

Natural Capital

CSR REPORT 2017



SuMi TRUST Group's Eco-Trustution

The Group has coined the word "Eco-Trustution" to represent its environmental financial business based on the concept of providing solutions to ecological issues through the use of our trust function. We will continue to develop and provide solution-based financial instruments and services.

Solutions that use the unique functions of a trust bank



Editorial policy

Our CSR-related reports for fiscal year 2017 consist of our full CSR report and feature booklets on the themes of *Climate Change*, *Natural Capital*, *Stewardship*, *Environmentally Friendly Property* and a digest report for seniors (available only in Japanese). We publish these reports so readers can gain a deeper understanding of our Group's proactive initiatives. You can visit our website to learn more about our other CSR initiatives.

<http://smth.jp/en/csr/index.html>

* This booklet introduces various initiatives and activities by our Group, led by SuMi TRUST Bank.

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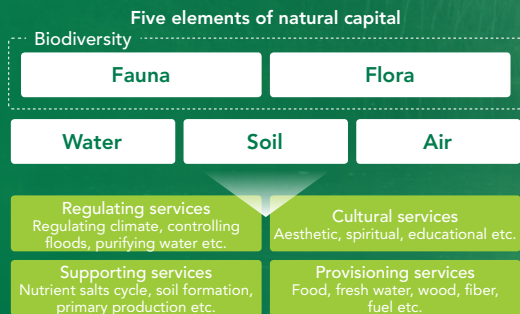
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Natural Capital: Foundation for All Environmental, Social, and Economic Spheres

Natural capital is made up of diverse living creatures and the water, soil, and air that sustain them. These are the foundation sustaining life on earth and conserving them needs to be prioritized ahead of everything else.

Natural Capital's Blessings

The way we live depends on natural capital and the ecosystem services they provide. We thus feel continued wise use of natural resources which constitute natural capital over the long run goes beyond mere environmental conservation. It must extend to putting communities on a solid social foundation to enable sustainable economic development.



Four categories of ecosystem services



Natural Capital Initiatives and Policies of the SuMi TRUST Group

Natural Capital Finance Alliance (formerly the Natural Capital Declaration)

SuMi TRUST Holdings became a signatory to the Natural Capital Declaration (NCD) proposed by the United Nations Environment Programme Finance Initiative (UNEP FI) at the United Nations Conference on Sustainable Development “Rio+20” held in Rio de Janeiro in June 2012. SuMi TRUST Holdings is the only financial institution in Japan to have signed the declaration when it originally promulgated. The initiatives of NCD signatories have been expanded through NCD’s reorganization into Natural Capital Finance Alliance (NCFA).



Commitment of Financial Institutions under the Natural Capital Finance Alliance (Excerpt)



We will support the development of methodologies that can integrate natural capital considerations into the decision-making processes for all financial products and services including loans, investment, and insurance policies.

- (a) We will apply a holistic approach to the evaluation of bonds and stocks by integrating natural capital considerations in environmental, social, and governance (ESG) risk analysis in short-, medium-, and long-term growth forecasts of investee companies.
- (b) We will systematically incorporate the consideration of evaluating natural capital into the credit policies of specific sectors, including commodities, that have a major impact on natural capital, either directly or indirectly through the supply chain.

Sumitomo Mitsui Trust Holdings Action Guidelines for Preserving Biodiversity

1. Implementing Measures and Providing Support for Biodiversity Preservation

We will strive to actively protect rare and native species. In our role as a corporate citizen, we will work to support activities for the preservation of biodiversity.

2. Providing Products and Services

We will endeavor to develop and provide products and services that contribute to the preservation of biodiversity, by conducting appropriate economic and social evaluations of the ecosystem and encouraging the sustainable use of living resources through our financial functions.

3. Collaboration with Stakeholders

We will engage in dialogue and cooperation with our stakeholders while working to preserve biodiversity.

4. Education and Training

We will ensure thorough implementation of these action guidelines at all Group companies and will work to provide education and training aimed at the preservation of biodiversity.

5. Information Disclosure

We will actively disclose information about our efforts to preserve biodiversity.

Natural Capital Initiatives and Policies of the SuMi TRUST Group

Business and Biodiversity Initiative: Our Initiatives as a Leadership Declaration Signatory

SuMi TRUST Holdings signed a leadership declaration under the Business and Biodiversity Initiative “Biodiversity in Good Company” at the ninth meeting of the Conference of the Parties (COP 9) to the Convention on Biological Diversity held in May 2008 in Germany. Since then, we have continued to carry out activities in line with the principles of the declaration, which was led by the German government.



Declaration	Status of initiatives during 2016-2017
1. Analyzing corporate activities with regard to their impacts on biological diversity	We continued to provide investment trusts that assess impact on biodiversity and loan products 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, we draw up a plan for each fiscal year on efforts related to natural capital and review their performance semiannually.
3. Appointing a person in the company responsible for steering all activities in the biodiversity sector and reporting to the Management Board	The Chief Sustainability Officer in the Corporate Planning Department supervises all activities and reports to the Executive Committee.
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.
5. Publishing activities and achievements in the biodiversity sector in the company's annual, environmental, and/or corporate social responsibility report	We publish a yearly Natural Capital feature report. We disclose our biodiversity initiatives in our CSR report and at various events.
6. Informing suppliers about the company's biodiversity objectives and integrating suppliers accordingly and step by step	We continue to pay attention to procurement of copier paper and office supplies linked to illegal logging in tropical rain forests, which has large detrimental impacts on biodiversity. In our fiduciary services business, we engage as a shareholder with investee companies on activities that contribute to natural capital destruction and voice our concerns.
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.	We continue to be active in the Natural Capital Study Group, which was established in April 2013. Its participants come from all walks of life, including companies, national and local governments, universities, research institutes, and NGOs. The Natural Capital Study Group works closely with WWF Japan in the Consortium for Sustainable Paper Use.

