

【NEWS RELEASE】

April 1, 2022
Sumitomo Mitsui Financial Group, Inc.

Enhancement of Initiatives for Sustainability

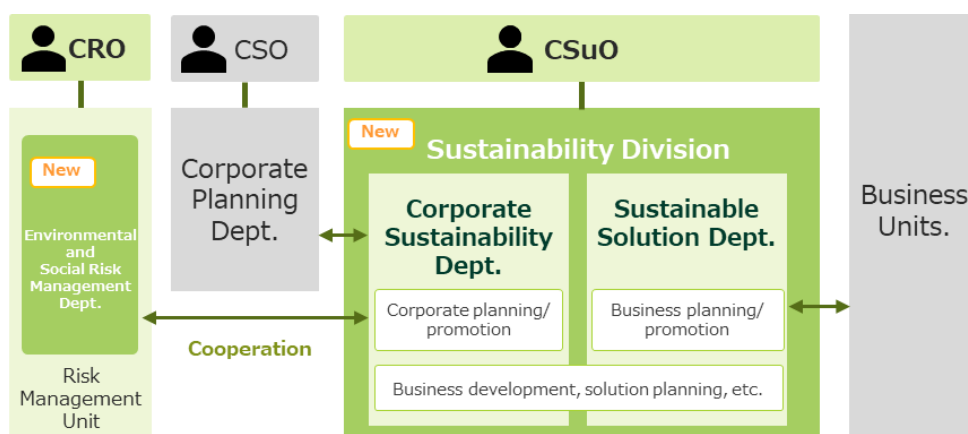
Sumitomo Mitsui Financial Group, Inc. (President and Group CEO: Jun Ohta, hereinafter, the group is collectively referred to as “SMBC Group”) will enhance its initiatives for sustainability as described below.

SMBC group will make every effort in addressing environmental and social issues the world is facing, including actions to climate change, conservation of biodiversity, and the protection of human rights. Moreover, SMBC Group will further expand its support to customer’s efforts and innovative technologies, and by doing so, contribute to the realization of sustainability.

1	Organizational Changes	<ul style="list-style-type: none"> • Establishment of the “Sustainability Division” • Establishment of the “Environmental and Social Risk Management Department”
2	Revisions of Rules and Policies	<ul style="list-style-type: none"> • Formulation of the “SMBC Group Environmental and Social Framework” <ul style="list-style-type: none"> – Establishment of the “Social Contribution Policy” and the “Sustainable Procurement Policy” – Revision of policy for the coal mining sector
3	Launch of an Investment Fund	<ul style="list-style-type: none"> • Setting up the “Sustainability Investment Fund” (20 billion JPY)
4	Scope 1 and 2 Reduction	<ul style="list-style-type: none"> • Fully switching to renewable energy at the four head office buildings (Head Office, East Tower, Osaka Head Office, Kobe Head Office)

1. Organizational Changes

We established the Sustainability Division and the Environmental and Social Risk Management Department to enhance our approach to sustainability. We will reinforce our management structure by consolidating our sustainability-related functions and expertise across the Group, strengthening and increasing our capacity to address environmental and social issues, and improving risk management systems which is the backbone of our business promotion.



(1) Establishment of the “Sustainability Division”

Objective	To strengthen our capacity to address environmental and social issues by consolidating our sustainability-related functions and expertise across the Group and increasing resources	
Overview	Under the Group CSuO (Chief Sustainability Officer), the Corporate Sustainability Department and the Sustainable Solution Department will plan and promote related matters comprehensively	
	1. Corporate Sustainability Department	Management of SMBC Group’s overall sustainability-related strategy and business development with a medium-term perspective
	2. Sustainable Solution Department	Promotion of sustainable businesses and client engagements to support their decarbonization

(2) Establishment of the “Environmental and Social Risk Management Department”

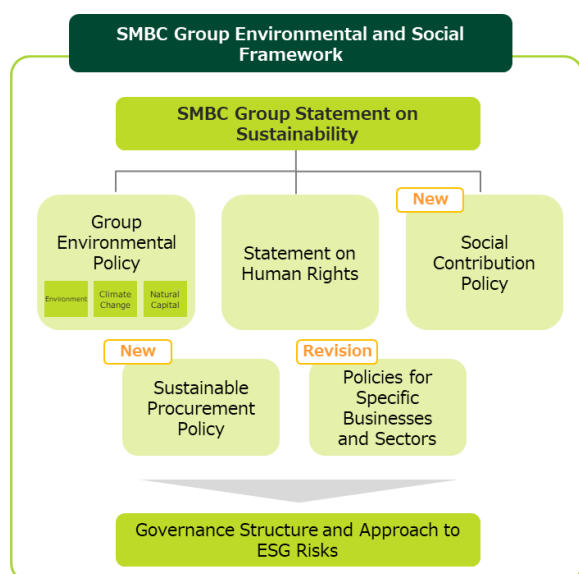
Objective	To enhance risk management systems that support our decarbonization commitment and the promotion of sustainable businesses
Overview	Consolidated functions addressing environmental and social risks that existed throughout the Risk Management Unit, under the Group CRO (Chief Risk Officer)

