



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**

**Support for
Energy Efficiency
(Renewable
Energy, Energy
Conservation)**

**Investment in
Environmentally
Friendly
Companies
(Responsible
Investment)**

**Financing for
Environmentally
Friendly
Companies
(Environmental
Rating Loans)**

**Valuation of
Natural Capital
(Biodiversity)**

**Support for
Environmental
Friendliness in
Real Estate**

**Support for
Smart City
Projects**

**ECO
Trustution**
エコ・トラステュション

Editorial policy

The CSR Report 2014, as with the previous edition, consists of a full report, a digest report, and four feature booklets on *Climate Change*, *Natural Capital*, *Responsible Investment*, and *Environmentally Friendly Property*. We have published a digest version of our CSR report along with feature booklets so that readers can gain a deeper understanding of our Group's proactive initiatives. You can visit our website to view our other CSR initiatives.

<http://www.smtb.jp/csr/>

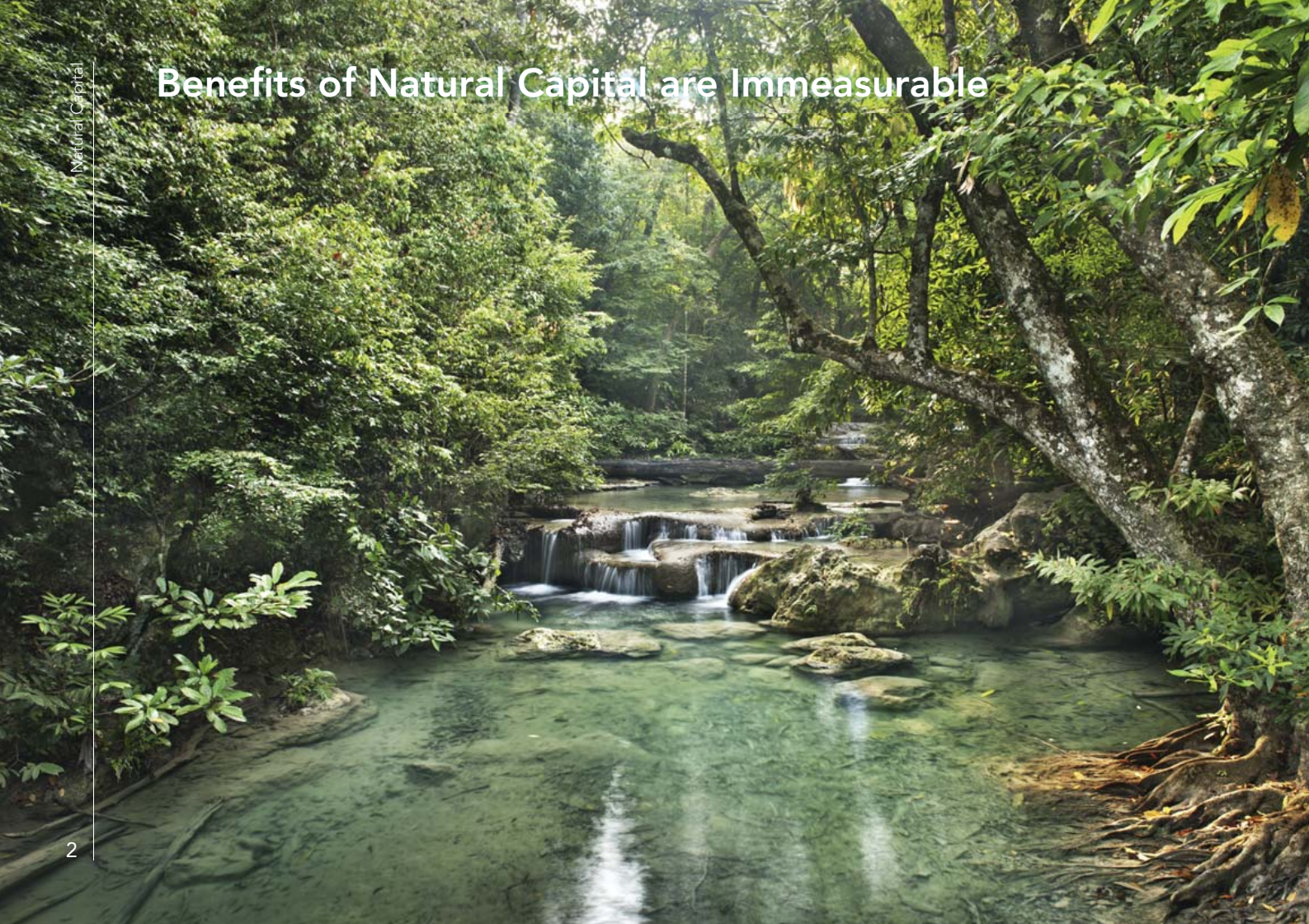
* This booklet introduces various initiatives and activities by our Group, led by Sumitomo Mitsui Trust Bank.

