

Respecting Human Rights

1. Human Rights Management

Establishment of Human Rights Policy

Under the “Basic Policy on the Social Responsibility of Sumitomo Mitsui Trust Group (Sustainability Policy),” the Group upholds respect for individuals’ human rights and diverse values and rejects unjustifiable acts of discrimination in all its activities. Moreover, in December 2013, to ensure the execution of the aforementioned basic policy, the Group formulated its human rights policy, which serves as a

standard for acts and judgments concerning human rights, and on November 1, 2016, we amended this policy to add text prohibiting discrimination against LGBTQ and disabled people. Based on this policy, the Group respects the human rights of all stakeholders with whom we are involved when conducting routine business activities and providing products and services.

Human Rights Policy

At the Group, based on the “Basic Policy on the Social Responsibility of Sumitomo Mitsui Trust Group (Sustainability Policy),” we strive to foster a corporate culture and workplace environment that respects the basic human rights of clients and all stakeholders, always act with a strong sense of ethics and social conscience in all aspects of our corporate activities, and achieve sustainable development as a corporate group that is trusted by society.

1. Respect International Standards

We respect international standards on human rights, such as The Universal Declaration of Human Rights and corporate codes of conduct based on the United Nations Global Compact.

2. Prohibit Discrimination

We reject, in all our corporate activities, discrimination and infringement of human rights based on race, nationality, gender, sexual orientation, gender identify, origin, social status, beliefs, religion, disability, physical characteristics, and the like.

3. Foster a Corporate Culture that Respects Human Rights

We regard every kind of human rights issue as one facing us and encourage our employees to think from the other person’s point of view so as to foster a corporate culture that respects human rights.

4. Establish a Pleasant Workplace Environment

We establish a pleasant workplace environment by encouraging all executives and employees to treat each other as business partners and build equal relationships that allow a free exchange of opinions.

We acknowledge that such behavior as sexual harassment and power harassment impair human dignity; therefore, we do not allow such behavior.

5. Ensure Fair Recruitment

We implement strict and fair screening in the recruitment of employees and others, solely based on individual capability and suitability.

6. Implement Human Rights Education Training

With the aim of resolving all kinds of actual or potential issues related to human rights and encouraging all executives and employees to develop a deep appreciation of human rights that appropriately reflects relevant and accurate facts and information, we work on a wide range of human rights education activities, including one addressing discrimination against the Dowry caste, a specifically Japanese social minority, through every kind of opportunity, mainly annual workplace-based human rights education training.

The above-mentioned policy also applies to our overseas network, and the Group gathers information on cases where the corporate activities of our domestic and overseas suppliers and contractors (supply chain), and companies that we invest in or lend to, negatively impact human rights. In cases where relevant laws, standards, and policies are violated, necessary measures are taken as appropriate.

Basic Philosophy

The Group’s human rights management is based on the “Guiding Principles for Business and Human Rights,” which was adopted by the United Nations Human Rights Council in June 2011.

Human Rights Management System Based on the Guiding Principles for Business and Human Rights

Commitment	Establishment of the Human Rights Policy
Implementation of human rights due diligence*1	Once a year, the Human Rights Due Diligence Self-check List*2 is distributed to all branches, departments, and affiliates both at home and abroad as a tool to check the status of respect for human rights at each unit.
Access to redress	The Personnel Consultation Desk (LGBTQ consultation desk) in the Human Resources Department serves as a contact point.

*1 Human rights due diligence refers to a series of initiatives to identify actual or potential impact on human rights, resulting from the activities of the Group or related outside parties, to develop measures for the prevention or mitigation of such impacts, and to continuously verify and disclose the effectiveness of such measures.

*2 A check list serves to verify the progress in each department concerned with the Human Rights Management System, such as the status of implementation of human rights due diligence, compliance with the Human Rights Policy, and occurrence of human rights violations.

Respecting Human Rights

Outline of the Human Rights Management System

The Human Rights Due Diligence Liaison Committee, chaired by the head of the Sustainability Management Department, was established in December 2013 as a joint organization by SuMi TRUST Holdings and SuMi TRUST Bank. The roles of each relevant department are shown below.

