

Close Up FEATURES

Actively Using Digital Technology to Create Sustainability in the Region

- Toward a Sustainability Design Company

Establishment of Sustainable Strategy Office and Digital Promotion Office

Shiga Bank regards each person's happiness as being linked to their regional community. In the Sustainability Vision (Long-term Vision) under the 7th Medium-Term Business Plan, implementation of which started in April 2019 and ends in March 2024, we set out to create "a society where everyone can define their future and live happily" as a goal for regional communities. To live happily, we must first be able to define our future. To do so, we must be able to have hope that our individual ideas will be respected and that we will be able to live our own lives. It is also important to feel that we want to live here in the future, as our regional community, economy, and human relationships are stable.

To create such a society with the regional communities, we announced in September 2020 that we would strengthen our efforts for sustainability. We established the Sustainable Strategy Office in the General Planning Department to define our Sustainability Policy, compile information, and formulate measures across the organization. We will aim to be a sustainable organization and contribute to the development of the regional communities. One of the key initiatives is the digitalization of the regional communities. We have set up the Digital Promotion Office in the Business Promotion Department to work with our customers, business partners, local governments, and other members of the communities.



Contributing to the co-creation of sustainable regional communities

The Bank has identified 16 items as the Materiality (priority issues, see page 27), including "declining birthrate, aging population, and depopulation," "business succession," "efficient use of local resources," "decarbonization and renewable energy," "work style reform," and "human resource development." We support the creation of problem-solving businesses. We also manage our businesses by focusing on the social impact of our business activities. Local financial institutions are also the infrastructure of society, contributing to the growth of the local society and economy, and creating a virtuous cycle of money. In addition, we have long been promoting environmental management

that is highly compatible with the SDGs. We focus on SDGs consulting and sustainability-linked loans that are easily accessible to small and medium-sized business partners. We also launched a loan plan to support the decarbonization efforts of local companies in cooperation with Shiga Prefecture (see page 45).

In conjunction with the establishment of the Sustainability Policy, we have also revised our Environmental Policy for the first time in ten years. Our priority is to protect the global environment through our business activities, with a strong awareness of the need to respond to the climate crisis and preserve biodiversity. Based on the Sustainability Policy and the Environmental Policy, we will contribute to the co-creation of sustainable regional communities.

Promoting the digitalization of the regional communities

The digitalization of society and economy, which has been a longstanding challenge, has been accelerated by COVID-19. Digitalization, which can improve productivity and transform business models, is an urgent task for large companies and central government agencies and for SMEs and local governments in rural areas that are suffering from a shortage of human resources. We have been promoting the Flexsus Project (see page 49) to transform our core systems and have set up the Digital Promotion Office in the

Business Promotion Department to establish a sales structure. We have been developing IT business support that solves business partners' management issues from a digital perspective in cooperation with FinTech companies (see page 51). In November 2020, we co-hosted the SDGs Business Succession and M&A Conference 2020 with Nihon M&A Center Inc., which was streamed live. We were able to greatly enhance our ability to disseminate information from Shiga Prefecture (see page 55). We will continue to focus on improving the digital environment inside and outside the Bank and further promote digitalization to support local sustainability.

Shiga Bank's Sustainability Policy

We aim to enhance our corporate value by following our CSR Charter (management philosophy) based on our motto "Be tough on ourselves, kind to others and serve society," and to contribute to realizing a sustainable society through co-creation with regional communities.

1. Identifying materiality (priority issues) and solving local issues through business activities

Identify materiality that will lead to sustainable development and prosperity for both Shiga Bank and regional communities and develop and provide products and services that help solve social issues. Also, promote the digitalization of regional communities and support the creation of problem-solving businesses to realize a sustainable society.

2. Management focusing on the social impact of business activities

Strive to reduce the negative impact of our business activities on people and the environment while continuously expanding the positive impact. Place particular emphasis on the social impact of financial intermediation and create a virtuous cycle of money toward a sustainable society through dialogue with our customers.

3. Establishing a business model that contributes to the conservation and revitalization of the global environment

Understand that the prosperity of regional communities, which is the foundation of our existence, is based on the benefits of nature, including Lake Biwa, and the sustainability of the global environment. Establish a business model that contributes to realizing a decarbonized society, the construction of a circular economy, and the conservation of biodiversity.

4. Respecting human rights and building relationships of trust with society

Respect human rights and conduct honest and fair corporate activities based on high ethical standards. Also, build a strong relationship of trust by complying with laws and regulations, disclosing information fairly and accurately to stakeholders, engaging in two-way dialogue, and responding sincerely to the expectations and requests of society.

5. Developing human resources who can think and act on their own and improving the workplace environment

Strive to develop human resources who can think and act independently, making the SDGs and regional social issues their own business. Aim to create a work environment for respecting diverse personalities and work styles, enhancing work-life balance, and having each employee fully demonstrate their abilities.

Instituted on October 1, 2020

Specific Activities of the Digital Promotion Office

Digital promotion → Sustainability and DX