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Benefits of Natural Capital are Immeasurable

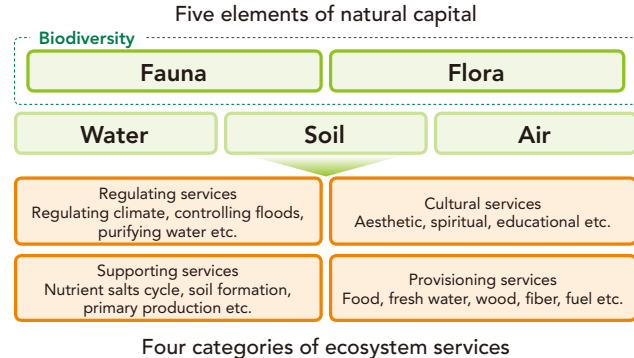


What is Natural Capital?

Benefits of Natural Capital

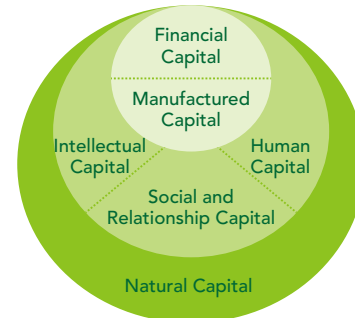
Natural capital is made up of the elements that comprise the Earth's natural assets, including diverse living creatures (flora and fauna), and the water, soil, and air that foster them. Our lifestyle depends on four categories of ecosystem services that are rooted in natural capital (regulating services,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

For example, the amount between ¥839.1bn and ¥971.1bn was calculated as the economic value created from ecosystem services in Japanese wetlands in fiscal 2013. The value from dry beaches was estimated as ¥610.3bn.



Positioning of Natural Capital in Integrated Reporting

Natural capital is positioned as one of the six forms of capital that organizations depend on when creating value, according to integrated reporting, which is a new trend in non-financial information disclosure. Natural capital includes air, water, soil, and minerals, as well as the health of forests, biodiversity, and ecosystems. It is defined as "all renewable and non-renewable environmental resources and processes that provide goods and services that are the basis of the past, current or future prosperity of an organization."



Significance of Natural Capital in Japan

The E-RISC (Environmental Risk in Sovereign Credit Analysis) project, which is promoted by the United Nations Environment Programme Finance Initiative (UNEP FI) and others, is a study that seeks to integrate environmental risk and sovereign credit risk (credit ratings) and link these to evaluation of government bonds. To that end, the project has categorized the long-term, medium-term, and short-term effects of environmental risks as follows.

