

Sustainability Report 2020



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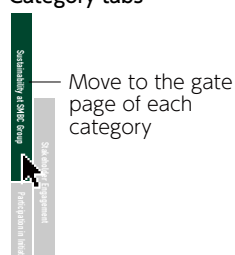
SMBC Group has not published a booklet version of Sustainability Report, instead disclosing information on our website. (In order to improve convenience, we post a PDF version of our website, what we call Sustainability report.) This Report identifies and discusses key issues that should be addressed by the SMBC Group, as well as providing useful links within pages so that readers can view information relevant to their purpose. Looking ahead, the Group will focus on maintaining a dialogue with stakeholders by enhancing its communication activities.

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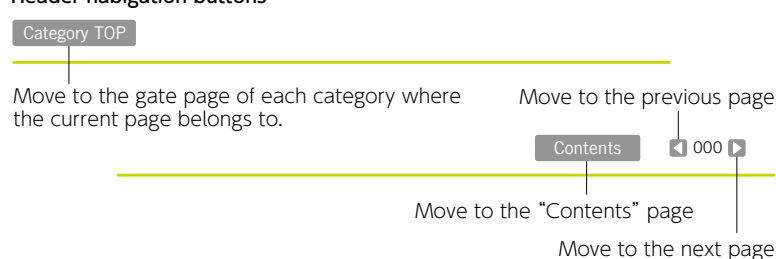
How to Use this Report

You can move between the pages of this report using the category tabs, navigation buttons and link buttons.

Category tabs



Header navigation buttons



Editorial Policy

Sustainability Website Editorial Policy

This website has been created for the purpose of communicating to stakeholders the roles played by the SMBC Group in helping to realize a sustainable society, as well as its initiatives.

The website compiles characteristic initiatives, including the latest examples, centering on policies, systems, and programs related to Sustainability at SMBC and the holding company SMBC Group. We aim to continue to enhance the range of information disclosed. Effective links are also provided to information disclosed on the websites of individual Group companies in connection with examples of initiatives at those companies.

The sustainability report is a PDF file version of this site and allows stakeholders to review the sustainable initiatives of the SMBC Group in a single document.

Note on Company Names

Sumitomo Mitsui Financial Group, Inc. is referred to on this site and in the CSR report as the "holding company SMBC Group" or "SMBC Group," and the overall corporate group that includes the main Group companies is referred to as the "SMBC Group."

Scope of this Report

- Sumitomo Mitsui Financial Group, Inc.
- Sumitomo Mitsui Banking Corporation
- SMBC Trust Bank Ltd.
- Sumitomo Mitsui Finance and Leasing Company, Limited
- SMBC Nikko Securities Inc.
- SMBC Friend Securities Co., Ltd. (*1)
- Sumitomo Mitsui Card Company, Limited
- Cedyne Financial Corporation (*2)
- SMBC Consumer Finance Co., Ltd.
- The Japan Research Institute, Limited
- Sumitomo Mitsui Asset Management Company, Limited (*3)

(*1) SMBC Friend Securities has formed a merger with SMBC Nikko Securities in January 2018.

(*2) Cedyne Financial Corporation changed the name in July 2020 to SMBC Finance Service after merger with SMBC Finance Service.

(*3) Sumitomo Mitsui Asset Management and Daiwa SB Investments merge to form Sumitomo Mitsui DS Asset Management Company in April 2019.

Reporting period and other information

Reporting Period

The fiscal 2019 period, the 12-months from April 1, 2019 to March 31, 2020

* The Report contains additional information including certain up-to-date data as well as future prospects where considered.

Month of Issue

September 2020 (Previous issue: September 2019)

Reference Guidelines

We refer to GRI "Sustainability Reporting Guideline (G4)."

* GRI (Global Reporting Initiative): Established as an international standard for sustainability reporting, compliers set up an international organization GRI in 1997 to encourage its adoption worldwide.

External Verification

Data on fiscal 2018 CO₂ emissions by main Group companies under Scope 1, 2 and 3 (Category 6: Business Travel) has been independently certified by the Japan Quality Assurance Organization to ensure its reliability.

Contact Information

1-1-2 Marunouchi, Chiyoda-ku, Tokyo, Japan 100-0005
Sumitomo Mitsui Financial Group, Inc.
Tel: +81-3-3282-8111

Diversity Reports

At the SMBC Group, we create Diversity Reports and carry out external transmission of information.



[Click here for the 2018 SMBC Group Diversity Report](#)



[Click here for SMBC Group Diversity Report back numbers \(2017- \)](#)

Downloadable Content

[> ESG Data Book](#)

["SAFE" Corporate
> Environmental
Magazine](#)

[> Communication
Book](#)

[> Sustainability
Repot](#)

Sustainability at SMBC Group

SMBC Group Statement on Sustainability

Throughout its 400-year history, SMBC Group has continuously upheld its commitment to sustainability. We hereby declare that we will drive forward our efforts to make sustainability a reality.

Definition of Sustainability

SMBC Group defines sustainability as "creating a society in which today's generation can enjoy economic prosperity and well-being, and pass it on to future generations."

Understanding of the Present Situation and Our Role

- As a financial institution, we will engage and act together with customers and other stakeholders to contribute to the global transformation into a better society.



SMBC Group Statement on Sustainability(16KB)



FY2019 Dialogue (1)

The content of the "SMBC Group Statement on Sustainability" and its penetration throughout the company (September 5, 2019)

SMBC Group has established "SMBC Group GREEN×GLOBE 2030", a ten-year plan that extends to 2030 and is based upon the Sustainability Statement.



SMBC Group GREEN×GLOBE 2030



FY2019 Dialogue (2)

Social impacts required for mega bank group required to solve social issues. (November 27, 2019)

Issues that SMBC Group focuses on

The SMBC Group has "Environment", "Community", and "Next Generation" as priority issues, aiming for a society in which everyone can enjoy economic prosperity and well-being.

Make sustainability a reality



For the society we aim to achieve, a healthy "Environment" is the foundation of social sustainability, and "Community" helps society work smoothly as well as being a social safety net. "Next Generation" is a presence which makes society better and passes it on to future generations.



Priority Issues (Materiality) that SMBC Group Should Address

400 years of sustainability practice

For more than 400 years, we have consistently regarded sustainability as a cause fundamental to our business operations, and to this day it remains the foundation of our management.

The predecessor to Mitsui



Uki-e Suruga-chô gofukuya zu
Mitsui Bunko Collection

As a kimono merchant, Mitsui's predecessors brought innovation to the conventional business practices of the time and established a new business model.

In the Edo period, it became a currency exchanger, and since the Meiji era, as a bank, it has become an important player in the financial infrastructure that underpins economic activities in Japan and the world.

The predecessor to Sumitomo



Current Besshi Copper Mine
Sumitomo Forestry Co., Ltd. Collection



Besshi Copper Mine in 1881
Sumitomo Historical Archives Collection

Sumitomo's predecessors have made Japan one of the world's leading copper producers through technological innovations in copper refining. Sumitomo also noted environmental issues on the other hand. The predecessor grieved the devastation on the mountains and resolved to undertake reforestation and provided abundant greenery for future generations and a safe and secure life for local communities.

SMBC Group GREEN×GLOBE 2030

SMBC Group has established "SMBC Group GREEN×GLOBE 2030", a ten-year plan that extends to 2030 and is based upon the Sustainability Statement.

Basic concept

"Create the future of the earth and humanity with our customers."

Thoughts in the name

"GREEN" represents SMBC Group's corporate color and the environment while "GLOBE" represents the earth and a borderless world. The two terms are connected by "×" to show the plan's potential being measured in terms of multiplication rather than mere addition.

GREEN	(SMBC Group's corporate color and the environment)
X	(the plan's potential)
GLOBE	(earth and a borderless world)
2030	(duration of SDGs)

Key pillars of the plan

Key pillars of the plan

- 1 Sustainability initiatives that are directed towards our customers/society.
- 2 Internal initiatives that contribute to Sustainability management.
- 3 Enhance engagement with investors.


Main measures and long-term goals
(Progress is announced every year)



Outcome
(Effects of society expected from the results of efforts)

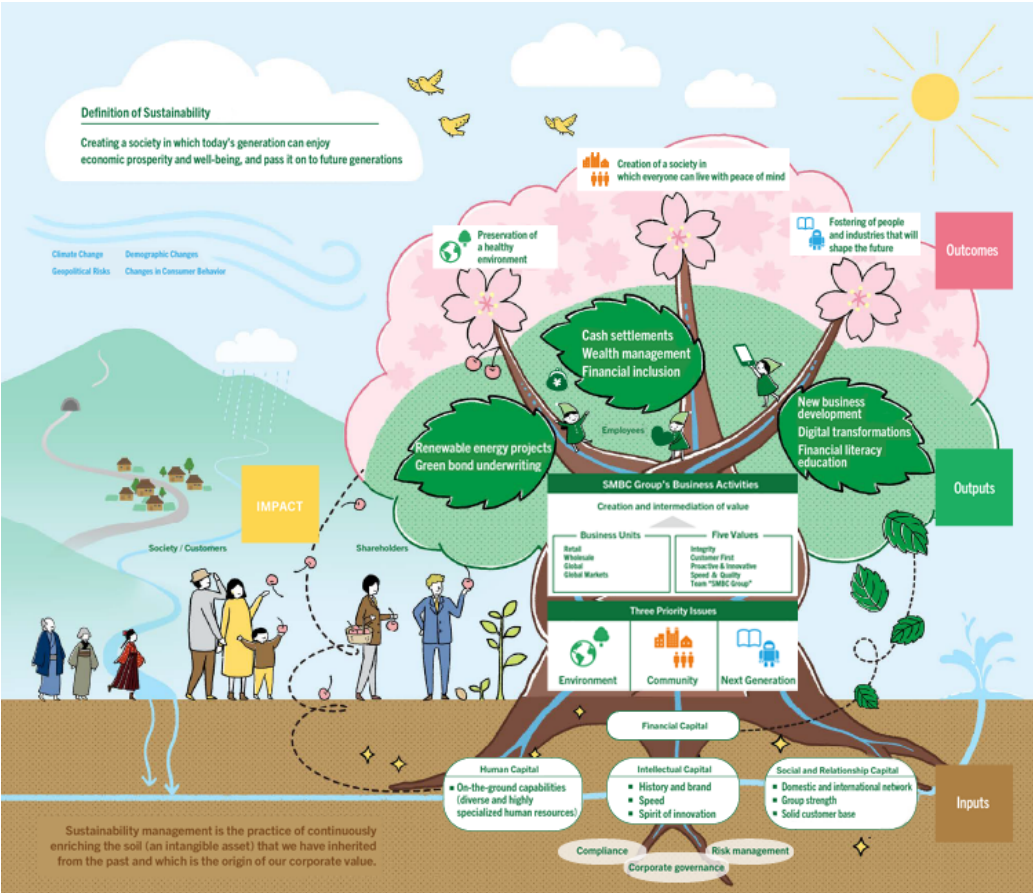


Make sustainability a reality

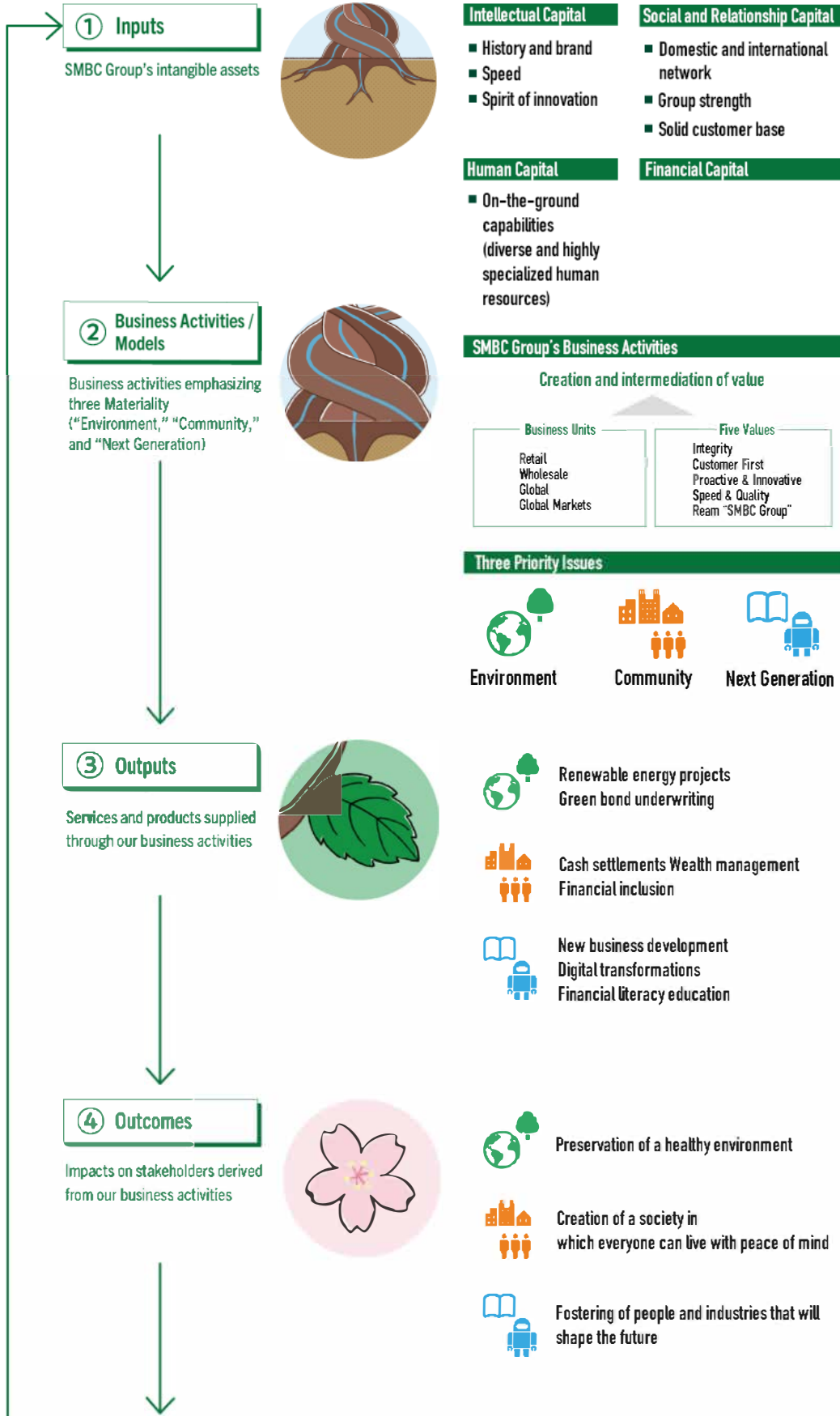
 Long-term goals within “SMBC Group GREEN×GLOBE 2030” (352KB)