Human Rights Due Diligence Liaison Committee

- Chaired by the head of the Sustainability Management Department, the Liaison Committee investigates how human rights are being addressed at all Group companies, including overseas entities, identifies issues that need to be addressed, and discusses and implements measures for improvement.
- This committee conducts annual investigations into the status of addressing human rights by using the Human Rights Due Diligence Self-check List.
- In light of the current external environment surrounding human rights, we are currently considering a review of the system.

Sustainability Management Department

This department formulates objectives and plans for the development and reinforcement of the framework to address human rights issues within the Group, based on discussions at the Human Rights Due Diligence Liaison Committee.

Human Resources Department and Human Rights Education Committee

These organizations engage in the planning and implementation of measures including human rights education training, based on discussions at the Human Rights Due Diligence Liaison Committee. Specifically, the Human Rights Education Committee, chaired by the executive in charge of the Human Resources Department, plays the central role in implementing various training programs and conducting education activities concerning human rights issues.

Organizational Structure of the Human Rights Education Committee

Chairman	Executive in charge of the Human Resources Department
Vice Chairman	General Manager of the Human Resources Department
Members	General Managers and employees responsible for personnel affairs at branches and departments
Secretariat	Human Resources Department

Personnel Consultation Desk (LGBTQ Consultation Desk)

While responding to various claims and inquiries concerning human rights, the Consultation Desk works together with the relevant departments and units to swiftly take necessary steps in cases where it becomes evident human rights have been infringed. The Consultation Desk also offers anonymous consultation in cases where privacy needs to be protected.

If requested by the employee bringing the case, the Personnel Consultation Desk may approach the workplace, conduct interviews with parties involved and other relevant third parties, and recognize the fact. Furthermore, the Personnel Consultation Desk may take action to transfer

parties involved so as to improve the working environment of the consulter, or may discipline the perpetrator in accordance with company rules.

Number of Inquiries Received at the Personnel Consultation Desk in Fiscal 2020

	Number of inquiries	Number of unresolved inquiries
Total	73	13
Harassment-related	30	8
Power harassment	27	6
Sexual harassment	3	2
Human resources related (including employment related)	6	1
Organizational management	15	3
Human relations (including health-related, etc.)	7	1
General inquiries (about systems, etc.)	15	0

All Branches, Departments, and Affiliates at Home and Abroad

Each unit verifies the status of compliance with Human Rights Policy, based on the Human Rights Due Diligence Self-check List.

Main Items on the Human Rights Due Diligence Self-check List

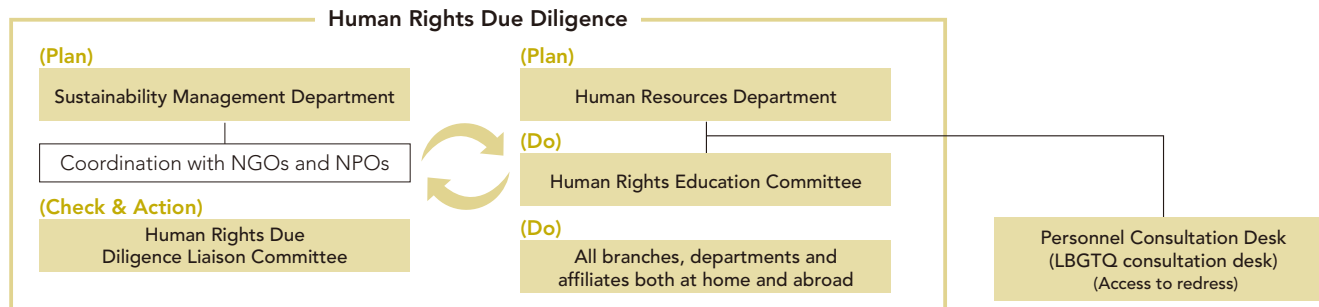
- Consideration for Human Rights Issues in Management
- System to Promote Human Rights Awareness (system administration, response when human rights issues occur, etc.)
- Human Rights Education (implementation of human rights awareness training, etc.)
- Response to Human Rights Issues by Category
 - Understanding and awareness of the Dowry Issue
 - Whether recruitment and hiring are implemented fairly
 - Companies and society (ending discriminatory expressions, understanding of universal design, etc.)
 - Human rights in the workplace (harassment prevention, consideration for the elderly, consideration for the disabled, understanding for those with contagious diseases such as HIV, etc., understanding for LGBTQ community)
 - Balancing work and family (consideration for employment diversity in personnel system, consideration for maiden name use, understanding for childbirth & childrearing support and for nursing case leave, etc.)
 - Pursuit of job satisfaction (fairness in personnel evaluation and treatment, equality of opportunity, respect for the individual, safety and crisis management that take into account disabled and pregnant workers, etc.)
 - Awareness activities about various human rights issues (discrimination on the basis of nationality, discrimination against the elderly, child labor; discrimination against lepers, those identifying as LGBTQ, and ex-convicts, etc.)
 - Consideration for human rights issues in loans & investments and supply chain (racial discrimination, child labor, human health, environmental destruction that affects people's livelihoods, weapons and armament manufacture contrary to humanitarian concerns, fairness in hiring activities, consideration for employee human rights, etc.)
- Activities of those responsible for human rights awareness in Human Resources Department