Short-term risk	Medium-term risk	Long-term risk
0 to 5 years	5-10 years	10-25 years
Unexpected changes in international commodity trade markets	Cumulative environmental degradation from overuse of natural resources	Emissions of carbon dioxide (slower and potentially more long-term)
Exposure to price volatility of commodities and supply disruption	Reduced output of products, brought about by reduced productivity of natural resources (soil, grains, fish stocks, etc.)	Exposure to effects of carbon pricing/ taxation and climate change

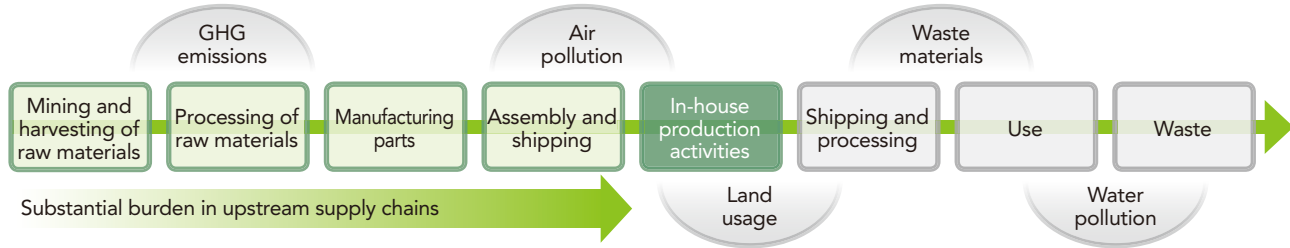
Source: A New Angle on Sovereign Credit Risk

Elongated from north to south and surrounded by the sea, Japan accommodates numerous kinds of creatures. It is needless to say that we have to conserve the precious natural capital. From this chart, we can see that short-term and medium-term risks in particular are related to imports of natural resources and can appreciate them as risks of natural capital.

E-RISC attempts to simply and easily quantify these risks, taking Japan, Brazil, France, and other countries as case studies. Japan has higher short-term and medium-term risks compare to other countries because we rely on resources from overseas and consume far more natural resources than we can produce on our own. The E-RISC study points out that this dependency has a negative impact on Japan’s sovereign credit worthiness.

So unless Japan works for the sustainable use of natural capital, including overseas capital, these issues will bounce back as its own national risks.

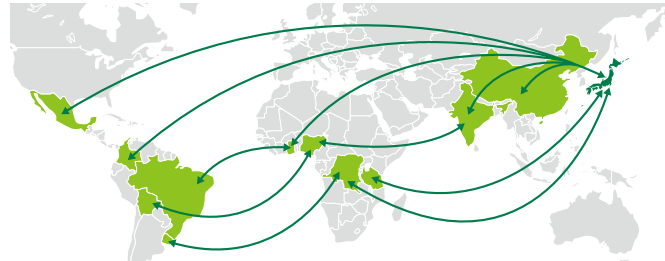
Natural Capital for Japanese Corporations



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.

Procurement risk is a particularly serious risk factor for Japanese companies that depend on procurement of raw materials from overseas. It affects business models and continuity of everyday operations. 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

Natural Capital Policy of Sumitomo Mitsui Trust Group

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.

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.

Activities Based on Leadership Declaration under the Business and Biodiversity Initiative

Sumitomo Mitsui Trust Holdings signed a leadership declaration under the Business and Biodiversity Initiative “Biodiversity in Good Company” at the ninth meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 9) held in May 2008 in Germany. Since then, we have continued to carry out activities in line with the principles of the declaration, which was led by the German government.



Declaration	Status of initiatives during 2013-2014
1. Analyzing corporate activities with regard to their impacts on biological diversity	We continued to provide investment trusts that assess impact on biodiversity and loan products that include impact on natural capital in their assessment criteria.
2. Including the protection of biological diversity within their environmental management system	In our CSR promotion system, we draw up a plan for each fiscal year on efforts related to natural capital and review their performance semiannually.
3. Appointing a responsible individual within the company to steer all activities in the biodiversity sector and report to the Management Board	The Chief Sustainability Officer 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 for measures including those related to natural capital, and we review performance at 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 are the first company in Japan to have begun publishing a yearly Natural Capital feature report.
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 organize the Natural Capital Study Group, which brings together participants that include companies, national and regional governments, academics, research institutions, and NGOs. We play a leading role in discussions of natural capital in Japan, which also contributes to enhancing the level of our own activities.