Business and Biodiversity Initiative: Japan Member Activities based on the Leadership Declaration

The three Japanese corporate signatories to the Leadership Declaration regularly hold teleconferences with the German secretariat ('Biodiversity in Good Company' Initiative e.V.). The SuMi TRUST Group updates its understanding of the latest trends in Europe on measurement of the economic value of natural capital and green infrastructure at these teleconferences.

Natural Capital Study Group

The Natural Capital Study Group, which the SuMi TRUST Group launched in April 2013, is chaired by Masahiro Sato, an associate professor at the Graduate School of International Cultural Studies at Tohoku University. With members from companies, national and local governments, universities, research institutes, and NGOs, the study group meets regularly to debate the research themes of each member from a wide array of angles. At the 14th meeting held in February 2017, the study group met to discuss the themes of natural capital protocols and their application and case studies of corporate initiatives linked to natural capital, inviting Mr. Mark Gough, an executive director at the Natural Capital Coalition, and Mr. Baptiste Cassan-Barnel, a sustainability performance manager at Kering, to participate in a lively discussion on how to apply natural capital protocols.

Exhibit at Eco-Products in Japan

Held annually in December at Tokyo Big Sight, "Eco-Products in Japan" is one of the nation's largest environment-related events.

SuMi TRUST Bank had from 2007-2011 highlighted biodiversity as the main theme of the booth it opened jointly with the Ecosystem Conservation Society-Japan and the Association of National Trusts in Japan at the event, but its exhibit theme since 2012 has been natural capital. The exhibit explains the economic significance of natural capital through displays of the Bank's initiatives for investment and loan products and real estate, information disclosure, and support for activities of the National Trusts.

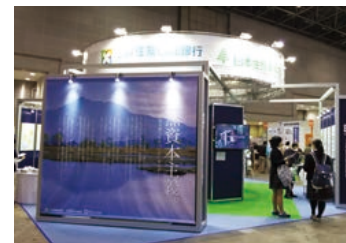
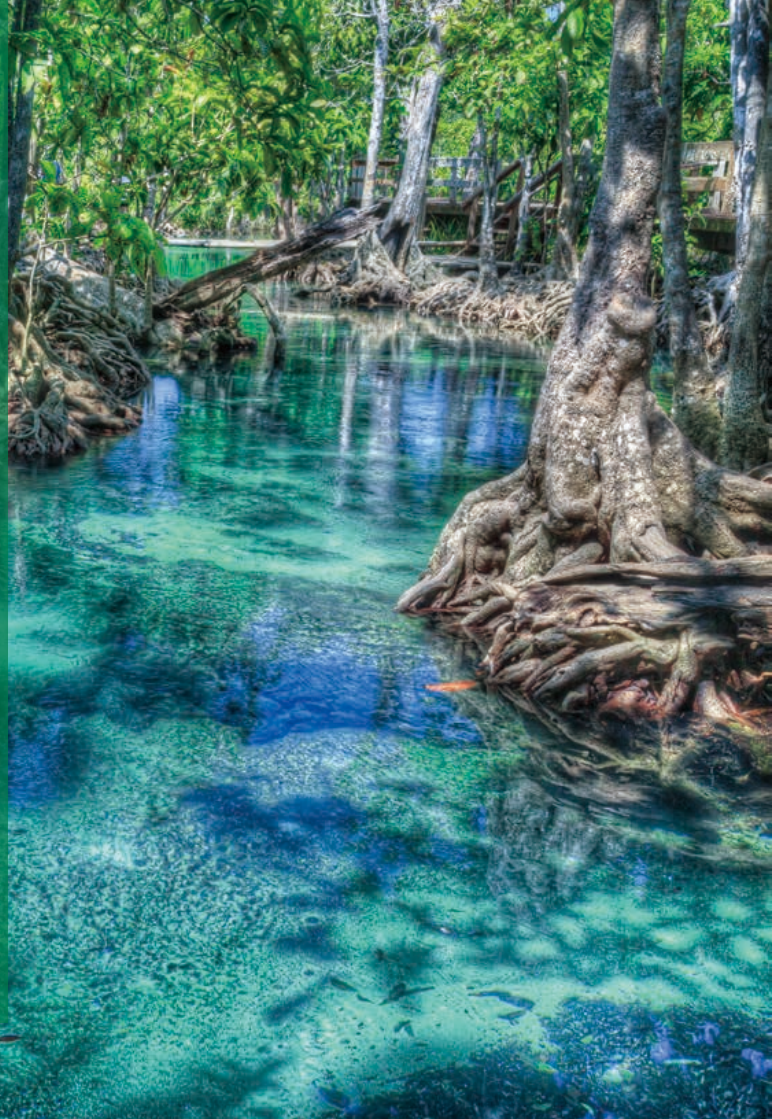
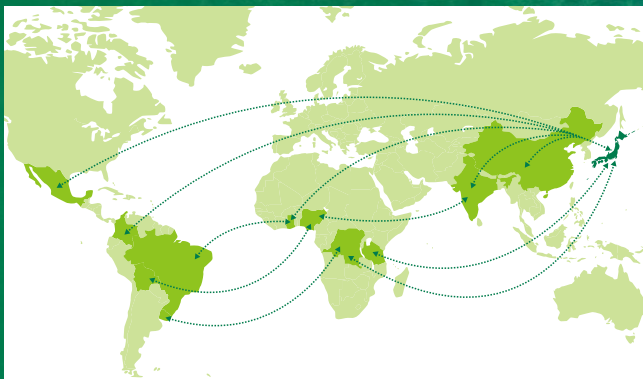


Exhibit at Eco-Products in Japan

Natural Capital Considerations: A Global Perspective

Importance of Natural Capital for Japanese Companies

For Japanese companies that procure many resources from overseas, taking into account natural capital dependence in their supply chains is a risk management issue. For companies with domestic sales bases as well, bountiful natural capital at home is a necessary condition for them to grow sustainably, so they will need to actively contribute to conserving it.



