



**Progress Report of Sumitomo Mitsui Trust Holdings, Inc.
2013/2014
On the Leadership Declaration of the 'Biodiversity in Good Company'
Initiative**

Leadership Declaration

All signatory companies acknowledge and support the three objectives of the international "Convention on Biological Diversity":

- Conservation of biological diversity
- Sustainable use of its components
- Fair and equitable sharing of the benefits that arise out of the utilization of genetic resources.

and commit themselves to:

1. Analyzing corporate activities with regard to their impacts on biological diversity;
2. Including the protection of biological diversity within their environmental management system;
3. Appointing a responsible individual within the company to steer all activities in the biodiversity sector and report to the Management Board;
4. Defining realistic, measurable objectives that are monitored and adjusted every two to three years;
5. Publishing activities and achievements in the biodiversity sector in the company's annual, environmental, and/or corporate social responsibility report;
6. Informing suppliers about the company's biodiversity objectives and integrating suppliers accordingly and step by step;
7. Exploring the potential for cooperation with scientific institutions, non-governmental organizations (NGOs) and/or governmental institutions with the aim of deepening dialogue and continuously improving the corporate management system vis-à-vis the biodiversity domain.

To demonstrate ongoing commitment, member companies will provide the Initiative with a progress report every two years.



Sumitomo Mitsui Trust Holdings publishes a CSR Report. In addition, it offers an extra feature booklet especially dedicated to natural capital, which is unique in Japan and underlines how much weight the bank gives to this issue. The Progress Report on the Leadership Declaration addresses the seven points of the Leadership Declaration and refers to detailed information contained in the two reports:

CSR Report 2014: <http://smth.jp/en/csr/report/2014/all.pdf>

Feature on Natural Capital 2014: <http://smth.jp/en/csr/report/2014/NC-E-all.pdf>

Declaration	Status of Initiatives for 2013 and 2014
1. Analyzing corporate activities with regard to their impacts on biological diversity	We continued to provide investment trusts (please refer to 2014 CSR Report - Natural Capital p. 12-13) that assess impact on biodiversity and loan products (please refer to 2014 CSR Report - Natural Capital p. 10-11) that include impact on natural capital in their assessment criteria.
2. Including the protection of biological diversity within their environmental management system	In our CSR promotion system (please refer to 2014 CSR Report p. 74-75), we draw up a plan for each fiscal year on efforts related to natural capital and review their performance semiannually.
3. Appointing a responsible individual within the company to steer all activities in the biodiversity sector and report to the Management Board	The Chief Sustainability Officer in the Corporate Planning Department supervises all activities and reports to the Executive Committee (please refer to 2014 CSR Report p. 74-75).
4. Defining realistic, measurable objectives that are monitored and adjusted every two to three years;	We have set objectives in the CSR Midterm Plan for measures including those related to natural capital, and we review performance at the Executive Committee (please refer to 2014 CSR Report p. 75).
5. Publishing activities and achievements in the biodiversity sector in the company's annual, environmental, and/or corporate social responsibility report	We are the first company in Japan to have begun publishing a yearly Natural Capital feature report (please refer to 2014 CSR Report - Natural Capital).

<p>6. Informing suppliers about the company's biodiversity objectives and integrating suppliers accordingly and step by step</p>	<p>We participated in the Consortium for Sustainable Paper Use advocated by WWF Japan. In cooperation with other users, we are also pressing ahead with efforts to take into account the environmental and social aspects of paper resource procurement, which has a major impact on biodiversity (please refer to 2014 CSR Report - Natural Capital p. 18 and 2014 CSR Report p. 80).</p>
<p>7. Exploring the potential for cooperation with scientific institutions, non-governmental organizations (NGOs) and/or governmental institutions with the aim of deepening dialogue and continuously improving the corporate management system vis-à-vis the biodiversity domain</p>	