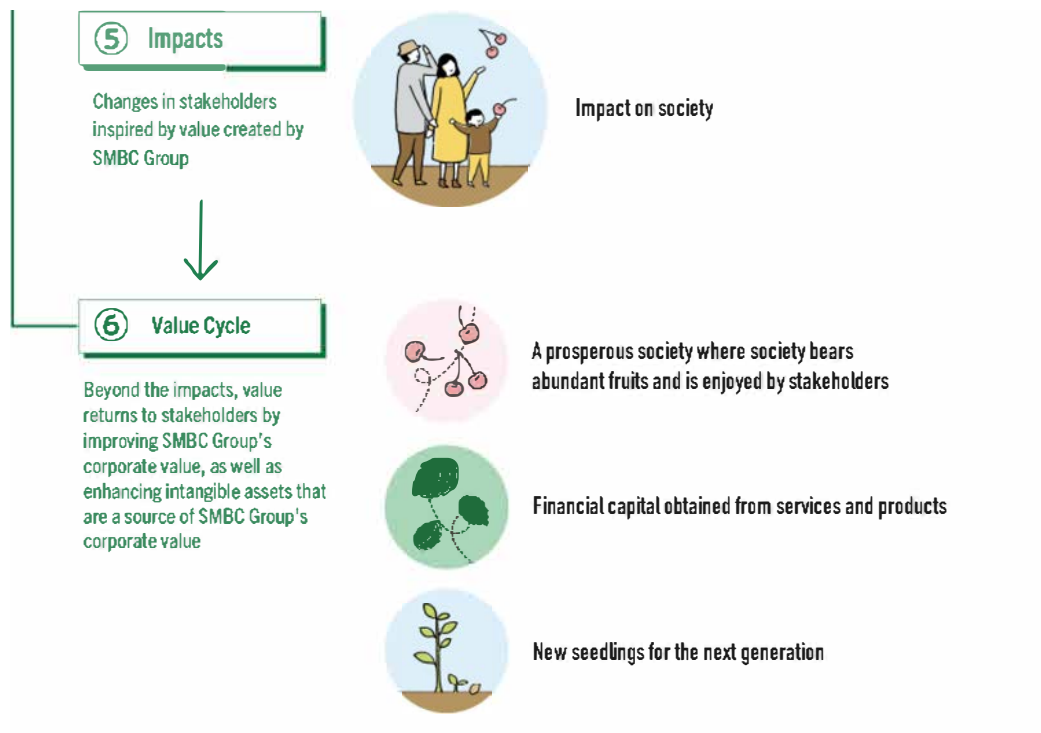
SMBC Group's Value Creation Process

SMBC Group's Value Creation Process illustrates what value we create through addressing the materiality to grow together with stakeholders.



SMBC Group's Value Creation Process





Sustainability Management System

SMBC Group defines sustainability as "Creating and maintaining a society in which all of today's generation can enjoy economic prosperity and well-being and pass it on to future generations."
We take sustainability into account in our "Sustainability management"

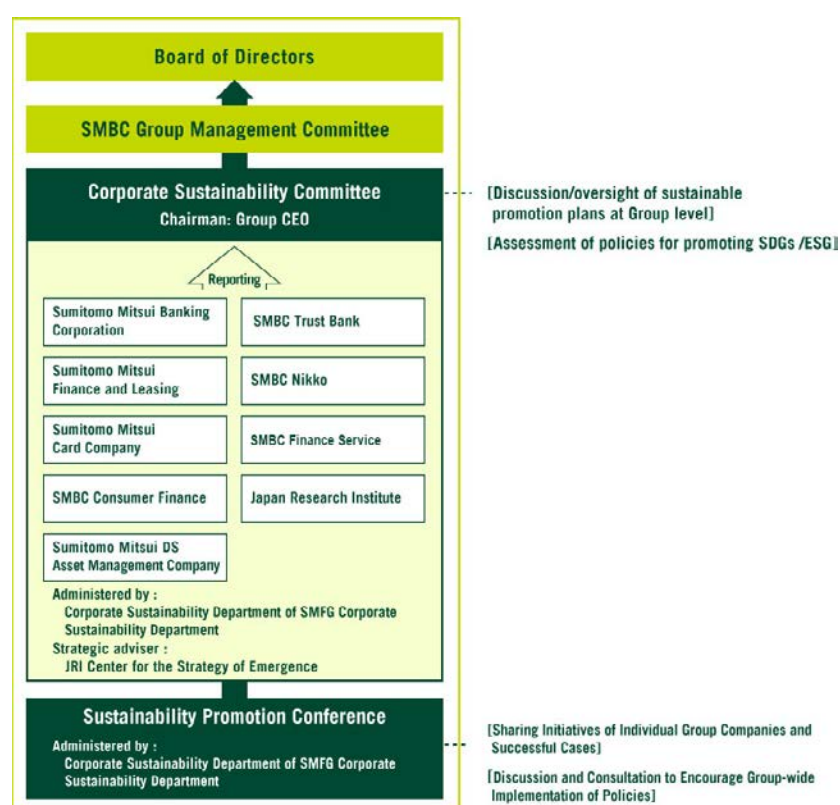
SMBC Group sustainability management system

SMBC Group

In the SMBC Group, SMFG Corporate Sustainability Dept. undertakes the planning execution of activities to promote SDGs and ESG for the entire Group, including measures to deal with climate change, under the supervision of [the Group CSO](#), who is a board member.

In addition, the promotion of plans and the important plans are discussed and decided in the "Corporate Sustainability Committees" headed by chairperson, the Group CEO.

Discussions regarding promotion and planning for sustainability and progress management systems



[Click to enlarge](#)

➤ Stakeholder Engagement

Priority Issues (Materiality)

Priority Issues (Materiality) that SMBC Group Should Address

SMBC Group has set "Environment", "Community", and "Next Generation" as priority issues in order to respond to requests from stakeholders and contribute to solving social issues.

In addition, with a view to 2030, which is the goal of the SDGs, we are clarifying the items and issues to be tackled and working on them.



For the society we aim to achieve, a healthy "Environment" is the foundation of social sustainability, and "Community" helps society work smoothly as well as being a social safety net. "Next Generation" is a presence which makes society better and passes it on to future generations.

Across our history, we have been consistently dedicated to our priority issues
 “Environment” as a corporate citizen that protects the green earth
 “Community” and “Next Generation” as a member of society

The predecessor to Mitsui



Uki-e Suruga-chô gofukuya zu
 Mitsui Bunko Collection

As a kimono merchant, Mitsui's predecessors brought innovation to the conventional business practices of the time and established a new business model.

In the Edo period, it became a currency exchanger, and since the Meiji era, as a bank, it has become an important player in the financial infrastructure that underpins economic activities in Japan and the world.

The predecessor to Sumitomo



Current Besshi Copper Mine
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Besshi Copper Mine in 1881
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Sumitomo's predecessors have made Japan one of the world's leading copper producers through technological innovations in copper refining. Sumitomo also noted environmental issues on the other hand. The predecessor grieved the devastation on the mountains and resolved to undertake reforestation and provided abundant greenery for future generations and a safe and secure life for local communities.

Initiatives for Priority Issues

➤ For Environment

➤ For Community

➤ For Next
 Generation

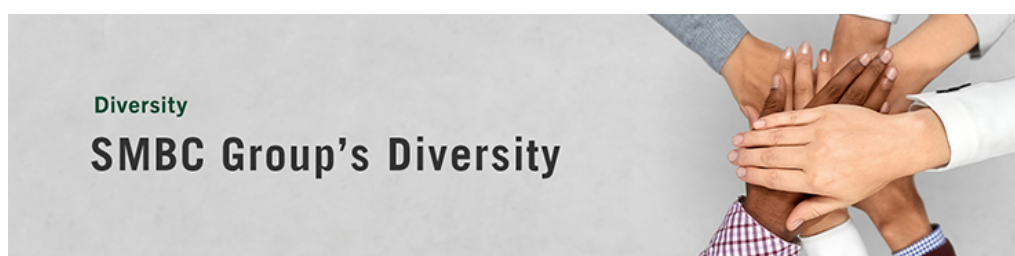
Review of Priority Issues (Materiality)

In light of constantly changing social trends and a reassessment of the relative importance of the Group's priority issues among its stakeholders, and in order to adapt our activities to these developments, in fiscal 2013 SMBC Group reviewed our priority issues and have derived three new themes - "Environment," "Community," and "Next Generation" - as our medium- to long-term priority issues that form the core of SMBC Group's activities. In identifying these priority issues, we made use of the G4 sustainability reporting guidelines issued by the Global Reporting Initiative (GRI), and with participation from all Group companies, we derived an order of priority for various social issues. We also engaged in dialog with experts to assess the relative importance assigned by our stakeholders to the issues.



➤ Process to Identify Key Priority Issues

Management Base



➤ Corporate Governance

➤ Risk Management

➤ Compliance

➤ Internal Audits

➤ Customer-Oriented Initiatives

➤ Human Resource Strategy

Process to Identify Key Priority Issues

Process

SMBC Group

In light of constantly changing social trends and in consideration of stakeholder viewpoints, SMBC Group reviewed our existing priority issues in fiscal 2013 and have derived three new themes – "Environment," "Community," and "Next Generation" – as our medium- to long-term priority issues.

Specifically, the Group identifies and prioritizes issues and decides which ones are key priority issues by consulting with experts. The issues thus identified were reported to, and approved by the SMBC Group Management Committee. Thereafter, the Group continues to review the issues by consulting with experts and through internal and external questionnaire surveys to gather opinions on the issues.

✓ **Step 1**
Selection
and
prioritization
of issues

✓ **Step 2**
Reexamination
and
identification
through dialog
with experts

✓ **Step 3**
Reporting to
Group top
management,
and receiving
approval

✓ **Step 4**
Review
through
engagement

Step 1 Selection and prioritization of issues

We derived around 150 wide-ranging CSR issues from the GRI Guidelines (G4), utilizing the ISO 26000 framework, and based on the participation of each of the Group companies.

We then assigned an order of priority to these issues from the standpoint of our stakeholders. They were first placed into two categories - "our medium-to long term priority issues (environment, community, and next generation)," and "key issues to be addressed on solid management base."

Standards used for reference in prioritization	
Importance to Stakeholders <ul style="list-style-type: none"> • International frameworks such as the GRI Guidelines • Items to be researched or pointed by the Socially Responsible Investing (SRI)-related institutions • Suggestions from the strategy advisor to the SMBC Group CSR Committee 	Importance to SMBC Group <ul style="list-style-type: none"> • Priority issues from 10 Group companies • Conformity with SMBC Group's Business Mission, business ethics, and medium-term management plan • Assessment of risks and possible business opportunities (potential for enhancing enterprise value) in line with pursuit of sustainability

Step 2

Reexamination and identification through dialog with experts

In February 2014, we conducted a dialog with selected group of experts on our "issues thought likely to be important over the medium-to-long term," and "issues that must be effectively addressed in order to construct a solid management base" to check, from the perspective of social nature, environment and global issues whether sufficient consideration and recognition had been given to all the issues that should be put forward as candidate priority issues, and to ensure that no important issues had slipped through the net.

After carrying out step 2, we conducted revision in line with the opinions expressed, and identified the priority issues to be addressed by SMBC Group after receiving the approval of the experts.

Step 3

Reporting to Group top management, and receiving approval

In March 2014, the Group's Management Committee gave approval for the priority issues (Materiality) that SMBC Group should address through the Group CSR Committee and the Corporate Sustainability Meeting.

Moreover, approval was received for the examination of specific methods of addressing priority issues after discussion and review with stakeholders both within and outside the Group and each Group company.

Step 4

Review through engagement

Since July 2014, the Group has been gathering informative opinions, both internal and external, from the following: e.g., employee surveys conducted during internal training sessions; external surveys covered in the CSR reports featuring priority challenges to be addressed by SMBC Group, etc. Also, the Group occasionally attempts to review the challenges to be covered as time progresses, through dialogue with all relevant stakeholders.