Natural Capital Risk Management for Loans

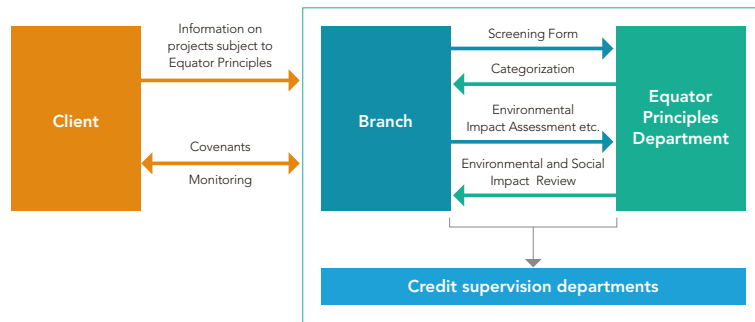
Equator Principles

Based on its Sustainability Policy, the SuMi TRUST Group has drawn up environmental and human rights policies with the aim of moving toward a sustainable society, and it is working to further strengthen its ESG risk management system in line with international standards.

As a part of these efforts, we have specified processes for identifying priority issues (materiality) regarding sustainability. In light of the importance taking into account the environmental and social impacts of investment and loan destinations, SuMi TRUST Bank in February 2016 integrated use of the Equator Principles, guidelines for private-sector financial institutions, into its decision-making processes for loans in project finance and related fields as a risk management tool.

SuMi TRUST Bank is aware that financing large-scale projects such as mine development, oil and gas development, power plants, petrochemical plants and infrastructure development may indirectly have an adverse effect on natural capital. It also believes it is the responsibility of a sound financial institution to avert or mitigate risks of deterioration in loan receivables due to project suspensions as a result of environmental or social problems.

Systems and Processes for Evaluating Environmental and Social Considerations



Application processes: Following internal policies based on procedures for evaluating social and environmental considerations, the Equator Principles Department carries out assessments of environmental and social impacts relating to individual projects.

Implementing environmental and social impact reviews: Reviews of the environmental and social impacts of a project proposed by developers take into account its industry, the country where it is sited, and whether it meets standards based on the Equator Principles, and from there, comprehensive risk is judged.

Monitoring compliance: Compliance with important items concerning environmental and social impacts have been reflected into loan agreements, and compliance with these is regularly confirmed through such methods as reports on project compliance status on these fronts.

Company training programs: Regular training sessions are provided for employees in departments and sections relating to sales, assessment, and screening to foster a thorough understanding of internal operations supporting environmental and social impact reviews and raise their awareness about related concepts.

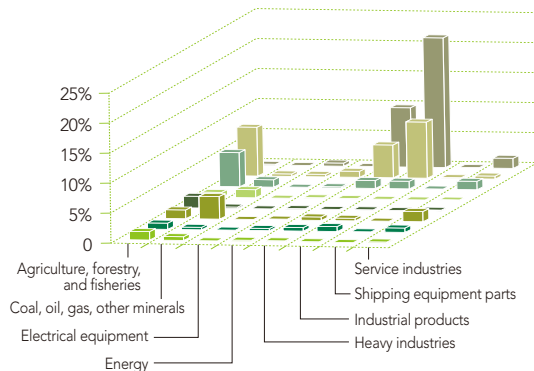
Evaluating Supply Chain Impacts on Natural Capital

Natural Capital Evaluation

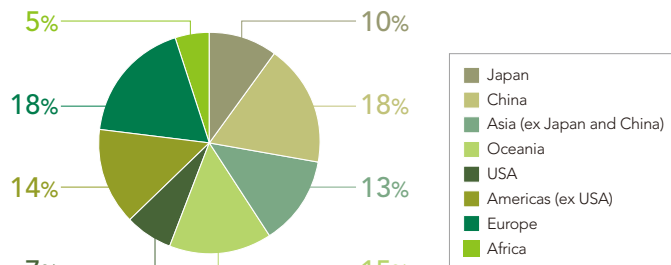
Natural capital evaluation is a service that calculates natural capital dependence arising from corporate activities and estimates the degree of impact for each procured item and for each country and region, tracing back through supply chain.

Example of output from a Natural Capital Evaluation Tool

Breakdown of water usage volume in each region by sector



Ratio of land usage area by region



GHG* emissions volume is likewise calculated by sector and region.

*GHG stands for greenhouse gases

Benefits of Natural Capital Evaluation

(1) Gaining quantitative risk data related to the supply chain that can be used for management judgments

Can obtain previously hidden risk data related to environmental impacts and the use of resources that are essential to global supply chain management

(2) Obtaining quantitative data on environmental impacts that can be used for information disclosure