2. Revisions of Rules and Policies

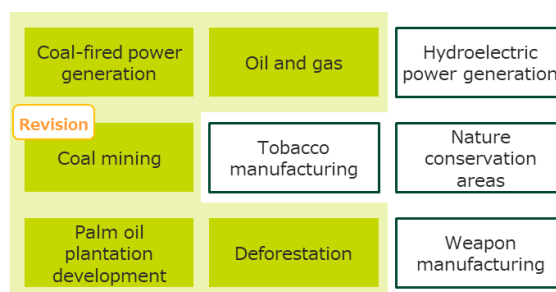
Expected roles for financial institutions regarding actions to climate change, conservation of biodiversity, protection of human rights and the solution of environmental and social issues are ever-expanding. Against this backdrop, we formulated the “SMBC Group Environmental and Social Framework” to organize our basic stance and approach to these issues and to improve our accountability to stakeholders.

Furthermore, we newly established the “Social Contribution Policy” and the “Sustainable Procurement Policy”. We will also strengthen one of our policies for specific businesses and sectors which are likely to have significant impacts on the environment and society.

(URL) https://www.smfg.co.jp/english/sustainability/group_sustainability/esframework/



Policies for Specific Businesses and Sectors



(Businesses and sectors in the green frame are those likely to have impact especially on climate change)

<p>Newly Established</p> <p>Social Contribution Policy</p>	<ul style="list-style-type: none"> Established to strengthen value creation of SMBC Group by creating social impact through social contribution. To clarify SMBC Group’s approach to social contribution activities from the following four perspectives: 1. Role in the society, 2. Social contribution as SMBC Group, 3. Approach to our employees, 4. Approach to public disclosure. <p>(URL)</p> <p>https://www.smfg.co.jp/english/sustainability/group_sustainability/contribution/</p>
<p>Newly Established</p> <p>Sustainable Procurement Policy</p>	<ul style="list-style-type: none"> Established to strengthen responsible procurement and contribute to realizing a sustainable society with our suppliers. To clarify our expectations towards suppliers regarding the environment, respect for human rights, compliance with laws, information management, and fair business practices, etc. <p>(URL)</p> <p>https://www.smfg.co.jp/english/sustainability/group_sustainability/stakeholder/</p>
<p>Revision</p> <p>Policies for Specific Businesses and Sectors - Coal mining</p>	<ul style="list-style-type: none"> Based on the awareness of risks our assets turning stranded during the transition to a decarbonized society, issues of human rights with respect to the elimination of illegal labor and child labor in coal mines and consideration of biodiversity associated with mining, we will revise our policy to not support newly planned and the expansion of thermal coal mining projects, as well as newly planned and the expansion of infrastructure developments that are dedicated to such projects (planned on May 2022).

3. Set Up of the “Sustainability Investment Fund”

SMBC Group is developing the “SMBC Group GREEN Innovator” program to provide sustainability-related solutions, create new services, and accumulate related expertise. We launched the 20 billion JPY “Sustainability Investment Fund” to further enhance this initiative and strengthen our relationships with partner companies that possess advanced technologies to realize a sustainable society.

Sustainability Investment Fund

Investment Fund	20 billion JPY
Main areas of investments	<ul style="list-style-type: none"> ✓ Areas contributing to business developments and solution provisions for customers’ decarbonization ✓ Areas we should accumulate expertise over the medium-to-long-term to realize a sustainable society



4. Scope 1 and 2 Reduction

SMBC Group is committed to achieving net zero greenhouse gas emissions in its own operation by 2030. As part of our initiatives to achieve net zero emissions for Scope 1 and 2, we switched all the power used at our four head offices buildings (Head Office, East Tower, Osaka Head Office, Kobe Head Office) to renewable energy.

From April 2023 onwards, we plan to switch all the power used by the buildings owned by SMBC Group along with the head offices of all major group companies to renewable energy.

SMBC Group will comprehensively continue to accelerate efforts to reduce greenhouse gas emissions.



(Photo) Nobeoka-Kadogawa Mega Solar Park

- Operated by SMFL MIRAI Partners, a strategic subsidiary of Sumitomo Mitsui Finance and Leasing



(Photo) East Tower of Sumitomo Mitsui Banking Corporation

- Uses renewable energy generated by a solar power plant operated by SMFL MIRAI Partners

5. Future Disclosures

SMBC Group will keep enhancing information disclosure related to sustainability as below.

- Press release regarding our enhancement of actions to climate change (planned for mid-May)
- SMBC Group Annual Report (planned for July)
- SMBC Group TCFD Report (planned for August)