In September and November 2019, dialogue was held as a step towards compilation of the "SMBC Group Sustainability Declaration," and during the course of time, the said priority challenges were reviewed by the experts involved.

Fiscal 2015: [Realizing the "Ten-Year Vision"](#)

Fiscal 2016: [Verifying Validity of Issues to Be Addressed within Priority Issues \(Materiality\)](#)

Fiscal 2017: [Roles and Expectations for Financial Institutions in Terms of the SDGs and ESG Investments](#)

Fiscal 2019: [The content of the "SMBC Group Statement on Sustainability" and its penetration throughout the company \(September 5, 2019\)](#)
[Social impacts required for mega bank group required to solve social issues. \(November 27, 2019\)](#)

Refer to the following for details on the stakeholder dialogue.

➤ **Stakeholder Engagement**

➤ **Priority Issues (Materiality)**

Respect for Human Rights

Approach to Respecting Human Rights (SMBC Group)

SMBC Group supports the 10 principles of the "United Nations Global Compact," in the areas of human rights, labor standards, environment and anti-corruption measures. We comply with laws and regulations in the regions and countries where we do business, protect and respect human rights in accordance with international human rights standards, and work to prevent complicity in human rights violations.

Policy on Human Rights (SMBC Group)

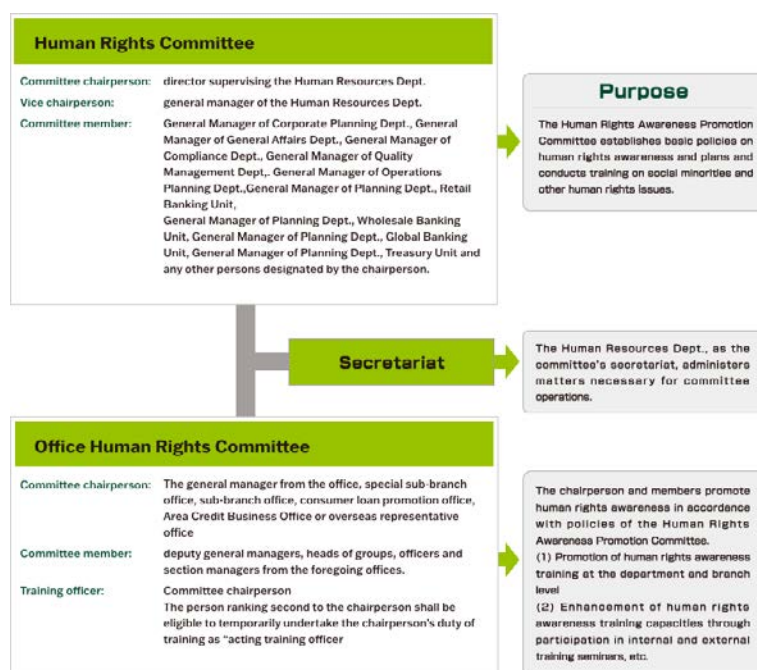
SMBC Group has formulated "Statement on Human Rights" as its basic policy on Human Rights.



Statement on Human Rights (107KB)

System for Promoting Human Rights Awareness (SMBC)

SMBC has implemented in its corporate principles of action the statements that "we will respect the individual human dignity of our clients and employees" and "we will not allow any discrimination." Led by the Human Rights Awareness Promotion Committee, the bank conducts initiatives to raise awareness of human rights among all employees.



[Click to enlarge](#)

Enhancing Awareness for Human Rights (SMBC Group)

The SMBC Group is a signatory to the United Nations Global Compact and the ten principles related to human rights, labor, the environment, and anti-corruption. We are also actively raising internal awareness on human rights, with a range of activities across each Group company, such as human rights training and collecting ideas for a promotional slogan.

As a Group, we participate in the "Industrial Federation for Human Rights, Tokyo" which aims to establish respect for human rights as part of core corporate culture through awareness raising and initiatives. By participating in these activities the SMBC Group will continue to engage with stakeholders to seek to identify salient human rights issues.

Human Rights Awareness Seminars (SMBC)

SMBC conducts the following initiatives to raise awareness of human rights among all employees.

(1) Human rights awareness training through group training

Seminars on human rights are held during new recruit training and level-based training, etc. Seminars were held between fiscal 2017 and fiscal 2019 as follows.

(Person)

Training eligibility	FY2017	FY2018	FY2019
New recruit training	1,534	823	676
New manager/new executive training	904	955	826
New branch manager training	132	144	121

(2) Human Rights Awareness Department and Branch Promotion Committee Training Seminar (for Department and Branch Managers)

This seminar is led by experts in the field and is held once a year for all department and branch managers and HR managers at Group companies.

Examples of Training Themes	Assimilation Issues and Human Rights: Elimination of discrimination against the Burakumin
	Barrier Value: Converting Disability into Value
	Power Harassment and Anger Management: How can you scold people without resorting to power harassment?

(3) Department and Branch Human Rights Training Seminar and Confirmation Test

The Department and Branch Human Rights Training Seminar is held twice a year for discussions on human rights and is led by department and branch managers. Confirmation tests are held periodically over the Intranet to confirm the degree of dissemination of human rights awareness.

Examples of Training Themes	Workplace harassment and human rights
	Community discrimination problem and human rights
	Power harassment at the workplace and human rights

(4) Human Rights Slogan Contest for Employ

Every year SMBC conducts a human rights slogan contest for all employees, including Group companies, as a part of Human Rights Week.

Initiatives for Improving Workplace Environment (SMBC)

To ensure we maintain a healthy and comfortable work environment, each Group company develops a manual on measure to prevent sexual and power harassment, as well as provides compliance training for all employees. Additionally, in manager training sessions we include practical approaches to identifying and preventing harassment, including specific case studies.

SMBC has a Counseling Dept., a dedicated function that handles various inquiries and consultation requests from employees. Also, SMBC has established a system comprised of an external whistleblowing desk, covered by concerned lawyers, as well as an internal whistleblowing desk with dedicated staff members, for the purpose of ensuring early detection and rectification of any illegal occurrences, actions that violate internal rules, cases of sexual harassment, power harassment, etc. Furthermore, SMBC endeavors to enhance employee engagement level as a united team for the entire bank by conducting a monthly engagement survey, for the ultimate purpose of creating an ideal work environment where every employee can contribute to the Group at full throttle.

Participating "Human Rights Due Diligence Workshop" (SMBC)

With human rights considerations becoming more important in international CSR guidelines such as the UN's Human Rights Framework, ISO 26000, and OECD Guidelines for Multinational Enterprises, SMBC participates in the Nippon CSR Consortium's "Human Rights Due Diligence Workshop." This workshop was established for the purpose of raising the competitiveness of Japanese companies through CSR activities, and is sponsored by the Nippon CSR Consortium. Through its participation in the workshop, SMBC surveys and researches future approaches to human rights issues.

Modern Slavery Act 2015 (SMBC)

In response to the Modern Slavery Act 2015 of the United Kingdom, SMBC has published a "Slavery and Human Trafficking Statement", which provides disclosure concerning our efforts to address the issues of slavery and human trafficking.



Slavery and Human Trafficking Statement 2019 (312KB)

Stakeholder Engagement

Basic policy of SMBC Group



SMBC Group will continue to contribute to the ongoing reform of society through dialogue and joint actions with stakeholders (e.g. our clients) as an entity pursuing the financial service business.

Build relationships with four sets of stakeholders: customers, shareholders/markets, society and the environment, and employees

- Customers: We shall advance together with our clients by providing highly valued products and services.
- Shareholders and the market: We shall strive to maintain a sound management and maximize shareholder value by having appropriate disclosure of information and improving the internal control system.
- The environment and society: 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.
- Employees: 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.

Interaction with Stakeholders



[Click to enlarge](#)

Relationship with Customers

➡ [SMBC: Initiatives to Increase Customer Satisfaction \(CS\) \(Japanese only\)](#)

Relationship with Shareholders and the Market

- [IR Calendar](#)
- [IR Events & Presentations](#)

Relationship with the Environment and Society

- [Dialogue with Stakeholders](#)

Relationship with Employees

- [Initiatives for Diversity & Inclusion](#)
- [Creating a Pleasant Work Environment for All Employees \(Work-Life Balance\)](#)

Report on stakeholder dialogue



In fiscal 2019, we held two stakeholder dialogues to formulate the "SMBC Group Sustainability Declaration". At the first dialogue held in September 2019, we discussed the content of the "SMBC Group Statement on Sustainability" and its penetration throughout the company, and at the second dialogue held in November 2019, we discussed the social impact required for mega bank group.

➤ **Dialogue with Stakeholders**

Dialogue with Stakeholders

SMBC Group held a Stakeholder Dialog session annually, as an opportunity to communicate with our stakeholders about the initiatives for sustainability that we should be pursuing as a financial group.

✓ FY2019 Dialogue (1)

✓ FY2019 Dialogue (2)

✓ Back Number

FY2019 Dialogue (1)

The content of the "SMBC Group Statement on Sustainability" and its penetration throughout the company (September 5, 2019)



The world is currently facing a range of social issues, in particular, environmental issues are becoming extremely serious around the world. To clarify our company's attitude of further contributing to the sound development of society, SMBC Group has formulated the "SMBC Group Statement on Sustainability" as its basic policy in aiming to achieve a sustainable society.

In formulating the Statement, we held a dialogue in September 2019 to receive opinions from experts on the questions of "Does its content meet what is needed by society?" and "How should we penetrate the Statement throughout the company?"

Note: Participants' company names, titles, etc., are those at the time when the dialogue was held.

Experts who participated in the dialogue



Mr. Peter David Pedersen
Executive Director,
NELIS
(Next Leaders'
Initiative for Sustainability)
Professor,
Graduate School of
Leadership and Innovation,
Shizenkan University



Mr. Haruo Hatanaka
ESG Strategy Vice President,
ESG Division,
Kao Corporation

Participants from SMBC Group

Sumitomo Mitsui Financial Group, Inc.(SMFG) and other SMBC Group companies

Moderator : Eiichiro Adachi, Counselor, The Japan Research Institute, Limited(JRI)

SMBC Group finds it necessary to set long-term goals for society and the global environment toward achieving a sustainable society. We would like to receive some advice on the content of the "SMBC Group Statement on Sustainability " as our basic policy toward achieving a sustainable society and how to penetrate it into the company.

SMFG Suehiro

- Our Group has held dialogues in relation to identify our materialities, etc., to obtain opinions from experts. In 2018, we held a dialogue on the theme of how we should perceive ESG/SDGs.
([🔄 Dialogue with Stakehold](#))
- We have a Medium-Term Management Plan as our medium-term business goal. Currently, however, there is no long-term goal that looks at society and global environment. Since we will set the next Medium-Term Management Plan in the next fiscal year, we are considering to formulate the "SMBC Group Statement on Sustainability" as our basic policy toward achieving a sustainable society.
- With regard to formulating the Statement, please provide us with some advice on its content and how to instill it into the company.

JRI Adachi

- Our Group holds a conference of employees in charge of sustainability planning at Group companies once every few months to discuss related topics. For them, the theme of sustainability is their own affair, but for many other employees, it is somebody else's business. So the employees in charge of Group companies worry about how to get the employees to feel like they are involved in this theme. Please give us some advice on this point.

Q. Could you give us your honest opinion about the "SMBC Group Statement on Sustainability"?

Mr. Hatanaka

- Honestly, I was surprised at the extensive history of Sumitomo and Mitsui which was described as the background of the "SMBC Group Statement on Sustainability"
- Moreover, I can clearly see that many issues have been considered for the "three materiality (Environment, Community, and Next Generation)" consisting the Statement. I guess in formulating the Statement, you had trouble deciding what SMBC Group's "identity" is. I think that it is difficult to develop a consensus about the identity from the beginning, but that as you advance discussions, a consensus will be reached.
- To cite our "Environmental Statement," the theme of environment was clear. However, after changing it to "sustainability," the theme seemed to be unclear.
- As SMBC Group has a strong background represented by its 400-year history, you should first decide "what kind of society you will aim at from now" following the long history. After that, I think you will need to formulate a statement and set specific actions.
- I got the impression that the course of action on sustainability includes many initiatives. One idea would be to make the course of action separate, rather than including it in the Statement.

Mr. Pedersen

- The Statement has sufficient background and in-depth content. I felt the Group's attitude of placing emphasis on the environment, and that had a strong impression on me. However, I think this alone will be unsatisfactory in terms of content because there are no specific action plans.
- I think you should go a step further. Specifically, along with the Statement, you need to show how you will transform the sustainability framework, including organizational aspects.
- I think the keyword is "sustainable finance."
- For a specific example of action, overseas companies list their initiatives in detail. Looking at SMBC Group's IR materials, it seemed that immediate social issues are just listed in the corresponding part of sustainability. I hope that you will make a strenuous effort to gather information and enhance the descriptions concerning your Group's specific actions. I think that going forward, it will be necessary to look at not only Japan, but also the world.

Q. Could you give us some advice on instilling the Sustainability Statement into the company?

Mr. Hatanaka

- Although SMBC Group is a financial group, I think the business conditions and environment are different for each Group company. So it is necessary to instill the Statement into employees depending on each company's business condition.
- If two companies are merged and each has a different history, their corporate culture is often different. On the other hand, I think sharing the idea of sustainability and ESG will lead to thinking of each company's position in society in a higher dimension. From this perspective, I feel that sustainability is a desirable theme that can be jointly considered.

