

Corporate Social Responsibility (CSR)

Aiming to Contribute to the Sustained Development of the Entire Society

Society today is confronting numerous and wide-ranging issues, including global warming, rapid population growth, and low birthrates and aging populations in developed countries. As a global financial group, at SMFG we regard it as our social responsibility to remind ourselves of our role and play our part in addressing such issues in order to contribute to the sustainable development of the entire society.

Basic CSR Policies

SMFG has a CSR definition and “business ethics” which is a common philosophy for CSR, to make the position of CSR clear and promote CSR effectively.

Moreover, the Group CSR Department has been set up within the Corporate Planning Department, and CSR committee is held periodically to facilitate improvements in CSR initiatives by discussing matters related to group-wide CSR activities. Such activities are advanced based on SMFG’s definition of CSR, which constitutes our basic CSR policies, and our priority issues.

➔ Please follow the link to read about our CSR “business ethics.”
<http://www.smfg.co.jp/english/responsibility/smfgcsr/>

SMFG’s Definition of CSR

In the conduct of its business activities, SMFG fulfills its social responsibilities by contributing to the sustainable development of the entire society by offering higher value to customers, shareholders and the market, the environment and society, and employees.

Priority Issues (Materiality) that SMFG Should Address

SMFG has designated “Environment,” “Next Generation,” and “Community” as its three priority issues (Materiality) for the medium to long term.

Endorsement of Initiatives in Japan and Overseas

As a global corporate citizen, SMFG is fully aware of the social influence of financial institutions, and it endorses the following initiatives in Japan and overseas (action guidelines and principles for corporate activities).

➔ Please follow the link to read about initiatives endorsed by SMFG.
<http://www.smfg.co.jp/english/responsibility/smfgcsr/structure/>

Priority Issues (Materiality)

Environment	Next Generation	Community
<p>The Vision We Aspire for 2030 A financial group that contributes to the preservation of the global environment; the foundation for the lives of all, in order to help realize a sustainable society</p> <p>Issues We Should Address</p> <ul style="list-style-type: none"> • Promotion of environmental businesses • Management of environmental risks • Reduction of environmental impacts 	<p>The Vision We Aspire for 2030 A financial group that contributes to the development of all people’s skills, particularly by spreading and entrenching financial literacy, to create a more empowering future</p> <p>Issues We Should Address</p> <ul style="list-style-type: none"> • Support for growth industries • Resolution of social issues in emerging countries • Promotion of financial literacy education for all generations 	<p>The Vision We Aspire for 2030 A financial group that provides safety and security to all, in order to contribute to the creation of communities in which everyone can participate</p> <p>Issues We Should Address</p> <ul style="list-style-type: none"> • Contribution to achieving and developing safe and secure communities • Promotion of social inclusion in collaboration with NGOs and NPOs • Support for reconstruction in areas impacted by large-scale natural disasters

Environment

Our Basic Position

SMFG recognizes the environment as one of its most important management issues. We are implementing initiatives to harmonize environmental preservation with corporate activities based on our Group Environmental Policy.

➔ Please follow the link to read about our Group Environmental Policy.

<http://www.smfg.co.jp/english/responsibility/management/index.html>

Environmental Management System Based on ISO 14001 Certification

In 1998, SMBC became the first Japanese bank to obtain ISO 14001* certification.

With the holding company SMFG serving as the registered company, eight major Group companies have acquired this certification.

* International standard for environmental management systems



ISO 14001 certification

Three Pillars of the Group's Activities

The three pillars of our environmental action plan are: "Reduction of impacts on environment," "Management of environmental risks," and "Promotion of environmental businesses." We have set environmental objectives for each environmental activity and follow the procedures of Plan, Do, Check, and Act (PDCA) in conducting such activities.

Reducing Environmental Impact

SMFG sets objectives for reducing electricity and other energy consumption each year and seeks to be proactive in reaching its goals. In addition, we began receiving third-party verifications for our environmental data from fiscal 2016. Initiatives to reduce impacts on the environment are being advanced across the Group. For example, SMBC makes bank passbooks viewable online and provides electronic loan documents, while Sumitomo Mitsui Card Company offers billing statements in electronic format. Furthermore, SMBC's Ginza Branch was reopened inside the GINZA SIX commercial complex in April 2017 as a new, next-generation branch allowing for all procedures to be performed in a paperless manner.



SMBC's Ginza Branch after reopening

Management of Environmental Risks

SMBC's Credit Policy, which sets out universal and basic philosophies, guidelines, and rules for credit operations, makes explicit reference to environmental risk in credit assessment. In addition, in its environmental and risk assessment, SMBC follows the Equator Principles, which provide private-sector financial institutions a framework for environmental and social risk in financing large-scale development projects.



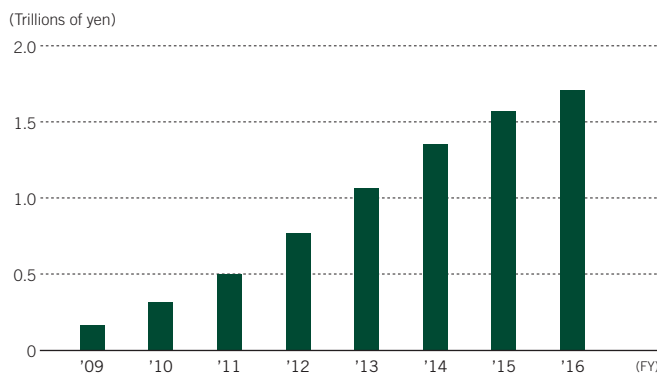
Promoting Environmental Businesses

SMFG positions environmental businesses as a means to preserve and improve the global environment through its core business operations. Examples include support activities carried out through coordination between the different business models of each Group companies, such as support for environmental infrastructure improvement projects and renewable energy projects in emerging countries. In addition, SMFG promotes environmental financing through the issuance of green bonds and the sales of eco funds. We are also providing information to customers via various means, such as the *SAFE* environmental magazine and our participation in the Eco-Pro (International Exhibition on Environment and Energy) exhibition.