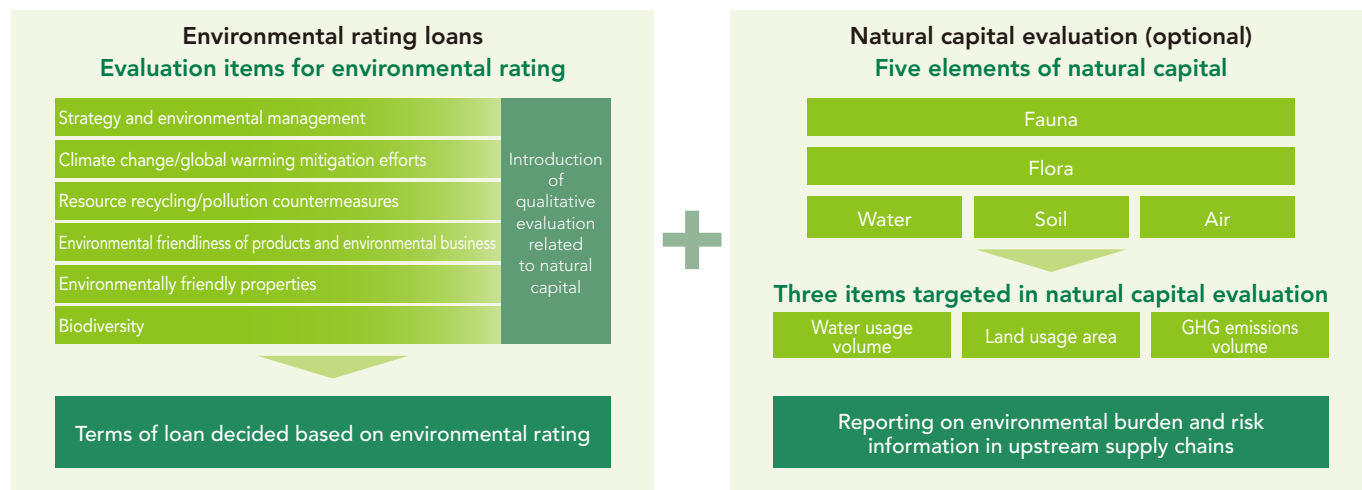
Can use the data for scope 3 responses to surveys such as the Carbon Disclosure Project (CDP) survey and for disclosures in integrated corporate reports

Initiatives for Loans

Environmental Rating Loans with Evaluation of Natural Capital Preservation

The sustainable use of natural capital as resources is vital for a company to continue its business. There is a growing awareness that natural capital-related procurement risk management across the global supply chain is an indispensable part of management strategy.

In April 2013, SuMi TRUST Bank launched its Environmental Rating Loans with Evaluation of Natural Capital Preservation, which embed the concept of evaluating impacts on natural capital and a company's initiatives into the environmental-rating evaluation process that assesses its environmental measures. This is the world's first attempt to incorporate natural capital evaluation into loan criteria, and the Bank's efforts have been cited in Japanese government environmental white papers and European Commission reports as an example of leading-edge practice.



Note: "Optional" refers to ESCHER calculations provided by PwC Sustainability LLC that are not available without loan products.

Natural Capital Risk Management for Investment

For corporate conduct SuMi TRUST Bank determines is in needs of correction in light of international norms such as the UN Global Compact and OECD Guidelines for Multinational Enterprises, it collaborates with the responsible investment team at ISS-Ethix* to engage with investee companies in a discussion toward resolving the issues and verifying their implementation of countermeasures.

*ISS-Ethix is a consultant offering ESG-related advisory services established by proxy voting advisory firm, Institutional Shareholder Services Inc.

CASE 1 Genting (Head office is in Malaysia)

Dialogue overview

Genting Plantations (GP), a subsidiary of Genting Berhad, owns palm oil plantations in Malaysia where water pollution concerns surfaced. People living in local communities brought up the issue to the Roundtable on Sustainable Palm Oil (RSPO). While working to confirm evidence relating to the case, SuMi TRUST Bank conducted hearings on the state of initiatives aimed at improving the situation at relevant sites.

The investee company reaction

Genting Plantations acknowledged its sites did not satisfy the principles and criteria for sustainable palm oil production and so it carried out an environmental assessment aimed at ameliorating the issues raised. The Bank was informed that Genting had reached an agreement on its future guidelines with local communities, and with RSPO as a relevant party.

CASE 2 BHP Billiton (Head office is in Australia)

Dialogue overview

Samarco Mineração S.A., a 50/50 joint venture between Australia's BHP Billiton Ltd. and Brazil's Vale S.A., operates the Samarco iron ore mine in Brazil, where at least 11 people died as a result of the collapse of a tailings dam. Samarco has rebuilt the tailings dam but Brazil's federal environment agency IBAMA continues to question whether the tailings dam has been adequately reinforced. While Samarco has disclosed information about the environmental impact caused by the dam's bursting, it has not disclosed its findings on the causes of the dam's collapse nor whether it had adequate preventive measures in place, therefore, a hearing has been convened on the state of initiatives aimed at improving relevant sites.

The investee company reaction

The Bank received from BHP Billiton a report on the cleanup of environmentally damaged sites prepared by Fundacao Renova, a foundation established with the aim of restoring sites harmed by the collapsed dam.

Post-dialogue actions

While the Fundacao Renova report confirms some progress has been made in environmental recovery work, the Bank has mentioned there might be problems in how BHP Billiton responded to the environmental disaster as it did not prepare the report. In addition, the Bank also urges BHP Billiton to remain responsive to the concerns raised by regulator IBAMA, as BHP Billiton's response to matters raised remains incomplete.