Mr. Pedersen

- In the world of sustainability, information and personal connections are crucial. It is important to focus on developing human resources for sustainability. However, I think it will be difficult to do this during the period of personnel rotation at a financial institution.
- It is necessary to thoroughly disseminate the Statement throughout the company both in and outside Japan. To name a reference example, some companies provide training and workshops repeatedly.

Q. Could you give us a brief message?

Mr. Pedersen

- I hope you will deeply consider the specific measures that you will take, including the content of the Sustainability Statement, and make the Statement stronger by clearly showing "what" and "how." I also hope that you will formulate the Statement using the backcasting approach, a method to think about social issues backward from the future.
- If you stick to your "identity," it could lead to discussions of the past. I would like to ask you to face changes that are currently occurring and take initiatives with a unified force.

Mr. Hatanaka

- What is probably needed in formulating the Statement is to be aware of what is cutting-edge in the world. I think it is important to determine what driver can lead by mixing "cutting-edge" with "identity."

Receiving opinions from experts

Today we have received valuable comments on the "SMBC Group Statement on Sustainability." Although it is the first time for our company to formulate such a statement, the Statement was highly evaluated as it shows awareness of "SMBC Group's identity" and its structure is based on the careful examination of our history.

On the other hand, we have recognized that it is important to formulate measures and indicators to embody this project after deciding our future ideal and to instill the Statement into the company. We have also felt that we will need to have more in-depth discussions going forward.

To make the formulation of the Statement an effective project, not a paper plan, into which we put our thoughts toward achieving a sustainable society, we will proceed with it while referring to the valuable comments that we have received today.

Takanobu Suehiro
General Manager, Corporate Sustainability Dept.
Sumitomo Mitsui Financial Group, Inc.

FY2019 Dialogue (2)

Social impacts required for mega bank group required to solve social issues. (November 27, 2019)



In November 2019, SMBC Group held the second dialogue for formulating the “SMBC Group Statement on Sustainability”

As the result of the dialogue held in September 2019, we clearly recognized that in order to formulate the Statement, it is necessary to first determine our future ideal, and then to set specific initiatives and indicators to achieve that ideal.

Therefore, we are required to set long-term plans and KPIs that have “social impacts.”

Our Group took the following two points into consideration:

1. What kind of “social impacts” we had as the result of the initiatives taken through our business activities.
2. Do the “social impacts” that we aim to have reflect what is needed by society?

Through this dialog, we received comments from experts about appropriate factors required by society considering the two points above, in order to set KPIs from the perspective of “social impacts,” not traditional financial KPIs.

Note: Participants’ company names, titles, etc., are those at the time when the dialogue was held.

Experts who participated in the dialogue



Mr. Ken Ito
Executive Director
Social Value Japan



Ms. Miyuki Zeniya
General Manager
Investment Planning Dept. &
Responsible Investment Dept.
The Dai-ichi Life
Insurance Company, Limited

Participants from SMBC Group

Sumitomo Mitsui Financial Group, Inc.(SMFG) and other SMBC Group companies

Moderator : Eiichiro Adachi, Counselor, The Japan Research Institute, Limited(JRI)

Q. Along with formulating the “SMBC Group Statement on Sustainability,” SMBC Group is considering specific measures and KPIs. We would like to set KPIs based on the “social impacts” needed by society that we have not considered thus far. Could you give us some advice on this?

SMFG Suehiro

- Advice we received in the previous dialogue (held on September 5, 2019) to formulate the “SMBC Group Statement on Sustainability,” is that it is necessary to set specific measures.
- To present the impact needed by society in our long-term plan for sustainability, what kind of KPIs are preferable? We would like to receive advice from experts to formulate future plans.

Q. First, we would like to ask Mr. Ito, a specialist of “social impact assessments” about the overview of social impact assessments and the characteristics of individual methods.

Mr. Ito

- Traditional business assessments only report the output (the results of the measures taken). Taking it one step further, social impact assessments attempt to evaluate social impacts caused by outcome (impacts on society that the output is expected to have). The difficult points about this methodology include that there is a time lag until the achievement of the outcome, and that it is costly.
- The key point is how to measure in concrete terms. As an example, there is a movement to ensure comparability by using different standards such as 169 targets of the SDGs or IRIS standard. This movement is accelerating to ensure mutual compatibility in social impact assessments.

JRI Adachi

- There are two opinions on impact assessments. One is, “It’s not possible to assess things unless they are quantified,” and the other is, “It’s sufficient if there is something qualitative, like a story.” I would like to ask Mr. Ito about how aware you are of converting data into quantitative measurements.

Mr. Ito

- Social impact involves both quantitative and qualitative aspects of impact, and the need to convert data into something numerical is very strong. This is because indexing is always required for institutionalization and systematization. And to create a market, quantitative indicators to create a market mechanism are required. As such a movement, the creation of standards has just started.

SMFG Mikami

- Do quantitative indicators include something like customer satisfaction?

Mr. Ito

- Yes. There is variety of ways to evaluate customer satisfaction. Quantitative data could be used to complement a qualitative story.

Q. How are impact assessments conducted?

Ms. Zeniya

- Our company mainly conducts individual corporate investments of unlisted domestic enterprises. Currently, there is no globally established social impact measurement method. Therefore, as an impact assessment for our impact investment, we first choose companies and enterprises that meet the internal criteria as our investment scope, and then judge what kind of impacts they have respectively.
- Although it will be hard to monitor targeted companies if their number increases, this will result in increasing our own knowledge of impact investment, which will allow us to promote our initiatives in the future.

JRI Adachi

- Regarding impact assessments, should we think simply that evaluation indicators and conversion formulas for quantification are different depending on project? In addition, are industry types divided into ones that are easy to assess and ones that are not?

Ms. Zeniya

- As there are various areas of measurement with respect to the impact, evaluation indicators and conversion formulas are different. Taking this into consideration, there may be some items in which our company cannot invest at the moment, and therefore we lose them.

Mr. Ito

- From a standpoint of a researcher in social impact, there are different industry standards for impact assessments such as IRIS. IRIS's latest version has more than 1,000 indicators and presents recommended indicators according to the type of business.
- It is not necessary to use all of them. Right now around 15,000 companies have signed up as users, so I think comparability may be eventually ensured.
- Among the impact funds, they usually have clear definition on industry focuses, priority policies as well as the targeted social issues such as particular goals of the SDGs. It can be said that among them, the "environment" is a category that is easy to evaluate because it has a vast amount of information and an enormous industrial scale. On the other hand, there is a concern that social impact investments will be concentrated to the areas that are easy to handle, such as the environment.

JRI Adachi

- Our Group has also put effort into financial education. What do you think of evaluating the area of education, for example?

Mr. Ito

- Considering education's social impact on the "personal growth," I think it is necessary to see a long period of time to realize its outcome. In the United States and the U.K., for example, there are indicators on education based on research conducted for 15 to 20 years, so it helps to conduct social impact assessments. On the other hand, indicators on education in Japan are short-term and the indicators are more on output level, such as changes of test scores. In such a case, there will be a problem of whether or not those indicators correspond to an impact on the "personal growth".

Q. As we consider the impacts brought about by our Group's initiatives through businesses, what should we think about "impacts" on society? Please give your opinions about this.

Mr. Ito

- From the perspective of social impact assessments, the theory is to think using the four-quadrant method. The four quadrants are called "Positive impacts," "Negative impacts," "Intended outcomes" and "Unintended outcomes."
- From the standpoint of PR, PR highlights intended positive outcome. With impact assessments, however, the theory is to also consider the negative and measure both intended and unintended social impacts.
- Negative outcomes are still generally expressed as "risks." In order to reduce risks, communication with stakeholders are required.
- Furthermore, I think that there is a trickle-down (ripple effect) impact. The trend of inquiries about social impact has been changing over the last two years. Thus far, the departments from which we received inquiries used to be mostly CSR departments of companies. Recently, however, inquiries from IR departments are increasing aware of importance of social impact because they recognize the necessity to think about their business risks and impact from the viewpoint of investors.

Ms. Zeniya

- Our company engages with investee companies by interviewing them every year. Up to three or four years ago, the management had no clear sense of solving social issues related to SDGs through business activities.
- To solve social issues through core businesses, I think that it will be the first step for the management to recognize the necessity and then to reaffirm the answers to the questions of "What is their company's value in society?" and "What role is their company expected to play by society?"

Mr. Ito

- As an example, the IFC and the United Nations launched an Impact Management Project in 2018. There are several thousands of funders who support the Project as partners, and a global stream of practicing social impact assessments has been created. In the world of impact assessments, there is also a movement toward integration. Regarding practice, however, the base is still narrow.
- If this movement advances, social impact assessments and social impact investments will soon hit a tipping point (social tipping point).

Q. What kind of social impacts are required for SMBC Group

SMFG Takeda

- Social impacts that a pure-play company (project=corporate entity) has through business activities are directly linked to its business itself and are easy to understand. On the other hand, when a financial group like us indirectly supports customers' business through funding, our business portfolio and resulting social impacts are diverse. What kind of "social impacts" are financial groups, which indirectly have impacts on society, required to have? In addition, what should we set as the outcome to achieve them?

Ms. Zeniya

- Considering economically why banks are needed, it could probably be said that it is "because they have credit-creating functions." Credit creation is built upon trust and cannot be built without social trust. I think we have come to a period where we need to reconsider what social trust is based on.
- In the current era, financial institutions are not required to have only functions in the capital market. They need to play a role as comprehensive social infrastructure including not only money but also services as a whole so that people will feel like "if I associate with a bank, it will be beneficial to me and society." I think this will be the sense of stability and sustainability that financial institutions will be required to provide in the future society.

Mr. Ito

- The change in consciousness of executives and regular employees has recently become an agenda for discussions on corporate social value. If employees' increased awareness of sustainability leads to personnel evaluation and corporate culture, I think many potentials for impact business that exist in the company will come to the surface.

Ms. Zeniya

- Even if the management externally announces that they would like to do something, it will unlikely to actually happen unless that initiative and personnel system are linked.
- It may be difficult to drastically change the personnel system at one time, but it is necessary to change it into a system where employees who practice company's policies are highly rated.
- With regard to recruiting activities, if there is a major difference between what employees were told before joining the company and the reality after joining the company, it will lead to the early retirement of young employees, which is an issue that must be seriously considered. For financial institutions in particular, their next ten and twenty years depend on whether they can gain superior human resources or not. They cannot hire excellent human resources unless they come to an interview. And if there is a shortage of superior human resources, it will be difficult for them not only to provide and develop good products and services, but also to maintain the current status.
- This applies not only to Japanese people but also globally, and I think that particularly members of Generation Z choose companies with such values.

SMFG Suehiro

- We brought up this issue partly because our Group tended to lack perspective on employees. We can set goals but we don't know whether indicators established by the company will resonate in the heart of employees.
- On the contrary, I think that if we announce that "Our Group will reduce CO2 emissions," it will have the effect of helping many people get to know what our company will do. It is true that there is no answer to what kind of social impacts are needed, but we are going to think about it with a sense of urgency.

Ms. Zeniya

- Regarding ESG investment evaluation, rating agencies are acquiring ESG evaluation companies at the present time. The concept of ESG has been spreading not only to stock investments but also across finance including bonds and loans at an accelerated pace for about a year.
- While it is forecast that impact investments are yet to come, impact investments will not become popular unless the impact assessment methodology is fully understood.
- SDGs have individual major targets, but we have only ten years left until 2030. There are various issues concerning funds required to solve problems. They include: "How should we apply funds?" "How should we promote the transition of businesses that are considered negative from the perspective of ESG investment?" and "How should we create a market for the provision of funds for the transition?"
- Since these things cannot be done by our company alone, we would like to deal with them in an advanced manner while discussing with the related parties so that we will be able to go in the right direction. I think it is necessary to change actions while monitoring global trends.

Receiving opinions from experts

In formulating the “SMBC Group Statement on Sustainability,” SMBC Group held two dialogues.

We received valuable comments from the following perspectives: the content of the Statement and how to instill it in the company at the first dialogue; and the expectations and roles that our Group is required to fulfill toward achieving a sustainable society through social impacts and the kind of impacts that we can have on society in the second dialogue.

In particular, regarding funds required to solve issues, we received comments of “How we should apply funds” and “How we should promote the transition of businesses that are considered negative from the perspective of ESG investment.” These exactly apply to our Group’s business activities, and I strongly felt that we need to face and consider them through formulation of plans.

With regard to the Sustainability Statement as our basic policy to aim at achieving a sustainable society, we strongly recognize the importance of not only its content but also the measures and indicators that embody it, as well as the importance of firmly instilling this initiative both inside and outside of the company.

All our Group companies will sincerely take on this initiative and accelerate sustainability management.



Takeshi Mikami
Executive Officer
Sumitomo Mitsui Financial Group, Inc.

➤ [SMBC Group Statement on Sustainability](#)

Back Number

Dialogue with Stakeholders 2017

➤ [FY2017 Dialog: Toward a Sustainable Society-Expected Actions on SDGs and ESG for Financial Institutions\(January 18, 2018\)](#)

Dialogue with Stakeholders 2016

➤ [FY2016 Dialog: Verification of Action Plan for Tackling Priority Issues \(Materiality\) \(October 19, 2016\)](#)

Dialogue with Stakeholders 2015

➤ [Clarifying Matters and Issues That SMFG Should Address in Order to Get to “Where We Want to be Ten Years from Now” \(May 12,2015\)](#)

Dialogue with Stakeholders 2013

➤ [External Assessment Committee 4: SMBC Environmental Assessment Loan/Private Placement Bond aimed at developing solutions for customers through core financial businesses. \(July 26,2013\)](#)

Participation in Initiatives and Reference Guidelines

The significance of taking part in, and supporting initiatives in Japan and overseas



The term "initiative" means taking a leading role, and refers to companies' principles and codes of conduct. SMBC Group supports a range of initiatives in Japan and overseas, such as the United Nations Global Compact.

