

# Gaining & Shaping a Population of Diverse Human Resources

## Bolstering Human Resource

### The SuMi TRUST Group Human Resources Development Policy

The SuMi TRUST Group will maintain its workplace environment and bolster its human resources based on a development spirit consisting of "TRUST," for the growth and career development of the employees who will create our future.

- T**alent ..... Talent (individuality) can blossom
- R**espect ..... Respect each individual
- U**niqueness ..... Develop true professionals
- S**upport ..... Make mutual teaching and support our motto
- T**ry ..... Praise small, daily challenges

Based on the "fiduciary spirit of TRUST," the SuMi TRUST Group aims to contribute to our clients and the continuous development of society through the growth of our employees, thereby maximizing the creation of shared value and becoming the corporate group that is chosen by society.



We have been advancing measures to be the "No. 1 financial group for human resource development" with the aim of "bolstering human resources," which is one of the two wheels for raising the level of our group of personnel that provides comprehensive solutions (see p. 145). Today, however, as digitization and other advances are transforming business models at an ever-accelerating pace, we need to share more concrete guidelines within the Group and accelerate their promotion. It was for this reason that, in April

2018, we created our "Human Resources Development Policy" as the shared human resource development slogan within the SuMi TRUST Group.

Through our Human Resources Development Policy, we have initiated various measures in fiscal 2019 aimed at becoming the "No. 1 financial group for human resource success," where all kinds of people, from young to senior, regardless of gender or course, can flourish.

### Career Course System Enabling Proactive Choice

SuMi TRUST Bank has implemented a course-based system that promotes employee career formation. Employees are streamed into three courses, the G Course, the R Course, or the A Course, depending on their likelihood of being transferred and the nature of their work duties.

There is also a system, applied to all courses, that places

employees into four work groups based on their demonstrated capabilities. By adopting this system, we encourage personnel management based on ability, rather than age or gender. All employees regularly talk with their superiors on the status of career formation to be evaluated and receive feedback.

| Course name                             | Residence and workplace relocation  | Eligible business operations        | Primary role  |
|---|-------------------------------------|-------------------------------------|---|
| <b>G Course</b><br>(General and Global) | Nationwide relocation type          | Possible                            | All operations<br><ul style="list-style-type: none"> <li>Leaders of department- and branch-level organizations, or</li> <li>High-level professionals regarding various specific operations</li> </ul>       |
| <b>R Course</b><br>(Retail & Region)    | Operation- and region-specific type | Possible within the specified area* | Retail operation<br><ul style="list-style-type: none"> <li>Leaders of retail-related department- and branch-level organizations, or</li> <li>High-level professionals regarding retail operation</li> </ul> |
| <b>A Course</b><br>(Area)               | Region-specific type                | None                                | All operations<br><ul style="list-style-type: none"> <li>General managers of departments and branches, or</li> <li>Professions regarding various specific operations</li> </ul>                             |

\*Nationwide- and regional-types (Tokyo, Kinki and Chukyo areas)

## Skill-raising Human Resource Assignment and OJT\*

The SuMi TRUST Group views OJT as the foundation for human resource development. We also focus on assigning employees to roles that awaken their passion for growth and allow them to display their abilities to the maximum extent. SuMi TRUST Bank has introduced a program that enables new employees to experience multiple work domains within a fixed period after joining the Bank, which helps them ascertain their own job aptitude through their own work experiences. We are also advancing initiatives such as a trust internship program, in which employees spend a fixed period of time learning the trust business in a section

that is responsible for planning and development of trust operations, products and services. The program is aimed at developing human resources who possess a “high degree of expert knowledge in trust operations” and a “deep understanding of the fiduciary spirit.”

\* On-the-Job Training (OJT) is a process whereby workplace supervisors and senior employees teach subordinates the knowledge, skills, and duties required of them via daily tasks.

Communication tool among new employees, development personnel, and branch managers



## Recruiting Highly Capable Human Resources

It is indisputable that employing capable human resources is the starting point for developing a robust corporate foundation. The recruitment section of SuMi TRUST Bank website provides clear explanations of the characteristics of its personnel system, the mechanism of trusts and their significance, and the overview of its businesses. The website is also carefully designed to give visitors an idea of what working at a Group company is really like with features such as employee interviews. In addition, human resources likely to demonstrate expertise as trust bank employees are strategically acquired by setting aside the recruitment quotas for experts in law and other fields, as well as assigning them to digital-related operations or asset management operations at the initial stage of job assignment.

More than 29,000 recent graduates applied via the website during the recruitment period for new entrants to join the Group in April 2020. We will go through a rigorous selection process to make hiring decisions.



