

Environmental Burden Reduction Measures

Through its natural resources, CO₂ emissions, waste generation from the use of energy, paper and the like in its business activities, the Group impacts natural capital and the environment, and it works to reduce environmental impacts that arise from its business activities and recognizes reducing negative impacts on society is an important matter. The Group also factors in environmental and social consideration by investee and lendee companies into its decision-making processes for loans and investment. With the aim of realizing smaller environmental impacts on social as a whole, we promote both initiatives to reduce direct environmental impacts from our business activities and initiatives to reduce indirect environmental impacts from investee and lendee companies in our portfolios.

SDGs have established goals and targets relating to a host of environmental issues. Our initiatives aimed at

responding to environmental issues arising from the Group's business activities are linked to the 17 SDG goals: reduction of waste, including chemical substances such as PCBs, CFCs, and generic waste such as paper waste, and properly managing, recycling and disposing of waste (Goal 3); efficient use of water (Goal 6); use of renewable energy generated by solar panels newly installed on four branch offices since 2013 (Goal 7); certification of the head office building under the "CASBEE* for Real Estate" system (Goal 11); CSR procurement that guards against buying paper from sources deemed at risk for human rights and environmental abuses from tropical rainforest logging (Goal 12, Goal 15); and energy conservation activities aimed mainly at reducing electricity use (Goal 13). Every year, SuMi TRUST Bank provides e-learning on environmental management for all employees to deepen their understanding.

1. Initiatives to Reduce Environment Impacts

EMS Integrated with Framework for Operational Efficiencies

The Group operates environmental management systems (EMS) based on a framework that promotes operational efficiencies via initiatives for reducing the environmental impacts of its business activities. Through common activities relating to time (labor productivity), materials (resource productivity), and costs (efficiency), our aim is the simultaneous attainment of the goals of operational efficiency, environmental burden reduction, and cost reduction. For each activity aimed at achieving gains in operational efficiency mainly via reforms to operational flows and reorganizing shifts to reduce overtime hours, we seek to operate systems to harvest benefits from those activities such as lower paper consumption and less electricity consumption from the use of lighting and air-conditioning during overtime hours.

We target the following to reduce our environmental impacts: (1) reducing electricity consumption (CO₂ emissions), (2) reducing paper consumption, (3) reducing waste disposal volume, and (4) promoting green procurement (CSR procurement). We implement the promotion of operational efficiency at all branches, which are all working to promote awareness on reducing environmental impacts. All branches and departments are currently promoting operational efficiency and making every effort to raise awareness about reducing environmental impacts. For problems that our stand-alone initiatives are unlikely to deliver a solution, we are stepping up our supply chain management efforts in the area of CSR procurement, for example by requesting suppliers to change their materials.

Examples of Initiatives Aimed at Concurrent Achievement of Greater Operational Efficiency, Lower Environmental Burden, and Lower Costs

Initiative example	Effects from greater efficiency	Effects from lower eco-burden	Effects from lower costs
Paperless meetings	Lighter work load (e.g. preparing copies, replacing materials) and fewer work hours; prevent information leaks	Conserve environment on lower paper use, less waste disposal	Spend less on purchasing paper, reduce waste disposal costs
Even out work allocation and manage time to reduce overtime (encourage people to leave work at a set time, create leave-work-early days)	Less overtime means more self-initiated activities during off hours	Help mitigate global warming via reduced electricity use	Less overtime trims personnel costs and lowers electricity costs (reduced use of lighting and air-conditioning)

2. Initiatives to Achieve Zero CO₂ Emissions

The SuMi TRUST Group Carbon Neutrality Commitment

(Reduction of company emissions)

The Group plans to achieve net zero greenhouse gas emissions by fiscal year 2030.

Up until now, SuMi TRUST Bank had set out a target of reducing CO₂ emissions to zero by 2050. However, in light of the recent rapid movement toward decarbonization, we have expanded the scope of our reduction targets to include the entire Group, and have moved up the target fiscal year for achieving net zero to fiscal year 2030.

CO₂ emissions are generated from the Head Office, computer centers, branch offices, and other office buildings due to the business activities of SuMi TRUST Bank. Around 80% of SuMi TRUST Bank's CO₂ emissions derive from purchased electricity, while some 10% is generated by the combustion of utility gas through in-house power generation. Accordingly, it aims to reduce its emissions mainly by adopting electricity-related measures.