CASE 3 Engaging Palm Oil Companies

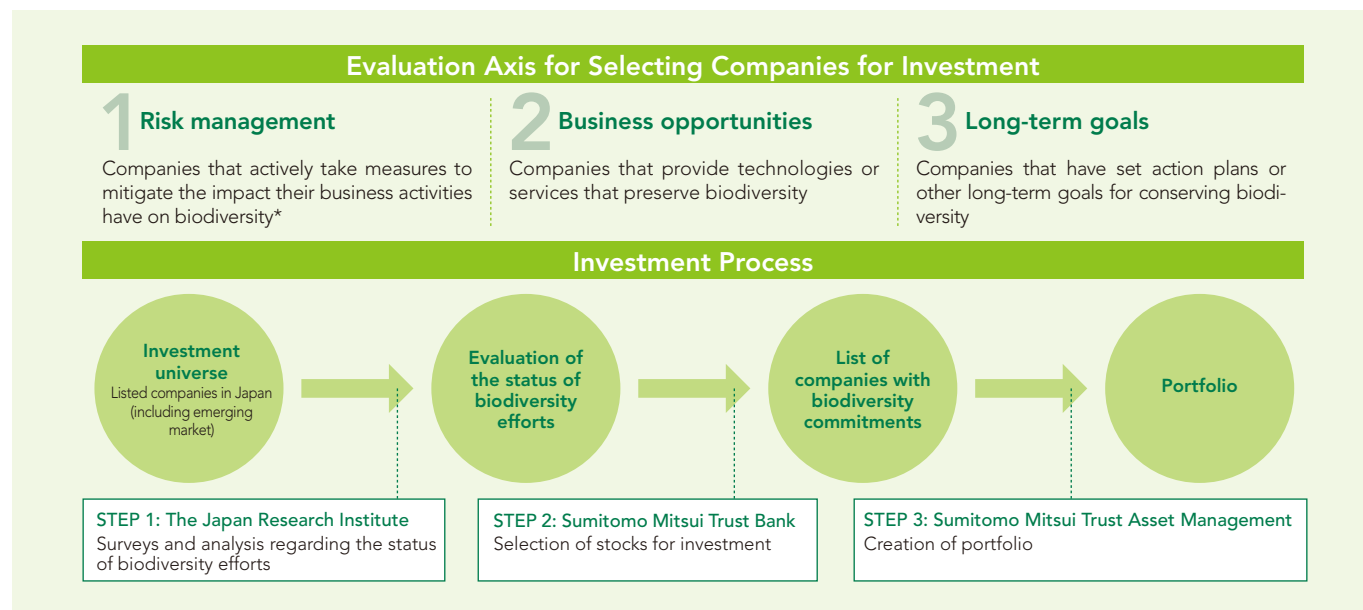
Demand for palm oil is surging owing to its ease of use and the growing preference for health products but reckless plantation development is contributing to tropical rainforest destruction and biodiversity loss. The Bank asks major palm oil companies such as Malaysia's Sime Darby Berhad to refrain from development on high conservation value (HCV) forests, high carbon stock (HCS) forests, and peat land, abstain from clearing forested land using slash-and-burn method to prepare sites for development, ban practices that exploit indigenous or aboriginal peoples or laborers, reduce greenhouse gas emissions at existing plantations in a phased manner, comply with local and relevant overseas laws and regulations, and adopt best practices.



Initiatives for Asset Management: Responsible Investment

Biodiversity Companies Support Fund

In 2010, the SuMi TRUST Group developed the world's first Japanese equity fund that evaluates the status of biodiversity efforts at companies from a global perspective such as sustainable use and conservation of biological diversity, an important component of natural capital, and uses those evaluations to screen and select stocks for investment. According to the research of SuMi TRUST Bank, no other Japanese equity fund is designed around such a concept.



*We use a risk metric to measure the capacity of companies to respond to natural capital risk, referencing the Natural Capital Efficiency Index (NCEI factors in the relationship of net sales to energy & water use and waste generated). The metric is an index of the magnitude of natural capital risk that could lower NCEI (NCEI/amount of goods or services per unit of natural capital). It draws on material balance reports companies in Japan issue.

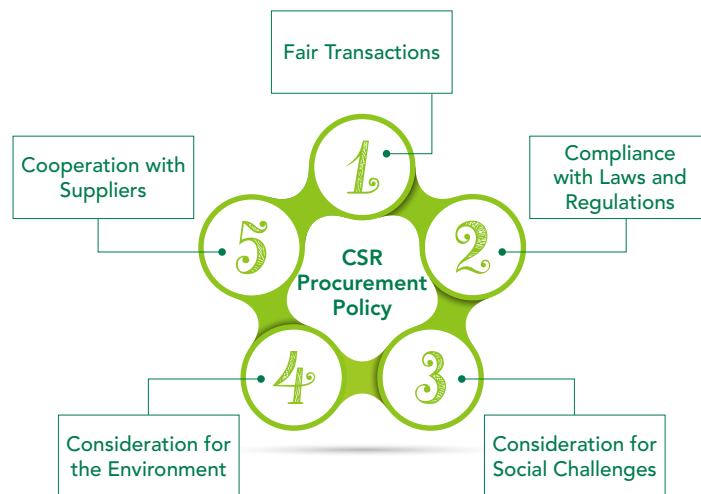
Natural Capital Considerations in Our Supply Chain

CSR Procurement Policy

With CSR procurement policies in place, SuMi TRUST Holdings strives to procure products that we regard as environmentally and socially responsible across our supply chain.

Implementation of CSR Procurement

SuMi TRUST Bank is promoting CSR procurement for the SuMi TRUST Group as a whole. From among products targeted for CSR procurement, we have started to apply environmental and social responsibility criteria for procuring paper, a product our operations use and dispose in large volumes. With copier paper as a launching pad, we are implementing such measures, and we plan to gradually expand our CSR procurement product recommendations to include printed publications, etc.



CSR Procurement Initiative for Paper Products

- Commenced surveys of suppliers into the environmental and social responsibility of their paper products such as copier paper, office supplies, etc.
- All Group companies are prohibited from procuring copier paper with environmental and social consideration problems, such as illegal logging in tropical rain forests
- Procure copier paper, in principle, with a 100% recycled content ratio
- Reference the viewpoints of Rainforest Action Network and other domestic and overseas NGOs on the environmental and social responsibility of products



Consortium for Sustainable Paper Use

SuMi TRUST Bank regards destruction of ecosystems and logging in tropical rainforests to supply raw materials for paper as a serious issue. Along with other corporate paper users that share its concern and the World Wide Fund for Nature Japan (WWF Japan), the Bank has established the Consortium for Sustainable Paper Use. With the aim of promoting the spread of sustainable paper use throughout society, member companies share how their initiatives are progressing and ask their suppliers to supply them paper products that are environmentally and socially sound. The consortium launched in 2013 with five member companies has grown to nine companies as of May 2017.

