

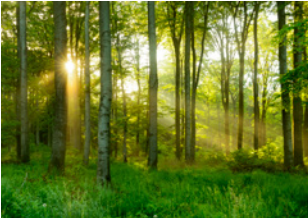
Materiality

SMBC Group has selected five priority issues (materialities) to be proactively addressed: “Environment,” “DE&I/Human Rights,” “Poverty & Inequality,” “Declining Birthrate & Aging Population,” and “Japan’s Regrowth.” We are also promoting initiatives toward the creation of social value under ten goals along with key performance indicators (KPIs).

Materiality identification process

① Identification of social issues to be addressed

We identified social issues with the potential to have a significant impact on SMBC Group and society, based on our top risks and past efforts to resolve social issues as well as global issues and efforts by Japan’s government.

Materiality		10 goals	Medium-Term Management Plan key performance indicators (KPIs)	
Environment		Support transition to achieve a decarbonized society	Sustainable finance ¥50 trillion (FY2020–FY2029)	
		Contribute to the conservation and the restoration of natural capital		
DE&I/ Human Rights		Realize a workplace where employees enjoy high job satisfaction	Engagement score Maintain at least 70	
		Respect for human rights throughout the supply chain		
Poverty & Inequality		Break the cycle of poverty and inequality for the next generation	Number of microfinance borrowers +800,000 people (compared to FY2022)	
		Contribute to financial inclusion in developing countries		
Declining Birthrate & Aging Population		Relieve anxiety about the 100-year life era	AM/foreign currency balance ¥21 trillion	
		Build user-friendly infrastructure to support a society with a declining population		
Japan’s Regrowth		Support customers’ business model transformation	Investment and loans for startups ¥135 billion	
		Create innovation and foster new industries		

* While new credit extensions were restrained due to the deterioration in the credit condition of the loan portfolio, the balance decreased as repayments progressed.

② Discussion and examination

Approximately 20,000 employees in Japan and overseas responded to a questionnaire survey on social issues on which SMBC Group should focus. In addition to Management Committee meetings, DE&I Committee meetings, and other meetings on the executive side, discussions were held in Board of Directors meetings and Sustainability Committee meetings on the supervisory side.

We selected five materialities and ten goals based on the results of the employee survey and on opinions from both the supervisory and executive sides (including the opinions of external committee members).

③ Institutional decisions

We added KPIs associated with our materialities and targets, with decisions made by the Board of Directors following deliberation by the Management Committee.

	FY2024 results	Directions for action
	¥34 trillion	- Promoting environmental protection through an integrated approach to climate change, natural capital, and circular economy - Contributing to the realization of a decarbonized society by facilitating the flow of funds to initiatives supporting the transition and to investments in new energy and new technologies - Continuing appropriate climate-related risk management from the perspectives of policies, portfolios, individual companies and projects
	74	- Creating a workplace where diverse employees respect each other and can fully demonstrate their abilities and individuality - Supporting the management of human capital not only for SMBC Group, but also for our customers - As an industrial hub, establishing a framework to respect the human rights of our stakeholders
	(234,000) people*	- Creating a society where people can thrive regardless of their backgrounds by providing opportunities for learning and challenges - Contributing to the elimination of absolute poverty with a focus on micro finance, as a company promoting a Multi-Franchise Strategy
	¥19 trillion	- Eliminating the various anxieties about the era of 100-year life by providing a diverse range of products and services - Building a base to enable access to highly convenient financial services regardless of age or region by leveraging digital technology
	¥185 billion	- Contributing to the development of Japan through resolving corporate issues and providing growth support as a proud Japanese megabank - Promoting Japan's growth by taking on challenges beyond the boundaries of financial institution, such as supporting new industries and the next generation