Internship program

## Respect for Employees' Will in Job Assignment

SuMi TRUST Bank determines new hires' job assignments after examining their aptitude through interviews with each of them before they formally join the Bank. On the other hand, SuMi TRUST Bank attaches importance to new hires' will and motivation and provides them with opportunities to try acquiring qualifications new hires themselves desire (pension actuary, real estate appraiser) and to challenge work at their first assignment (Global business, digital transformation, asset management and administration, market-related operations, etc.). SuMi TRUST Bank makes an effort to encourage an early acquirement of the expertise trust bank employees should have, as well as to continuously bring out specialized talent.

## Number of New Recruits

|        | Total<br>(total of male<br>and female) | Male | Female |
|--------|--|------|--------|
| FY2016 | 412                                    | 168  | 244    |
| FY2017 | 433                                    | 179  | 254    |
| FY2018 | 402                                    | 178  | 224    |
| FY2019 | 396                                    | 153  | 243    |

## Internal Job Posting System

With regard to employees' assigned positions, SuMi TRUST Bank has initiated an internal job posting system to encourage its employees to independently and voluntarily form their own careers. Under this system, employees applying for job quotas various departments set can actually move to the departments where they have applied if they clear the Human Resources Department's selection process.

### Internal Job Posting System Users

FY2017 **445** → FY2018 **494**

## Personnel Exchanges among Group Companies

To bolster consolidated management and create stronger human resources group-wide, the SuMi TRUST Group encourages mutual exchanges of human resources on temporary assignments. To ensure smooth human resource exchanges, Sumitomo Mitsui Trust Career Partners offers training to Group companies.

## Enhanced Off-JT\*, Including Training Programs

While human resource training and skill development in the Group are generally provided on an OJT basis, we provide various options for group training which aims to improve employees' operational skills and management abilities, and for self-development which encourages employees to continue improving their skills.

For example, we operate SuMiTRUST University. This company-wide program is aimed at realizing distinct added value that is "unique to a trust bank" and "distinctive of Sumitomo Mitsui Trust Bank" and developing human resources who can swiftly provide comprehensive solutions to clients. Under the operation principle of "building a culture of learning and developing human resources who can help themselves and be independent," we are developing a system to support employees improving their skills.

SuMi TRUST Bank's president serves as SuMiTRUST University's president, while SuMi TRUST Bank's officer in charge of the Human Resources Development and an external expert serve as the university's vice presidents. The SuMiTRUST University receives advice regarding its operation from Hitotsubashi University's Graduate School.

In addition, we organized the SuMiTRUST Academy, a program to provide various training in order to support employees willing to actively learn in a challenging

environment from the perspective of fostering a culture of proactive learning. The Academy is provided as a learning opportunity for all Group employees regardless of company or employment type.

### Various Training Programs

- Training for new employees, rank-based training, business process-based training, language training (English and Chinese); carefully tailored trainings are provided according to the levels of experience and skill.

### Web Campus

- Learning system using the Internet, including e-learning
- All employees can learn compliance rules, operational knowledge, business skills, etc.

### Self-development Support

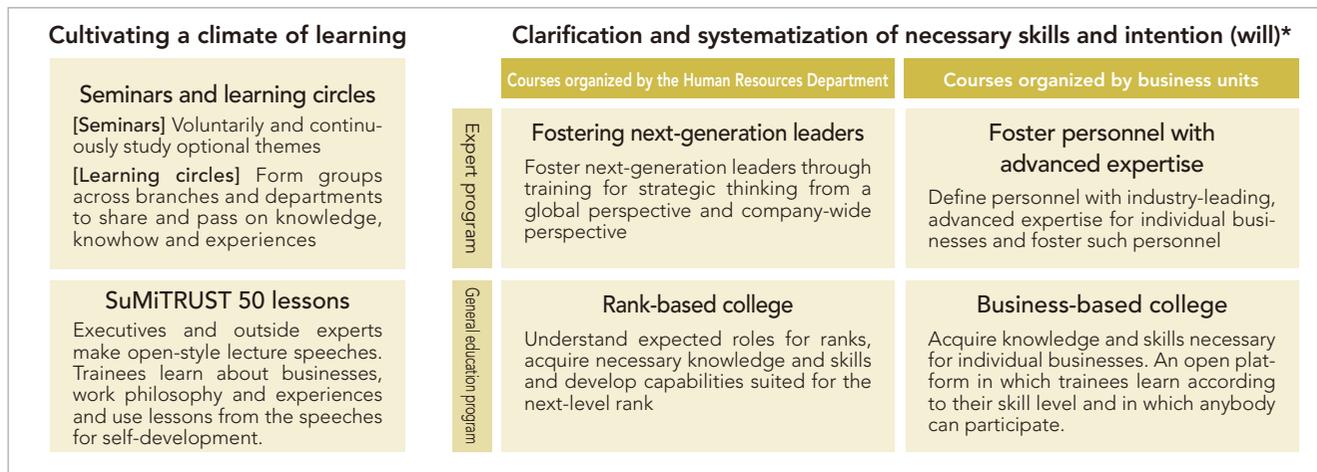
- Financial assistance to cover the cost of various qualification and certification tests, grants to support obtaining credentials, provision of books for the disabled

### Various Trainee Programs

- Capability development training programs, including training for acquiring qualifications and language trainee programs, are implemented
- Overseas training and language trainee programs (English, Chinese, and Thai), business process trainee program (New York, London, Shanghai, Singapore, etc.)

