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 (Code: 8303, TSE First Section)

Revision and Publication of Group Sustainability Management Policy and Group Human Rights Policy

Tokyo (Monday, November 1, 2021) --- Shinsei Bank, Limited (hereinafter, “Shinsei Bank”) announced that the Shinsei Bank Group (hereinafter, “the Group”) has revised its “Group Sustainability Management Policy”* and “Group Human Rights Policy”*, in order to clarify the Group’s philosophy and policies on sustainability management to internal and external stakeholders, and it aims to promote and enhance the Group’s sustainability management.

In light with the aspects where sustainability has become more important than ever, together with significant changes in stakeholders’ mindsets and actions, the Group regards these revisions as an opportunity to work together in order to raise awareness of sustainability management and advance initiatives.

■ Overview

[Group Sustainability Management Policy]

This policy first describes the Group’s definition of “sustainability” and “sustainability management.”

Sustainability	Sustainability of society, ecosystems, the Earth, outer space, and the rest of the world over the future, as well as the Group and its employees as well as its customers.
Sustainability Management	<p>Management that makes the following <Action Guidelines> and <Concept> inseparable from each other</p> <p><Action Guidelines> Positioning sustainability at the core of the Group’s management and conducting all corporate activities <u>with sustainability as the sole standard of value and judging criterion.</u></p> <p><Concept> The belief that the sustainable enhancement of the Group’s corporate value can be achieved only by solving the sustainability-related issues of our customers <u>through our business</u>, and ultimately by transforming our society into a sustainable one.</p>

In addition, the ESG initiatives are configured as follows.

Governance	Positioned as one of the most important management issues, driving Environmental and Social sustainability initiatives, and listed before Environmental and Social initiatives.
Environmental and Social	From the viewpoint that sustainability issues are not necessarily clearly distinguishable from “environmental” and “social” they are not categorized as “environmental” and “social.” Instead, they are described in the categories of “the Group’s initiatives” and “initiatives through business activities.”

[Group Human Rights Policy]

This policy sets forth the basic philosophy for the Group to fulfill its responsibility for respect for human rights, based on the belief that a universal philosophy of respecting all human rights related to corporate activities, including those of customers, partners, employees, and local communities related to corporate activities, is an important foundation in realizing sustainability management.

The Group will respect human rights while respecting international norms of Universal Declaration of Human Rights, International Covenants on Human Rights, Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and the Children's Rights and Business Principles.

■ **Effective Date:**

Both policies are effective as of November 1, 2021. The Group will continue to review the policy in accordance with changes in the external environment and its business activities.

■ **Background:**

[Group Sustainability Management Policy]

The Group formulated a policy of its sustainability management in 2019 and has been conducting its businesses while paying attention to environmental and social issues so that it can contribute to building a sustainable society as a part of corporate responsibilities.

The Group also established a sustainability management system within the Group, including the establishment of Sustainable Impact Development Division in February 2020, Group Sustainability Committee, Sustainability Planning Department and Sustainability Promoting Department in January 2021.

We have continued numerous discussions on the ideal form of sustainability management under the new sustainability management system, reaffirmed within the Group our stance of sincerely engaging in sustainability management promotion and accordingly made a full revision of the policy.

[Group Human Rights Policy]

The Group has been working to respect human rights based on the Charter of Shinsei Bank Group Corporate Behavior, Shinsei Bank Group Code of Conduct, Group Sustainability Management Policy, and Group Human Rights Policy. We have also decided to fully revise Group Human Rights Policy in order to clarify our stance of further promoting efforts in compliance with international standards such as Guiding Principles on Business and Human Rights, from the perspective of sustainability management and SDGs promotion.

*Please refer to the appendix for the full text of the Group Sustainability Management Policy and Group Human Rights Policy.

Shinsei Bank is a leading diversified Japanese financial institution providing a various range of financial products and services to both institutional and individual customers. The Bank has a network of outlets throughout Japan and is committed in its pursuit of uncompromising levels of integrity and transparency in all of its activities in order to earn the trust of its customers, staff and shareholders. The Bank is committed to delivering long-term profit growth and increasing value for all its stakeholders. News and other information about Shinsei Bank is available at <https://www.shinseibank.com/corporate/en/index.html>

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Group Sustainability Management Policy

1 The Shinsei Bank Group's Approach to Sustainability Management

i) View on Sustainability

The Shinsei Bank Group (“the Group”) defines sustainability as the sustainability not only of the Group and its employees, as well as the Group’s customers, but also of society, ecosystems, the earth, and space as a whole for the future.

ii) View on Sustainability Management

The Group places sustainability at the core of the Group’s management and conducts all corporate activities with sustainability as the sole criterion of value and judgement.

