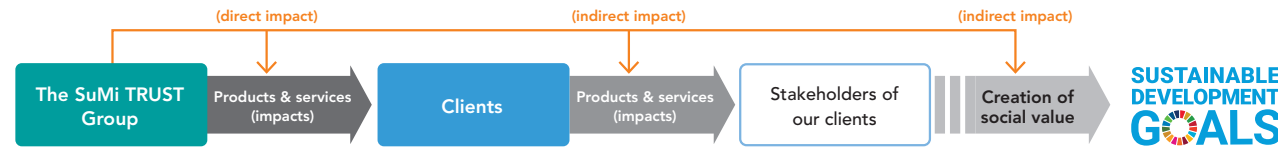


# Creation of Impacts

## (1) Creation of Positive Impacts

The balanced creation of both social value and economic value has been placed at the very core of our management philosophy in our Medium-Term Management Plan. In some cases, social value is created by our Group's corporate activities, but in many cases, it is created through the chain of

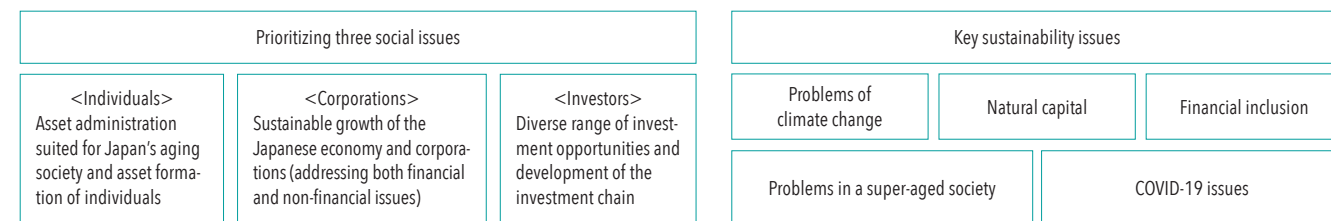
effects from one stakeholder to the next. Our Group's social issue-solving business consists of activities that contribute to the realization of SDGs and ultimately create positive impacts and minimize negative impacts on the economy (Prosperity), society (People), and the environment (Planet).



	Examples of positive impact (To promote)	Examples of negative impact (To avoid)
Direct impact	Investments and loans to renewable energy projects	Sales of property funds with high investment weightings in buildings that are not environmentally friendly
Indirect impact	Consulting on information disclosure that clearly demonstrates processes for achieving the SDGs	Investments and loans to projects that contribute to increased greenhouse gas emissions in the long run

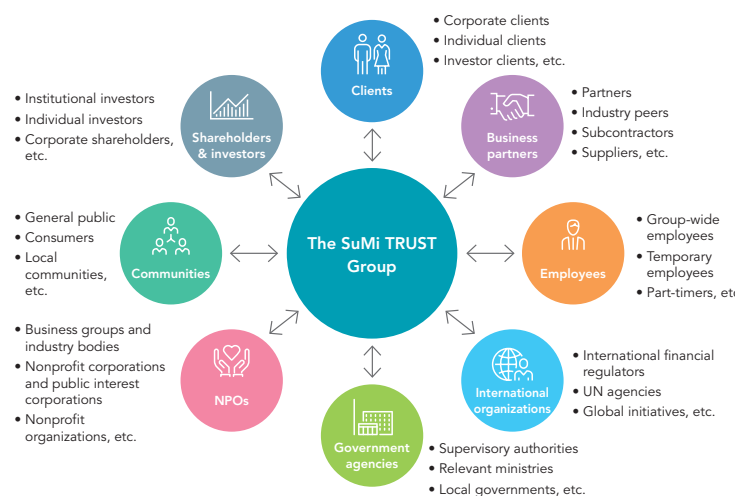
In our Medium-Term Management Plan, we identified three priority issues to be addressed in our social issue-solving business. In addition to issues such as climate change and the super-aged society, which we have traditionally focused on, we also plan to address new sustainability issues such as COVID-19 as a business.