\* Off-JT: Off-the-Job Training. Through programs such as lectures and training sessions, Off-JT provides knowledge and skills employees cannot obtain in OJT.

## Concept Image of SuMiTRUST University



\* The two core components are "rank-based college" managed mainly by the Human Resources Department and "business-based college" managed mainly by individual business units. In addition, the curriculum is enhanced by systematizing and classifying the courses into "general education program" in which all trainees participate and "expert program" in which trainees acquire advanced skills and expert knowledge.

## Strengthening Leadership

### Developing Next-Generation Leaders

In cooperation with Hitotsubashi University's Graduate School, SuMi TRUST Bank offers GL training to nurture the next generation of executive Global Leaders (deputy general managers, associate general managers, and equivalents) and SL training to nurture the next generation of Strategic Leaders (section managers, operational chiefs, and equivalents). Candidates learn the values, general knowledge (liberal

arts), and MBA elements they need for management, and through sessions and courses, they complete the program by presenting a proposal to senior executives. Furthermore, to develop leaders among our female employees and provide them a path to management, we run training for them at the three career stages where the role of female employees changes most dramatically (see page 147).

After these training sessions, employees receive opportunities to put their learnings at the sessions into practice in a variety of settings through their assigned duties and replacement.

In addition, through exploring the history of the Mitsui and Sumitomo corporate groups and communication with outside lecturers and foreign students, the program aims to reaffirm SuMi TRUST Group’s origins and business spirit, broaden horizons, instill global awareness, and enable participants to build networks within and outside the Company.

### Strategy for Global Human Resources

To foster a global mindset and produce a continuous stream of human resources who can succeed in business sectors both in Japan and overseas, the SuMi TRUST Group has increased the number of employees sent from Japan to work overseas to 231 as of March 31, 2019, up from 115 as of March 31, 2012. We have also increased the number of employees with foreign citizenship working in Japan to 49 as of March 31, 2019, up from 22 as of March 31, 2012. Employees hired overseas are eligible for transfers to other overseas locations and their training at the Head Office is also considered to be undertaken.

### Rank-based Training Enhancement

In addition to training to develop next-generation leaders to aggressively pursue strategic business development, SuMi TRUST Bank conducts rank-based training to maintain its talent pipeline and further strengthen its trust services as a social infrastructure. Young employees are provided with a variety of training aimed at acquiring business skills as well as a mindset that embraces autonomy in their domain of responsibility. Section managers and team leaders undergo team building to help them defend the administration of their branches and departments while responding to demands from management as well as training to gain management awareness. The training is designed and conducted in partnership with an external educational institution based on their integrated leadership training curriculum (the 7 Habits of Highly Effective People). Human resources development requires not only classroom learning but also practical training through hands-on experience. Therefore, in order to build a more balanced talent pipeline, we not only encourage learning through group discussions at the training site but also support post-training assignments and other out-of-class activities. We actively promote the human resource development through our efforts which include recurrent education that looks ahead to an age of 100-year-life and, starting in fiscal 2019, the training provided to newly appointed executive officers inviting external instructors (former managers, university professors, etc.).

The training is based on a flexible management approach suited to a variety of work styles and is intended to promote human resource growth.



### Data concerning Training for Human Resources Development (FY2018)

| Total number of trainees | Number of selected and nominated trainees | Total training hours | Training cost |
|--------------------------|---|----------------------|---------------|
| 10,631                   | 91  | 5,670                | ¥540 million  |

## Bolstering Digital Human Resources

Sumi TRUST Bank aims to bolster digital human resources in order to provide value to our clients and employees through technology-based business transformation. We offer a wide variety of ways and opportunities to learn. We sponsor a “Digital Academy” that invites external experts and prominent figures in the digital field for in-house presentations and lectures, and we introduced a system that allows students to take university courses to learn advanced technologies such

as AI and blockchain and analytical methods based on probability and statistics. In another example of bolstering digital human resources, SuMi TRUST Bank partnered with an IT-related company to introduce joint training on business model analysis. Through these digital learning activities, we are taking up the challenge of creating innovation.

## Fair Evaluations and Treatment

In order to fairly evaluate and treat diverse human resources, it is necessary for all employees to share and practice the goals of the evaluation system, and in practice, objectivity is essential. For this reason, roughly every three years, SuMi TRUST Bank sends members of the Human Resources Department to each branch and department to interview employees. Additionally, as a means of obtaining

a multifaceted view of our personnel, we have introduced an anonymous survey for subordinates and others to rate the day-to-day management actions of line managers in the branch management ranks (general managers, deputy general managers, section managers, etc.). Further, we also promote management action reform and encourage the cultivation of a climate of bi-directional dialogue.