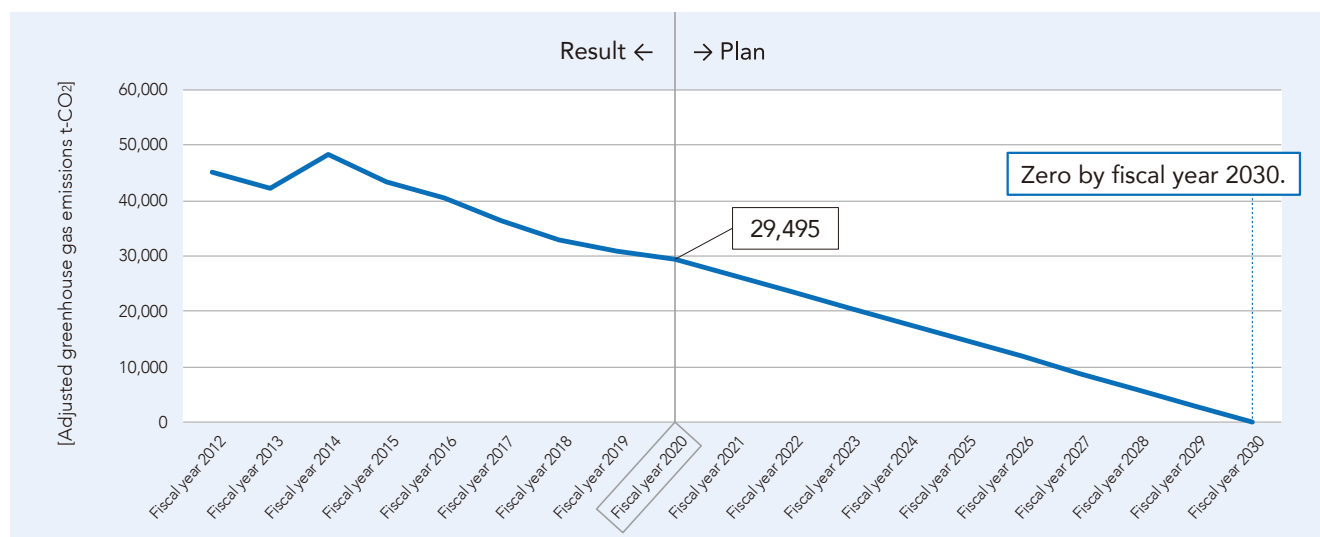
In addition, we have begun procuring renewable energy power under the Corporate PPA*¹ scheme, which purchases power from newly installed solar power plants. We will first start from the Fuchu Building and Shiba Building in the Tokyo metropolitan area from January 2022, and in March 2022, the Kyoto Branch and the Himeji Branch in the Kansai area will switch to renewable energy for their electricity procurement.

One of the features of the Corporate PPA initiative is that it can contribute to increasing the number of renewable energy power plants in the country. For these offices, we will procure a combination of electricity from renewable energy sources and non-fossil certificates*², making them essentially 100% renewable energy. Furthermore, we have been procuring energy for the Head Office building from April 2021 and for branch buildings (excluding tenant buildings, etc.) in the Tokyo metropolitan region from October using a combination of non-fossil certificates. These initiatives will help SuMi TRUST Bank achieve a reduction equivalent to approximately 50% of CO₂ emissions.

*¹ Corporate PPA (Power Purchase Agreement) are contracts for the user to purchase renewable energy power directly from the power generation company. SuMi TRUST Bank has introduced the off-site Corporate PPA, which is a model in which power is supplied from a remote power generation facility via the power transmission and distribution network.

*² Non-fossil certificates are certificates that have non-fossil value (value that can be accounted for when calculating the ratio of non-fossil power sources under the Act on Sophisticated Methods of Energy Supply Structures), zero-emissions value (Value with a CO₂ emission factor of 0 kgCO₂/kWh under the Act on Promotion of Global Warming Countermeasures) and environmental display value (value that a retail electricity supplier can represent and claim as added value to users). By procuring a combination of electricity from renewable energy sources and non-fossil certificates, it is possible to achieve virtually 100% renewable energy.

