

Initiatives for ESG/SDGs



- The Bank will implement the 13 management strategies set out in the Medium-term Management Plan as initiatives for ESG/SDGs and practice sustainable management.

The Bank's basic stance towards SDGs

Organization to promote SDGs

In April 2019, **The SDGs Promotion Committee** was established

Announced on October 21, 2019

 **百五銀行 Group** **SDGs Policy** 

(Hyakugo Bank Group Sustainability Policy)























The Hyakugo Bank Group will contribute to the achievement of a sustainable society by setting the SDGs as important indicators for both the resolution of regional social challenges and achievement of economic development, and linking these SDGs to the Group's corporate activities.

As a regional financial institution 

Achieving a sustainable regional society

Playing a role to promote SDGs in the region

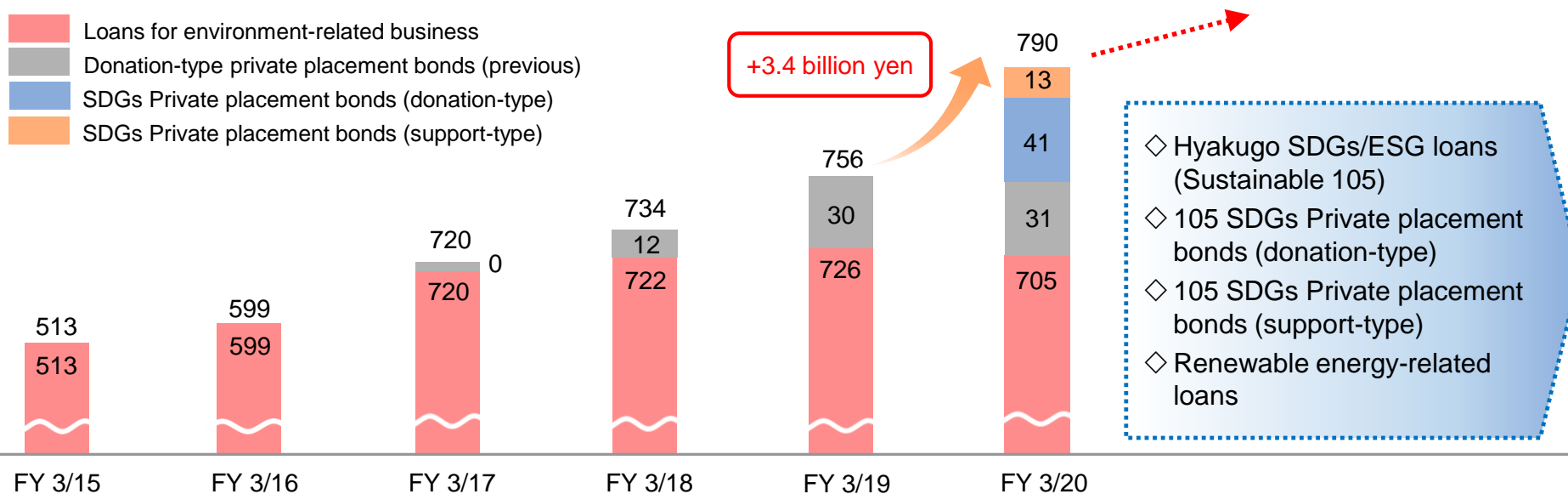
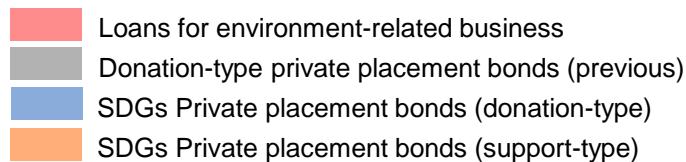
Relationship between Priority Issues, Action Policy and SDG targets

Priority issues	Action policy	SDGs
Protecting global and regional environments	<ul style="list-style-type: none"> Contribute to realization of a sustainable global environment by supporting businesses leading to environmental preservation and a reduction in environmental burdens Undertake forest preservation and energy-saving activities to help preserve the regional environment and raise awareness 	     
Creating regional economy	<ul style="list-style-type: none"> Offer financial services meeting varied challenges and issues of customers, and contribute to creating regional economy Offer advanced financial services, support local companies to enhance value-added and help customers to accumulate quality wealth 	    
Sustainably developing regional societies	<ul style="list-style-type: none"> Sensitively clarify issues and needs of regional societies, and contribute to their sustainable development through business and community activities Actively committed to education of children that will be responsible for the next generation, and contribute to the achievement of vital regional societies 	      
Promoting Diversity	<ul style="list-style-type: none"> Maximize personnel potential based on a work environment having diversity and inclusion, and seek to improve employment satisfaction Contribute to creating a society allowing diversified career formations 	  
Strengthening business management systems	<ul style="list-style-type: none"> Constantly review and enhance the risk management and compliance systems for higher transparency of corporate management 	