### Purpose of Personnel Evaluation System

- To maximize our performance as an organization by aligning the vectors of the Company and individual employees in the same direction
- To ensure goal setting and issue identification, daily communication, and face-to-face meetings to review performance, etc. lead to changes in behavior and capacity development
- To fairly evaluate the various achievements of employees and the diverse capabilities they have demonstrated to ensure they are assigned to appropriate jobs and treated justly

## Personnel Evaluation Systems with Individual Employee Participation

SuMi TRUST Bank’s personnel evaluation system enables individual employees to participate in the evaluation process. At the beginning of each business term, SuMi TRUST Bank’s employees consult with their supervisors and determine specific business execution tasks. After the end of the term, supervisors meet face to face with employees and review their attainment level versus issues identified and the process they went through to deliver results, provide them with assessments they find convincing, and afford them capability evaluations across the process they followed to achieve

results. Those capabilities demonstrated and evaluated include the state of their ethics and compliance and their degree of involvement in developing human resources.

Starting in fiscal 2019, Sumi TRUST Bank changed its performance evaluation cycle from six months to one year to make it easier to tackle medium- and long-term issues as well as short-term initiatives. Although the evaluation period is longer, we still intend to meet at least once a quarter for timely sharing and resolution of day-to-day issues and to conduct interim process checks.

## Bonus System Reflecting Business Performance

From the perspective of encouraging individual employees to fully exercise their capabilities, SuMi TRUST Bank has introduced a system to appropriately reflect the business performance of the entire Group and individual’s performance and achievement in the bonus amount with a view to realizing “incentives for building up earnings for the entire Group as well as for contributing to business unit, branch, or department the individual belongs to” and “fair and highly transparent system management through clarification of the process of reflecting business performance.”

Through appropriate evaluation of personnel and the payment of bonuses reflecting performance, the Group has developed an environment that enables capable personnel to fully exercise their capabilities.

To further support our employees’ accumulation of financial

assets, we sponsor an employee stock ownership plan that regularly purchases shares of SuMi TRUST Holdings.

### Employees to be evaluated

9,868 employees in career formation courses  
(as of end of March 2019)

### Business performance indicators used to determine performance-linked bonuses

Achievement ratio of the consolidated net business profit before credit costs  
Achievement ratio of the consolidated net income

### Evaluation method used to measure individuals’ performance

Decided through relative distribution among employees belonging to the same business unit based on the results of performance evaluation specified under the personnel evaluation system

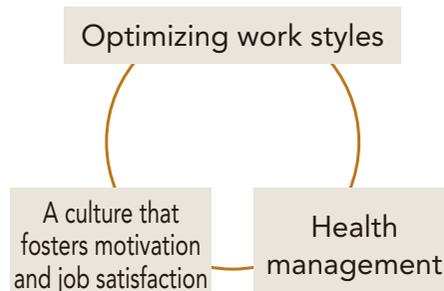
## Upholding Positive Workplace Environments

### Declaration on Work Style Reform

The SuMi TRUST Group hereby declares it a top commitment to offer a workplace where the diversity and creativity of its employees are more fully utilized to add value to the organization and where employees can have pride and be highly motivated in fulfilling their missions. The Group as a whole will work towards the following goals.

1. **Achieving diverse work styles and work-life balance**
2. **Supporting health improvement through measures such as boosting health awareness and appropriately managing work hours**
3. **Providing opportunities for all employees to grow while participating actively with motivation**

Through the enthusiastic work of each individual employee, we will continue to be a corporate group that contributes to the benefit of clients and is useful to society.



To “improve the workplace environment” the other side of our action to raise the level of the Group’s workforce (see page 145), in May 2017, we created the Work Style Reform Headquarters, led by the presidents of SuMi Trust Holdings and SuMi TRUST Bank, and instituted the “Declaration on Work Style Reform” to demonstrate the commitment from the top of the Group.

Initiatives based on the declaration have generally improved HR strategy indicators in the annual survey of employee awareness at SuMi TRUST Bank.

### Support for the International Labour Principles

The SuMi TRUST Group supports the ILO Declaration on the Fundamental Principles and Rights at Work as a signatory to the UN Global Compact.

## Optimizing Work Styles

### Improving the Workplace Environment

The Group is conducting a broad range of initiatives to improve the workplace environment. Specifically, we have been working on reducing the level of overtime work by carrying out thorough work-efficiency and time-management measures. We aim to achieve a goal of cutting clerical work at branches by 70% in around five years by implementing business process reforms and promoting branch strategies. We are also steadily improving efficiency in headquarters

operations, for example by automating routine tasks. The manpower created from these changes will be shifted to the on-site sales force, IT operations, and other specialized areas in order to enhance client support and improve services.

Furthermore, the Group has been working to reduce overall work hours by encouraging employees to take paid leaves and setting months for leaving work early and weeks for leaving work on time.