We believe that the sustainable growth of the Group’s corporate value can be achieved only by solving customers’ sustainability issues through business activities and ultimately by transforming our society into a sustainable society.

We define our sustainability management as a management where above-mentioned principles are indivisible from each other, and the Group is focused on actively promoting the sustainability management.

iii) Background

The thought behind promoting the Group’s sustainability management is based on our recognition that the sustainability of the environment and society, which has been predicated on all corporate activities, is on the brink of crisis. With the emergence of the risk that the environment and society will not be sustainable, there is a need to prepare for new risks. At the same time, new businesses are being created amid growing expectations that business innovations to transform to a sustainable way. In the light of this background, we believe that future risks and opportunities will be presented only in the context of sustainability, and the Group will continue to promote and upgrade sustainability management.

This idea is consistent with the philosophy advocated by the Principles for Responsible Banking (PRB) of the United Nations Environment Programme and Finance Initiative (UNEP FI), that is, financial intermediaries are responsible to do their utmost for the sustainable prosperity of society and people, and to expand and create positive impacts as well as to reduce and avoid negative impacts on society today and in the future through the business activities of financial institutions.

iv) Key Objective of the Group

In light of this belief, the Group’s key objective is to work ahead of resolving environmental, social, and other sustainability issues while fully leveraging its own financial capabilities through value co-creation with stakeholders and the

creation of innovation. In particular, we believe that the present or future existence of customers who are not satisfied by conventional financial services is a social issue, and we aim to proactively fulfill the Group's social responsibilities and roles in solving this problem. In addition to the Group, we will support customers' activities to transition in a direction that is consistent with the sustainability, as well as provide opportunities and options for customers to contribute to enhancing sustainability in the world.

2 Positioning of the Policy

The Group Sustainability Management Policy is based on the Group's Charter of Corporate Behavior and the Group's Code of Conduct. It is stipulated as the Group's basic philosophy on the sustainability management and is positioned as a basic policy on environmental and social sustainability, aiming for promoting and upgrading sustainability management while continuously engaging with stakeholders.

3 Corporate Governance to lead Environmental and Social Sustainability

i) Basic Approach

With sustainability at the core of the Group's management, the Group recognizes the enhancement of corporate governance, which leads environmental and social sustainability as one of the most important management issues in promoting and upgrading sustainability management and, accordingly the Group has established a corporate governance system. We have also established an internal control system to ensure that corporate governance functions properly. In addition, as a listed company, Shinsei Bank will work to further strengthen corporate governance by establishing policies on initiatives related to the Corporate Governance Code.

4 Environmental and Social Sustainability Initiatives

i) Basic Approach

Environmental and social sustainability is an important and urgent issue that can affect the stability of the Group, our customers, and the financial system. Accordingly, in promoting sustainability management, we have set the policy for the environmental and social sustainability initiatives for the Group as well as the policy for initiatives to support the environmental and social sustainability for our customers.

ii) Environmental and Social Sustainability Initiatives for the Group

a) Respect for Human Rights

Respect for human rights is a global code of conduct that is expected of all companies and is a fundamental responsibility requirement for conducting corporate activities. Based on this recognition, the Group has established the Group Human Rights Policy to support international human rights norms and to articulate that it respects the human rights of all people including employees.

b) Initiatives for Human Capital

The Group regards human resources as the source of sustainable growth in the corporate value. Accordingly, to engage in human capital is our vital strategy in the sustainability management. The Group considers the following initiatives to be particularly important part of the initiatives for human capital and will continue to actively develop them. Through these initiatives, we aim to achieve a virtuous cycle of self-fulfillment of each employee, its impact on the society, and related sustainable improvement in the corporate value.

1) Health and Productivity Management and Well-being

The Group promotes Health and Productivity Management and the Well-being of individual employees recognizing that the safety of employees' lives, ensuring mental and physical health, living standards, stability of economic conditions, job satisfaction, and motivation for self-fulfillment are the foundations that lead to the sustainability of human resources.