Seamless cooperation between various organizations is essential to solve problems on a global scale and create a sustainable society. Mindful of the social impact of financial institutions, the Bank declares its intentions to society by taking part in these initiatives and takes an active role as a member of the global community.

Initiatives supported by the SMBC Group



United Nations Global Compact

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

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

[➤ Links to related website](#)



Sustainable Development Goals (SDGs)

The SDGs are a set of 17 goals and 169 targets for achieving human and global prosperity adopted at the "United Nations Sustainable Development Summit." SMBC Group will contribute to the achievement of these goals as a member of the Global Compact Network Japan.

Please refer to the following link for information about SMBC Group's initiatives on the SDGs.

[SMBC Group Businesses and SDGs](#)

[Links to related website](#)



UNEP Finance Initiative (UNEP FI)

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

[Links to related website](#)

Signatory of:



Responsible investment Principles (PRI)

The principle which is intended to improve long-term investment performance by incorporating environmental, social and corporate governance (ESG) issues into investment decision making for customers and the beneficiaries.

Announced in April 2006 by UN Secretary-General Kofi Annan (at that time).

[Links to related website](#)

Founding Signatory of:



Principle of Responsible Banks (PRB)

The principle which is intended to promote transparent disclosure.

Signatories is encouraged to set goals and strategy in line with the social goals set out in the SDGs and the Paris Agreement to achieve sustainable development of society.

[Links to related website](#)



Task Force on Climate-related Financial Disclosures (TCFD)

The Financial Stability Board established this task force in April 2015. The task force seeks individual companies to use financial reporting to disclose the impact of climate change. The SMBC Group declared its support for the One Planet Summit held in Paris in December 2017

[Links to related website](#)



CDP

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

[Links to related website](#)



Equator Principles

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

[> Links to related website](#)



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

Principles of action for financial institutions in Japan adopted in October 2011 for the purpose of expanding and improving the quality of environmental finance.

*As of July 2020, the principles had been signed by 285 financial institutions, including companies from SMBC Group; SMBC, Sumitomo Mitsui Finance and Leasing, and SMBC Nikko Securities and Sumitomo Mitsui DS Asset Management. SMBC has participated since fiscal 2012 as a steering member and co-chairman from fiscal 2018 for the Steering Committee of the principle.

[> Links to related website](#)

Guidelines Used for Reference

SMBC Group

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

ISO26000

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

At the Group's Corporate Sustainability Meeting, comprising departments responsible for sustainability at each Group company, the Group started ISO 26000 study groups in December 2010, and has now formulated its own checklist, which is used by the Group companies to evaluate their own activities.

Please refer to the following link for information about SMBC Group's promotion system, including the Corporate Sustainability Meeting.

[> Sustainability Management System](#)

GRI Guidelines

"Sustainability Reporting Guidelines (G4)" of GRI (Global Reporting Initiative) is referred to for editing of Sustainability website and preparation of Sustainability reports.

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

SMBC Group supports the 10 principles of the "United Nations Global Compact," in the areas of human rights, labor standards, environment and anti-corruption measures. We also refer to the 24 criteria presented for achieving "Advanced Level" in creating Communication on Progress reports for the execution status of the principles.

ESG Information

ESG Information

The following website provides our approach and initiatives from each of the ESG perspectives.

[➤ Environment](#)

[➤ Social](#)

[➤ Governance](#)

Environment

Management Approach

Recognition of Social Issues

The global environment is an important asset that is shared by all of humanity, regardless of region or age, and a healthy environment is prerequisite to the realization of a sustainable society. SMBC Group is earnestly engaging with climate change and various other environmental issues. By helping resolve such issues through our business, we aim to ensure that we can pass on a healthy environment to future generations.

SMBC Group's Approach

Having recognition of social issues, in order to contribute to the realization of a sustainable society, SMBC group has set forth a long-term vision toward 2050 that we as a global financial group will promote financial services consistent with the country's goals to counter global warming, and contribute to global environmental protection by leveraging its financial functions.



Group Environmental Policy

SMBC Group

Basic concepts

Recognizing the importance of realizing a sustainable society, SMBC Group is continuously making efforts to harmonize environmental preservation and pollution control with corporate activities, in order to support the economy and contribute to the betterment of society as a whole.

Group Environmental Policy

- 1.We provide environment-friendly financial products, information and solutions which support our clients in their efforts to preserve the eco-system.
- 2.We devise means to reduce environmental risks posed by our own activities and the society.
- 3.We are determined to fulfill our social responsibilities through the conservation of resources and energy, and the reduction of waste.
- 4.We strictly comply with environment-related laws and regulations.
- 5.We will continuously enhance our disclosure related to the Group's environmental activities and consistently improve our efforts to contribute to environmental preservation by communicating with our staff as well as the third parties.
- 6.We thoroughly educate our staff about our environmental principles to ensure that they conform to these principles in the performance of their work.
- 7.We actively and effectively implement "environmental management," and make continuous efforts to improve our system to deal with environmental issues by setting goals and targets for every fiscal year and reviewing them as deemed necessary.
- 8.These policies are disclosed on the Group's website, and the printed version is available upon request.

Environmental Policies of SMBC Group Companies

Close

- Sumitomo Mitsui Finance and Leasing Environmental Policy (Japanese only)
- SMFL Rental Company, Limited Environmental Policy (Japanese only)
- SMBC Nikko Securities Environmental Policy (Japanese only)
- Sumitomo Mitsui Card Company Environmental Policy (Japanese only)
- SMBC Finance Service Environmental Policy (Japanese only)
- SMBC Consumer Finance Environmental Policy
- Japan Research Institute Environmental Policy (Japanese only)

SMBC Group's Management

- SMBC Group's environmental management is based on our environmental policy and ISO14001. As for our financial services, we promote our business based on international principles such as UN Global Compact and the Equator principles.
- SMBC Group regards three pillar points in Group Environmental Policy: "Environmental Business" "Environmental risk" and "Reduction of Environmental Impacts". Every year, we set environment targets for, such as reducing greenhouse gas emissions, conserving resources and promotes global warming countermeasures, in accordance with the PDCA cycle.

Main Indicator

- Total of JPY 10 trillion in green financing to be conducted from FY2020 to FY2029
- CO₂emissions volumes of SMBC to be reduced by 30% from FY2018 by FY2029
- Outstanding coal-fired thermal power generation loans to be reduced to zero by FY2040 (applicable to project finance*)
 - * Excludes projects entailing technologies pertaining to carbon recycling and other projects that contribute to the realization of a low-carbon society

Environmental Management System (EMS)

SMBC Group has developed an original structure for promoting Environmental Management System (EMS) that meets the requirements of ISO14001* adoption across the Group led by the Corporate Planning Department, including environmental officer(i.e. the director responsible for the Corporate Planning Department).

Our EMS is operated in SMFG and its major companies (SMBC, Sumitomo Mitsui Finance and Leasing(including SMFL Rental), SMBC Nikko Securities, Sumitomo Mitsui Card, SMBC Finance Service, SMBC Consumer Finance and The Japan Research Institute).

*In 1998, SMBC was the first bank in Japan to obtain the environmental management certification of ISO14001. Since then, it has been expanded to the group companies and continued to be operated, and the certification has been maintained through an examination by an external organization. Although certification has been withdrawn, we have continued our own EMS that meets the requirements of ISO14001 and continue to promote environmental efforts.

SMBC Group also conducts an EMS test every year aimed at employees trying to raise the environmental awareness of individuals.

Environmental Compliance

There were no bleaches during Fiscal 2019.

Promotion of Environmental Businesses

SMBC group considers that environmental businesses are means to preserve and improve the global environment in its core business operations as a financial institution.

We will outline our environmental businesses, including solar power-based renewable energy operations and investment projects with a positive environmental contribution, as well as other environment-related products and services.

➤ **Promotion of Environmental Businesses**

Management of Environmental Risks

"Managing environmental risks" is one of SMBC Group's three key environmental themes, articulated in the Group's environment policy. As a global financial group, SMBC is working to strengthen its structure for managing environmental and social risks.

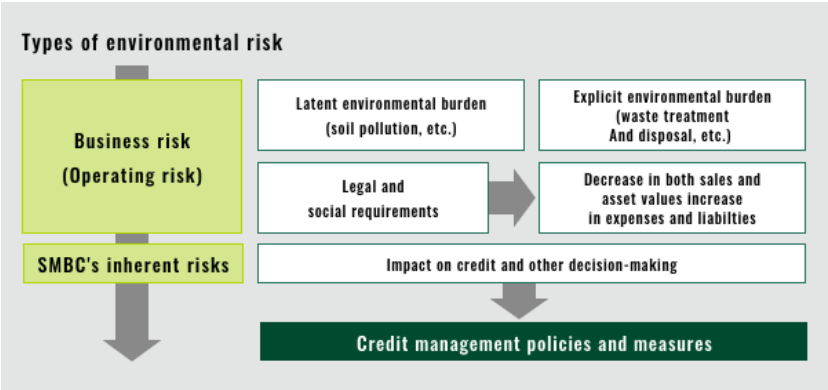
Response to climate change(Working on TCFD Recommendations)

Governance	<ul style="list-style-type: none"> Establishment of Group environmental policies Reflection of climate change response measures in management strategies via the Corporate Sustainability Committee Reports on climate change risks at the Risk Committee, a committee positioned within the Board of Directors, and the Management Committee
Strategy	<p>Physical Risks</p> <ul style="list-style-type: none"> Analyses of anticipated water damage-associated credit-related expenses to be incurred in SMBC's domestic operations under the Representative Concentration Pathways (RCP) 2.6 scenario (2°C scenario) and RCP 8.5 scenario (4°C scenario); aggregate costs of ¥30.0 billion–¥40.0 billion to be incurred leading up to FY2050 <p>Transition Risks</p> <ul style="list-style-type: none"> Analyses of credit-related costs to be incurred in energy, power, and other sectors by SMBC and overseas subsidiaries under the International Energy Agency's Sustainable Development Scenario; increase in annual costs of ¥2.0 billion–¥10.0 billion to be seen leading up to FY2050 Estimated carbon-related asset (power, energy, etc.) exposure ratio: 6.9% of all loans*1 <p>Opportunities</p> <ul style="list-style-type: none"> Total financing of renewable energy projects of ¥630.0 billion achieved in FY2019 Issuance of bonds based on the guidelines of the International Capital Market Association and the Ministry of the Environment, Government of Japan
Risk Management	<ul style="list-style-type: none"> Climate change risks positioned among Top Risks and stress test impact analyses conducted Disclosure of financing policies for sectors with high climate change impacts (coal-fired power generation, oil and gas, coalmining, etc.) Assessment of social and environmental risks based on Equator Principles
Metrics and Targets	<ul style="list-style-type: none"> Total of ¥10 trillion in green financing to be conducted from FY2020 to FY2029 CO₂ emissions volumes of SMBC to be reduced by 30% from FY2018 by FY2029 Outstanding coal-fired thermal power generation loans to be reduced to zero by FY2040 (applicable to project finance*2)

*1 Excludes loans for renewable energy projects to provide a more accurate picture of transition risk exposure

*2 Excludes projects entailing technologies pertaining to carbon recycling and other projects that contribute to the realization of a low-carbon society

Environmental Risks That Financial Institutions Should Address



SMBC has adopted the Equator Principles, a set of principles for determining, assessing and managing social and environmental risks in finance to large-scale development projects and has established the Environment Analysis Department (ENAD) to assess the social and environmental risks in accordance with the principles. For details, please visit the Equator Principles' official website below.

[Working with the Equator Principles](#)

Consideration of ESG risks

In SMBC's Credit Policy, which contains our overall financing policy, guidelines and rules, we declare that we will cease to provide financial support to borrowers engaged in businesses contrary to public responsibility, or which may have a significant negative impact on the global environment.

Also, we recognize our customers' environmental and social impacts from their business activities by understanding not only their financial information, but also non-financial information represented by ESG. We will engage closely with customers through gathering non-financial information, and strive to improve expected risk with customers while actively supporting their environmental and social consideration activities.

These policies are also rolled out to SMBC Group companies, which include SMBC Trust Bank, Sumitomo Mitsui Finance and Leasing Company and SMBC Nikko Securities, in line with their business. This strengthens our risk management system.

1. Coal-Fired Power Generation

close

(Background)

Since the adoption of the Paris Agreement, efforts to address climate change have been accelerated, and there is a global movement toward decarbonization, including the Japanese government calling for an 80% reduction in greenhouse gas emissions by 2050.

(Policy)

Support for newly planned coal-fired power plants, in principle, is not provided. Exceptions may be considered for those projects which use environmentally friendly technologies, such as ultra-supercritical* pressure and for those projects which have been provided support before the revision. SMBC Group also support the development of technologies which contribute to carbon recycling, such as carbon dioxide capture and storage / CCS.

*Ultra-supercritical: Steam pressure > 240 bar and steam temperature ≥ 593. Or, CO₂ emissions < 750g-CO₂/kWh.