Consortium for Sustainable Paper Use Policies on Paper Procurement

- Prioritize use of recycled paper and reliable verification systems
- Do not use paper from sources that destroy forests with high protection value
- Use paper that has been produced through appropriate procedures, from logging of raw wood in compliance with laws in the country of origin
- Do not procure products from business operators connected to significant environmental or social problems



Debate at the Consortium for Sustainable Paper Use (CSPU)

In July 2016, SuMi TRUST Bank hosted a symposium on the theme of “Supply chain collaboration among companies: Aiming to expand sustainable paper usage.” Participants, including consortium members, paper product suppliers, and industry organizations, shared problems concerning raw materials procurement, and discussed ways paper users and suppliers could work together to resolve such problems.

At a July 2017 member’s meeting, after hearing a report from WWF Japan on the status of initiatives at paper makers and of managing forests in Southeast Asia, consortium members debated measures and issues for advancing initiatives such as use of third-party verification systems and dialogue with suppliers over the future activities.

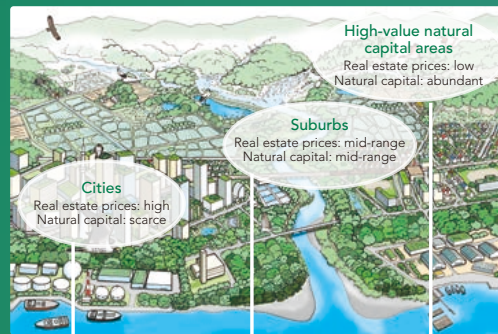


Contribution to Conserving Japan's Bountiful Natural Capital

Why Ecological Networks Matter

Our everyday lives and economic activities rely on abundant biodiversity. Keeping the diverse environments where various living creatures use, and linking the places via pathways called "corridors"; this is the idea of ecological networks.

We believe evaluating impacts on regional and building natural capital and developing methods to manage these as well as constructing ecological networks will help to address natural capital problems in Japan and lead to the formation of a sustainable society.



CASBEE for Properties*

JHEP certification system**

Financial valuation of nature value

Environmentally friendly buildings

Biodiversity offsets (no net losses realized)

National Trust activities

Improving biodiversity
quality

Halting the erosion of
nature due to development

Setting aside more land for
flora and fauna

**Maximize natural capital and
biodiversity via ecological networks**

*CASBEE for Properties is a simple evaluation system for the environmental performance of buildings (the name of this program was changed from "CASBEE for Market Promotion" in November 2014).

**JHEP is a habitat evaluation certification developed to quantitatively evaluate and certify efforts to contribute to the conservation and restoration of biodiversity.

Acquiring Land: Support for National Trusts' Activities

Acquiring Sites

Land is the foundation of natural capital in terrestrial ecosystems. The formation of ecological networks requires acquiring land that links rich ecosystems together. Not only is development destroying natural habitats but in the past few years those lands whose succession rights have been relinquished or unregistered have grown sharply due to Japan's shrinking population. We think retaining and expanding managed natural preserves will be effective in checking erosion in Japan's natural capital and forestalling growth in mountain forests and farmland where land ownership is unclear.



Supporting National Trusts' Activities through Donations for Acquiring Land



Vending machines that direct a percentage of sales to the National Trusts

SuMi TRUST Bank supports activities to acquire high-value sites and land with bountiful nature through contributions from citizens and corporations that are promoted by the Association of National Trusts in Japan. The Bank has donated funds to purchase those lands where endangered species live and of academically important. In 2014, the Bank donated funds toward the acquisition of forest land (equivalent to 8,000m²) in Amami Oshima to conserve habitat for the endangered Amami rabbit. In 2015, the Bank donated funds toward the acquisition of the Utsai bog (equivalent to 1,500m² of the site), located within Kuromatsunai town, to conserve the high-elevation wetland, one of the oldest in Hokkaido.

Vending machines that donate a percentage of their sales to the Association of National Trusts in Japan have been installed in the Nakano Branch, the Tokorozawa Branch, the Tokorozawa-Ekimae Branch, and the Omori Branch. Funds equate to the acquisition cost of 2,000m² of forest land in Chichibu, a source region for water supply to the greater Tokyo metropolitan area, have been donated through October 2017.

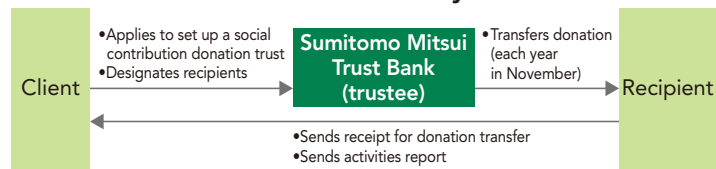
Acquiring Land

Social Contribution Donation Trusts

SuMi TRUST Bank administers social contribution donation trusts set up for the purpose of making donations to public-interest organizations carrying out social contribution activities. These trusts enable people who would like to contribute to society in some form as a citizen to do so using the trust system. The selection of Ecosystem Conservation Society-Japan, a public interest incorporated foundation, as a donation recipient supports the activities of the Association of National Trusts in Japan, an organization that aims to protect nature by purchasing land that forms the natural habitat of endangered species in Japan.



How the Social Contribution Trust System Works



Panel Exhibits in Branch Lobbies across Japan

In fiscal 2016, 73 branches of SuMi TRUST Bank displayed panel exhibits on the theme of the National Trust, a nature conservation movement that traces its origins to England. "Mori-no-boen" (forest cemetery) opened in Chousei-gun, Chiba Prefecture in February 2016 with Ecosystem Conservation Society-Japan, a public interest incorporated foundation, as its main sponsor and operator. At a site where the forest had been lost to sand mining, the remains of the deceased are buried, wooden grave markers are installed, and native tree saplings are planted and cultivated. No man-made items such as gravestones are placed at the site, so it is attracting attention as a new type of cemetery business where a natural forest will take root on the burial grounds in the future. In fiscal 2017, starting with six branches in Chiba Prefecture where the cemetery is located, panel exhibits will circulate among our branch lobbies.