### Specific Initiatives

- Set and enforce a nine-hour interval rule (the minimum number of hours between the end of a work day and the start of the next work day)
- Ascertain working hours of all Group employees, including those at affiliated companies, and take thorough measures to prevent overwork
- Discuss overtime work status and the management status of systems to promote employee health for the entire Group four times per year at meetings of the Board of Directors. Utilize the opinions of attendees, including those of external directors and external auditors, in drawing up and executing proposals
- Upload to our internal intranet successful management examples of efficient work operation execution
- Ban smoking in all buildings
- Shift to business casual attire year-round

### Status of paid holiday use among SuMi TRUST Bank career-course employees (FY2018 results)

|  |          |
|--|----------|
| Average number of days of paid holiday use | 14.9days |
| Average paid holiday usage rate            | 55%      |

### Status of overtime hours among SuMi TRUST Bank career-course employees (FY2018 results)

|   |         |
|---|---------|
| Average overtime hours per month (outside of mandatory work hours)  | 20hours |
| Ratio of career-course employees exceeding 60 hours of overtime per month (outside of mandatory work hours) | 0%      |

\*As for career-course employees, see page 149

## Initiatives to Realize Work-Life Balance

The Group actively strives to create working environments that enable employees to work at ease and maintain a good balance between work and home lives. As one plank in this effort, the Group is a member of the “Iku-boss Corporate Alliance” established by specified non-profit organization Fathering Japan, which develops businesses to support fathers and promote work-life balance for men. Through the activities of the alliance, we will again spread within the Group a message that “realizing diverse work styles and work-life balance” for employees is crucial for sustainable growth of the Group, and promote the development and reform of awareness among senior executives.

As for childbirth and childcare, SuMi TRUST Bank has created an environment where employees can raise their

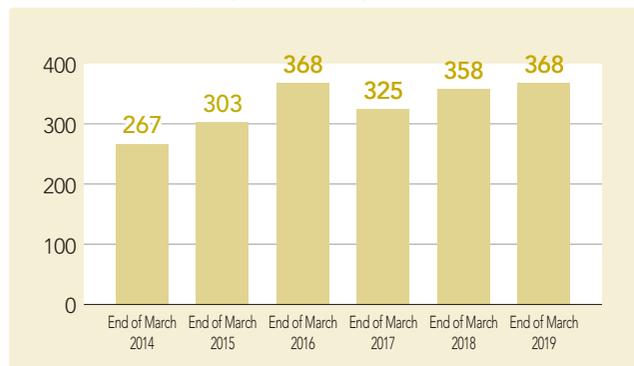
children with peace of mind by implementing a variety of measures. For example, in addition to offering childcare leave until children reach the age of two, SuMi TRUST Bank promotes childcare leave for male employees, and has established a nursing care leave system where employees with two or more children requiring care can apply for up to 10 days of leave per year. Furthermore, employees who are pregnant or who live with and raise children of or below the third grade of elementary school are eligible for a system of shorter working hours and an exemption from working overtime or at night. As of March 31, 2019, 368 employees are on childcare leave via these systems. SuMi TRUST Bank has also produced a childcare handbook as a guide for employees who plan to have a child and their managers on



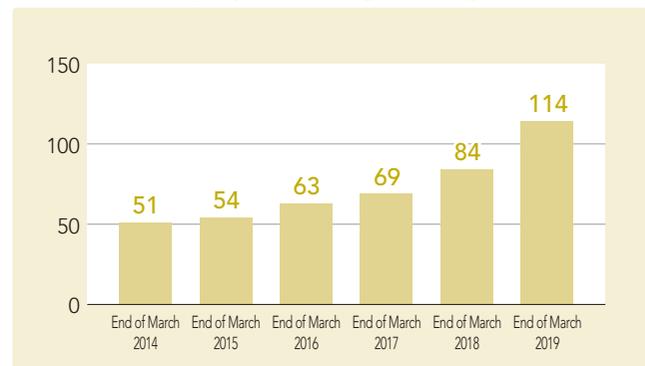
## Usage status of flexible employment system (fiscal year 2018 results)

|   |     |
|---|-----|
| Number of employees using shorter working hours system for childcare or nursing care                    | 573 |
| Number of employees using staggered work starts, overtime work exemptions for childcare or nursing care | 202 |
| Number of employees telecommuting   | 250 |