Trends in Adjusted Greenhouse Gas Emissions* at SuMi TRUST Bank



*Adjusted greenhouse gas emissions refer to the amount of greenhouse gas emissions adjusted according to methods specified by the Minister of the Environment and the Minister of Economy, Trade and Industry, with consideration given to greenhouse gas emissions emitted by specified emitters in the course of business activities, calculated quotas voluntarily acquired by specified emitters and transferred to the national account in order to fulfill their commitments under Article 3 of the Kyoto Protocol, and domestic certified emission reductions, etc. acquired by specified emitters. (Item 4, Order on Reporting, etc., of Carbon Dioxide Equivalent Greenhouse Gas Emissions, etc.)

Environmental Burden Reduction Measures

Initiatives to Achieve Targets for Fiscal Year 2030

We aim to achieve our targets through voluntary initiatives, such as energy conservation, and by contributing to the initiatives of society as a whole, such as the spread of renewable energy.

(1) Saving Energy by Streamlining Operations and Using More Efficient Equipment

We will proceed with reductions by streamlining operations (mainly by reducing overtime), introducing highly efficient devices at computer centers (upgrade servers and air conditioning, using cloud technology, etc.), and reducing floor size of the Head Office building and branches.

(2) Contributing to a Lower Electric Power Emission Coefficient through Increased Uptake of Renewable Energy

If renewable energy becomes widespread for power in Japan, it will promote lower carbon power consumption and reduce the emission factor for power in Japan as a whole. The Group will leverage its trust and financial functions to contribute to the spread of renewable energy, thus helping SuMi TRUST Bank to lower CO₂ emissions.

(3) Adoption of Renewable Energy by SuMi TRUST Bank

We will promote reduction by switching to electricity from renewable energy sources for purchased electricity.

business activities and outputs like CO₂ emitted as a result of those activities. As SuMi TRUST Bank is subject to the Act on the Rational Use of Energy, we calculate the volume of energy consumption and CO₂ emissions at all of our offices across Japan using a common system.

Annual emissions in fiscal year 2020 (adjusted emissions) were 29,495 t-CO₂, marking a 39% reduction compared to 48,426 t-CO₂ during the fiscal year 2014 peak. Over the past five years, electricity consumption has been reduced by 19%, from 66,742,000 kWh to 53,940,000 kWh, and utility gas consumption has been reduced by 10%, from 2,107,000 m³ to 1,890,000 m³, contributing to a reduction in total CO₂ emissions. We are planning to announce the CO₂ emissions reduction of the Group as a whole from the next fiscal year onwards.

In addition, SuMi TRUST Bank's large-scale offices in Tokyo are obliged to reduce CO₂ emissions in accordance with the Tokyo Metropolitan Government's Environmental Preservation Ordinance. Over the five years of the second plan period (FY2015 to FY2019), we reduced emissions by 91,726 t-CO₂, a substantial excess reduction of 60,348 t-CO₂ over the mandatory reduction level of 31,378 t-CO₂. Furthermore, for the third plan period (FY2020 to FY2024), the Fuchu Building and the Head Office Building (a joint building with another company), which are obligated to reduce CO₂ emissions, are obligated to achieve reductions of 6,940 t-CO₂ and 1,993 t-CO₂, respectively, on a single-year basis, and have achieved reductions of 15,034 t-CO₂ and 4,234 t-CO₂, respectively, in fiscal year 2020.

SuMi TRUST Bank CO₂ Emissions

The Group is striving to reduce its environmental impacts in the form of both inputs such as electricity and gas used for

Energy Consumption and CO₂ Emissions (Domestic Offices)

Energy use		FY2016	FY2017	FY2018	FY2019	FY2020
Total energy consumption (heat amount)	GJ	801,370	736,011	688,949	677,157	670,227
Total energy consumption (crude oil equivalent)	kℓ	20,675	18,989	17,774	17,470	17,291
Energy consumption intensity	kℓ/m ²	0.049	0.047	0.048	0.047	0.047
Electric power	thousand kWh	66,742	60,444	56,003	54,753	53,940
Utility gas	thousand m ³	2,107	1,996	1,869	1,893	1,890
CO ₂ emissions		FY2016	FY2017	FY2018	FY2019	FY2020
Greenhouse gas emissions	t-CO ₂	40,833	37,068	33,504	31,327	30,029
Adjusted greenhouse gas emissions	t-CO ₂	40,393	36,240	32,864	30,840	29,495
Emissions intensity	t-CO ₂ /m ²	0.098	0.093	0.090	0.085	0.081
Adjusted emissions intensity	t-CO ₂ /m ²	0.097	0.091	0.088	0.084	0.080
Scope 1 emissions	t-CO ₂	4,907	4,575	4,362	4,421	4,297
Scope 2 emissions	t-CO ₂	35,925	32,493	29,142	26,906	25,732

Scope of calculations: Offices of SuMi TRUST Bank in Japan subject to the Act on the Rational Use of Energy. Group companies, including Sumitomo Mitsui Trust Asset Management, are tenants in some office buildings. Calculation methods: Calculated according to provisions set out in the Act on the Rational Use of Energy.