Natural Capital Initiatives Using our Financial Functions



Natural Capital Study Group

Sumitomo Mitsui Trust Bank believes that we urgently need to gain knowledge on the quantitative evaluation of natural capital, and in particular its economic evaluation, so that we can 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 Forum Foundation, with the participation of companies, national and regional governments, academics, research institutions, NGOs and others.

The Study Group meets every two months. Each person in charge makes a report on a set topic each session. The topic, based on the report, is discussed from various angles. In addition, the Study Group summarizes the content of its debates and disseminates the information to the broader public at its annual symposium.

At the October 2014 meeting of the Study Group, several members drew up a report on the 12th meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 12) held in Pyeongchang, South Korea. They shared information on the latest global trends.



The water, soil, air, animals, and plants that make up natural capital are fundamental elements essential to human life. However, the value and benefits of this natural capital are not sufficiently recognized, and destruction of nature and depletion of resources have progressed to critical levels. Various initiatives are underway in Europe and the United States to understand natural capital in economic terms, but we cannot necessarily say that systematic studies have progressed in Japan.

The Natural Capital Study Group discusses how Japan should carry out initiatives that care for natural capital, particularly in economic activities at the working level; compiles reports; and makes concrete proposals.



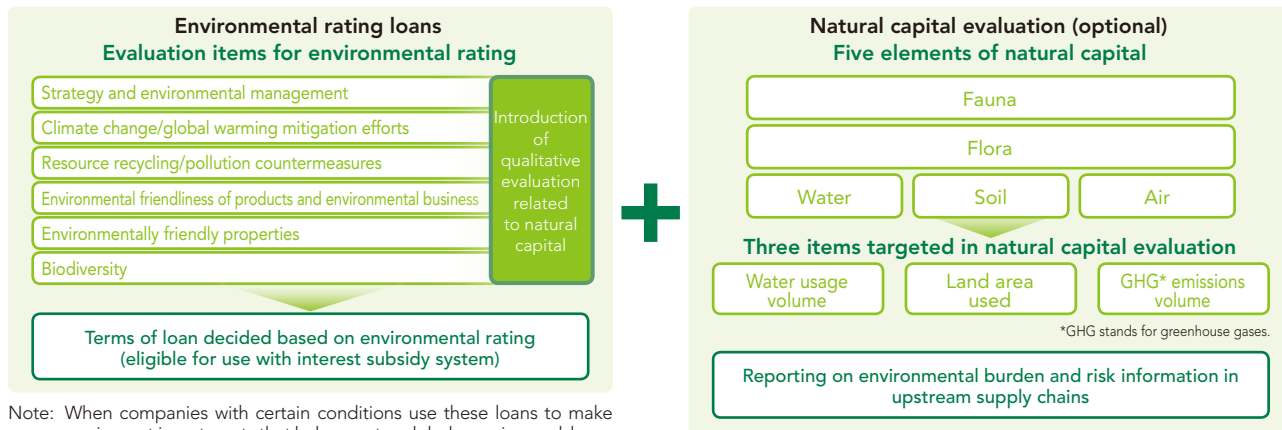
Masaru Yarime
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Graduate School of Public Policy, the University of Tokyo

Initiatives in Loans

Environmental Rating Loans with Evaluation of Natural Capital Preservation

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.

Benefits of Natural Capital Evaluation

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

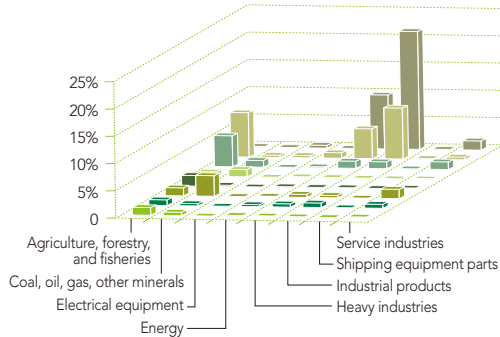
- Can obtain previously hidden risk data related to environmental impacts and the use of resources that are essential to business strategy
- Can understand the supply chain risks of clients based on client-specific risk data as well as qualitative and quantitative risk data by country and region calculated 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