2. Hydroelectric Power Generation

close 

(Background)

As the transition to a low-carbon society progresses, hydroelectric power generation will play a greater role in power supply. However, when constructing a hydroelectric power plant, it is important to consider the impact on biodiversity associated with dam construction and also on local communities caused by resettlement.

(Policy)

For those cases in which financing is used for hydroelectric power generation projects, SMBC Group carefully monitors whether appropriate mitigation measures against the impact on biodiversity and local communities caused by resettlement have been implemented and conducts environmental and social risk assessments when we consider lending.

3. Oil and Gas

close 

(Background)

Oil and gas will continue to be an important source of energy, and we actively consider measures that contribute to the transition to a low-carbon society. On the other hand, as the transition to a low-carbon society progresses, it is important to consider the risk of stranded assets that will cause the value of the assets owned to decline in the future, measures to reduce the environmental impact associated with development, and give proper consideration to the residents of the development area.

(Policy)

The scope of environmental and social risk assessments that take into account Equator Principles is expanded for the following business and sectors when we consider lending. After identifying and evaluating environmental and social risks, appropriate measures are considered.

(1) Oil Sand

Oil sand (tar sand) has relatively high carbon intensity and large environmental impacts are associated with its development. As such, SMBC Group conducts environmental and social risk assessments, paying close attention to soil and water pollution caused by wastewater, deforestation, and efforts to protect biodiversity and indigenous communities, when we consider lending.

(2) Shale Oil and Shale Gas

During shale oil and shale gas development, the use of hydraulic fracturing methods is assumed to cause groundwater contamination and induce earthquakes. SMBC Group carefully monitors whether appropriate mitigation measures have been implemented for these issues, and then we conduct environmental and social risk assessments when we consider lending.

(3) Oil and Gas Mining Projects in the Arctic

The Arctic Circle (an area north of the 66°33' latitude) is home to rare ecosystems and indigenous people with a unique culture. For mining projects in this region, SMBC Group conducts environmental and social risk assessments, paying close attention not only to environmental considerations but also to measures to protect biodiversity and indigenous communities, when we consider lending.

(4) Oil and Gas Pipelines

Pipelines are expected to have a wide range of environmental impacts due to oil spills and deforestation, as well as social impacts on indigenous communities, not only at the time of construction but also when completed. SMBC Group carefully monitors whether appropriate mitigation measures have been implemented for these issues, and then we conduct environmental and social risk assessments when we consider lending.

4. Coal Mining

close 

(Background)

In addition to the risks of stranded assets associated with the transition to a low-carbon society, it is important to consider human rights with respect to the elimination of illegal labor and child labor in coal mines and biodiversity issues associated with mining.

(Policy)

The scope of environmental and social risk assessment that take into account Equator Principles is expanded for coal mining businesses when we consider lending. Through this, environment and social risks are identified and evaluated. In addition, we don't provide support for coal mining projects that are conducted using the Mountain Top Removal (MTR) method, as this method has a large environmental impact.

5. Tobacco Manufacturing

close 

(Background)

Smoking can cause health hazards, such as lung cancer and respiratory dysfunction. In addition, with the cultivation of leaf tobacco (a raw material of cigarettes), it is important to consider human rights to eliminate illegal labor and child labor.

(Policy)

With regard to support for tobacco manufacturers, Sumitomo Mitsui Banking Corporation has confirmed that particular issues including health hazards and considering of human rights to eliminate illegal labor and child labor are being addressed.

6. Nature Conservation Areas

close 

(Policy)

SMBC Group does not provide support for new projects that are perceived to have a significant negative impact on wetlands specified in the Ramsar Convention and UNESCO-designated World Natural Heritage sites.

7. Palm Oil Plantation Development

close 

(Policy)

For palm oil plantation development projects, SMBC Group confirms that the palm oil which is produced is produced with due consideration for the environment and society and has been certified by the Roundtable on Sustainable Palm Oil (RSPO) or by an equivalent certifying body. Support is only provided after confirming that forest resources and biodiversity are protected when new plantations are developed and that there are no human rights violations, such as child labor. For those customers that have not yet been certified, SMBC Group encourages and supports them to obtain certification.

8. Deforestation

close 

(Policy)

For projects which involve deforestation, SMBC Group provides support after confirming that illegal logging and incineration are not carried out and the laws and regulations of each country are observed. For large-scale projects, environmental impacts, such as the destruction of primeval forests and ecosystems, are evaluated in accordance with the Equator Principles when we consider lending.

9. Manufacturing of Cluster Bombs and Other Weapons of Destruction

close 

(Policy)

Cluster bombs are considered inhumane, therefore SMBC Group prohibits credit to those manufacturers. In addition, it is confirmed that loans are not used for manufacturing of other weapons of destruction.

 **Response to climate change(Working on TCFD Recommendations)**

 **SMBC Group TCFD Report(678KB)**

Reduction of Environmental Impacts

The three pillars of the environmental activities of SMBC Group are Promotion of Environmental Businesses, Management of Environmental Risks, and Reduction of Environmental Impact. Each group company sets targets for Reduction of Environmental Impact and implements diverse measures.

SMBC Group Environmental Data

SMBC Group

Measurement Items		Units	Fiscal 2017	Fiscal 2018	Fiscal 2019
Direct energy consumption	City gas	Thousand m ³	2,479	2,225	1,930
		t-CO ₂	5,566	4,993	4,329
	Liquefied petroleum gas (LPG)	t	10	10	9
		t-CO ₂	31	29	27
	Heavy fuel oil	kl	131	94	112
		t-CO ₂	355	256	303
	Light oil	kl	3	3	3
		t-CO ₂	7	7	8
	Kerosene	kl	46	44	37
		t-CO ₂	114	109	93
	Gasoline (automobile)	kl	4,759	4,080	3,776
		t-CO ₂	11,047	9,470	8,765
Indirect energy Consumption	Electricity(*3)	Thousand kWh	323,731	291,045	275,868
		t-CO ₂ (emission coefficient)	162,148	135,916	121,732
	Steam	GJ	30,538	30,785	30,835
		t-CO ₂	1,740	1,755	1,758
	Hot water	GJ	3,600	3,397	6,607
		t-CO ₂	205	194	377
	Cold water	GJ	45,680	48,986	42,797
		t-CO ₂	2,604	2,792	2,439

Measurement Items		Units	Fiscal 2017	Fiscal 2018	Fiscal 2019
Other energy consumption	CO ₂ emissions from business trips(*4)	t-CO ₂	17,780	18,432	44,582
	Water supply	Thousand m ³	34	36	39
	Sewage	Thousand m ³	34	36	39
	Total water and sewage	Thousand m ³	2,594	2,662	2,303
		t-CO ₂	1,165	1,195	1,033
Total	Direct energy CO ₂ emissions	t-CO ₂	17,120	14,863	13,526
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	166,697	140,657	126,305
	Other CO ₂ emissions	t-CO ₂	18,945	19,628	45,615
	Total CO ₂ emissions	t-CO ₂ (emission coefficient)	202,762	175,148	185,447
	Total CO ₂ emissions (per m ²)	t-CO ₂ /Thousand m ² (emission coefficient)	119	106	115

*The main reason for the increase in results of FY2019 compared to that of FY2018 is that the CO₂ conversion factors for business trips have been updated to ver 3.0 in the "Database of emission intensity for calculating greenhouse gas emissions of the organization throughout its supply chain", developed by MINISTRY OF THE ENVIRONMENT.

[Scope of data]

*Each item is simply the sum of the values of the following group companies. Sumitomo Mitsui Banking Corporation, SMBC Trust Bank, Sumitomo Mitsui Finance and Leasing, SMBC Nikko Securities, SMBC Friend Securities(*1), Sumitomo Mitsui Card Company, SMBC Finance Service, SMBC Consumer Finance, The Japan Research Institute, Sumitomo Mitsui DS Asset Management Company, THE MINATO BANK(*2), and Kansai Urban Banking Corporation(*2)

(*1)Merged with SMBC Nikko Securities as of January 2018.

(*2)Excluded from the Group as of April 2018.

[CO₂ conversion method]

(*3)Actual emission factor for each electric business company is used.

(*4)Refer to MINISTRY OF THE ENVIRONMENT's "Database of emission intensity for calculating greenhouse gas emissions of the organization throughout its supply chain".

Ver 2.2 is applied until FY2018, and ver 3.0 from FY2019.

(*5)Others uses "Support tool of Calculating CO₂ Emissions from Energy Use" provided by the Agency for Natural Resources and Energy.

[Third party verification]

These data are being tested third-party certification from the Japan Quality Assurance Organization.

Reducing Energy Consumption



Fiscal 2018 Greenhouse Gas Emissions Verification Report (188KB)



Environmental Impact Data of SMBC Group Companies

Reducing Energy Consumption

SMBC Group conducts management in line with the Energy Conservation Law of Japan, and reports in line with the "report Book System for Global Warming Countermeasures" handled by the Tokyo metropolitan government. Our actions and targets are line with the measures taken by the governments, and industrial groups such as the Japan Federation of Economic Organizations, the Japanese Bankers Association, and Japan Securities Dealers Association.

➤ Reduction of Environmental Impacts

SMBC Group Green Bond

SMBC Group is a major issuer of green bonds both domestically and in international markets.

SMBC Group applies the net proceeds of green bonds to finance qualifying renewable energy generation and energy efficiency projects. SMBC Group has a strong track record in providing project finance for renewal energy (solar energy, wind energy, etc.) both domestically and internationally.

➤ SMBC Group Green Bond

Social

Community Management approach

Recognition of Social Issues

As people live and the economy advances, communities to form connections between proponents in these areas and thereby encourage mutual support and enable each other to act in peace of mind are needed. SMBC Group continues to contribute to communities and society and to fulfill our social responsibility as an entity that acts as a member of these communities.

SMBC Group's Approach

The Group recognizes that it is important to consider the public nature of financial institution and contribute to the development of society through business operations. In addition to the contribution to society through daily business operations, we pursue diverse social contribution activities in order to fulfil responsibilities as a "responsible corporate citizen".

To effectively promote these activities, we have identified the following three issues that SMBC Group should address.

- Achieving and Developing Safe and Secure Communities
- Promotion of Social Inclusion through Collaboration

Policy for Social Contribution Activities

SMBC Group and Group companies fully recognize our roles as responsible corporate citizens and perform social contribution activities for a prosperous and sustainable society. We continue to plan and execute social contribution activities as a corporate citizen and support volunteer activities of employees, in order to proactively perform social contribution activities.

SMBC Group's Management

In order to lead the form of social participation by each of our officers and employees, we emphasize their leadership roles, aiming to increase the number participating in volunteer activities by engaging in social contribution activities.

Main Indicator

- Publicly release a report on the results of social impact measurements that target social contribution activities (at least annually)
- Establish a community to address environmental and social issues

➤ For Community

Next Generation Management Approach

Recognition of Social Issues

Ensuring the sustainability of our society and economy amid the changing social environment will require the cultivation of human resources who can support society with the necessary knowledge and technologies. SMBC Group is promoting sustainability by fostering the next-generation human resources and industries that will shape the society of the future together with us.

SMBC Group's Approach



Fostering of people and industries that will shape the future

SMBC Group's Management

In financial services, we conduct and manage business activities based on guidelines and principles including the UN Global Compact's 10 principles and Equator Principles initiatives. To improve financial literacy, we are promoting initiatives to increase the number of volunteers of SMBC Group who can help financial and economics education programs for high school and college students.

Main Indicator

1.5million participants in financial education programs held by SMBC Group.



Human Resources Strategy

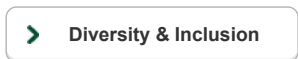
Our Approach

To achieve "Our Mission," SMBC Group has established the Five Values as a set of shared beliefs and behavioral guidelines for all 100,000 employees on a global basis, and we are working toward the realization of these values. We are also moving ahead with strategic development of talent and creation of an environment that enables diverse personnel to perform their capacities to the fullest extent.



Diversity&Inclusion

Our approach
SMBC Group regards "Diversity and Inclusion" as an important strategy for growth. Management is promoting greater diversity and inclusion to create a working environment where people from various backgrounds can fulfill their potential based on strong mutual respect, and where synergy borne of diversity generates new value. In this way, we can help to create greater value for customers.



Governance

Corporate Governance

Our Approach

We position “Our Mission” as the universal philosophy underpinning the management of SMBC Group and as the foundation for all of our corporate activities. We are working toward effective corporate governance as we consider the strengthening and enhancement of corporate governance to be one of our top priorities in realizing “Our Mission.”

➤ Corporate Governance

Sumitomo Mitsui Financial Group’s Corporate Governance System

➤ Sumitomo Mitsui Financial Group’s Corporate Governance System

Board of Directors

➤ Board of Directors

Internal Committees

➤ Internal Committees

Evaluation of the Board of Directors’ Effectiveness

➤ Evaluation of the Board of Directors’ Effectiveness

Compensation Program

➤ Compensation Program

Executive Management Systems

➤ Executive Management Systems

Risk Management

Our Approach

Strengthening of compliance and risk management is positioned as a key issue in SMBC Group's Principles of Action on Compliance and Risk. SMBC Group is therefore devoted to improving its systems in these areas in order to become a truly outstanding global group.

[> Risk Management](#)

Risk Culture

[> Risk Culture](#)

Risk Appetite Framework

[> Risk Appetite Framework](#)

Risk Management System

[> Risk Management System](#)

Compliance

Our Approach

We recognize Management positions the strengthening of compliance and risk management as a key issue in enabling SMBC Group to fulfill its public mission and social responsibilities as a global financial group. We are therefore working to entrench such practices into our operations , and fulfill our responsibility as we aim to become a truly outstanding global group.