● Promote ESG/SDGs through fund supply (loans)

Trends in balance of ESG/SDG-related loans

(Unit: 100 million yen)



Loans for environment-related business

Heightened **awareness of environment consideration** among companies



105 cases worth **12.6** billion yen

* Cumulative total as of FY2019

Hyakugo SDGs Private placement bonds

Launched July 2019

Heightened **awareness of regional contribution** among local companies



67 cases worth **5.6** billion yen

* From the launch until the end of Mar 2020



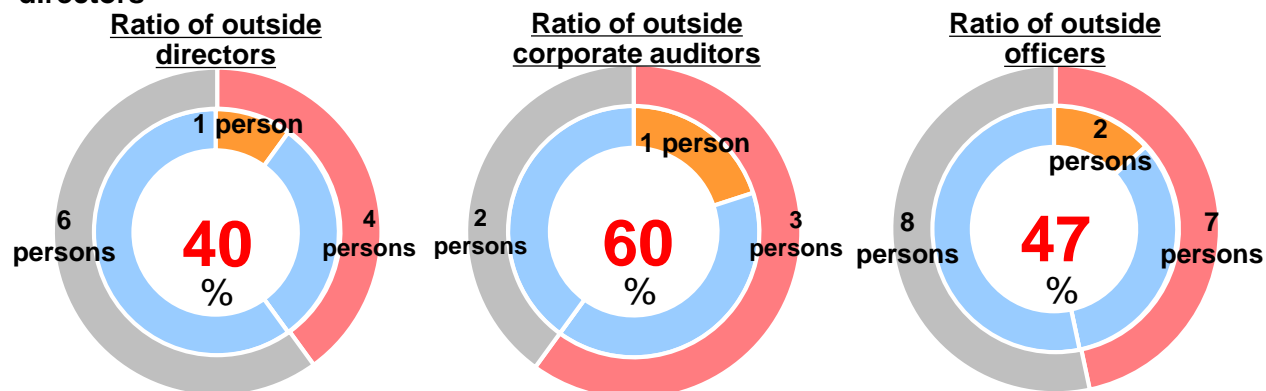
● Governance: Strengthening corporate governance

Strengthen corporate governance with selective and diversified outside directors and corporate auditors

Ratio of outside directors

* Scheduled June 2020

Outside Inside Female Male



[Future policy]
Seek further selection and diversification of outside directors and corporate auditors

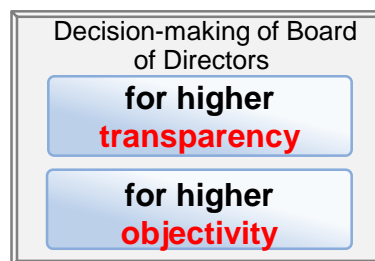
* Seven outside directors and corporate auditors are all “independent.”

Strengthen governance with appropriate commitment and advice of outside directors and corporate auditors

Corporate governance meeting (non-mandatory nomination/remuneration committee)

Chairperson is elected from among
outside directors

Title	No. of persons
Outside directors	4
Inside directors (representative director)	2
Total	6



[Functions]

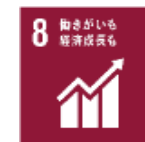
Providing advice on the following matters to Board of Directors

- Matters concerning candidates for directors and auditors
- Matters concerning remunerations, etc. to directors
- Other significant matters concerning management

* The figures are as of June 2020.



● Social: Initiatives for sustainable development of regional societies



Promoting Diversity

Employment of persons with disabilities

Special affiliated
company

Initiatives of Hyakugo Kanri Service Co., Ltd.