CO₂ Emissions and Reduction Obligation of Offices Covered by the Tokyo Metropolitan Government's Environmental Preservation Ordinance

		Third Plan Period (FY2020)	
		Fuchu Building	Head Office Building
Base emissions	t-CO ₂	25,704	13,287
Emissions upper limit	t-CO ₂	18,764	11,294
Mandatory reductions	t-CO ₂	6,940	1,993
CO ₂ emissions	t-CO ₂	10,670	9,053
Emission reductions	t-CO ₂	15,034	4,234
Excess reductions	t-CO ₂	8,094	2,241

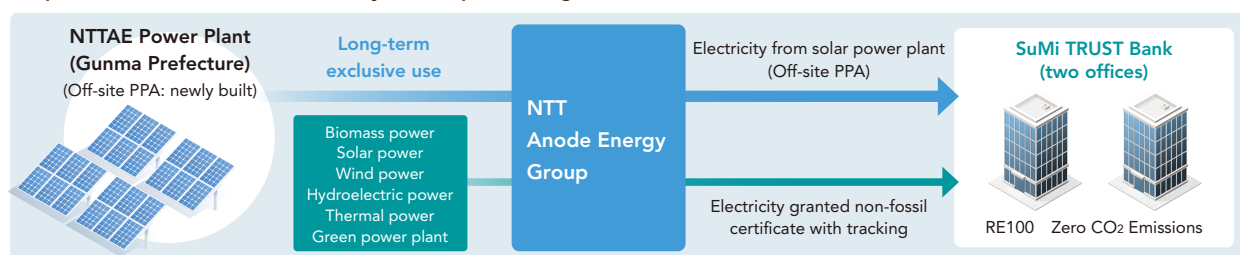
This is the status of reductions at the SuMi TRUST Bank Fuchu Building and Head Office Building, which are obligated to reduce emissions as per the "greenhouse gas emission reduction obligations and emissions trading systems" of the Tokyo Metropolitan Government's Environmental Preservation Ordinance. The Head Office Building is a shared building, but the rate of obligation for each unit owner is not defined. The obligatory reduction rate is 27% for the Fuchu Building and 15% for the Head Office Building. The maximum amount of emissions and the obligatory reduction amount are converted to single year figures. Emissions amounts have been verified by a third-party verification institution.

Started Renewable Energy Procurement Through Corporate PPA

Four domestic offices of SuMi TRUST Bank (Shiba Building, Fuchu Building, Kyoto Branch, and Himeji Branch) have started to introduce renewable energy by using the mechanism of Corporate PPA from a newly opened solar power plant.

We will receive electricity from solar power plants newly established by NTT Anode Energy Corporation in Gunma Prefecture for the Tokyo metropolitan region and by Minna Power Co., Ltd. of the UPDATER Co., Ltd. Group in Nara Prefecture for the Kansai region. In addition, non-fossil certificates with tracking from green power plants, such as solar power and wind power, will be granted for electricity that is insufficient to be generated by the Corporate PPA's solar power alone. By doing so, we will be able to procure electricity from 100% renewable energy sources in the form of specific power plants. The SuMi TRUST Group has been promoting investment in renewable energy projects, including the establishment of an investment fund for renewable energy projects, and places importance on the need to increase the number of renewable energy sources that can replace fossil fuels. Furthermore, for these initiatives in the Kansai region, Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. is providing the lease. Through these initiatives, we are preparing a system to provide the services necessary to supply renewable energy to environmentally advanced electricity clients outside the Group who are aiming for RE100, SBT, etc. in the future.

Corporate PPA Mechanism in the Tokyo Metropolitan Region



Started Introduction of Carbon Neutral Utility Gas

Approximately 10% of SuMi TRUST Bank's CO₂ emissions are attributable to utility gas used at computer centers and other facilities. Utility gas is a necessary energy source for in-house power generation and adjustment of peak power consumption, but since it is burned on-site (on the premises of SuMi TRUST Bank), CO₂ emissions are unavoidable.

