

【NEWS RELEASE】

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Sumitomo Mitsui Banking Corporation

Enhancement of Transition Finance in Light of Report Released
by the Asia Transition Finance (“ATF”) Study Group

TOKYO, September 26, 2022 – Sumitomo Mitsui Banking Corporation (“SMBC”, President and CEO: Makoto Takashima) will strengthen its approach to transition finance^{※1}, based on the guidelines and report released by the Asia Transition Finance Study Group, which SMBC has participated in discussions as a core member.

The ATF Study Group was set up in recognition of the important role that transition finance will play in helping Asian economies move toward net-zero emissions and overcome the challenges they will face. Its goal is to create practical recommendations to supplement existing frameworks, including global standards and taxonomies, when FIs consider and assess transition finance cases.

Two reports, Asia Transition Finance Guidelines and Asia Transition Finance Activity Report, were published today by the ATF Study Group. The ATF Guidelines, which are primarily for financial institutions, include technical guidance and transition support for transition finance assessment. The ATF Activity Report, which is for broader stakeholders, is made up of a list of support items the Study Group believes is needed to encourage greater stakeholder engagement.

SMBC will strive to further promote transition finance based on these guidelines. Recognizing that significant amounts of financing are required to achieve net-zero, SMBC has been actively providing support for customers' investments and technological innovation initiatives toward decarbonization, while mutually confirming recognition of the need to transition to net-zero. These guidelines will enable us to broaden the scope of our support through finance and contribute to the realization of a net-zero society as well as to our customers' sustainable growth and enhancement of corporate value over the medium to long term.

We will continue to contribute to the realization of sustainability by engaging in dialogue with our customers and acting together to resolve social issues, including climate change.

※1 Transition Finance A financing framework aimed at supporting companies that are working to reduce greenhouse gas emissions in accordance with long-term post-agreement strategies to achieve the carbon neutrality goal of the Paris Agreement and is also positioned as one of the specific initiatives to realize the Japanese government's 2050 Carbon Neutrality Declaration.