A panel exhibit in the Chiba Branch lobby

Promoting Activities Fostering Employee Participation

Activities to Support the Environment and Living Creatures

SuMi TRUST Bank branches nationwide carry out CSR activities ("With You" activities). Embracing the idea that "we enjoy lives of abundance thanks to the blessings of natural capital," the branches promote various activities with local community roots, highlighting "support for the environment and living creatures," one of the three major themes defining our "With You" activities. Among these initiatives are employees joining environmental conservation activities and hosting eco-tours to the National Trusts-owned lands in the neighborhood as well as employee participation in various events that partner with local and regional authorities and organizations. In June 2017, the Sapporo and Sapporo-Chuo Branches hosted their sixth tour in Kuromatsunai town for restoration and conservation of the National Trusts-owned lands, with participants performing tasks to maintain the Utasai wetland and joining a learning tour of the native beech forest, the northern-most in Japan.



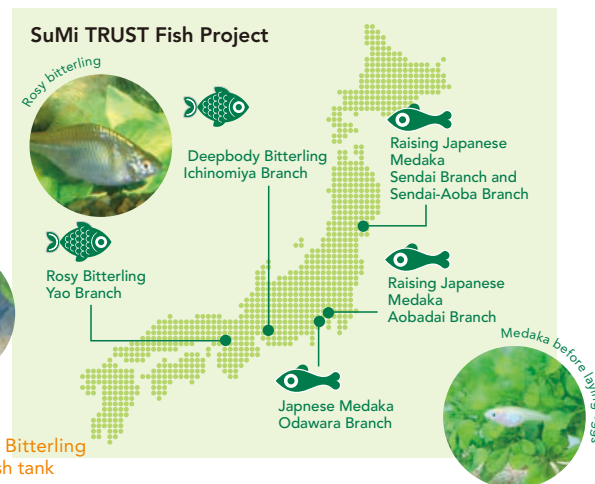
Participants prune trees and vegetation for wetland conservation in keeping with expert advice

Protection of Endangered Species

Some branches are actively engaged in activities to conserve species unique to Japan as a part of the "support for the environment and living creatures" initiatives. The Ichinomiya Branch commenced an exhibit on the Deepbody Bitterling, an endangered fish species, with an approval from the Ministry of the Environment, a first of its kind as a private-sector company. The exhibit arose from our participation in the environment and ecosystem conservation activities for the Kisogawa River watershed that we have promoted in concert with local organizations. In addition, SuMi TRUST Bank implements "SuMi TRUST Fish Project" at its branches nationwide. The project includes the breeding of endangered fish species such as the Rosy Bitterling and Medaka rice fish indigenous to their region in fish tanks in their lobbies.



Deepbody Bitterling kept in a fish tank



Restoring Natural Capital in Cities

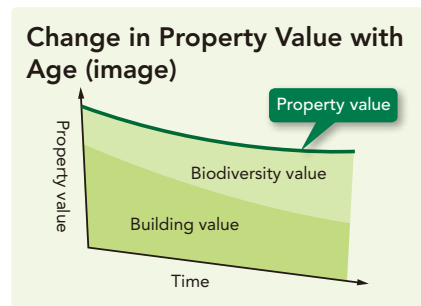
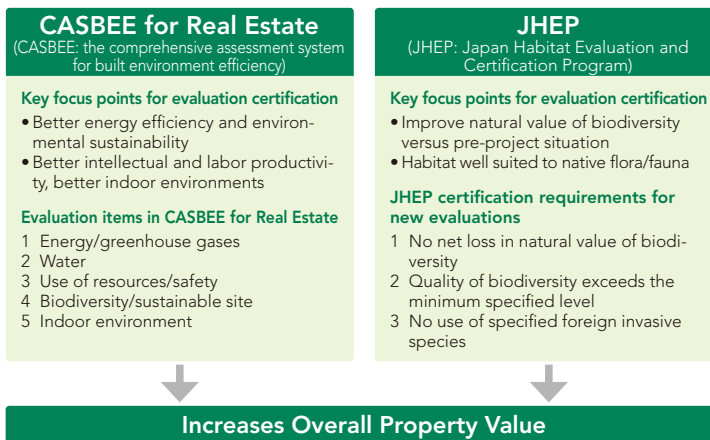
Construction Consulting on How to Foster Biodiversity and Ecosystems

Through the use of CASBEE for Real Estate*¹ and JHEP*² together, the environmental performance of properties can be improved across many dimensions, helping to increase overall property value.

At SuMi TRUST Bank, biodiversity considerations are included in our menu of construction consulting services.

*1 CASBEE for Real Estate: The comprehensive assessment system for built environment efficiency (CASBEE) certification is an environmental performance evaluation system for buildings being developed and promoted in Japan under the guidance of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). SuMi TRUST Bank is involved in the establishment of criteria.

*2 JHEP: Japan Habitat Evaluation and Certification Program is a system is a system developed by the Ecosystem Conservation Society-Japan to quantitatively evaluate and certify efforts to contribute to the conservation and restoration of biodiversity.



A building's environmental performance is evaluated on many dimensions such as energy savings, global warming mitigation measures, biodiversity, durability, and resource efficiency.

The value of buildings decline with age but the biodiversity value increases every year as the ecosystem surrounding it forms. These offsetting lifecycle patterns can maintain the combined value of the building and site together as a whole. Ecological networks can be created through the connection of local communities, neighboring buildings and green nature reserves.