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

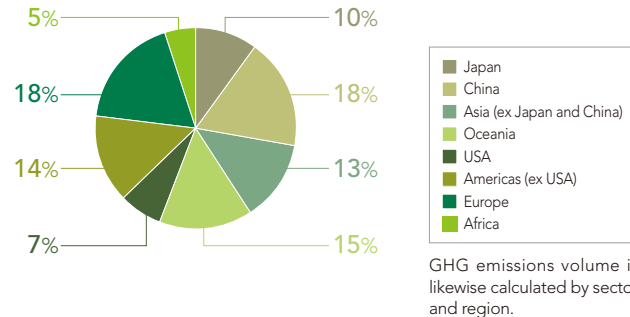
- Can obtain results from model calculations that can be used in the Carbon Disclosure Project (CDP) or as "Disclosure of Scope 3 information" for CSR reports

Example of output from a Natural Capital Assessment Tool

Breakdown of water usage volume in each region by sector



Ratio of land usage area by region



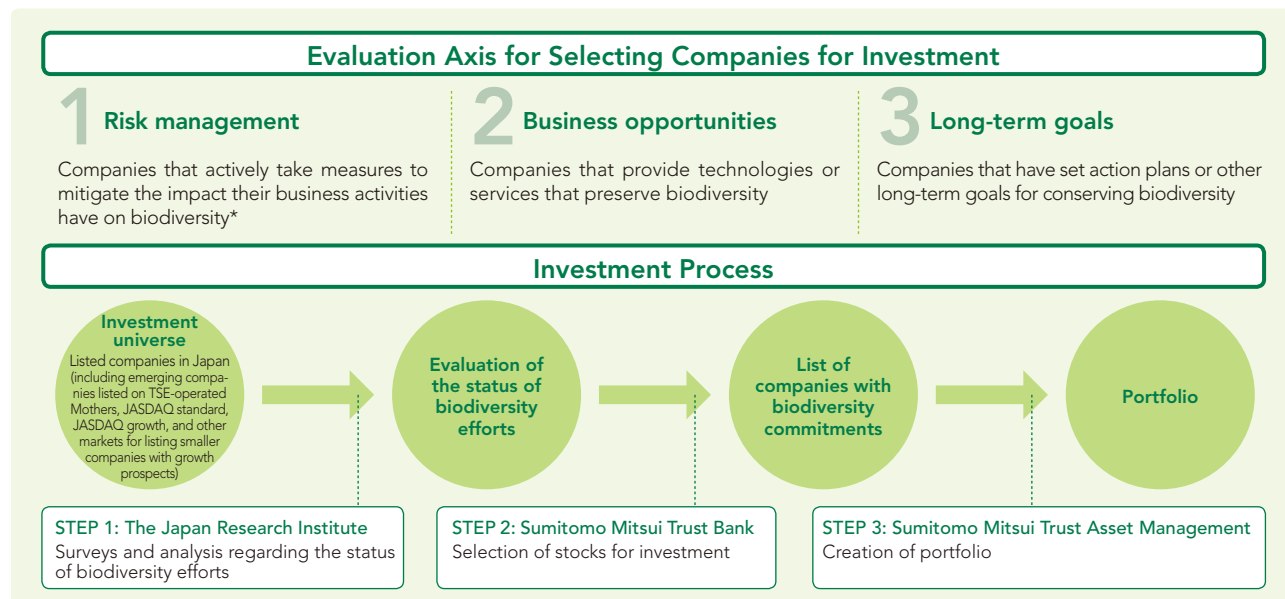
ESCHER Natural Capital Assessment Tool

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.

Initiatives in Asset Management (Responsible Investment)

Biodiversity Companies Support Fund

In 2010, Sumitomo Mitsui Trust Group 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).



* An index of high or low possibilities of reducing the Natural Capital Efficiency Index (service amount generated by one unit of natural capital) is used as the standard to measure degrees of risk response readiness at companies. The index is calculated based on the relationship between their sales and their energy, water, and waste footprints with an emphasis on their material balance reports.