Therefore, SuMi TRUST Bank has decided to adopt carbon neutral utility gas that comes with credits generated from projects that contribute to global warming countermeasures and solve environmental and social issues such as biodiversity conservation, local employment and education, and securing water and energy.

We have chosen a measure that will indirectly contribute to the reduction of CO₂ emissions equivalent to those resulting from the use of gas at the SuMi TRUST Bank Fuchu Building and Shiba Building by using carbon neutral utility gas that incorporates the concept of co-benefits that simultaneously contribute to climate change and other challenges, and that is accompanied by credits issued under reputable certification standards. Regarding the operation status of carbon neutral utility gas, Tokyo Gas has undergone third-party verification, and SuMi TRUST Bank has received a certificate of supply.

Through the Carbon Neutral LNG Buyers Alliance, which was established in March 2021 by Tokyo Gas Co., Ltd. and companies and corporations that purchase carbon neutral utility gas, we are working to expand the use of carbon neutral utility gas.

Impact of the Carbon Neutral Utility Gas Credit Creation Project

Category	Impact	SDGs
Climate	Annual CO ₂ reduction benefit (annual amount of credits generated) 10.05 million t-CO ₂ Protection of peat swamp forests: approx. 150,000 ha	
Biodiversity and ecosystem protection	Protection of 1.6 million ha of endangered forests, 3,600 ha of reforestation Protecting the habitats of 13 endangered and 31 threatened species Protection of 30 species of high conservation value, protection of 700 species of plants and insects	
Creation of employment	716 (30% female) (Peru), over 500 in 34 regions (Indonesia), 15,000 (China)	
Education	Improving the school education environment in six regions	
Economic benefit	Creation/support of 24 sustainable businesses, development of fair trade products Project visitors: 500,000 per year	

Note: The above impact is from when SuMi TRUST Bank joined the alliance.

3. Other Initiatives to Reduce Our Environmental Impacts

The amount of copy paper used by the Group in fiscal year 2020 was 472 ton, a significant decrease of 204 ton (30%) from the previous year. The increase in work from home, in addition to paperless activities and activities to improve work efficiency, are thought to have had a large impact. In terms of output items, the volume of paper waste remained unchanged from the previous year, but we have maintained a 100% recycling rate. Waste other than paper waste was 319 ton, a 5% decrease from the previous year. The recycling rate was 60%, maintaining the same level as the previous year. In

order to promote the creation of a recycling-oriented society, we will continue to purchase 100% recycled paper for copy paper and strive to reduce the total amount of waste generated and recycle for effective use. We will strive to properly manage and dispose of equipment and chemical substances imposed on businesses by the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes and the Act on Rational Use and Appropriate Management of Fluorocarbons.

Performance in Paper Use, Water Use, Waste Output and Recycling

		FY2016	FY2017	FY2018	FY2019	FY2020
Paper use	t	712	738	706	676	472
Recycled paper	t	596	566	568	531	336
Water use	thousand m ³	166	139	127	122	114
Total waste output	t	1,756	1,332	1,304	1,268	1,269
Paper output	t	1,280	1,050	1,025	933	950
Recycled volume	t	1,280	1,050	1,025	933	950
Recycled rate	%	100	100	100	100	100
Other waste output	t	477	282	289	336	319
Recycled volume	t	132	115	137	207	190
Recycle rate	%	28	41	47	62	60

Tabulation scope: Base buildings (excludes some branches in the case of water use)

4. CSR Procurement

Goal 12 of the SDGs, “Responsible Consumption and Production,” aims to ensure sustainable manufacturing and consumption patterns, and calls on consumers to engage in activities that lead to sustainable management and efficient use of natural resources, prevention of soil, air and water pollution, and waste reduction.

The Sumitomo Mitsui Trust Group strives to give procurement priority to goods and services that factor in consideration for the environment and society based on its Basic Policy on the Social Responsibility of Sumitomo Mitsui Trust Group (Sustainability Policy). Through its cooperation with suppliers who care about the environment and society and efforts to spread CSR procurement, the Group seeks to contribute to

sustainable social development as a corporate group trusted by the public.

CSR Procurement Policy

Papers, stationery goods, fixtures and equipment used by SuMi TRUST Holdings in its businesses have been procured through a long supply chain that begins with the mining of resources and extends to its processing, manufacturing and sales. Throughout this process, it is a duty of consumers to procure products and services that have been designed not to pollute the environment or cause human rights issues. SuMi TRUST Group has formulated a CSR procurement policy to promote procurement that gives consideration to the environment and society.