2) Diversity and Inclusion

Based on Health and Productivity Management and Well-being, the Group will continue to strengthen and leverage its organizational capabilities. Specifically, to focus on the diversity of the organization, we will further enhance our workplace environment that positively captures dynamics of various attributes such as gender, age and nationality, and differences in background, strengths and characteristics, as well as collaboration with external human resources based on new forms of employment. In addition, as an intrapersonal diversity, we will promote the creation of multi-career through flexible working styles and diverse career paths. The Group aims for incremental value creation by maximizing uniqueness and strengths of each and every employee and co-existing organically by understanding and including diversity while going through conflicts and integration. We also actively support the initiatives of diversity and inclusion, which promotes transformation into a better society.

c) Initiatives for Global Environment

Climate change-related risks arising from global warming caused by greenhouse gas emissions, and the destruction of the natural environment

surrounding biodiversity pose risks to the sustainability of society including us. In the areas of energy use, procurement of goods, and disposal, the Group will promote initiatives that are friendly to the global environment including climate change and biodiversity. With regard to climate change, we will identify the impact of climate change on the Group and upgrade its sustainability management by utilizing the framework of the Task Force on Climate-related Financial Disclosures (TCFD).

d) Promotion of Corporate Philanthropic Initiatives

The Group regards philanthropy related initiatives as social contribution activities as these activities have a positive impact on the creation of a sustainable society in which employees of the Group can participate with sympathy. As a corporate group that provides financial services to society, it is important to be aware that the sound development of society is the foundation of the Group's existence and to fulfill its role as a good corporate citizen that contributes to the development of a sustainable society. The Group has formulated the Policy for Promotion of Corporate Philanthropic Initiatives and will continue to actively promote the initiatives while working together to create value in collaboration with its supporters and partners.

iii) Initiatives for addressing Customers' Sustainability Issues through Business Activities

a) Expansion and Creation of Positive Impact through Solutions to Sustainability Issues

The Group aims to directly resolve sustainability issues including the needs of customers that are not satisfied by conventional financial services. At the same time, the Group actively supports customers' business activities that contribute to resolving such sustainability issues through our financial functions. Through the Group's financial products and services, we also provide opportunities and options for customers to contribute to resolving environmental and social sustainability issues.

b) Reduction and Avoidance of Negative Impact through Responsible Investment and Lending, etc.

With regard to the Group's investment and lending, the Group considers investment and lending to customers and businesses that do not appropriately respond to environmental impacts such as climate and ecosystems, as well as social impacts such as human rights, health and safety, etc. as management risks. Based on the establishment of the Responsible Investment and Lending Policy, the Group emphasizes responsible investment and lending for the environment and society. With regard to climate change, we review these risks and impacts on investment and lending to customers and businesses based on the TCFD framework and the Group Human Rights Policy with respect to human rights. The Group aims to reduce and avoid negative impacts while thinking together with

customers.

5 Stakeholder Engagement

i) Basic Approach

In order to realize the sustainable management of the Group, it is essential to co-create value with stakeholders such as customers, partners including suppliers and subcontractors in corporate activities, employees, local communities, governments, shareholders and investors, and other for-profit and non-profit organizations. Through engaging with the stakeholders, we will constantly review the Group's sustainability management and promote value-added initiatives for stakeholders.

ii) Disclosure of Information

As a part of its efforts to promote sustainability management, the Group has been striving to actively disclose information through various disclosure materials and its website. In the communication with market participants including investors, analysts and shareholders, we will continue to promote engagement while ensuring fair disclosure as stipulated in the IR/SR Policy.

6 Management Framework for Sustainability Management

i) Establishment, Revision and Abolishment of this Policy

The Board of Directors has the authority to establish, revise and abolish this policy, which is the basic policy for sustainability management.

ii) Reporting, Discussion and Supervision

The Group Sustainability Committee coordinates, discusses, or makes resolutions as necessary on matters related to sustainability management. Topics based on discussions by the Group Sustainability Committee are deliberated and resolved by the Group Executive Committee and reported to the Board of Directors. The Board of Directors receives reports on the discussions and deliberations by the Group Sustainability Committee and the Group Executive Committee, and discusses and supervises important strategies, objectives, and progress related to sustainability management. Through this management framework, the Group will continue to promote and upgrade sustainability management.

iii) Periodical Review

The Group periodically reviews this policy in order to continuously promote and upgrade the Group's sustainability management.