Biodiversity Companies Support Fund Incorporated in Green Balanced Fund

The Biodiversity Companies Support Fund is also incorporated in the Green Balanced Fund, which was jointly developed in 2010 by Sumitomo Mitsui Trust Bank and our subsidiary Nikko Asset Management. The equity fund portion of the Green Balanced Fund 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.



Corporate Activities and Natural Capital

Without natural capital, including the air, water, and soil, along with the animals and plants they nurture, it would be fundamentally impossible for human beings to live, let alone carry on corporate activities. The path to achieving sustainability is to use only the assets and services generated by natural capital, without depleting the capital itself. Yet in reality, the scale of human lives and corporate activities continues to expand, damaging natural capital in the process. We know that consuming fossil fuels degrades the air, excessive usage of water degrades the environment, and inappropriate waste emissions degrade the soil. In that case, companies that achieve economic performance by effectively using natural capital can be considered to have only a slight impact on biodiversity.



Eiichiro Adachi
Counselor,
The Japan Research Institute, Limited

Property and Natural Capital

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.



**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

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 utilizing both CASBEE for Properties (name changed from "CASBEE for Market Promotion" in November 2014) and the JHEP evaluation certification program.

CASBEE for Properties

CASBEE for Properties is a simple evaluation system for the environmental performance of buildings. Sumitomo Mitsui Trust Bank participated in the system's development, and it includes many evaluation items related to natural capital.

JHEP: a Habitat Evaluation Certification

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.

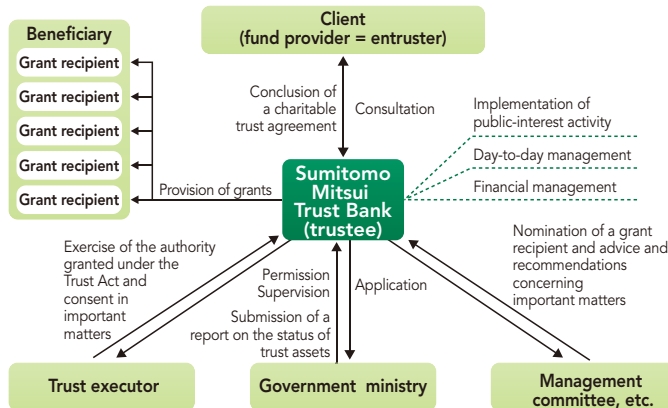
Charitable Trusts

Support for Various 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

Collaboration with Stakeholders

Collaboration with NGOs

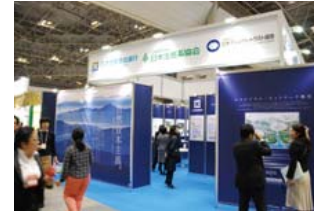
Sumitomo Mitsui Trust Bank emphasizes cooperation with stakeholders in order to gain specialized knowledge when putting into practice initiatives related to natural capital. In particular, we collaborate at various stages with the Ecosystem Conservation Society-Japan, a think tank whose actions are aimed at creating a country that coexists with nature.

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. 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) or of the Tsushimayamaneko (Tsushima leopard cat), which are rare, or for the purchase of Japan's northernmost beech forest.

Joint Exhibit at Eco-Products Exhibition

The Eco-Products Exhibition is Japan's largest environment-related event, held every year in December at Tokyo Big Sight. Since 2007, Sumitomo Mitsui Trust Bank has been participating in the Eco-Products Exhibition jointly with the Ecosystem Conservation Society-Japan and the Association of National Trusts in Japan, with exhibits on the themes of natural capital and biodiversity.



"From Gray Infrastructure to Green Infrastructure," International Symposium in Sapporo, Hokkaido

The Ecosystem Conservation Society-Japan holds an annual forum in line with its promotion activities related the environment. Guests are invited from within Japan and overseas, and advanced initiatives are introduced. Sumitomo Mitsui Trust Bank sent a lecturer to the international symposium held in Sapporo in 2013 to present case studies of companies that have begun taking steps to consider nature as capital.

