



Initiatives to prevent global warming and to preserve biodiversity are essential for a company's sustainable development. Under the slogan of "Protecting the global environment through financial flows," Shiga Bank helps its customers develop their environmental business to achieve compatibility between their environmental and the economic concerns.

Shiga Bank Principles for Lake Biwa (PLB)

As environmental conservation initiatives conducted jointly with its customers, the Bank has established the Shiga Bank Principles for Lake Biwa (PLB) for customers.

The Three Principles of PLB: Declaration by Customers

1. We will establish production, sales and service standards that will contribute to environmental conservation.
2. We will aim to achieve a coexistence of environmentally friendly activities and business opportunities.
3. We will seek to develop sustainable communities by reducing risks to the environment.

Adoption of the PLB rating (environmental rating)

As part of its initiatives for preserving the environment, the Bank rates customers who have agreed with the principles of the PLB. It uses five grades (L1 through L5) for the ratings, which are based on its unique evaluation standards developed in accordance with "CSR Management Documents with an Environmental Focus."

Rating evaluation items

Acquisition of ISO14001 certification	Initiatives for green procurement and green purchase
Adoption of environmental accounting	Establishment of departments that promote compliance
Measures to deal with issues, such as land contamination, noise and vibration	
Handling of environmentally friendly products and goods	Issuance of environmental reports
Establishment of policies to comply with laws and regulations	Consideration of the environment when determining investment projects
Establishment of environmental policies	Initiatives to cut the emissions of the global greenhouse gas (CO ₂)
Volunteer activities for environmental preservation	
Initiatives to conserve energy and resources	Initiatives for recycling

Commencement of initiatives for biodiversity rating (PLB rating BD)

In recent years, as a result of environmental changes and excessive hunting, a number of wild animals are in danger of becoming extinct. Companies are now required to contribute to the preservation and the sustainable use of biodiversity through their overall business activities.

In November 2009, the Bank established a "Biodiversity Rating (PLB rating-BD)"—a rating system unique to the Bank—with the anticipation that this rating system will become a benchmark for customers when they engage in activities for the preservation of the biodiversity.

The Biodiversity Rating consists of evaluation items in four categories, with eight items in total. Items include the development of biodiversity preservation policies and the establishment of structures to promote and manage such policies.

Categories	Evaluation Items (Outline)
Management policies	1. Development of biodiversity preservation policies
Promotional and management structure	2. Establishment of structures to promote and manage the policies
Implementation of actions	3. Consideration of environmental impacts and the actions to reduce or avoid environmental risks
	4. Integration of actions in business activities
	5. Degree of contribution to the restoration of nature and to activities to preserve traditional culture
	6. Collaboration with research organizations that possess professional expertise
Promotion and disclosure of actions	7. Development of opportunities in which all employees and customers can understand the importance of biodiversity preservation
	8. Disclosure of actions and results

Principles for Lake Biwa Support Fund (PLB Fund)

When extending loans to customers who adopt initiatives to preserve the environment and biodiversity, the Bank examines the status of the initiatives and offers a discount—up to a maximum of 0.6% per annum—on annual interest rates on loans, in accordance with the applicable PLB rating and PLB rating BD.

PLB rating-BD	PLB Interest Rate Discount	Biodiversity Interest Rate Discount	Total Interest Rate Discount
L1 +	0.5%	0.1%	0.6%
L2 +	0.4%	0.1%	0.5%
L3 +	0.3%	0.1%	0.4%
L4 +	0.2%	0.1%	0.3%
L5 +	Not Applicable	Not Applicable	Not Applicable

Carbon Neutral Loan, *Mirai-Yoshi* (Bright future)

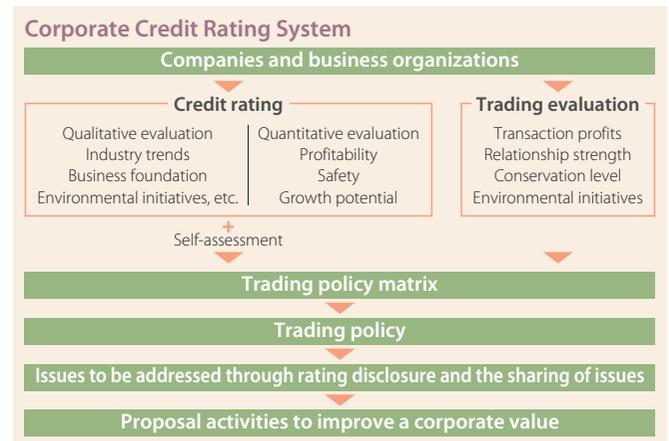
To preserve the environment and the ecological system of Lake Biwa, the Bank offers a Carbon Neutral Loan, *Mirai-Yoshi*, which is designed to encourage customers to reduce emissions of greenhouse gas.

Under this initiative, the Bank estimates the reduction in greenhouse gas emissions achieved by its customers through their introduction of solar power generation systems and other environmentally friendly systems made possible by using the Bank's environmental preservation financial products, such as loans under the Eco-Clean Loan Program, and the Principles for Lake Biwa Support Fund (PLB Fund). The Bank then converts the reduced emission amount into a monetary value based on emissions trading prices. This is then used as funds for the release program of *Nigorobuna* fish, an endangered indigenous species of Lake Biwa, and thus contributes to the conservation of the ecological system of Lake Biwa.

Promoting environmental preservation with the Corporate Credit Rating System

In the process of rating companies, the Bank takes the degree of customers' environmental initiatives into consideration, and reflects the consideration in credit ratings as an "item for evaluating environmental concern."

As a regional financial institution based near the shores of Lake Biwa, the Bank is committed to providing environmental preservation financing products and services through collaboration with customers and local communities.



The Bank's CSR initiatives based on the environment

In accordance with the CSR Charter (page 1), a new philosophy set forth in April 2007, and the Environmental Policies established in 1999, the Bank has been operating as a highly CSR-conscious bank. Based on environmental management, its unique management approach that incorporates the environment into its business management, the Bank has been pursuing direct initiatives under which it aims to establish resource and energy saving eco-offices, mainly through reductions in the use of paper and electricity associated with the Bank's operations. It has also actively engaged in indirect initiatives that include the provision of environmental preservation financial products and services at lower interest rates to customers who have taking steps to preserve the environment, and the extension of support to local environment conservation activities.

Environmental policies of Shiga Bank

— Shiga Bank aims to become an environmentally friendly bank —

1. Shiga Bank considers the preservation of the global environment and the reduction of the burden on the environment as the basis for its corporate activities. It strives to continuously improve its environmental management systems, and prevent environmental pollution, aiming to achieve a harmonious coexistence with the environment.
2. Shiga Bank complies with environmental related laws and regulations, as well as other standards it approves of.
3. By promoting its eco-office initiative, Shiga Bank will achieve resource and energy saving.
4. By developing and promoting environmental preservation financial products, Shiga Bank will take steps to preserve the natural environment of Lake Biwa and other areas through collaboration with local communities.
5. All employees of Shiga Bank take the environment into consideration in their work, based on these environmental policies.