Group Human Rights Policy

The Shinsei Bank Group (the “Group”) places sustainability management at the heart of its business activities and aims to both increase the sustainability of the Group’s value and to realize a sustainable society.

For sustainable improvement of Group value, through the awareness of the chain of values resulting from the Group’s business activities (“Value Chain”), the Group will aim to sustainably improve the value generated by the Value Chain.

For realization of a sustainable society, the Group believes that the human rights of all people involved in the Group’s business activities including customers, business partners (meaning suppliers, purchasers, service providers, business partners, and other related people in the Group’s business activities), employees, and people in the local community is a critical foundation.

In addition, the Group recognizes the importance to continue constructive engagement with its customers, business partners, employees, people in the local community with connections to the Group’s business activities, shareholders, investors, and all other stakeholders.

The Human Rights Policy (this “Policy”) highlights the Group’s commitment to fulfill its responsibility to respect the human rights of all stakeholders. Further, in conformity with the Charter of Shinsei Bank Group Corporate Behavior, the Shinsei Bank Group Code of Conduct, and the Group Sustainability Management Policy, this Policy outlines the Group’s basic policy concerning respect for human rights and necessary actions for fulfilling its responsibility to respect human rights.

The Group will use this Policy as the guidelines concerning the respect for human rights with the highest priority as it promotes its initiatives for the respect for human rights.

This Policy is founded in accordance with the Universal Declaration of Human Rights, the International Covenants on Human Rights, the Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Children’s Rights and Business Principles.

1. Purpose

This policy is designed to outline that the Group's responsibility to respect all the human rights of all people to both internal external stakeholders.

2. Scope

This Policy applies to all employees of the Group, including officers, employees, and temporary employees.

Further, the Group expects that its customers and business partners to support and share the content of this Policy.

3. Our Commitment to Respect for Human Rights

i. Basic policy

The Group's responsibility to respect all the human rights of all people with following commitments.

- The Group will avoid having any Group business activities that infringe on human rights and will address any adverse human rights impacts involving the Group.
- The Group will avoid causing or contributing to adverse human rights impacts through the Group's business activities and will address such impacts when they occur.
- The Group will promote respect for human rights throughout the Value Chain and will do its best to prevent or mitigate any adverse human rights impacts.
- The Group will do its best to prevent serious or irremediable adverse human rights impacts.
- The Group will implement human rights due diligence to identify, prevent and mitigate adverse human rights impacts.
- If the Group causes or contributes to adverse human rights impacts, the Group will work in good faith to seek relief for the victims.
- The Group will comply with the laws and regulations of the countries and regions where the Group engages in business activities. If there is any conflict with the internationally recognized standards, the Group will respect the internationally recognized standards while taking into consideration of the laws and regulations where the Group engages in business.

- ii. **Respect for the Human Rights of Customers**
 - The Group respects the human rights of all customers, ensures a safe environment where customers have access to finance without unfair discrimination and provides fair and responsible financial products and services.
 - The Group asks customers themselves to also respect human rights in accordance with the internationally recognized standards.
 - If any adverse human rights impact by a customer are confirmed, the Group will engage in dialogue to remedy such adverse impacts. If it is found that the customer has no intent to remedy the adverse impacts, or such remedy is infeasible, the Group may choose not to engage in, or to terminate transactions with such customer.

- iii. **Respect for the Human Rights of Business Partners**
 - The Group asks business partners to also respect human rights in accordance with the internationally recognized standards.
 - If any indications of adverse human rights impact by a business partner are confirmed, the Group will engage in dialogue to resolve the confirmed issue. If it is found that the business partner has no intent to resolve the adverse impacts, or such resolution is infeasible, the Group may choose not to engage in, or to terminate transactions with such business partner.

- iv. **Respect for the Human Rights of Employees**
 - The Group will protect the dignity of each individual employee and respect the human rights of all employees.
 - The Group will provide an environment where employees are able to maintain their physical mental and social health while working with enthusiasm and apply their abilities to the maximum extent.
 - The Group will foster a culture where open and candid communication is actively encouraged, diversity is respected, and through such inclusivity, sustainable value can be created.

