



# Corporate Social Responsibility (CSR)

## Contributing to the Sustainable Development of Society

Today, mankind is faced with diverse issues such as global warming, rapid population growth, and declining birthrate and aging of the population in the advanced countries. How can we, as a provider of comprehensive financial services, contribute to resolving such social issues for the sustainable development of the society. We believe that it would be our corporate social responsibility to practice by asking ourselves what we could and should do.

## Basic CSR Policies

SMFG has set forth the definition and common principles for “business ethics” for CSR in order to clearly describe and effectively promote CSR activities in the Group.

### SMFG’s Definition of CSR

In the conduct of its business activities, SMFG fulfills its social responsibilities by contributing to the sustainable development of society as a whole through offering higher added value to (i) customers, (ii) shareholders and the market, (iii) the environment and society, and (iv) employees.

### SMFG’s Group-Wide CSR Philosophy: “Business Ethics”

#### I. Satisfactory Customer Services

We intend to be a financial services group that has the complete trust and support of our customers. For this purpose, we will always provide services that meet the true needs of our customers to assure their satisfaction and earn confidence in the Group.

#### II. Sound Management

We intend to be a financial services group that maintains fair, transparent, and sound management based on the principle of self-responsibility. For this purpose, along with earning the firm confidence of our shareholders, our customers, and the general public, we take a long-term view of our business and operate it efficiently, and actively disclose accurate business information about the Group. Through these activities, we work to maintain continued growth based on a sound financial position.

#### III. Contributing to Social Development

We intend to be a financial services group that contributes to the healthy development of society. For this purpose, we recognize the importance of our mission to serve as a crucial part of the public infrastructure and also our social responsibilities. With such recognition, we undertake business operations that contribute to the steady development of Japan and the rest of the world, and endeavor, as a good corporate citizen, to make a positive contribution to society.

#### IV. Free and Active Business Environment

We intend to be a financial services group for which all officers and employees work with pride and commitment. For this purpose, we respect people and develop employees with extensive professional knowledge and capabilities, thereby creating a free and active business environment.

#### V. Compliance

We intend to be a financial services group that always keeps in mind the importance of compliance. For this purpose, we reflect our awareness of Business Ethics in our business activities at all times. In addition, we respond promptly to directives from auditors and inspectors. Through these actions, we observe all laws and regulations, and uphold moral standards in our business practices.

## Key Items of CSR Activities

The key items of our CSR activities are as follows:

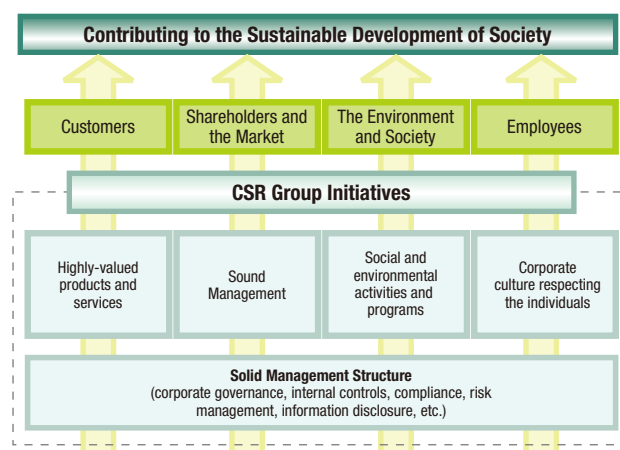
First, we shall develop a solid management system by improving and enhancing corporate governance, internal audit, compliance and risk management systems.

Second, we shall provide greater value for our four major groups of stakeholders as follows:

- We shall advance together with our clients by providing highly valued products and services.
- We shall strive to maintain a sound management and maximize shareholder value by having appropriate disclosure of information and improving the internal control system.
- We shall strive to contribute to the society and preserve the earth’s environment by consistently and proactively involving and participating in the social and environmental activities and programs.
- We shall promote free-spirited and open-minded business culture under which individual employees are respected and allowed to exercise each individual’s full potential.

Lastly, we shall strive to ultimately contribute to the sustainable development of society through such activities.