Support for Citizen Activities through Charitable Trusts

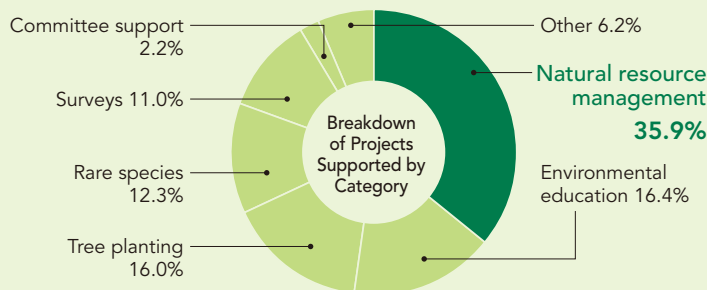
Support for Various Charitable Trusts

The charitable trust system is one where individuals or corporations donate assets that are administered and managed by a trust bank in accordance with predetermined objectives. For example, in this system, a trust awards funds for charitable activities from the interest income as well as principle of its endowment assets.

SuMi TRUST Bank first received a mandate as a trustee for a charitable trust in 1977. Since then, the number of trusts under its management has steadily risen, and projects in various charitable fields have received trust grants. Among these are contributions for domestic nature conservation and ecological network building.

Keidanren Nature Conservation Fund

The Keidanren Nature Conservation Fund (KNCF), a public charitable trust set up in 2000 by the Keidanren Committee on Nature Conservation, has used the trust system to supply funds to support nature conservation activities. Collecting donations from Keidanren member corporations, other private-sector companies, and individuals, KNCF provides grants for nature conservation activities in Japan and developing countries carried out by NPOs, NGOs and others. Since the Keidanren Committee on Nature Conservation's establishment in fiscal year 1992 through 2017, a total of 3.7 billion yen has been granted to over 1,287 activities. In addition to tree planting and environmental education initiatives, the Keidanren has supported a wide range of projects involving biodiversity conservation, including natural resource management and rare species protection, around the world, especially in Asia and Japan.



The Suntory Fund for Bird Conservation

The Suntory Fund for Bird Conservation was established in 1990 by Suntory Holdings Limited to promote better, more extensive protection of birds. Since its inception 28 years ago, it has supported bird conservation activities in Japan and overseas. The fund has been accepting grant applications in three areas in the past few years: grant for bird conservation group activities, grant for community bird activities, and grant for riparian large bird conservation. Every year it awards grants totaling more than 40 million yen to organizations such as NGOs in Japan and overseas.



A pair of Blakiston's Fish Owls that have been observed for many years

Educating the Next Generation: Education for Sustainable Development (ESD) Project

To realize a sustainable society, each and every one of us must recognize that we are all living in an irreplaceable environment and must change our behaviors. The United Nations-promoted ESD is an education that fosters leaders in creating a sustainable society.

SuMi TRUST Bank has since 2012 strived to educate school students, the next-generation of environmental leaders, across Japan about nature conservation through the use of video in ESD project.



Scan this QR code to see details on the case examples

Flow of ESD Project Featuring Precious Nature across Japan



Green TV Japan records video footage of featured sites



Teaching materials are prepared using recorded video footage



Students watch video teaching materials in a class led by the ESD-invited professional instructor



A master video about the entire project is produced



Initiatives over the Past Years

Nov. 2012



Wakayama Prefecture Tenjinzaki

Sept. 2013



Kanagawa Prefecture Koajiro Forest

Sept. 2014



Okayama Prefecture Waterhead Forest in Mimasaka

Jan. 2015



Kanagawa Prefecture Oyatsu Forest in Kamakura City

June 2015



Osaka Prefecture Nippon Rosy Bitterlings

Jan. 2016



Fukui Prefecture Nakaikemi Wetlands

July 2016



Aichi Prefecture Kisogawa River Deepbody Bitterlings

• Shibayama Wetlands - Vital for Ecosystem Conservation

At Funabashi Shibayama High School in Chiba Prefecture, students venture outdoors to learn about the environment in the Shibayama Wetlands, the school-run biotope. With 740 confirmed species, including endangered ones, the biotope is highly regarded for its high quality, winning gold prizes in competitions.

Mr. Domoto, secretary general of the Ecosystem Conservation Society - Saitama, a public interest incorporated foundation, explained on the links with natural environment of the peripheral areas and the initiatives of Kanto Ecological Network in a February 2017 class. Students learned how essential their daily conservation activities focused on rivers are in forming ecosystem networks and how large the contribution of their activities are in terms of regional ecosystem conservation, and they shared their opinions on the importance of continuing on their activities.



A school-run biotope, Shibayama Wetlands

• Seeking the Sight of Crested Ibises in the Skies above Sakata Lagoon

Akatsuka Junior High School in Niigata Prefecture has been offering students opportunities to go outdoors to learn about the environment at the nearby Sakata lagoon, which is registered under the Ramsar Convention. In addition to lagoon conservation activities, students have been tracking the number of inbound swans flying over the sea to the lagoon. Students have been passionate about conserving the Sakata lagoon as conversion of surrounding land into residential tracts has made maintenance of the lagoon environment more challenging.

Mr. Seki, secretary general of the Ecosystem Conservation Society - Japan, explained using video teaching materials shot at Sakata lagoon and Sado Island on farming methods that foster living creatures such as the crested ibises of Sado City and how people and bountiful ecosystems can co-exist in a July 2017 class. Students learned conserving the Sakata lagoon would lead to creating a sustainable region and came across the questions such as “What is necessary for crested ibises to soar in the skies above Sakata?” and “What is necessary for regional revitalization?” For students, the class was certainly a good opportunity to rethink issues related to their activities from a broader perspective.



A class at Akatsuka Junior High School in Niigata Prefecture



Sakata lagoon registered under the Ramsar Convention

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