Support for utilizing renewable energy

SMBC Environmental Assessment Loan / Private Placement Bond Performance*



* Aggregate total from commencement of financing to March 31, 2017

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Next Generation

Our Basic Position

SMFG draws on its financial functions to the full in the development of industries and personnel that will support the next generation. We are also engaged in the improvement of financial literacy and the development of markets that support healthy economic growth in emerging countries. By using our financial expertise, we contribute to creating a vibrant society where the next generation can flourish.

Improvements to Financial Literacy

SMFG Group companies unite to provide financial and economic education based on their respective business models. SMBC and SMBC Nikko Securities accept student's visits while SMBC Consumer Finance organizes financial and economic educational seminars for college students and those who have entered the workforce. The Group provided financial and economic education and career education to approximately 130,000 individuals in fiscal 2016.

What Does a Bank Do?, and *JUNIOR SAFE*, a book and magazine both targeted for children about the environment has received the 10th Kid's Design award of excellence (by Minister of State for Consumer Affairs and Food Safety). Our activities include the provision of the Hello Money; a smartphone application helping children managing their allowances, co-sponsorship of the KidZania work experience theme park, and supporting Finance Park educational programs for middle school students.



Iwaki Juku career education program, Iwaki City, Fukushima Prefecture



Bank work experience program for elementary school students



JUNIOR SAFE children's magazine



Bank work experience attraction at KidZania

Initiatives Targeted at Social Issues in Asia

From March 2015, SMBC and PT Bank Sumitomo Mitsui Indonesia has cooperated with Indonesian major Djarum Group's Foundation for facilitating CSR activities in Indonesia. We have donated training equipment to respective vocational schools in the sphere of education.

SMBC became the first Japanese company to sign an agreement with the Japan Committee for UNICEF in 2015. The agreement concerns training program for school teachers in Myanmar, to contribute to educational improvement.



Training using state-of-the-art ship simulator



Education support activities in Myanmar

Global Human Resources Development

The SMBC Foundation for International Cooperation provides scholarships to students from Asia, attending graduate schools in Japan whom may contribute to the economic development of emerging countries in the future. The foundation also provides subsidies to research that undertake projects contributing to economic development of emerging countries.

The SMBC Global Foundation, based in the United States, has also provided scholarships to more than 6,000 university students in Asian countries since 1994. It supports educational trips to Japan, and other programs by volunteers from SMBC. The foundation also matches donations from our employees.

Community

Our Basic Position

In addition to the social contribution of through our daily business, SMFG strives to be a good corporate citizen and fulfill its social responsibilities by undertaking a wide variety of activities to help society prosper.

Initiatives to Assist the Elderly and People with Cognitive Impairment and Disabilities

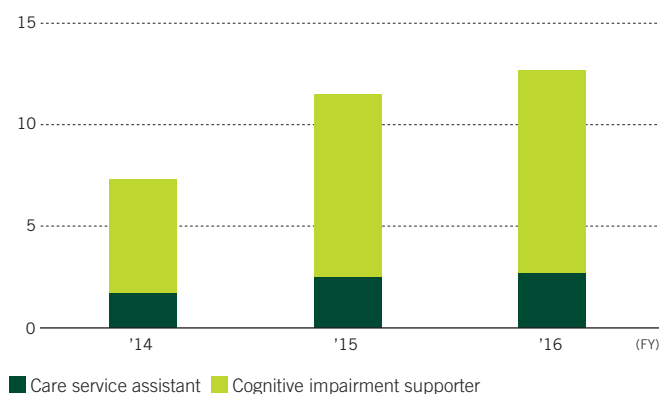
As of March 31, 2017, SMFG had trained approximately 10,000 staff members as cognitive impairment supporters. In addition, SMBC encourages employees to acquire care service assistant qualifications and is developing its branches in a manner that ensures the elderly and people with disabilities can use them with ease.



Cognitive impairment supporter training seminar

Acquisition of Qualifications by Employees

(Thousand people)



Resolution of Social Issues in Conjunction with NGOs and NPOs

Approximately 10,000 executives and employees participate in SMBC's voluntary scheme for deductions from salaries for donations to charitable organizations. In fiscal 2016, donations were made to 34 organizations working on the resolution of social issues, and approximately 430 volunteers by executives, employees and their families, participated directly in the activities of these organizations.

In addition, we held various volunteer activity programs open to Group employees and conducted the SMFG Pro Bono Project, a *pro bono* activity program through which employees use their professional knowledge and skills to contribute to the public good.



Pro bono activities in which employees use their skills to contribute to the public good

Donation Targets and Supported Activities

Domestic: Childcare support activities, child abuse prevention activities, support for the independence of people with disabilities, environmental education activities, etc.
Overseas: Support for afforestation activities in Thailand and Cambodia, support for educational activities at schools in Vietnam, the Philippines, and South Africa, etc.

Support for Areas Affected by Natural Disasters

Since May 2011, SMFG employees and members of their families have been participating in voluntary activities in areas affected by the Great East Japan Earthquake. In addition, employees volunteered in the areas affected by the Kumamoto earthquakes during fiscal 2016.

As of March 31, 2017, more than 1,000 executives, employees, and family members had taken part in volunteer activities in the Tohoku region and Kumamoto Prefecture.



Volunteer activity in earthquake-stricken area