

【NEWS RELEASE】

April 02, 2021

Sumitomo Mitsui Banking Corporation

Announcement Regarding SMBC's Launch of Green Deposits

TOKYO, April 02, 2021-- Sumitomo Mitsui Banking Corporation (“SMBC”, President and CEO: Makoto Takashima) announced today that it has launched Green Deposits for its clients in Japan in order for SMBC to support its clients’ ESG (※1) /SDGs (※2) related activities. The Green Deposit is a product that provides customers with investment opportunities in the ESG area by allocating the deposits placed by customers to finance the environmental segment of ESGs, particularly in renewable energy, based on the “SMBC Green Deposit Framework” (※3) which was formulated by SMBC, with support from Sustainalytics Japan Co. Ltd., the Japanese subsidiary of Sustainalytics (“Sustainalytics”, CEO : Michael Jantzi). This initiative is also planned to be launched at SMBC’s overseas branches.

As announced on April 13, 2020, SMBC Group, including SMBC, has established “SMBC Group GREEN×GLOBE 2030”, a ten-years plan that extends to 2030 based on the Sustainability Statement. In order to take action to solve environmental issues, a target of JPY 10 trillion has been set for Green Finance to be achieved by the end of FY2029.

Based on the Sustainability Statement, SMBC will engage and act together with customers and other stakeholders to contribute to the global transformation into a better society.

<Summary of Green Deposits>

Clients	Central banks, financial institutions, and corporate customers on a global basis
Currency	U.S. Dollar (“USD”)
Product	Foreign currency denominated time deposit
Term	Minimum 30 days, maximum 1 year
Minimum Deposit Amount	USD 50 million (In the case that the term is 180 days or longer, USD 25 million)
Green Deposit Assets	Eligible Green Projects (※4) as defined under the SMBC Green Deposit Framework and to be selected by SMBC
Third Party Advisor	Sustainalytics Japan Co. Ltd., (CEO : Michael Jantzi)

- The summary above is as of April 2, 2021 and is subject to change. Clients are advised to check the latest product information.
- The SMBC Green Deposit Framework will be posted on SMBC’s website (it will be provided separately in the case deposits are placed before the SMBC Green Deposit Framework is released on the website)
- Clients are required to contact SMBC’s front office before placing a Green Deposit. Please note that acceptance of applications for Green Deposits may be suspended if the total amount of Green Deposits reaches a particular threshold.

(※1) ESG

ESG stands for Environmental, Social, and Governance and indicates three key criteria for consideration to conduct business activities in a sustainable and socially responsible manner. ESG is an area of growing interest, providing standards for a company's operations that impact the environment, reflects its relationships, and governs how the company manages itself.

(※2) SDGs

SDGs is an abbreviation for Sustainable Development Goals. 17 goals were adopted by 193 UN member states at the UN General Assembly in September 2015 as part of Agenda 2030; a global action plan through the year 2030. The 17 goals and 169 targets are for all countries and regions, not only emerging but also developed ones, to realize by the year 2030 a world in which no one is left behind with regards to issues such as poverty, equality, education, and the environment.

(※3) SMBC Green Deposit Framework

The SMBC Green Deposit Framework was formulated by SMBC with support from Sustainalytics Japan Co. Ltd., the Japanese subsidiary of Sustainalytics (※5). The SMBC Green Deposit Framework stipulates "Eligible Green Projects" and the mechanism where Sustainalytics will confirm that SMBC is operating correctly based on the framework. SMBC will publish the results of the annual audit by Sustainalytics on a yearly basis.

(※4) Eligible Green Projects

SMBC defines criteria for Eligible Green Projects with the support of Sustainalytics. For example, for renewable energy projects, SMBC has strictly set thresholds such as carbon dioxide emissions and exemptions for geothermal power generation projects, hydroelectric power generation projects, biomass power generation projects, etc. based on EU taxonomy standards. As such, SMBC has defined Eligible Green Projects only for those that are recognized as green by global standards.

(※5) Sustainalytics

Sustainalytics is an independent research and rating agency specializing in Responsible / ESG investment with a global research network. Sustainalytics who has its headquarter in Amsterdam, the Netherlands, provides ESG-related data to more than 700 asset owners and asset managers.