## Number of Employees Taking Childcare Leave



## Number of Employees Taking Nursing Care Leave



## SuMi TRUST Bank's System for Childbirth and Childcare (as of end of March 2019)

| Item   | Pregnancy | Before childbirth | After childbirth | Under 1 year of age | Until the child's second birthday | To under elementary school age | Until third grade of elementary school |
|--|-----------|-------------------|------------------|---------------------|-----------------------------------|--------------------------------|--|
| Staggered working hours  | ✓         | ✓                 | ✓                | ✓                   | ✓                                 | ✓                              | ✓                                      |
| Secure time for hospital visits, ease the burden of commuting, etc.            | ✓         | ✓                 | ✓                | ✓                   |                                   |                                |  |
| Prenatal and postnatal leave (8 weeks before and after childbirth/paid)        |           | ✓                 | ✓                |                     |                                   |                                |  |
| Maternity and childcare leave (first week is paid leave)                       | ✓         | ✓                 | ✓                | ✓                   | ✓                                 |                                |  |
| Childcare time (1 hour a day or two 30 minute periods a day/paid)              |           |                   |                  | ✓                   |                                   |                                |  |
| Exemption from overtime work   | ✓         | ✓                 | ✓                | ✓                   | ✓                                 | ✓                              | ✓                                      |
| Exemption from late-night work   | ✓         | ✓                 | ✓                | ✓                   | ✓                                 | ✓                              | ✓                                      |
| Shortened workday system (shorten working hours by no more than 2 hours a day) | ✓         | ✓                 | ✓                | ✓                   | ✓                                 | ✓                              | ✓                                      |
| Nursing care leave   |           |                   |                  | ✓                   | ✓                                 | ✓                              |  |

system concepts, procedures, and points to be considered. We also provide application forms and company information supporting work-life balance through a website that employees can access while on childcare leave and a regular email newsletter for employees on childcare leave. In an effort to ensure a smooth return to the workplace, we hold seminars for returning employees led by external instructors and support network-building to allow female employees to share their concerns about work-life balance.

With respect to nursing care, SuMi TRUST Bank created a handbook and organized regular seminars to disseminate basic knowledge about nursing care. We also established a nursing care leave system where employees can apply for up to 10 days of leave per year (for those with two or more family members requiring care), a leave-of-absence system that provides leaves for one year at longest for nursing care, and a system of shorter working hours that can be extended for up to three years (per eligible family member).

Moreover, in addition to encouraging telecommuting, SuMi TRUST Bank holds “Family Visit Days” to provide employees and family members with an opportunity to deepen bonds and communication between them and consider what it means to “work as part of society.”

## Employee Health Management

With regards to “assistance to advance health by raising health awareness in the workplace and properly managing working hours,” we seek to promote both the physical and mental health of all Group employees. In addition to promoting the aforementioned optimized work styles, the Group has appointed medical and hygiene supervisors (hygiene promoters) at each of our business locations

### Specific Initiatives

- To bolster employee health management, we thoroughly inform employees of their duty to manage their own health, and we encourage independent and voluntary health management.
- We ensure a flexible approach is in place for employees working long hours by encouraging them to take half-day paid leave or come to work later in the day.
- We have commenced a program, in coordination with branches and departments, to make sure that those employees who have not taken a necessary health checkup, re-examination, or medical treatment will take the one they have missed.
- We put into place a framework for ascertaining the health status of each employee through daily communication within branches, meetings with Human Resources Department personnel, and the filing of job condition declaration (once a year), in addition to regular health checkups.
- We arrange influenza vaccination at the head office building, the Shiba Building and some branches, and we call for attention to prevent the spread of influenza, norovirus and other infectious diseases.
- We encourage employees to participate in radio gymnastics at the start of the work day.
- We report the status of overtime work hours and the management status of health promotion systems to meetings of the Board of Directors four times per year, and utilize a broad range of opinions, including those from external directors and external corporate auditors, in drawing up and executing measures.

## Supporting Work-Life Balance for Employees Undergoing Cancer Treatment

In fiscal 2019 we introduced flexible working arrangements to support the balance between cancer treatment and work, including a leave program that can be taken in hourly units. SuMi TRUST Bank has also joined the “Corporate Action to Combat Cancer” initiative promoted by the Ministry of Health, Labour and Welfare.

## Promotion of Flexible Working Styles

In fiscal 2018, SuMi TRUST Bank initiated trials of telework and working from home with the goal of improving productivity and supporting work-life balance. Starting in fiscal 2019, we initiated trials of working in satellite offices with the goal of using branch offices more effectively and reducing the commuting burden. Going forward, we hope to boost participation by making these opportunities easier to take advantage of, for example by increasing the number of eligible branch offices and expanding the facilities.

Starting in fiscal 2019, we transitioned to business casual attire year-round. The goal of this change is to reinforce the autonomy of our employees, who are expected to choose work attire appropriate to their particular job and client interactions, and also to help create a productive work environment that remains comfortable in different seasons and temperatures.

to provide detailed health management guidance, and through e-learning courses, we seek to raise employee awareness about the importance of health. We also conduct activities such as training to raise the awareness of line managers about the importance of managing their own mental and physical health and that of their subordinates.

In recognition of its good health management initiatives, the Group was recognized by the Ministry of Economy, Trade and Industry in 2018 and 2019 as a Certified Health and Productivity Management Organization in the “White 500” large enterprise category.