First in Japan

Certified as a "company actively hiring persons with disabilities" as a special affiliated company of a regional bank



Companies taking excellent initiatives, where persons with disabilities work with satisfaction

Offer employment know-how

- Holds seminars and sending lecturers
- Hosts **study tours organized by Mie Prefecture**

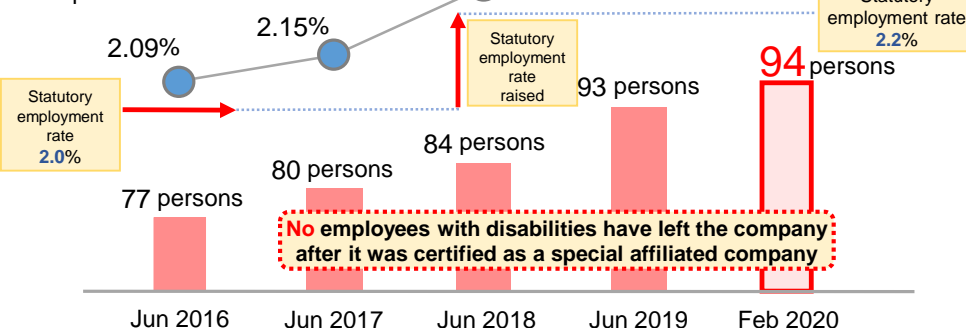


As part of HR development, staff members with disabilities give study tours

Number of persons with disabilities and employment rate

Number of persons with disabilities

Employment rate of persons with disabilities



Initiatives for active participation of female employees

Encourage **male employees to participate in child-raising** to promote active participation by their partners, female employees

Mums' and Dads' meeting

- Meetings for couples with children
- Provide chances to share problems and information about child-raising, and think about balancing work and child-raising



For employees raising children

Hands-on workplace tour/cooking school for dads

- For male employees and their children
- Prompt the workplace to deepen the understanding of child-raising, and encourage male employees to participate in parenting

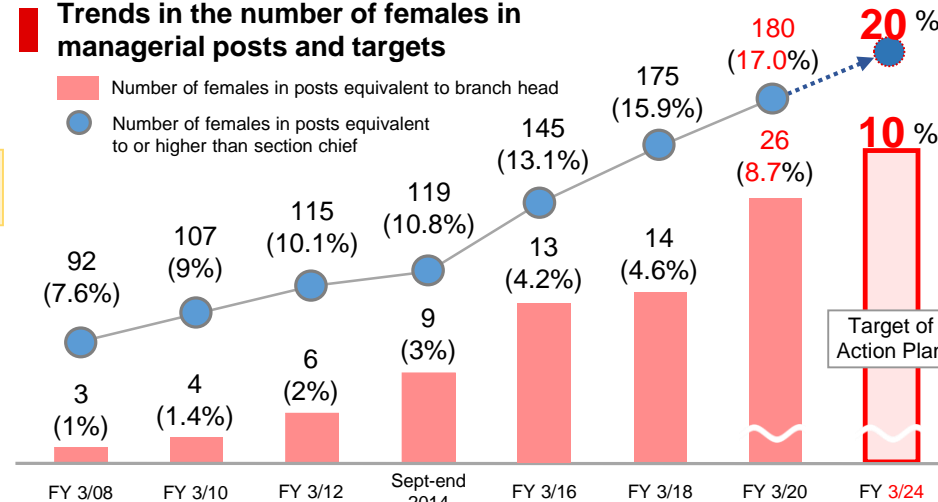


"Cooking school for dads" held jointly with Mie Prefecture

Trends in the number of females in managerial posts and targets

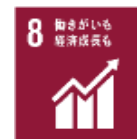
Number of females in posts equivalent to branch head