On the other hand, there is a growing concern about previously unanticipated ESG risks, such as COVID-19 and climate change issues. As such, it is important not only to pursue business opportunities, but also to strengthen our resilience to these new risks.



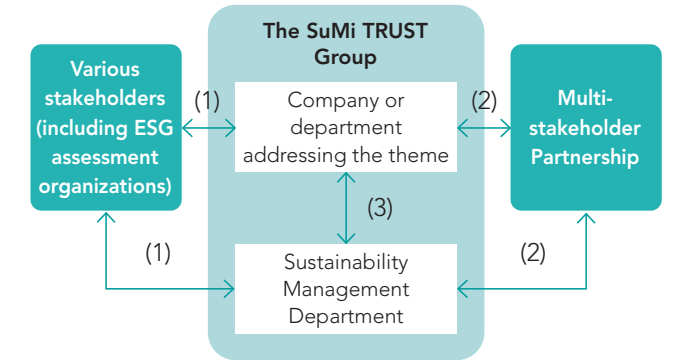
## (2) Stakeholders of the Group

The SuMi TRUST Group lists clients, shareholders, employees, and society as stakeholders in its Management Principles ("Mission"), and clients, shareholders, investors, employees, business partners, local communities, NPOs, government authorities, and international institutions as major stakeholders in its basic policy on social responsibility ("Sustainability Policy"), and has declared that it will respect dialogue and play an active role in building a sustainable society. By identifying its stakeholders in this way, the Group is able to clearly understand how the Group relies on and impacts each stakeholder, providing a strategic foundation for the creation of social value.



## 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.

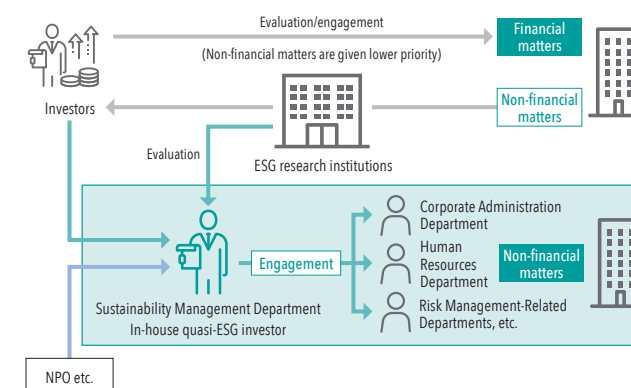


## Internal Engagement

Our Sustainability Management Department engages in investor-like dialogue with relevant departments with respect to non-financial materiality items in the finance sector that ESG investors are most 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

## Internal Engagement



## FY2020 Initiatives

Theme	Departments covered	Engagement points
Corporate governance	Human Resources Department, Corporate Secretariat	Emphasis on current issues pointed out by ESG assessment organizations
Human capital	Human Resources Department	The relationship between human capital and corporate value
Data security	Business Process Planning Department	Emphasis on current disclosure standards pointed out by ESG assessment organizations
Compliance	Compliance Department	Same as above
Risk management	Risk Management Department	Same as above
Climate change	Wholesale Business Planning Department	Current issues surrounding fossil fuels and policies to address them

## (3) Positive Impacts Designed to Create Social Value

The Sustainable Development Goals (SDGs) are a collection of 17 goals intended to be achieved by the year 2030. In developing the SDGs, the United Nations identified the most pressing social issues the international community faces in terms of economy, society, and the environment. The creation of social value is one initiative contributing to the achievement of many of the SDGs, whilst setting off a chain reaction of positive impacts among multiple stakeholders.

It also enhances value for the economy (increase in wealth), society (improvement in people's well-being\*), and the environment (sustaining the earth's natural capital). We think social value generated is the sum total of the increases in these three types of value.

\* The World Health Organization (WHO) defines health as a state of complete physical, mental and social well-being.