Initiatives to Reduce the Burden on Natural Capital

Consortium for Sustainable Paper Use

Destruction of the ecosystem due to logging in tropical rainforests and single-species afforestation to supply raw materials for paper has become a serious issue. Sumitomo Mitsui Trust Bank 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 promote a switch to paper products that conform to our CSR procurement guidelines, and we aim to spread the sustainable use of paper throughout society as a whole by requesting our suppliers to provide paper products that are friendlier to the environment and society.

Consortium for Sustainable Paper Use policies on paper procurement

- Prioritize use of recycled paper and paper certified by reliable systems
- Do not use paper from sources that destroy forests with high protection value
- Use paper that has been produced through appropriate procedures, from logging of raw wood in compliance with laws in the country of origin
- Do not procure products from business operators connected to significant environmental or social problems



Contributing to Protection of Forests by Promoting Recycling

One-third of the Earth's land is made up of forests, but natural forests are reported to be continually decreasing at a rate of 13 million hectares per year. Sumitomo Mitsui Trust Bank believes it is important to reduce logging to supply raw materials for paper, and we are promoting thorough recycling at our base buildings both in paper procurement (input) and disposal (output). We procure photocopy paper, in principle, with a 100% recycled content ratio. In addition, when disposing paper, we thoroughly sort and recycle it, and we are maintaining a 95% recycling ratio for paper waste.

Leadership in Japan and Overseas

Participation in Ministry of the Environment Symposium

In February 2014, the Ministry of the Environment held an international symposium on “Natural Capital and Corporate/Municipal Management.” Specialists at the forefront of efforts in natural capital in Japan and overseas attended the symposium. They discussed the latest trends in natural capital management around the world and measures to advance its implementation.

Sumitomo Mitsui Trust Bank sent lecturers who spoke on the topic “Natural Capital from the Perspective of Financial Risk,” explaining the impact on credit risk for Japanese government bonds, which rely on procurement of natural capital from overseas, and on investment and loan decision making in view of corporate supply chain risks.

Participation in COP 12

The 12th meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 12) was held from October 6, 2014, in Pyeongchang, South Korea. Participants discussed issues of financial support for developing countries and problems in sustainable development and biodiversity.

Sumitomo Mitsui Trust Bank took part in the Business and Biodiversity Forum, one of the main events of COP 12, and served as a panelist for the discussion on “Resource Mobilization” on Day 2. At the panel discussion, we introduced our Natural Capital Loan as an example of a loan that incorporates an assessment of impacts on natural capital in the supply chain. The conference participants showed keen interest.



Initiatives to Protect Living Creatures



Activities in Support of Living Creatures

Support for National Trust Activities

Sumitomo Mitsui Trust Bank works in close cooperation with the Association of National Trusts in Japan, supporting their activities in various ways. We exhibit at the Eco-Products Exhibition held every year in December at Tokyo Big Sight, in collaboration with the Ecosystem Conservation Society-Japan and the Association of National Trusts in Japan. In addition, we carried out a joint lecture at a lunch meeting for members of the British Chamber of Commerce in Japan in September 2013. A lively discussion was held, as the U.K. is the birth place of the National Trust movement.



Furthermore, we arrange donations to the Association of National Trusts in Japan through our social contribution donation trusts, will trusts, and other measures for individuals who want their own funds or land to be of service to the world. In addition, we assist National Trust activities by providing practical advice as appropriate regarding matters such as acquisition of property.

Branch Activities to Support National Trust



The Kagoshima Branch donated funds for the purchase of trust land in Amami Oshima.



Employees at the Sapporo Branch and Sapporo-Chuo Branch participate jointly in volunteer activities to preserve trust land.



Panels introducing National Trust activities are exhibited in the lobbies of each branch.

Education for Sustainable Development

Flow of ESD Project on the National Trust



Green TV Japan recorded report in the Waterhead Forest in Mimasaka, Okayama Prefecture



Teaching materials were prepared using recorded video



Sumitomo Mitsui Trust Bank employees act as facilitators to conduct classes using the video teaching material

Sumitomo Mitsui Trust Bank is engaged in activities to promote and raise awareness of the National Trust among children, who are bearers of the future, by collaborating on an Education for Sustainable Development (ESD) project with Green TV Japan, an Internet broadcaster specializing in the environment.