1. Fair Transactions

We select suppliers through a fair and transparent method by taking comprehensive account of economic rationality, appropriate quality, delivery punctuality, compliance with social norms, consideration for social challenges and consideration for the environment. We do not provide profits to or impose undue disadvantages on specific clients without due reason.

2. Compliance with Laws, Regulations, etc.

We respect laws and social norms in procurement and never violate them in any case. We are not involved with antisocial forces in any way and reject unjust demands.

3. Consideration for Social Challenges

We strive to conduct transactions with and procure products and services from suppliers who respect basic human rights, give consid-

eration to industrial safety and health and avoid violations of human rights, such as unjust discrimination, forced labor and child labor.

4. Consideration for the Environment

We strive to conduct transactions with and procure products and services from suppliers who promote efforts to reduce the environmental burden and contribute to mitigating and easing environmental problems, including climate change and biodiversity problems.

5. Cooperation with Suppliers

We seek cooperation from and promote cooperative initiatives with suppliers in order to give consideration to social challenges and the environment across supply chains in our procurement activities.

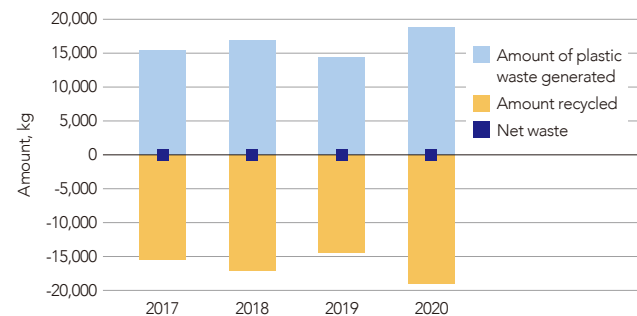
Measures to Address Plastic Garbage

Ocean pollution caused by “marine plastic garbage” washed into from rivers and elsewhere is a global problem which has an enormous impact on marine ecosystems, and on industries such as fisheries and tourism.

In April 2019, the Group has established the “SuMi TRUST Group Zero Plastic Waste Declaration,” which aims to eliminate plastic garbage that is thrown away without recycling by 2030, as concrete action against this global marine pollution problem. Based on this declaration, we are now promoting concrete initiatives under the two pillars of: (1) not producing plastic waste by our employees and (2) not allowing our clients to produce plastic waste.

SuMi TRUST Bank has not provided items such as shopping bags and straws with purchases at the convenience stores operated for employees in our large office buildings. Since the formulation of the Zero Plastic Waste Declaration, original posters calling for waste separation and plastic waste reduction have been displayed throughout the Group, and mainly domestic branches have established their own Plastic Waste Reduction Activity Month to visualize the actions of each individual, and efforts to have employees bring their own bags and bottles are expanding. In addition, we thoroughly recycle plastic waste at the Head Office Building and other base buildings. The graph on the right shows, as an example, the status of plastic waste disposal in the Head Office Building from 2017 to 2020. While the amount of waste fluctuates by year, the entire amount of waste generated is recycled by a disposal company, resulting in virtually no waste. In the future, we will reduce the amount of waste plastic generated to achieve zero plastic waste and we will also actively consider ways to improve the

Status of plastic waste disposal at the Head Office Building



efficiency of recycling, such as material recycling and chemical recycling. In addition to the above, we are reviewing and switching the materials of various distribution items as a way to prevent our clients from generating plastic waste.

In August 2021, 492 people from 81 branch offices participated in an online internal study session for all branches and departments nationwide. Members of the Sustainability Management Department explained the threat of microplastics, 3R+Renewable, and circular economy, and called for participants to understand global trends and take concrete initiatives. One of the themes of the With You Eco Festival (see page 169), which was held for the branch offices from October of the same year, was the reduction of plastic waste. We promoted the visualization of the results of activities, such as how much CO₂ emissions can be reduced by using one's own bottles and reusing plastic umbrellas. As of January 2022, our employees' efforts have contributed to a reduction of 1,512.3 kg of CO₂.

