 Setting conservation targets: Setting the flora that should be targeted (target flora) and the fauna that should live there (evaluated species).

STEP 3 Calculating the total habitat value: Livability index for evaluated fauna species x index of the local suitability for flora based on target flora x time = total habitat value.

STEP 4 Calculation of evaluation value: The evaluation value is calculated by subtracting the preexisting value of the habitat (evaluation baseline value) from the total habitat value gained from the project.

STEP 5 Decision whether or not to certify

STEP 6 Confirmation of evaluation rating



Sample certificate

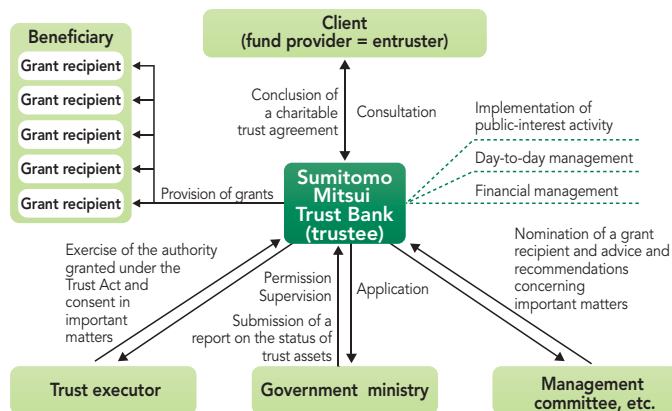
Products and Services that Reflect Client Wishes

Charitable Trusts

The charitable trust is a system in which funds are entrusted to a trust bank that administers and manages the funds to carry out charitable activities in accordance with a previously determined objective. For example, these trusts may be used by individuals wishing to provide funds for charitable activities or by companies that return a portion of their profits to society. They are used in a wide range of fields, including the provision of academic scholarships and support for environmental protection activities.

Since Sumitomo Mitsui Trust Bank accepted an assignment as the trustee of its first charitable trust in 1977, the number of trusts under its management has steadily risen, and projects have been supported in a variety of charitable fields. In 2000, we received an assignment to serve as the trustee of the Keidanren Nature Conservation Fund, a charitable trust, for the Keidanren Committee on Nature Conservation. Since then, we have received donations from Keidanren member corporations and other private enterprises as well as from individuals. The donations are used to support nature conservation activities by NPOs and NGOs in Japan and in developing regions.

Mechanism of charitable trust



Leading examples of projects related to natural capital supported by charitable trusts

Example projects	Summary
Promotion of natural science research	Promotion or awards for research in the natural sciences (science, engineering, agriculture, medicine, dentistry, pharmacy etc.)
Protection and propagation of animals and plants	Promotion or awards for activities related to protection and propagation of animals and plants
Conservation of the natural environment	Promotion or awards for activities to maintain and conserve the natural environment
Promotion of greening	Promotion or awards for national land greening activities
Development and maintenance of the urban environment	Promotion or awards for activities to develop and maintain the urban environment

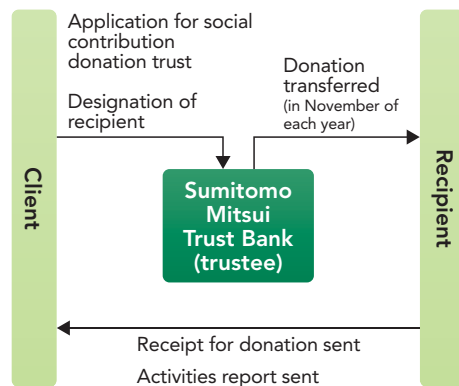
Social Contribution Donation Trust

Sumitomo Mitsui Trust Bank offers social contribution donation trusts for the purpose of donating to charitable corporations and other organizations engaged in activities that contribute to society. With this product, the client can select an organization from a list of donation recipients provided by Sumitomo Mitsui Trust Bank, and donate one-fifth of the original trust principal once a year. The donation recipient can be changed each year.

By designating the Ecosystem Conservation Society-Japan as the donation recipient, clients can earmark donated funds to be used for the purchase of land that is the habitat of the Amaminokurousagi (Amami rabbit), a rare living creature, the rare Tsushimayamaneko (Tsushima leopard cat), or Japan's northernmost beech forest.

Sumitomo Mitsui Trust Bank regards biodiversity efforts as one of our most vital challenges, and it protects our rich natural environment in a variety of ways through social contribution donation trusts and other means.