In the ESD project carried out in September 2014, classes using video teaching materials were held for all students at Okayama City Tsunoyama Elementary School to encourage thinking about the importance of water. The children watched a video filmed at Waterhead Forest in Mimasaka and learned that nearby rivers were linked to upstream forests, that protecting the forests nurtures creatures living in the water and makes our own lives richer, and that the water retention function of the forests plays a role in preventing flooding and other problems downstream.

Scenes from the class were shown at a booth set up at an event in Okayama City, which was held in connection with the UNESCO World Conference on ESD in November. The exhibition was a hit, attracting crowds of children.



Booth at event in Okayama City, held in conjunction with the ESD conference

“With You” Activities to Protect Natural Capital

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. We will introduce the activities that protect natural capital.

Removal of Weeping Lovegrass: Utsunomiya Branch



The gravel bars of the Kinugawa River are a treasure trove of precious plants and animals. However, plants native to the land have been threatened in recent years by alien species. The Utsunomiya Branch has been continually participating in work to remove an alien species of weeping lovegrass as part of its environmental conservation activities.

Activities to Preserve and Nurture the Goldband Lily: Shin-Yurigaoka Branch



The Asao Goldband Lily Planting and Promotion Association engages in activities to bring back the goldband lily to Shin-Yurigaoka, where it once grew naturally. The Shin-Yurigaoka Branch also takes part in these activities and carries out greening projects and lobby exhibitions.

Weed clearing in Trust Forest: Wakayama Branch



Utilizing the “Company Forests” project promoted by Wakayama Prefecture, Sumitomo Mitsui Trust Bank has regularly carried out forest conservation activities since 2007. Participants, including employees and their families, came from branches nationwide as well as the Wakayama Branch and conducted weed clearing.

Uribo Farm Project: Kobe Branch and Kobe-Sannomiya Branch



In this project, Japanese and foreign residents work together to raise and harvest specialty black beans and other crops. The Kobe and Kobe-Sannomiya branches participate jointly in the project and are working on farm chores throughout the year while having exchanges with foreign residents in Sasayama City and local residents.

Fish Project

Sumitomo Mitsui Trust Bank has implemented activities in the lobbies of various branches to conserve local endangered species and inform the public about the issue. We intend to expand these activities to even more branches in the future under the SuMi TRUST Fish Project.

Rosy bitterling



Raising the Rosy Bitterling Yao Branch

For approximately 10 years, the Yao Branch has been working to raise Japanese rosy bitterling, a freshwater fish indigenous to Japan currently at the greatest risk of extinction.



Protection of the Deepbody Bitterling Ichinomiya Branch

The branch plans to participate in an industry-government cooperative project that leads to protection of the deepbody bitterling fish, a designated Natural Treasure of Japan.



Raising Japanese Medaka Sendai Branch and Sendai-Aoba Branch

The Sendai Branch and Sendai-Aoba Branch have been raising Japanese medaka since September 2013. In addition, the branches have held exhibitions in their lobbies on the medaka.



Raising Japanese Medaka Aobadai Consulting Office

The Aobadai Consulting Office raises Oikemedaka, a type of medaka that lives only in the Katabira River in Yokohama and its watershed.

External Evaluations

Sumitomo Mitsui Trust Bank is Japan's only signatory to the Natural Capital Declaration advocated by UNEP FI. The declaration signifies a commitment by financial institutions to include natural capital considerations in their products and services. We have also launched the declaration's Environmental Rating Loans with Evaluation of Natural Capital Preservation, which incorporate the concept of evaluating the impact on natural capital and a company's initiatives into the environmental-rating evaluation process that assesses its environmental measures. These initiatives have been noted in Japan's white paper on the environment as advanced efforts. They were introduced as innovative financial products in the report of the EU Business @ Biodiversity Platform (B@B) led by the European Commission.



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