## Physical Health

Obligatory health examinations are provided every year to all employees. The Human Resources Department or other responsible department takes an individual measure to ensure that all employees who require medical treatment receive a checkup. We also support health examinations such as complete medical checkups for employees’ family members through health insurance associations.

## Mental Health

In addition to conducting stress checks for all employees once per year accompanied by individual feedback, the Group has developed a counseling system that is easy for employees to use. For example, industrial physicians provide education for line managers to implement care, mental counseling sessions are available at health promotion centers within the Company, and health insurance associations offer free health advice over the phone. When we conduct annual stress checks, we provide the aggregate results to the employees’ union, discuss ways to “improve the workplace environment,” and take action to do so.

## A Motivating, Fulfilling Work Culture

To “provide all employees with motivating opportunities to succeed and grow,” we endeavor to build a work culture that encourages employees to challenge themselves and learn, and stimulate mutual communication.

Managers are expected to meet with their employees at least quarterly. These meetings allow the manager to get to know the employees’ day-to-day concerns and challenges, help them grow and contribute in a timely manner, and think through their career plans together.

As previously mentioned, we have recommended employees enlist their colleagues beyond each branch or department to create such learning opportunities as seminars and learning circles, and hosted lectures inviting outside lecturers on a regular basis. In addition, SuMi TRUST Bank encourages employees to independently and voluntarily form their own careers by switching the relocation type from region-specific type to nationwide type, and through internal job posting system by which employees can apply for transfers to different duties or business units as they desire.

## Dialogue with Employees

In addition, to make sure our desired corporate culture continues to spread, good mutual communication between officers and employees, as well as between co-workers, is essential. SuMi TRUST Bank takes advantage of events where employees congregate, such as rank-based training, and provides opportunities where the President and other officers talk about topics including management policy and their leadership with a question-and-answer session.

“The Trust Bank discussion” is also held at the workplace to foster the awareness of fiduciary spirit and improve teamwork. Through open discussion on specific topics between fellow employees, regardless of their position or team, SuMi TRUST Bank puts into practice the concept of “shaping workplaces to be highly motivating.” SuMi TRUST Bank recognizes freedom of association, respects the rights of workers to organize and bargain collectively,



Next-generation leaders discuss the Group’s mission during training

At the same time, in order to connect the positive motivation of Group employees to new solutions in the form of new products and innovations, we are promoting employees’ future-oriented activities for the creation of new businesses and operations, which will in turn boost employees’ motivation even more.



Business briefing held prior to open recruitment

and guarantees the right of employees to communicate openly with management. The SuMi TRUST Bank labor union has 11,424 members, equivalent to 77.6% of all employees, as of the end of September 2019. The number of employees in the union in March 2017 was 8,537, however, the addition of associate employees as new labor union members in July 2018 vastly raised the ratio of union organized employees. Management consultation meetings, which are attended by the President and other senior managers as well as union representatives, and branch and department consultation meetings, which are attended by representatives of labor and management at individual branches and departments, are periodically held to discuss working condition for union members and how to maintain the working environment, as well as to reflect employees’ views in management.

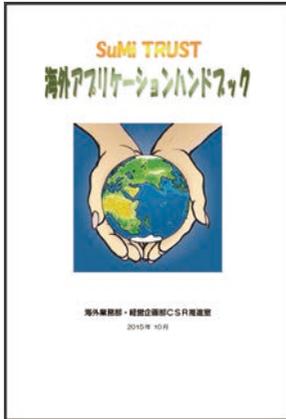
At other Group companies as well, there are initiatives to ensure smooth business operation and maintain and improve the workplace environment through dialogue between the company and the union or representatives of employees.

## Encouraging Senior Employees to Thrive

SuMi TRUST Bank has a program that continuously reemploys retirees who meet certain criteria until they reach the age of 65 if they request employment (the Elder Partner Program). In recent years, approximately 90% of employees who have reached retirement age use this program. In addition, we introduced a system that certifies employees with significant expertise as Fellows and adjusts their benefit levels accordingly.

### A Handbook for Overseas Employees, Domestic Employees Posted Overseas

SuMi TRUST Bank has prepared a guide, the “Overseas Application Handbook,” on all the social and cultural custom risks that overseas employees and domestic employees sent overseas ought to be aware of. In drafting the handbook, we referenced reports by Business for Social Responsibility (BSR), a nonprofit that originated in the United States that works with companies on sustainability issues, and research materials released by the Industrial Federation for Human Rights, Tokyo.



Understanding the customs and taboos emanating from the culture, religion, national identity, and unique attributes of each country enable our employees to obtain a deeper understanding of the behavior and sentiments of people in other countries and thus build a foundation for smooth communication and mutual trust. The handbook covers a wide array of bases from summary data on each country such as Transparency International’s Corruption Perception Index\* (country rankings), manners for various scenarios such as when doing business or sharing a meal, widely shared sensibilities and basic knowledge as well as taboos, differences between Japanese culture, customs, and lifestyles and those of the relevant country to the human rights of women in each country and customs and rules arising from religion. With our Global Business Planning and Coordination Department and Human Resources Departments at the fore, we publicize the handbook to encourage employees to look through it as a reference before going overseas.