## CSR Values for SMFG



## Support for initiatives in Japan and overseas

As a corporate citizen of the global society, SMFG is fully aware of the social impact of the financial institution, and it shall support the following initiatives in Japan and overseas (the action guidelines for the corporate activities and principles).

### Initiatives supported by SMFG in Japan and overseas

- **United Nations Global Compact**

Ten principles proposed by the United Nations concerning human rights, labor, environment and corruption prevention

- **UNEP Finance Initiative (UNEP FI)**

Organization which pursues, develops and promotes the ideal financial institutions which pay attention to the environment and sustainability.

- **CDP (Carbon Disclosure Project)**

Initiatives which measures, manages and reduces effects of climate changes by prompting institutional investors and business managers to have dialogues regarding such climate changes

- **Equator Principles**

Environmental and social standards which are set forth based on the International Finance Corporation (IFC) guidelines for project finance projects

- **Principles for Financial Action toward a Sustainable Society (Principles for Financial Action for the 21st Century)**

Principles of action for financial institutions in Japan for the purpose of expanding and improving the quality of environmental finance

## Integral Implementation of CSR Activities and Business Strategies

CSR activities are the foundation for SMFG Group's business strategies as well as the management policies and goals.

We consistently verify and confirm whether the direction of business strategies of maximizing the "Spirit of Innovativeness," "Speed" and "Solution & Execution," promoted by the Group, is appropriately reflecting the basic CSR policy in our management policies of "becoming a globally competitive financial group with the highest trust of our clients and stakeholders." Furthermore, we properly reflect needs of our clients and society in our CSR activities.

Completely and fully achieving CSR is truly the "management itself," and we also believe that seriously committing to the implementation of CSR is thought to be the shortest path for achieving our management policies and goals.

## Strengthening CSR management by utilizing the ISO26000 standards

The Group manages CSR by regularly having discussions with each group company led mainly by the "Group CSR Committee."

At the "CSR Liaison Conference" conducted by CSR department of each group company since December 2010, the research group with respect to the International Standard of "ISO26000" (issued in November 2010) was established for understanding the outline. ISO26000 is the "guide," which consists of the basic principle and seven core concepts (governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development), for social responsibilities of organizations. In fiscal 2012, the Group created

its own checklist for the group companies to self-assess seven core concepts. We continue to utilize ISO26000 based on the final assessment made for fiscal 2012 to further strengthen our CSR management.

## Four prioritized issues faced by the Group as a financial institution

As a comprehensive financial services provider, the Group proactively promotes and pioneers initiatives for resolving four critical issues which may substantially affect the society (reconstruction for earthquake damages, environment, declining birthrate and aging of population and globalization).

### (1) Support for Reconstruction for the Great East Japan Earthquake

The Group shall consistently address and accommodate major issues for reconstruction of the areas affected by the earthquake by partnering with diverse stakeholders such as businesses, local governments and Non-Profit Organizations.

For details, please refer to page 62 (Supporting the Recovery after the Great East Japan Earthquake).

### (2) Environment

The Group shall strengthen diverse initiatives, not limited to achieving the low-carbon society, but also resolving issues associated with water, soil contamination, energy, biodiversity, etc.

For details, please refer to pages 55-58 (Environmental Preservation Initiatives).

### (3) Declining birthrate and aging of population

The Group shall contribute to developing initiatives which allow senior citizens to have comfortable and active lives. In anticipation that many employees may be involved with raising children and caring for the elderly, the Group shall also enhance the system and culture which support employees being able to balance work and to raise children/caring for elderly. Additionally, we consider raising issues and awareness in the society.

For details, please refer to page 62 (Measures for Addressing Decreasing Birth Rate and Aging Population) and page 64 (Creating a Corporate Culture which Derives Strength from Diversity).

### (4) Globalization

In anticipation of further business development in the international society, the Group is moving forward with globalization in Japan and overseas. As for CSR, we strive to improve sharing of information and to enhance cooperation with overseas branches to promote resolving social issues on global-basis and commonly share diversity in thinking in Japan and overseas.

For details, please refer to page 61 (Contributions Made to Local Communities by Overseas Offices).