[> Compliance](#)

Compliance Management

[> Compliance Management](#)

Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT)

[> Anti-Money Laundering \(AML\) and Countering the Financing of Terrorism \(CFT\)](#)

Response to Anti-Social Forces

[> Response to Anti-Social Forces](#)

Customer Information Management

[> Customer Information Management](#)

Anti-Bribery and Corruption

[> Anti-Bribery and Corruption](#)

Internal Audits

Our Approach

As a part of SMBC Group's internal control framework, the audit department (the Department) verifies the effectiveness of the internal control of business units, risk management units and other units from an independent standpoint and pursues the quality of internal audits in order to contribute to development and the highest trust across the entire SMBC Group.

➤ Internal Audits

Overview of the Group's Internal Audit Framework

➤ Overview of the Group's Internal Audit Framework

Internal Audit Framework

➤ Internal Audit Framework

Enhancement and Effectiveness of Internal Audit

➤ Enhancement and Effectiveness of Internal Audit

Customer-Oriented Initiatives

Our Approach

SMBC Group companies are united in their efforts for customer experience (CX) and quality improvement in line with "Our Mission," which states "We grow and prosper together with our customers, by providing services of greater value to them."

➤ Customer-Oriented Initiatives

CX Improvement System

➤ CX Improvement System

➤ Customer Satisfaction-Related Initiatives of SMFG Group Companies

SMBC Group Businesses and SDGs

About SDGs

"SDGs" stand for "Sustainable Development Goals." They are a set of global goals enshrined under the 2030 Agenda for Sustainable Development, which was unanimously adopted at the United Nations Summit in September 2015. With the above 17 goals that are further subdivided into 169 targets, the Agenda is aimed at delivering a world where "No one is left behind" by 2030.



SDGs for SMBC Group

SMBC Group has designated goals from among the United Nations Sustainable Development Goals (SDGs) as areas of focus in 2018, addressing them within the three priority issues of "Environment," "Community," and "Next Generation.," Under the strong commitment of top management, SMBC Group will seek to contribute to the resolution of social issues around the world to accomplish the SDGs through its business activities as a global financial group.



For Environment

SMBC Group's Approach

SMBC Group



The global environment is an important asset that is shared by all of humanity, regardless of region or age, and a healthy environment is prerequisite to the realization of a sustainable society. SMBC Group is earnestly engaging with climate change and various other environmental issues. By helping resolve such issues through our business, we aim to ensure that we can pass on a healthy environment to future generations.



Promotion of
➤ Environmental
Businesses

Management of
➤ Environmental
Risks

Reduction of
➤ Environmental
Impacts

Response to
➤ climate change
(Working on TCFD
Recommendations)

➤ SMBC Group
Green Bond

Contribution
➤ Activities to
Environment

Promotion of Environmental Businesses

SMBC group considers that environmental businesses are means to preserve and improve the global environment in its core business operations as a financial institution.

We will outline our environmental businesses, including solar power-based renewable energy operations and investment projects with a positive environmental contribution, as well as other environment-related products and services.

Main Measures

[1.Measures Being Taken for Green Finance ▼](#)

[2.Environmental business creation ▼](#)

[3.Initiatives for Environmental Conservation Through Financial Products ▼](#)

[4.Initiatives for Environmental Protection Through Investment ▼](#)

Measures Being Taken for Green Finance

SMBC Group

The SMBC Group proactively endeavors to solve environmental and social problems through the core businesses of the respective Group companies. Particularly concerning environmental problems, a goal has been set to handle green finance deals dedicated to the environmental field involving total financing in the amount of ¥10 trillion over ten years by fiscal 2029.

For instance, in the area of power generation via renewables (where certain forms of nature's power are employed, e.g., solar energy, wind power), various services are being provided by relevant Group companies leveraging their respective advantages, for example, lending by SMBC; trust service by SMBC Trust Bank concerning power generation facilities, construction sites, etc.; provision of leases by SMFL for power generation facilities; and equity investment by SMBC Nikko Securities. Altogether, we will pursue such initiatives as an integrated group for general financial services.

Project Financing for Renewable Energy

SMBC

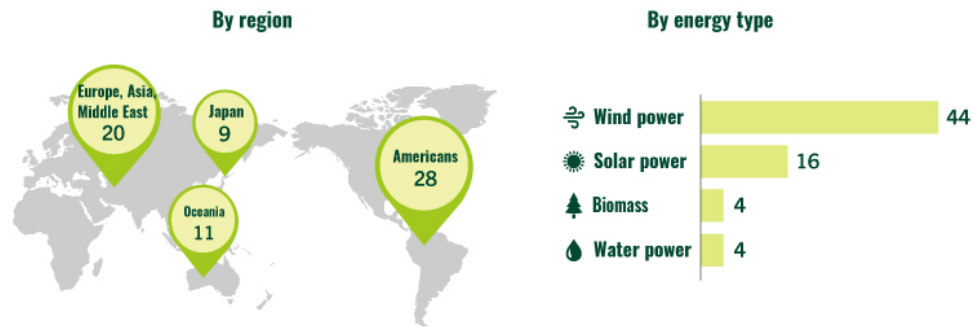
For many years now, SMBC has been providing project finance for renewable energy businesses such as solar power generation and wind power generation in Japan and overseas. The bank has a strong track record in this area. Since no carbon dioxide is emitted in renewable energy in principle, these operations are deemed to reduce CO2 emissions because the power they generate can replace energy from non-renewable sources such as coal, oil and natural gas. Support for such projects contributes to reductions in CO2 emissions and environmental impact.

For further details on project finance, please refer to the following website.

 [SMBC: Project Finance \(Japanese only\)](#)

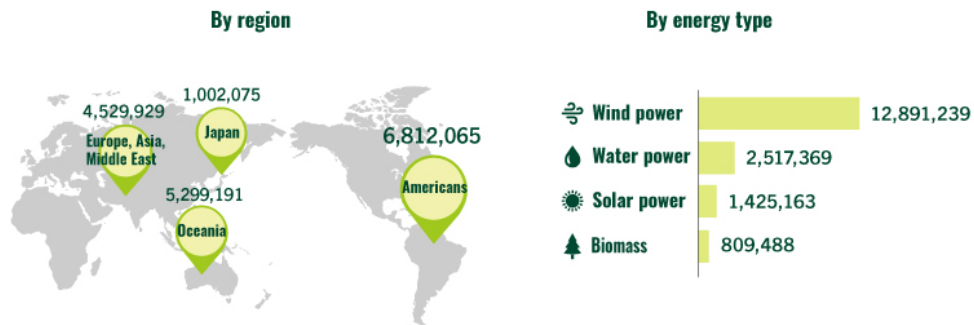
Fiscal 2019 results

SMBC has conducted **68** renewable energy projects in fiscal 2019



FY2019: CO2 emissions reductions from renewable energy projects (*)

Renewable energy projects in fiscal 2018 contributed to total reductions in CO2 emissions equivalent to **17,643,260 tons**.



(*) Estimated volume of reduction in carbon emissions: The estimated volume of power generation is calculated by referencing the type of renewable-based generation and employing generation capacity as well as the operation rate of target facilities by country; then the estimated volume of power generation is multiplied by the emissions coefficient for the power generation sector of the respective countries to calculate the estimated reduction volume in carbon emissions. Note that for the above calculations, the share of loans extended by SMBC among the total project budget was not considered.

Source: In terms of facility operation rate, data were quoted from Wind Europe "Wind Energy in Europe in 2019 - Trends and Statistics" concerning wind power generation (overseas), with a breakdown for offshore vs. onshore; and data were additionally quoted from the "Report on Validation of Power Generation Cost, as Submitted to the Subcommittee of the Outlook on the Long-term Energy Supply-Demand Balance (held on May 26, 2015)" concerning PV, wind power (domestic), water power, and geothermal power. Regarding biomass power generation, operation rates were calculated by referencing the information disclosed by respective companies.

The emissions coefficient for the power generation sector: Quoted from IEA "CO2 Emissions from Fuel Combustion, 2019 edition."

Initiatives for Renewable Energy Through Business

SMBC Trust

SMBC Trust Bank conducts renewable energy business initiatives that include receiving on trust for solar power facilities and site usage rights (ownership, leasehold, and surface rights) and managing them as trust assets as the trustee paying dividends to beneficiaries on income from the electricity sold.



Initiatives for leasing "solar sharing" projects that combine agriculture with power generation

SMFL

Sumitomo Mitsui Finance and Leasing provides leases for solar power generation equipment used in a solar sharing project where support columns are erected on farmland for the installation of solar panels while leaving space underneath to farm. The project is generating solar power on unused farmland in Fukushima Prefecture, while enabling production of ginger crops. Sales of electricity supplement the crop production to ensure a reliable income stream. This approach is attracting attention as a potential way to develop farmland in Japan, where many farmers are elderly and young people are moving to cities rather than take up farming.



Solar panels attached to pillars built on farmland by Toyo Energy Farm Co., Ltd.

Support for Green Bond Issuance

SMBC Nikko

In September 2018, SMBC Nikko formed the SDGs Finance Dept., which is responsible for providing advice on funding through SDG bonds (e.g. green bonds) and presenting related proposals. Also, SMBC Nikko became a member of the Climate Bonds Partners Programme(*), which is run by the Climate Bonds Initiative (CBI), in order to further promote support for activities related to the SDGs and climate change problems. SMBC Nikko will continue to support many green bond issuance deals and pursue relevant investments going forward as well while strengthening the collaboration with CBI through its membership in the said Programme.

(*) The Programme is being promoted by the Climate Bonds Partners membership to support activities of relevant investors and stakeholders as well as related educational projects, for the purpose of ensuring sustainable growth of the green bond market which can contribute to adequate adaptation to climate change and effective investments for carbon reduction

 **SMBC Nikko:underwriting such as SDGs bonds (Japanese Only)**

Environmental business creation

Initiatives Towards Realizing a Low-Carbon Society

SMBC

As part of its initiatives to realize a low-carbon society, SMBC has promoted business activities related to emissions trading since 2005.

Specifically, SMBC provides financial support for energy conservation and renewable energy development projects conducted overseas with environmental technologies from Japan in connection with the Joint Crediting Mechanism (JCM), a new framework promoted by the Japanese government in the post-Kyoto Protocol era. Since fiscal 2010, the bank has conducted various business feasibility study for over thirty projects, primarily in Asia and Central and South America, while planning and developing financing schemes. Going forward, SMBC intends to utilize JCM to support overseas application of exceptional Japanese environmental technologies. It will take on environmental issues such as climate change, and continue to contribute to the development of a sustainable society.

*A mechanism utilized to achieve Japan's reduction targets that involves quantitatively assessing Japan's contribution to greenhouse gas reduction and absorption realized through promotion of low-carbon technologies, an area of specialty for Japanese companies, in developing countries and contributing to measures to combat global warming at the global level.

Please click on the link below for details regarding emissions credits and specific related initiatives.

 [SMBC: Emissions credit business \(Japanese only\)](#)

Initiative Examples

Close 

Initiative Examples	Content
Study on Energy-Saving Systems for Caustic Soda and Chlorine Manufacturing Processes	<p>In fiscal 2014, we participated in a study of an energy conservation project at a caustic soda and chlorine manufacturing plant in Central and South America by converting from the mercury method to the ion exchange membrane method, utilizing the bilateral credit system. Caustic soda and chlorine manufacturing facility in Central and South America. The study focused on converting from the conventional, energy-inefficient mercury-based process to the highly energy efficient ion exchange membrane method.</p> <p>The ion exchange membrane method is environmentally friendly, and conserves energy while also helping reduce use of mercury. Use of mercury in the manufacturing process for caustic soda and chlorine will be banned beginning in 2025 under the Minamata Convention on Mercury, which goes into force in August 2017. Thereafter, mercury use is expected to decrease as worldwide caustic soda and chlorine manufacturing plants convert from a mercury-based process to ion exchange membranes.</p>
Study on Capture, Utilization and Storage of Carbon Dioxide	<p>of carbon capture, utilization and storage (CCUS) projects utilizing bilateral credit mechanisms in the Mideast and Central America. Such projects would utilize Japan's carbon capture technologies to capture carbon dioxide emitted from power stations from other gases to prevent its emission into the atmosphere and effectively utilize the captured carbon dioxide. The projects are expected to contribute to the achievement of new greenhouse gas reduction goals established in the Paris Agreement, which went into effect at the end of 2016.</p>

Initiatives for Growth Sectors

SMBC

SMBC Sustainable Business Promotion Department has identified three specific growth sectors : new energy/energy management, the environment and agriculture society to promote the creation of new business opportunities in these sectors for customers. Drawing on broad-ranging knowledge and networks developed through industry-government-academia alliances in Japan and overseas, the bank provides business support in respective areas.