\* Transparency International is an international NGO dedicated to fighting corruption, especially corruptions among public-sector authorities. The handbook’s country ranking is based on Transparency International’s Corruption Perception Index that covers 175 countries and territories.

### Preparation and Distribution of Harassment Prevention Handbook

In response to matters brought to the Consultation Desk and increased public interest, we have prepared a common handbook used throughout the Group to prevent harassment before it happens and from being aggravated, as well as to foster a correct understanding of harassment and encourage all Group employees to act appropriately as a person in an organization. This booklet is handed out to all Group employees. It is our hope that a correct understanding through the booklet will stamp out harassment and cultivate a friendly and motivating workplace environment that is characterized by mutual respect.

### System to Respond to Complaints Related to Labor Practices, etc.

In view of the need for appropriate workforce management, SuMi TRUST Bank has established, within the Human Resources Department, the Personnel Consultation Desk (LGBT Consultation Desk), at which all employees (including course employees, professional employees, associate employees, part-time workers, and temporary employees) can receive consultation without going through the regular reporting line when problems related to personnel and labor affairs management practices, such as unfair or unjust labor affairs management practices or workplace harassment, occur. As a safety net to guard against labor affairs problems, the Personnel Consultation Desk strives to appropriately handle consultation cases—also received anonymously—while promptly cooperating with relevant persons.

With respect to associate employees, in addition to personnel management at workplaces, SuMi TRUST Bank has started “personnel affairs support services,” including rotation interviews with employees, through an affiliated company (Sumitomo Mitsui Trust Business Service).

SuMi TRUST Bank strives to prevent labor affairs problems by trying to grasp the circumstances of individual employees and collecting opinions and views which maybe difficult to express in the workplace (see page 157).

### Number of Consultations Concerning Labor Practices, etc. at SuMi TRUST Bank

| Fiscal Year | Number of Consultations |
|-------------|-------------------------|
| FY2013      | 39                      |
| FY2014      | 46                      |
| FY2015      | 42                      |
| FY2016      | 78                      |
| FY2017      | 65                      |
| FY2018      | 76                      |

### Results of the Employee Satisfaction Survey

SuMi TRUST Bank conducts an “attitude survey” of all employees in order to objectively identify employees’ perception of the dissemination of measures taken by the company, the personnel system and its operation, and the workplace environment and engagement. Note that due to a review of the timing of the survey it was not conducted in fiscal 2018.

|                    | FY2014 | FY2015 | FY2016 | FY2017 | FY2019 |
|--------------------|--------|--------|--------|--------|--------|
| Vitality level     | 62.1   | 61.5   | 60.9   | 62.1   | 59.1   |
| Satisfaction level | 61.4   | 61.1   | 60.8   | 59.8   | 60.4   |

Vitality level: Indicator of the level of expectations for the future, forward-looking thinking, willingness to contribute to the organization, work motivation.  
Satisfaction level: Indicator of how much satisfaction employees get from the contents of their job duties, the working environment and personal relationships.

## Employee Breakdown (Sumitomo Mitsui Trust Bank)

|   | As of end of March 2018   | As of end of March 2019  |
|---|---|--|
| Number of employees                                 | 13,659<br>(6,145 men) (7,514 women)                                   | 13,469<br>(5,956 men) (7,513 women)                                  |
| Hong Kong   | 59  | 62   |
| Japan   | 12,961  | 12,744   |
| China   | 141   | 131  |
| Korea   | 3   | 4  |
| Singapore   | 140   | 144  |
| Indonesia   | 6   | 8  |
| UK  | 157   | 176  |
| USA   | 192   | 200  |
| Average age   | 42.7<br>(Male: 43.5) (Female: 42.0)                                   | 42.4<br>(Male: 43.5) (Female: 41.4)                                  |
| Average continuous years of employment              | 13.2<br>(Male: 16.0) (Female: 10.8)                                   | 13.4<br>(Male: 16.0) (Female: 11.0)                                  |
| Average annual salary                               | 6,960 thousand yen  | 7,198 thousand yen   |
| Number of temporary staff                           | 467   | 402  |
| Number of part-timers                               | 62  | 45   |
| Number of disabled persons employed                 | 276<br>(Disabled person employment ratio: 2.09%)                      | 289<br>(Disabled person employment ratio: 2.21%)                     |
| Number of employees using the Elder Partner Program | 395   | 424  |
| Number of employee turnover (annual)                | 282<br>(131 men) (151 women)  | 301<br>(134 men) (167 women)   |
| Number of work-related accidents (annual)           | 110<br>(accidents during work: 59;<br>accidents during commuting: 51) | 93<br>(accidents during work: 45;<br>accidents during commuting: 48) |