Human Rights Management Based on PDCA Cycle

Through the PDCA cycle, the Group strives to improve the quality of its human rights management so as to cultivate a workplace environment and corporate culture where the

basic human rights of all stakeholders are respected, unjustified acts of discrimination are rejected, and individual rights and diverse values are respected.

Human Rights Management System Based on PDCA Cycle



2. Education Concerning Respect for Human Rights

The Human Rights Education Committee informs all employees via email once a month about its human rights awareness tool, which highlights positive case examples of respecting human rights. In addition, various training sessions concerning human rights issues are held at all Group companies and branches and departments. Training aimed at raising awareness about human rights in the Group was conducted through e-learning at SuMi TRUST Bank in fiscal

2020, with a total of 25,438 participants across all Group companies. Furthermore, a total of 1,492 participants attended a total of 10 hours of rank-based training at SuMi TRUST Bank.

If further education is deemed necessary for some issues as a result of human rights due diligence, these topics are brought up for discussion as themes of the annual workplace-based human rights training.

3. Protecting Various Human Rights

Initiatives for Diversity & Inclusion

The Group disseminates information to employees to share the ideals and objectives of and steadily promote “diversity and inclusion” for the entire Group.

Initiatives to Address Dowa and Foreign Residents Issues

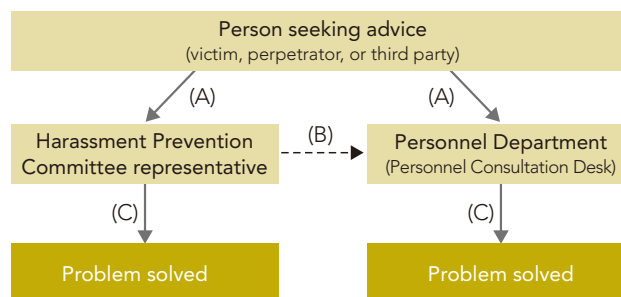
The Group regards tackling discrimination against the Dowa caste as a particularly important theme in the promotion of human rights education. The origins of our Group’s efforts to be more active in human rights education goes back to the Dowa issue. The Group has continued to draw on insights from external bodies, such as the Industrial Federation for Human Rights, Tokyo, and at the same time, we have worked to completely eliminate prejudiced or discriminatory views against the Dowa caste through various training programs and education activities, including new employee training.

With regard to foreign residents issues, we discuss the residency management system, which was launched on July 9, 2012. Rank-based training was provided on giving consideration to the human rights of foreign residents, including the handling of personal authentication documents and respecting privacy, envisioning such situations as identifying oneself at service counters.

Prevention of Sexual Harassment and Power Harassment

Sexual harassment and power harassment are actions that infringe on the human rights and personal dignity of individuals and are prohibited. In terms of power harassment,

Structure for Advice/Complaints and Response Relating to Harassment



(A) Advice is sought and complaints are registered via the Harassment Prevention Committee representative in each branch or department, or directly by the Personnel Consultation Desk within the Human Resources Department.

(B) The Harassment Prevention Committee representative will, where necessary, consult the Personnel Consultation Desk within the Human Resources Department and request advice or measures to address the case.

(C) The Harassment Prevention Committee representative or the Personnel Consultation Desk within the Human Resources Department will, once they understand the details of the complaint being registered by the complainant, interview the party accused of harassment, as well as other related parties as necessary, in order to accurately understand the situation, and attempt to solve the issue via advice or other measures.