Mechanism of social contribution donation trust



List of donation recipients (as of November 6, 2013)

Environment	World Wide Fund for Nature Japan (WWF Japan)
Environment	Ecosystem Conservation Society-Japan
Education	National Federation of UNESCO Associations in Japan
Medicine	Japan Cancer Society
Social welfare	Japan Guide Dog Association
International medical support	Médecins Sans Frontières Japan
Academics	The Japan Prize Foundation
Culture	Japan Arts Council
Disaster reconstruction support	Central Community Chest of Japan (disaster relief for the Great East Japan Earthquake)
Support for children	The Nippon Foundation
Support for sports for people with disabilities	Special Olympics Nippon Foundation

"With You" Activities in Support of Living Creatures



Protecting Natural Capital through “With You” Activities

Natural capital consists of water, soil, air, fauna, and flora. It is precisely because we are blessed with this natural capital that our lifestyle is so rich. Each Sumitomo Mitsui Trust Bank branch engages in various social contribution activities rooted in the local community, under the slogan “With You Activities.” Of these, we will introduce the With You Activities that protect natural capital.

Supporting the Living Creatures of Tama City: Tama-Sakuragaoka Branch



Tama City is an area abundant in nature that covers the northern edge of the Tama Hills.

An exhibition in the Tama-Sakuragaoka Branch lobby introduces the over 100 species of plants that live in the Nanayama Green Space, the

birds and fish that can be observed around the Tama River, and the various living creatures that inhabit the wetlands.

Forest Breakwater Project: Sendai Branch, Sendai-Aoba Branch



The Sendai Branch and Sendai-Aoba Branch participated in tree-planting activities carried out in Iwanuma City, Miyagi Prefecture. This was a plan to make a forest breakwater by planting seedlings of various species in an embankment

made of a mixture of debris and soil. Volunteers from around the country gathered in hope of rebuilding after the Great East Japan Earthquake and restoring the natural richness of the earth.

Conservation and Restoration Tour of Japan's Northernmost Beech Forest: Sapporo Branch, Sapporo-Chuo Branch



The Kuromatsunai lowlands in Kuromatsunai-cho, Hokkaido, are the northernmost point where beech trees grow naturally. This is a valuable site for learning about environmental changes caused by global warming.

The Sapporo Branch and Sapporo-Chuo Branch nurtured beech seedlings and planted young trees as part of the National Trust movement.

Abekawa River Clean-up Activities: Shizuoka Branch, Shizuoka-Chuo Branch



The Abekawa River is a clear stream that runs through the center of Shizuoka City and empties into Suruga Bay. The river water and groundwater are valuable resources that support daily life and industry in the area.

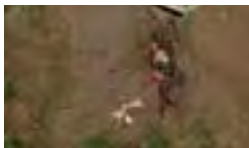
The Shizuoka Branch and Shizuoka-Chuo Branch participate in Shizuoka City's Adopt-a-River Program and work together with businesses and residents near the river to clean up the dried up riverbed.

Other “With You” Activities

Education for Sustainable Development

To form a sustainable society, it is crucial to factor in economic and social considerations into an environmental perspective and to strive to raise public awareness and create a society where people and nature can coexist. Spanning the entire gamut of educational venues, Education for Sustainable Development (ESD) refers to learning opportunities that are reshaping our society and how we live.

The ESD project provides opportunities for children, who are the bearers of the next generation, to learn about National Trust land and activities to preserve these sites, at home, at school, and in natural, outdoor settings. In this way, the children learn about natural capital and ecosystem services and share the knowledge needed to create the future.



The red-clawed crab, which inhabits forests



The Koajiro Forest that stretches across the water catchment ecosystem of Miura City, Kanagawa Prefecture



Interview with an expert (Yuji Kishi, Professor Emeritus, Keio University)



Classes in school utilizing ICT (Miura City Kouyou Elementary School)

Amaminokurousagi (Amami Rabbit) Trust Campaign

Amami Oshima, an island scheduled for registration on the World Heritage list of natural heritage, has a forest that is home to many rare living creatures such as the Amami rabbit, a designated Special Natural Monument, and the Lidth's jay.

To protect the forest, one of Japan's most bountiful, from wanton development, the Association of National Trusts in Japan has called upon individuals and corporations in a nationwide campaign to raise funds to purchase about 100 hectares of the forest. Sumitomo Mitsui Trust Bank's Kagoshima Branch participated in this campaign and helped to purchase the land.



Tools to Introduce “With You” Activities

Quarterly Journal “With You”

Sumitomo Mitsui Trust Bank engages in social contribution activities that are rooted in local communities, primarily through its local business offices located across Japan, in order to build a strong relationship of trust with community members. Sumitomo Mitsui Trust Bank calls these efforts “With You” Activities. The quarterly journal “With You” introduces the activities being carried out at each branch.

Website URL: <http://smth.jp/csr/report/>



Branch Blog With You

Through the Branch Blog With You, Sumitomo Mitsui Trust Bank publishes information about the “With You” activities at branches across Japan in real time.

In future, we will develop the blog as an even more effective communication tool by using it to inform readers about seminars and panel exhibits.

Website URL: <http://branchblog.smtb.jp/>



Green TV

Green TV Japan has more than 1,000 videos available for viewing free of charge, including a large selection of overseas videos as well as videos produced independently in Japan.