Chronology of Activities

April 2019	Formulation of the SuMi TRUST Group Zero Plastic Waste Declaration ①
October 2019-	The entire Group will gradually switch from biochemical film to Graphan (pulp material) as the material for the plastic windows of windowed envelopes used in business operations and for mailing to clients.
October 2019	Promote reduction of plastic at celebrations and informal receptions
April 2021-	Gradually switching from plastic to LIMEX as the material for handbag plastic bags to be given to clients ②
July 2021-	Exhibition of Thinking about Plastic Waste posters at branch offices nationwide ③
August 2021	Hold internal online study session on how to engage with plastic ④
October 2021- January 2022	Hold With You Eco Festival for branch offices nationwide
November 2021-	Changed the tea serving service to clients visiting office buildings to environmentally friendly paper-bottled beverages (tea). ⑤



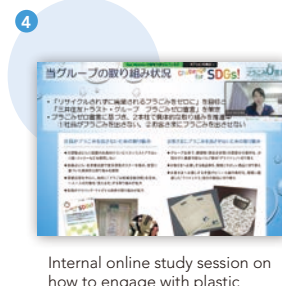
Zero Plastic Waste Declaration poster



Handbag plastic bags made with LIMEX mix



Thinking about Plastic Waste poster



Internal online study session on how to engage with plastic



Environmentally friendly paper bottle beverage (tea)

5. Initiatives at Group Companies

Nikko Asset Management Co., Ltd. recognizes the threat that climate and environmental risks pose to the world, believing that it has a responsibility to minimize the impact of its business activities on the environment. Ever since first introducing an environmental policy in 2010, it has committed to actively considering environmental issues in its business activities.

The company has been measuring, evaluating, and off-setting the Group's greenhouse gas emissions since 2018. Based on power, transportation and travel usage data at each global location, we use an external consultant, Carbon Footprint Ltd., to evaluate CO₂ emissions. It was confirmed that the total greenhouse gas emissions of the company in 2020 amounted to 1,822.8 t-CO₂, equivalent to 2.10 t-CO₂ of emissions per employee and emissions per 1 billion yen of

sales of 15.74 t-CO₂. This marked a reduction of 69% on the previous year's total emissions.

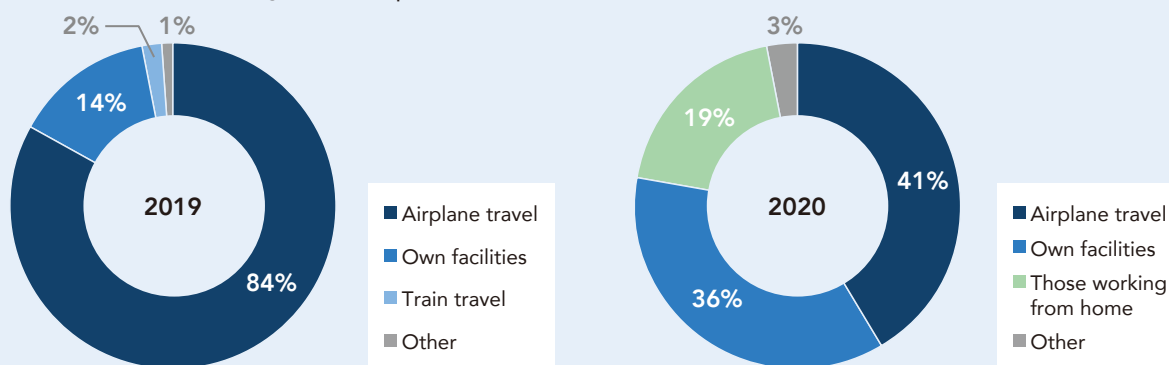
The graph, "Breakdown of Nikko Asset Management Group Greenhouse Gas Emissions," shows the contribution of each category to the Group's CO₂ emissions in 2019 and 2020. The biggest factor contributing the reduction in total emissions was the reduction in business trips due to restrictions on movement caused by the COVID-19 pandemic. Although emissions from domestic and international air travel have decreased from more than 80% in 2019 to nearly 40% in 2020, it is still the largest contributor to the company's CO₂ emissions. At the same time, the amount of electricity used at our offices has been reduced by 20.5%, while the increase in electricity consumption due to employees working from home exceeded the relevant reduction.

