



# 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 a declining birthrate and aging of the population in 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:

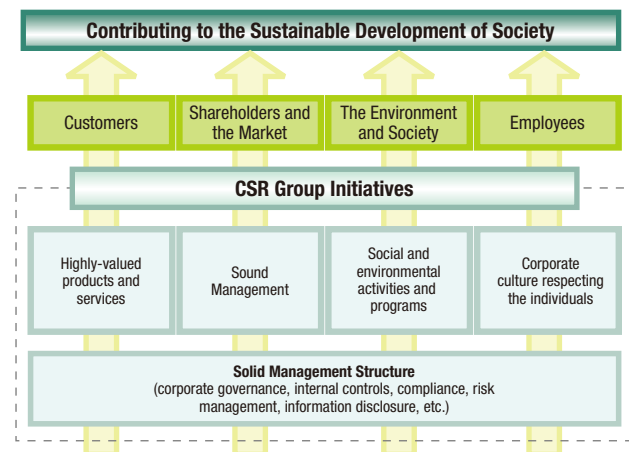
First, we shall develop a solid management system by improving and enhancing corporate governance, internal audit, compliance and risk management systems.

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



## 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.

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.

## 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

## Guidelines Used for Reference

The Group refers to the following guidelines in its promotion development, and information disclosure for CSR.

- **ISO26000**

This is the "guidance document" with respect to social responsibilities, consisting of basic principles and seven core subjects (governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development).

- **GRI Guidelines**

"Sustainability Reporting Guidelines (G3.1)" of GRI (Global Reporting Initiative) is referred to for editing of CSR website and preparation of CSR reports.

\*GRI (Global Reporting Initiative): International organization established in 1997 for the purpose of creating and promoting global guidelines for the "Sustainability Report."

- **United Nations Global Compact, COP (Communication on Progress), Advanced Level Criteria**

24 evaluation criteria provided for reporting performance status of 10 principles of the signed United Nations Global Compact.

## SRI Indexes

The Group is included in internationally-known, major SRI Indexes. SRI (Socially Responsible Investment) Index is a standard for investment decisions that are based not only on financial perspectives, but also on important views including environmental considerations and social contributions. We believe that this is an endorsement by the market of the Group's future corporate social responsibility activities.



## Review of Priority Issues (Materiality) which SMFG Should Address

In fiscal 2013, the Group has reviewed the previously-raised priority issues according to changes in social trends, and newly identified three subject matters of "Environment," "Next Generations" and "Community" as the medium- to long-term priority issues (Materiality).



As for identifying these priority issues, we broadly selected issues according to the above-mentioned guidelines and prioritized them based on the degree of importance from perspectives of each SMFG Group company and stakeholders. Concurrently, the final priority issues were determined taking into account opinions of experts through discussions. We will continue to promote implementing measures for resolving priority issues through discussions with internal and external stakeholders and Group companies.