

【NEWS RELEASE】

November 11, 2024
Sumitomo Mitsui Financial Group

Publication of “Transition Finance Scorebook 2024”

TOKYO, November 11, 2024 --- Sumitomo Mitsui Financial Group, Inc. (President and Group CEO : Toru Nakashima, hereinafter the Group collectively referred to as “SMBC Group”) today released the “Transition Finance Scorebook 2024” (hereinafter referred to as the “Scorebook”). The publication of a report on the practical operational results and challenges related to transition finance is the first of its kind by a Japanese financial institution and is a unique initiative even on a global scale.

To accelerate global decarbonization, it is essential to finance the transition of hard-to-abate sectors facing challenges to leapfrog to a low-carbon economy. SMBC Group published the "Transition Finance Playbook" in May 2023, which outlines the definitions and criteria for transition finance, and has been focusing on supporting our customers' transitions through transition finance.

Since the publication of the "Transition Finance Playbook," we have received numerous overseas and domestic inquiries regarding transition finance, and steadily built a track record of support for transition based on the criteria outlined in the Playbook. At the same time, we have deepened our dialogue with a wide range of stakeholders, including many companies, overseas and domestic financial institutions, investors, and public agencies, utilizing the Playbook. Through these experiences, we have come to recognize that aligning with the Paris Agreement is particularly challenging for customers in high GHG-emission sectors, and that there are issues such as securing sufficient power generation and reducing costs in the decarbonization of electricity.

This Scorebook compiles the lessons learned and challenges identified through our practical experience with transition finance, as well as recommendations for actions to address these challenges. We believe that solving the issues related to the transition requires various stakeholders to further develop discussions on appropriate decarbonization methods and pathways, and support in terms of policy and finance. By providing insights gained from SMBC Group's practical experience, this Scorebook aims to contribute to the advancement and deepening of such discussions, thereby promoting the realization of a decarbonized society.

The SMBC Group will continue to contribute to the decarbonization of the real economy by supporting our customers' transition efforts, while pursuing the creation of social value and economic value.

“Transition Finance Scorebook 2024”

https://www.smfg.co.jp/english/sustainability/sdgs/pdf/tf_scorebook_en.pdf

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