Nikko Asset Management Group Greenhouse Gas Emissions

Item	2019	2020	YoY comparison
Total CO ₂ emissions (t-CO ₂)	5,906.90	1,822.80	Down 69.1%
t-CO ₂ emissions per employee	6.36	2.10	Down 66.9%
t-CO ₂ emissions per 1 billion yen sales	58.43	15.74	Down 73.1%

2019 data: All employees of the Nikko AM Group (as of January 1, 2020)
 2020 data: Permanent employees of the Nikko AM Group (as of January 1, 2021)

Breakdown of the Nikko Asset Management Group Greenhouse Gas Emissions



The Nikko Asset Management Group supports the United Nations Sustainable Development Goals (SDGs), Japan's 2050 Carbon Neutral Declaration, and other efforts by the international community to achieve a society with net zero carbon emissions. The company believes that it is essential to continue to minimize the negative impact on the environment in the communities in which it operates, so it has set specific targets for reducing CO₂ emissions and has updated its Environmental Policy. The renewed environmental policy focuses on the eight areas listed on the right.

1. Compliance with laws and regulations, etc.
2. Reduction of greenhouse gas emissions
3. Pursuing resource efficiency
4. Selecting vendors and purchasing products with consideration to the environment
5. Reduction of disposable plastic
6. Protecting biodiversity in the natural environment
7. Enhanced reporting and disclosure
8. Promoting employee education and advocacy

As a concrete goal, the Nikko Asset Management Group aims to reduce greenhouse gas emissions per employee throughout the Group by 40% by 2030 compared with 2019*.

As a first step in these efforts, the Tokyo Office has switched to electricity from renewable energy sources, and preparations are underway to reduce CO₂ emissions from the use of electricity in offices.

Emissions were significantly lower in 2020, but we are well aware that this was achieved under unusual circumstances. As the world gradually returns to normalcy, Nikko Asset

Management Co., Ltd. will use what it has learned over this period of time, and it is aware of the need to control the rebound in greenhouse gas emissions. The company is confident that setting a clear long-term goal for emission reduction will help us realize this.

*Covers direct and indirect emissions by the company under Scope 1 and Scope 2 (emissions from fuel combustion, electricity supply, and other uses) as defined in the Greenhouse Gas Protocol, as well as some indirect emissions under Scope 3 (emissions from fuel and energy activities and business trips not included in Scope 1 and Scope 2).

Environmental Performance of Nikko AM (Tokyo Head Office)

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020	YoY comparison
Electricity consumption	thousand kWh	1,029	1,057	1,092	1,007	869	Down 13.7%
Total energy consumption	GJ	13,441	13,807	15,191	13,710	12,149	Down 12.8%
Copy paper procurement amount per employee	Piece	614	548	496	457	114	Down 75.1%
Stationery goods green procurement ratio	%	65.0	58.8	54.5	13.6	9.5	Down 30.2%

Scope: Head Office Building (Tokyo Midtown Tower)

Period covered: Each fiscal year (From April to March of the following year)

CO₂ emissions: Calculated using the formula for measuring specific greenhouse gas emissions provided by the Tokyo Metropolitan Government's Ordinance on Environmental Preservation.

*Past results are not a prediction of future performance.

Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. is taking steps to reduce power usage, copier paper, and gasoline.

The company has introduced open-plan workspaces and achieved a more compact office to suppress electricity consumption, reducing electricity consumption and copier paper volume by drawing on the benefits of paperless meetings, online approval forms for workflow, and less overtime work. In fiscal year 2020, as part of our measures against COVID-19, a mobile communication environment was established to enable location-independent telework, and as a result, the amount of copy paper used was reduced by 19.0% from the previous year.

In addition, the company is striving to reduce CO₂ emissions by switching from the use of private company cars to

public transportation in sales activities (e.g., using rail and rental cars), and is promoting initiatives that contribute to the environment and society (health and safety), such as reducing driver fatigue and preventing traffic accidents by reducing long-distance driving.

As a result of these initiatives, the amount of gasoline used for private company sales cars is decreasing every year. In particular, in fiscal year 2020, we were able to drastically reduce the amount of waste by 24 kl (34.0%) compared to the previous year, due in part to restrictions on activities caused by the declaration of a state of emergency due to the COVID-19 pandemic. This reduction is equivalent to approximately 55.7 t-CO₂ when converted to CO₂ emissions.

Environmental Performance of Sumitomo Mitsui Trust Panasonic Finance

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020	YoY comparison
Electricity consumption	thousand kWh	1,008	982	984	938	896	Down 4.4%
Gasoline consumption	kl	118	117	89	70	46	Down 34.0%
Copier paper consumption	thousand sheets	17,464	17,508	17,567	18,499	14,984	Down 19.0%