Number of females in posts equivalent to or higher than section chief





- **Social: Initiatives for sustainable development of regional societies**

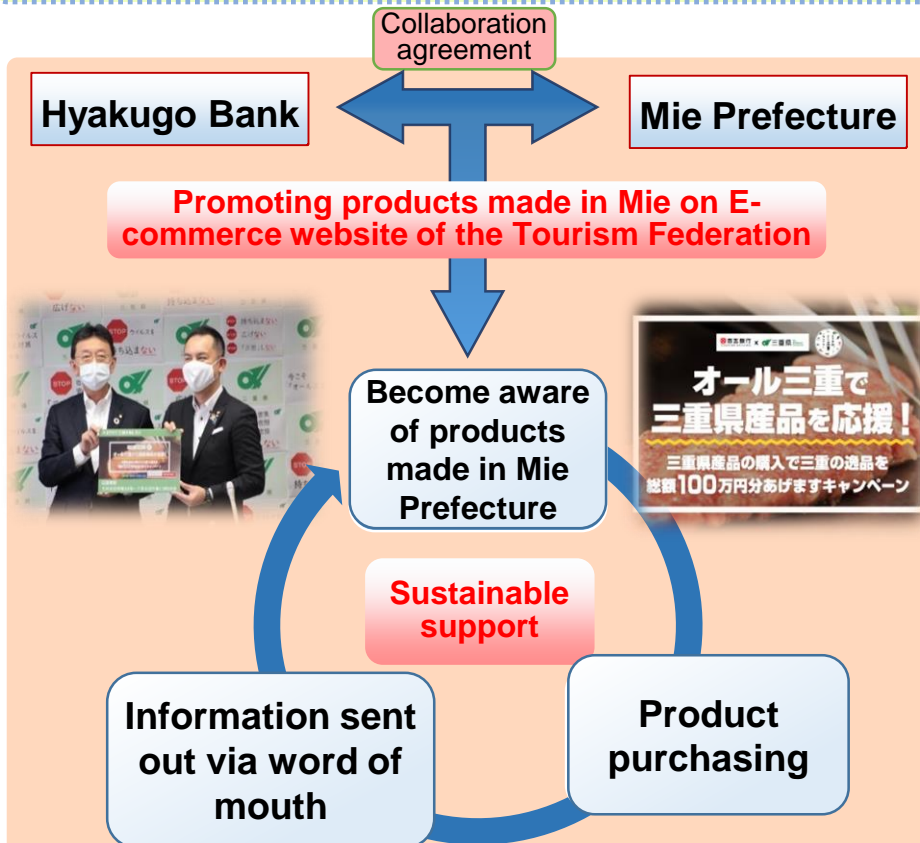


Initiative in collaboration with Mie Prefecture

Campaign to support products in Mie Prefecture

May–July 2020

Held jointly with Mie Prefecture to support business operators affected by COVID-19



Support for higher productivity

Seminar on digital solutions

Held Dec 2019

Attended by
40 persons

Practice of IT management reform

Use of IT for difficult hiring situation and labor shortage

Hands-on experience at display area



Opportunity to learn case studies of business innovation leveraging digital technology

Help producers to expand their sales channels

Matching exhibition and exchange for “foods in Mie”

Held Jan 2020



Attended by
58 exhibitors

Number of business negotiations: **110**

Attended by
200 buyers

JA Mie Shinren and Mie Prefecture and Hyakugo Bank



● Environment: Initiatives with higher environmental awareness

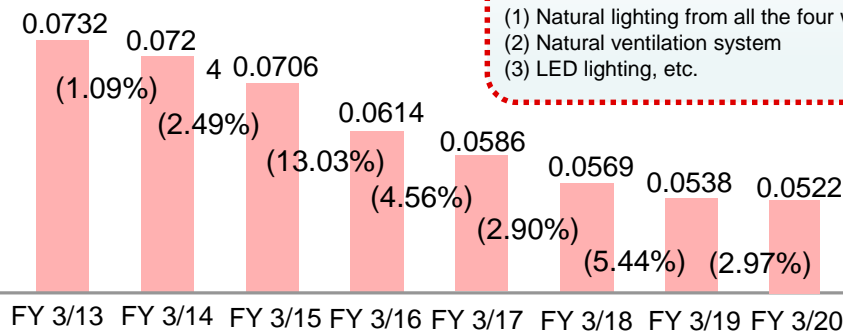


Internal environmental initiatives

Initiative for CO₂ emission reductions

Trend in the volume of CO₂ emissions per square meter of floor area

(Unit: t-CO₂/m²)



Promoting forestation activities “Hyakugo Forest”

“Hyakugo Forest” started in 2006

The bank is engaged in forestation activities in five areas in Mie Prefecture



Initiatives for outside parties for environment preservation

Seminars and consultation on carbon-free management and adoption of renewables

Held Dec 2019

Ministry of Environment, Mie Prefecture and Hyakugo Bank

Ministry of
Environment, Mie
Prefecture



Encouraging public
bodies to attend

Financial institution
Hyakugo Bank



Encouraging local
companies to attend

50 persons

attended

50 persons

attended

Initiatives of the
national and prefectural
governments

Case studies of
adoption of renewables

Simplified estimate of
economic efficiency

Leverage these seminars to **raise the energy-saving awareness** of public bodies and companies in the region