Sumitomo Mitsui Trust Bank has supported Green TV Japan as a media sponsor since it was first established in 2007. We have collaborated on various projects including producing environment-related video content and promoting ESD.

Website URL: <http://www.japangreen.tv/>



Activities in Japan and Overseas

50:50 Campaign

In June 2012, Sumitomo Mitsui Trust Holdings took part in the 50:50 campaign, in which 50 countries and 50 corporations announced their intention to work to preserve natural capital at Rio+20. In fact, 88 private companies and 59 national governments from around the world as well as the European Commission were present, with Sumitomo Mitsui Trust Holdings being the only participant from Japan. Aligned with the World Bank's WAVES* initiative that makes the effective management of the natural environment a premise for economic development policies, the campaign incorporates the value of ecosystems into national economic policies.

* WAVES: Wealth Accounting and the Valuation of Ecosystem Services, a partnership that assesses the economic value of ecosystem services.

Natural Capital Study Group

Sumitomo Mitsui Trust Bank believes that when putting into practice the Natural Capital Declaration and the 50:50 campaign, we urgently need to gain knowledge with regard to the quantitative evaluation of natural capital, and in particular its economic evaluation, in order to promote measures for the maintenance, preservation, and sustainable use of natural capital. To that end, the Natural Capital Study Group (chaired by Masaru Yarime, Associate Professor, Graduate School of Public Policy, the University of Tokyo) was launched in April 2013, subsidized by the Trust Sixty Foundation, with the participation of knowledgeable and experienced persons, NGOs, public administrators, corporations, and others.

Consortium for Sustainable Paper Use

The destruction of forests due to logging and single-species afforestation to supply raw materials for paper manufacturing is ongoing. It has become a serious issue in places such as tropical rainforests that are rich in the biodiversity and a valuable part of natural capital. As a major consumer of paper, Sumitomo Mitsui Trust Bank has joined with corporations that share our concern regarding this issue and with the World Wide Fund for Nature Japan (WWF Japan) to establish the Consortium for Sustainable Paper Use. We aim to spread the sustainable use of paper throughout society as a whole by choosing paper products that are friendlier to the environment and society.

Business and Biodiversity Initiative

At the ninth meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 9) held in May 2008 in Germany, Sumitomo Mitsui Trust Holdings, together with 33 other companies from around the world, signed a leadership declaration under the Business and Biodiversity Initiative “Biodiversity in Good Company,” that was led by the German government. Since that time, we have been playing a role of as a leading company in this field and making proactive efforts to address this issue.

Declaration	Status of initiatives during 2012-2013
1. Analyzing corporate activities with regard to their impacts on biological diversity	We provided clients with investment and loan products that assess the impacts of corporate activities on natural capital and biological diversity.
2. Including the protection of biological diversity within their environmental management system	We have built PDCA cycles on biological diversity in our CSR promotion systems, we formulate a plan for each fiscal year based on our Midterm Plan, and we review the performance of these semiannually.
3. Appointing a responsible individual within the company to steer all activities in the biodiversity sector and report to the Management Board	The head executive of the CSR Promotion Office in the Corporate Planning Department supervises all activities and reports to the Executive Committee.
4. Defining realistic, measurable objectives that are monitored and adjusted every two to three years	We have set objectives in the CSR Midterm Plan and review performance in the Executive Committee.
5. Publishing activities and achievements in the biodiversity sector in the company's annual, environmental, and/or corporate social responsibility report	We have disclosed our activities in our CSR Report since fiscal year 2009 as well as on our website; we are publishing a Natural Capital feature booklet from fiscal year 2013.
6. Informing suppliers about the company's biodiversity objectives and integrating suppliers accordingly and step by step	We participated in the Consortium for Sustainable Paper Use advocated by WWF Japan. In cooperation with other users, we are also pressing ahead with efforts to take into account the environmental and social aspects of paper resource procurement, which has a major impact on biodiversity.
7. Exploring the potential for cooperation with scientific institutions, non-governmental organizations (NGOs) and/or governmental institutions with the aim of deepening dialogue and continuously improving the corporate management system vis-à-vis the biodiversity domain	We are pursuing international cooperation as a signatory to the Natural Capital Declaration led by UNEP FI. We work closely with NPOs, including the Ecosystem Conservation Society-Japan, in natural capital-related business, education, and activities aimed at raising public awareness.

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- Companies are requested to use their own judgment whether or not to adopt proposals made by Sumitomo Mitsui Trust Bank based on this document.
- Companies that do not adopt the proposals made by Sumitomo Mitsui Trust Bank in this document will not be subject to disadvantageous treatment with regard to other transactions with Sumitomo Mitsui Trust Bank, nor is adoption of the proposals made by Sumitomo Mitsui Trust Bank in this document a condition for other transactions with a company.

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