Respecting Human Rights

we are working toward the elimination of all forms of this problem. This problem is based on advantageous positions in the workplace. It is not limited to harassment by superiors of subordinates, but also includes harassment between senior employees and junior employees, colleagues, and even harassment by subordinates of their superiors. In the event harassment does occur, advice is sought and complaints are registered via the Harassment Prevention Committee representative in each branch and department, or directly by the Personnel Consultation Desk within the Human Resources Department. When advice is sought by a victim, a person in charge conducts an overall investigation that includes interviews with relevant parties on the specific behavior indicated, the relationship of the people involved, the response of the victim, etc. Either stringent corrective measures or punishment—or both—are implemented against the perpetrators.

Furthermore, we discuss on the prevention of harassment in workplace-based human rights training, new employee training, and a range of rank-based training in our ongoing efforts to raise awareness.

In addition, in step with the consultation cases coming to the Consultation Desk and recent social trends, in fiscal 2018 we created the Harassment Prevention Handbook, which is distributed to all employees to further raise awareness.

The Consultation Desk also offers anonymous consultation in cases where privacy needs to be protected.

Addressing LGBTQ Issues

As already mentioned, when we amended our Human Rights Policy in November 2016, we added a clause prohibiting the discrimination against any person who identifies as LGBTQ. To establish a workplace environment in which sexual minorities can simply be themselves (including

people who consider themselves to be part of the LGBTQ community), SuMi TRUST Bank continues to work on educating its workforce through the establishment of a consultation hotline, reviewing its employee benefit schemes, and running training sessions. We have also announced, internally and externally, our stance on supporting the LGBTQ community. For example, same-sex partners can now take out a SuMi TRUST Bank mortgage loan because the Bank recognizes same-sex partners as spouses, and the SuMi TRUST Group has thrown its support behind the Tokyo Rainbow Pride festival. In recognition of these initiatives regarding sexual minorities and the LGBTQ community, wwP (work with Pride), a voluntary organization that supports the promotion and establishment of diversity management regarding LGBTQ issues, has continuously awarded its Gold rating, the highest rating in the Pride Index*¹, to SuMi TRUST Bank since fiscal 2017. In fiscal 2021, SuMi TRUST Holdings*² and Nikko Asset Management received Gold ratings. In addition, SuMi TRUST Bank was selected for the Rainbow Certification, which was newly established in fiscal 2021 to recognize collective impact initiatives.

In November 2021, we announced our support for Business for Marriage Equality and the Business Support for LGBT Equality in Japan, a campaign to enact LGBT equality laws in Japan, with the aim of developing into a sustainable and strong organization by creating a comfortable work environment where each individual can be who they are.

*1 URL: <https://workwithpride.jp/pride-i/>

*2 Awarded jointly with SuMi TRUST Bank, Sumitomo Mitsui Trust Asset Management, Sumitomo Mitsui Trust Business Service, Sumitomo Mitsui Trust Card, and Sumitomo Mitsui Trust Club



4. Factoring Human Rights Issues into Lending and Investment Decisions

Engagement Activities Related to Human Rights Issues

As a responsible institutional investor, Sumitomo Mitsui Trust Asset Management (SMTAM) actively works with investee companies on a global scale and encourages them to address issues through engagement and the exercise of voting rights.

In particular, human rights are priority issues for companies expanding their business globally, and we have positioned human rights as one of the 12 ESG themes to be addressed in our engagement activities. In addition to verifying whether or not there is child labor or forced migrant labor in the supply chain, we have been engaging in

dialogue with our investee companies to encourage them to improve the verification functions of their boards of directors and strengthen the commitment of top management. We have also been conducting engagement activities with companies that manufacture inhumane weapons (cluster bombs, anti-personnel mines, biological and chemical weapons) for many years to encourage them to withdraw from the business. The top management of Sumitomo Mitsui Trust Asset Management also got involved, and as a result, a South Korean company announced its withdrawal from the manufacture of cluster bombs.

5. Human Rights in Supply Chain Management

Based on the CSR procurement policy we have formulated, we strive to conduct transactions with and procure products and services from suppliers who respect basic human rights,

give consideration to industrial safety and health, and avoid violations of human rights, such as unjust discrimination, forced labor and child labor (see page 96).