- v. **Respect for the Human Rights of Local Communities**
 - The Group will contribute to the social and economic development of the local community with the consideration of the human rights of people

related to the Group's business activities in the local community.

4. Approach to Human Rights Issues

The Group recognizes the matters listed below to be major human rights issues. Through the process of human rights due diligence, the Group will identify salient human rights issues among numerous human rights issues.

i. Forced labor and child labor

Forced labor, bonded labor, slave labor, and labor through human trafficking, where workers work against their will, as well as child labor below the minimum age for employment, are all prohibited.

ii. Overwork and excessive working hours

Excessive working hours that exceed the number of hours agreed by labor and employer are prohibited. Overwork due to excessive demands or pressure is prohibited. Further, measures to minimize overtime work will continue by enhancing flexibility regarding places and hours of work and by encouraging a heightened awareness of the importance of productivity.

iii. Ensuring mental and physical health and safety

A work environment is provided where the mental and physical health and safety of employees are protected through appropriate safety and hygiene management.

iv. Freedom of association and right to collective bargaining

Freedom of association and the right to collective bargaining are assured, and the trust relationship between labor and management will be strengthened more.

v. Decent wage and equal pay for equal work

Wages no less than the minimum wages specified in laws and regulations are assured, and work for unfair wages is prohibited. Further, it is recognized that wage is an essential consideration factor when leveraging job offers, and a policy of equal pay for equal work is thoroughly implemented.

vi. Discrimination

Fair and equal opportunities are offered regardless of age, gender, birthplace,

nationality, race, ethnicity, color of skin, religion, belief, social status, disability, illness, physical characteristics, sexual orientation, gender identity or other attributes, and any discrimination on account of any such attributes is prohibited.

vii. Harassment

Sexual harassment, power harassment, harassment related to pregnancy, birth and childcare leave, and any other conduct that can cause discomfort or disadvantages to, or that will impair the dignity of, another person, are prohibited.

viii. Privacy rights

Comply with laws and regulations etc. relating to personal information, and properly obtain and handle all personal information thoroughly.

5. Human Rights Due Diligence

i. Human rights due diligence

The Group will conduct human rights due diligence to identify, prevent and mitigate important human rights issues within the Group.

The Group recognizes that because risks to human rights may alter due to changes of internal or external environment, the human rights due diligence process must be implemented continuously.

ii. Implementation Structure

For the human rights due diligence, a structure will be built through discussion within the Group Sustainability Committee and careful deliberations to be made by the Group Executive Committee to ensure the proper and effective implementation.

6. Grievance Mechanism (Consultation Helplines)

The Group provides internal consultation services for victims of adverse human rights impacts seeking relief. Further, to provide an environment where employees can consult with ease. There are two separate consultation helplines run by different entities.

The consultation helplines will maintain anonymity and confidentiality and provide Group employees with safe and accessible service.

Main consultation helpline:

Harassment/human rights consultation helpline

Compliance hotline

7. Stakeholder Engagement

The Group will do its best to engage in constructive dialogue regarding human rights issues relating to business activities with customers, business partners, employees, people in local communities with connections to the Group's business activities, shareholders, investors, and other stakeholders.

8. Raising awareness and Training

i. Raising awareness

To raise awareness of this Policy, the Group will provide appropriate training to the Group's employees and communicate this Policy to customers and business partners.

ii. Training

To cultivate a better understanding of human rights and enhance awareness of human rights issues by the Group's employees, the Group will conduct human rights awareness training periodically.

iii. Implementation Structure

The Group Human Rights Promotion Committee will facilitate dissemination, education, and other human rights awareness activities for the Group.

9. Disclosure

The Group will monitor the particulars of adverse human rights impacts identified through human rights due diligence. The Group will take measures to prevent and mitigate the negative impact on human rights, and will disclose the details of such measures.

10. Governance

Regarding those salient human rights issues of the Group, the Group Sustainability Committee will discuss and examine how to address those issues. The Group

Executive Committee will make the final decision, and the Board of Directors will monitor how such issues are addressed.

11. Periodic Review

In order to strengthen measures for the respect for human rights in light of changes in internal and external environment, the Group will periodically review this Policy.

This Policy has been approved by the Group Executive Committee of Shinsei Bank,

Enactment date: November 1, 2018

Amendment date: August 1, 2021

Amendment date: November 1, 2021