Initiative Examples	Content
Smart Grid Demonstration Project in Poland	A smart grid demonstration project utilizing Japan's grid stabilization and power storage technologies has been carried out in Poland by SMBC and other Japan-affiliated companies since fiscal 2016 on a contract from the New Energy and Industrial Technology Development Organization (NEDO). While renewable energies are being utilized at an accelerating pace, their power output varies depending on weather conditions, so as the amount of renewable energy sources increase, problems arise related to the power grid; specifically, maintaining the balance of power supply and demand on distribution networks and dealing with overloads. The demonstration project seeks to solve these grid issues by utilizing Japanese technologies to expand use of renewable energies in Poland and create a grid stabilization system that simultaneously reduces capital investment in power infrastructure and stabilizes the power grid.
Study on Utilization of Green Climate Fund	The Green Climate Fund (GCF) is a multilateral fund established based on the United Nations Framework Convention on Climate Change in order to support reductions to greenhouse gases and measures to address the impact of climate change in developing countries. SMBC conducted a feasibility study in fiscal 2016 and fiscal 2017 with multiple Japan-affiliated companies on geothermal power projects using the GCF in Papua New Guinea under the sponsorship of the Ministry of Economy, Trade and Industry. Going forward, through further studies and other initiatives, SMBC will work to form projects that utilize the GCF and support measures to address climate change in developing countries.

General Contractor Business for the Disposal of Facilities and Plant Sites

SMFL

SMFL and SMFL MIRAI Partners started a general contractor business for the disposal of facilities and plant sites, through the establishment of SMART Incorporated jointly with ARBIZ Corporation. Concerning machines and facilities for which the lease period expired or is held by our clients but no longer needed, reusable items would be employed by SMFL for resale, while items that cannot be reused would be purchased or taken over free of charge by the new company. Machines and facilities to be disposed of would then be segregated into marketable items (e.g. metal scrap; waste plastics) and industrial waste. Marketable items are sold to scrap traders, while industrial waste is handed over to waste treatment dealers. Through facilitating the reuse of recycled items, companies are curbing the volume of industrial waste and adequately supporting final disposal processes, while promoting 3R activities by leveraging knowledge and know-how concerning a wide range of tangible products that are advantageously held by leasing companies, to contribute to the realization of a circulating type of society.

Consultation for Environment-Related Business

JRI

Environmental Advisory Business

It engages in numerous environmental projects mainly in the energy and smart community fields. It strives to contribute to the resolution of global-warming issues and development of environment-friendly businesses by the creation of new businesses.

JRI

Proposals for Energy-Related Policies

The Great East Japan Earthquake led to the substantial review of the Japan's energy policy. JRI makes recommendations and proposals for energy systems of next-generation and energy strategies for Japan. For detailed examples from JRI, please refer to the following website.

 [JRI: Economy & Policy report\(Environment, Energy\) \(Japanese only\)](#)

Overseas Alliances Related to Environmental Business

SMBC

In emerging countries, the need for economic development that is balanced with the global environment is driving remarkable progress in local environmental business markets. SMBC has signed multiple memorandums of understanding (MOUs) for building bridges with Japanese companies with environmental technologies in emerging countries, financing environment-related projects, and providing know-know on emissions credit trading. Through these and other efforts, the bank continues to work to strengthen its environmental business networks with emerging countries. Going forward, we will utilize our environmental business knowledge and experience as a diverse financial group to meet a variety of needs in environment and energy and other fields.

List of Service Agreements

Close 

Provision Period	Country	Content
October 2014	Chile	signed with Chilean government organization and Production Development Corporation (CORFO) to collaborate on the procurement of funds for renewable energy and mining projects.
July 2014	Mexico	A Memorandum of Understanding (MOU) was concluded with Petróleos Mexicanos (PEMEX), Mexico's largest state-owned company, relating to cooperation in environmental sectors (to reduce greenhouse gas emissions).


Provision Period	Country	Content
March 2013	Colombia	In partnership with the Japan Bank for International Cooperation (JBIC), SMBC instituted a JBIC Green credit line for Banco de Bogotá, the second-largest commercial bank in Colombia. This helped to fund local projects that contribute to greenhouse gas reduction in a two-step loan format.
March 2013	Mongolia	An MOU was concluded with Mongolia's largest commercial bank, Khan Bank, to forge an alliance related to cooperation in areas ranging from resource and infrastructure development, financing for renewable energy and new energy sectors, and trade finance, customer referrals, and exchange of market entity related information, etc.
March 2012	Mexico	An MOU was concluded with Petróleos Mexicanos (PEMEX), Mexico's largest state-owned company, aimed at providing support initiatives for reduction of greenhouse gases at the company's own facilities.
March 2012	Mongolia	An MOU was concluded with Mongolia's only state-affiliated development bank, Development Bank of Mongolia (DBM), to support cooperation in the financing of environmental businesses and infrastructure projects that target greenhouse gas emissions reductions.
June 2011	Estonia	Estonia, a government institution that handles foreign investment incentives and trade promotion in the Republic of Estonia, in connection with a business alliance to provide financial services to local companies and Japanese-owned companies entering the Estonian market. The alliance will also target the acquisition of new business opportunities in the environmental sector, including development projects in Estonia and emissions-trading ventures
February 2011	Uzbekistan	An MOU was concluded with the National Bank for Foreign Economic Activity of the Republic of Uzbekistan, the country's largest state-run bank in terms of assets, in connection with a business alliance to provide various trade financing related to trade between Japan and Uzbekistan and the provision of financial services to Japanese-owned companies entering the Uzbekistan market and local companies. The alliance will target the acquisition of new business opportunities in the environmental sector, including development projects in Uzbekistan and emissions-trading ventures, and to strengthen a collaborative framework for yen settlement operations.

Initiatives for Environmental Conservation Through Financial Products

SMBC Group

SMBC Group develops and supplies financial solutions and products for customers engaged in addressing various social issues, notably climate change and other environmental issues through promotion of energy and resource conservation and countermeasures for global warming.

Please visit the link below for more details on SMBC Group's financial solutions lineup

 [SMBC Group Businesses and SDG](#)

Initiatives for Environmental Protection Through Investment

SMBC

In October 2017, SMBC invested in Tokyo Green Bonds (*) issued by the Tokyo Metropolitan Government, an initiative for contributing to society through asset management.

*Green bonds are bonds issued to raise funds for green projects. Tokyo Green Bonds have been assessed by an independent institution as being consistent with the characteristics of "green bonds" as defined by the International Capital Market Association (ICMA).

SMBC plans to allocate funds raised through the issue of Tokyo Green Bonds to environmental measures, urban development projects based on smart energy and a vision of the cool, clean and pleasant city, and projects for adapting to the impact of climate change.

Bond name	Tokyo Green Bond (5-yr. / 30-yr.), first issue
Ratings	A+ (S&P)
Total amount issued	¥10.0 billion

SMBC will continue to contribute to the Sustainable development of society as a whole through initiatives for the environment, which SMBC Group has specified as one of its key priority issues, and will continue to work to secure investment income and raise corporate value through diverse investment initiatives for more highly advanced, multifaceted forms of investment and by demonstrating its core functions as an institutional investor.



[SMBC: Invested in Tokyo Green Bonds issued by the Tokyo Metropolitan Government \(Japanese only\)](#)

Management of Environmental Risks

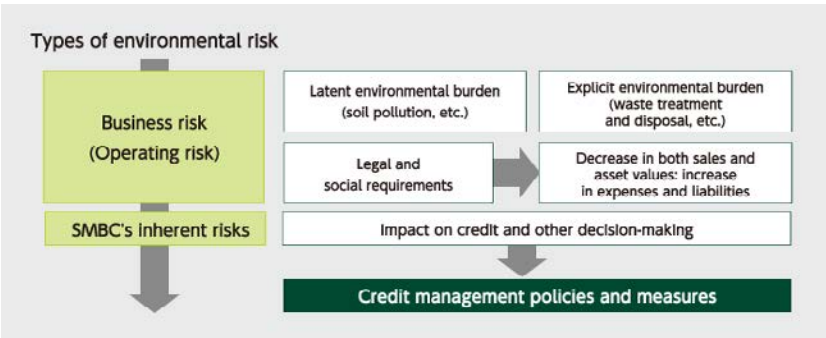
“Managing environmental risks” is one of the SMBC Group’s three key environmental themes, articulated in the Group’s environment policy. As a global financial group, SMBC is working to strengthen its structure for managing environmental and social risks.

Environmental Risks That Financial Institutions Should Address

Financial institutions confront various types of environmental risk including:

- Credit risks associated with a deterioration in the customer’s debt repayment capability. This can be attributed to such factors as the suspension of business operations due to a breach of environmental regulations and restoration expenses incurred as a result of soil pollution.
- The risk of a decline in the value of assets due to the disclosure of soil pollution or asbestos in real estate as collateral.
- Lender liability risks that accrue to the lender in connection with business and other loan proceeds that adversely impact the environment.
- Reputation risks attributable to any of the aforementioned.

SMBC has adopted the Equator Principles, a set of principles for determining, assessing and managing social and environmental risks in finance to large-scale development projects and has established the Environment Analysis Department (ENAD) to assess the social and environmental risks in accordance with the principles.



Consideration of ESG risks

SMBC Group

In SMBC's Credit Policy, which contains our overall financing policy, guidelines and rules, we declare that we will cease to provide financial support to borrowers engaged in businesses contrary to public responsibility, or which may have a significant negative impact on the global environment.

Also, we recognize our customers' environmental and social impacts from their business activities by understanding not only their financial information, but also non-financial information represented by ESG. We will engage closely with customers through gathering non-financial information, and strive to improve expected risk with customers while actively supporting their environmental and social consideration activities.

In addition, for large-scale projects which may potentially exert a major impact on the environment and society, we will continue to comply with the Equator Principles, a set of guidelines developed by private-sector financial institutions for managing environmental and social risks related to financing large-scale projects. We will also conduct appropriate environmental and social risk assessments by performing due diligence in our Environment Analysis Department. Through such actions, we expect project companies to conduct activities for environmental and social consideration, including climate change and human rights, to address the Task Force on Climate-related Finance Disclosures (TCFD), and to respect the FPIC (free, prior and informed consent) of local residents.

For further details about the Equator Principles, please refer to the following link.

 [Working with the Equator Principles](#)

We establish loan policies for each business which is likely to have a significant impact on the environment and society.

These policies are also rolled out to SMBC Group companies, which include SMBC Trust Bank, Sumitomo Mitsui Finance and Leasing Company and SMBC Nikko Securities, in line with their business. This strengthens our risk management system.

1. Coal-Fired Power Generation

(Background) Since the adoption of the Paris Agreement, efforts to address climate change have been accelerated, and there is a global movement toward decarbonization, including the Japanese government calling for an 80% reduction in greenhouse gas emissions by 2050.

(Policy) Support for newly planned coal-fired power plants, in principle, is not provided. Exceptions may be considered for those projects which use environmentally friendly technologies, such as ultra-supercritical* pressure and for those projects which have been provided support before the revision. SMBC Group also support the development of technologies which contribute to carbon recycling, such as carbon dioxide capture and storage / CCS.

* Ultra-supercritical: Steam pressure > 240 bar and steam temperature ≥ 593. Or, CO₂ emissions < 750g-CO₂/kWh.

2. Hydroelectric Power Generation

(Background) As the transition to a low-carbon society progresses, hydroelectric power generation will play a greater role in power supply. However, when constructing a hydroelectric power plant, it is important to consider the impact on biodiversity associated with dam construction and also on local communities caused by resettlement.

(Policy) For those cases in which financing is used for hydroelectric power generation projects, SMBC Group carefully monitors whether appropriate mitigation measures against the impact on biodiversity and local communities caused by resettlement have been implemented and conducts environmental and social risk assessments when we consider lending.

3. Oil and Gas

- (Background) Oil and gas will continue to be an important source of energy, and we actively consider measures that contribute to the transition to a low-carbon society. On the other hand, as the transition to a low-carbon society progresses, it is important to consider the risk of stranded assets that will cause the value of the assets owned to decline in the future, measures to reduce the environmental impact associated with development, and give proper consideration to the residents of the development area.
- (Policy) The scope of environmental and social risk assessments that take into account Equator Principles is be expanded for the following business and sectors when we consider lending. After identifying and evaluating environmental and social risks, appropriate measures are considered.

(1) Oil Sand

Oil sand (tar sand) has relatively high carbon intensity and large environmental impacts are associated with its development. As such, SMBC Group conducts environmental and social risk assessments, paying close attention to soil and water pollution caused by wastewater, deforestation, and efforts to protect biodiversity and indigenous communities, when we consider lending.

(2) Shale Oil and Shale Gas

During shale oil and shale gas development, the use of hydraulic fracturing methods is assumed to cause groundwater contamination and induce earthquakes. SMBC Group carefully monitors whether appropriate mitigation measures have been implemented for these issues, and then we conduct environmental and social risk assessments when we consider lending.

(3) Oil and Gas Mining Projects in the Arctic

The Arctic Circle (an area north of the 66°33' latitude) is home to rare ecosystems and indigenous people with a unique culture. For mining projects in this region, SMBC Group conducts environmental and social risk assessments, playing close attention not only to environmental considerations but also to measures to protect biodiversity and indigenous communities, when we consider lending.

(4) Oil and Gas Pipelines

Pipelines are expected to have a wide range of environmental impacts due to oil spills and deforestation, as well as social impacts on indigenous communities, not only at the time of construction but also when completed. SMBC Group carefully monitors whether appropriate mitigation measures have been implemented for these issues, and then we conduct environmental and social risk assessments when we consider lending.

4. Coal Mining

- (Background) In addition to the risks of stranded assets associated with the transition to a low-carbon society, it is important to consider human rights with respect to the elimination of illegal labor and child labor in coal mines and biodiversity issues associated with mining.
- (Policy) The scope of environmental and social risk assessment that take into account Equator Principles is expanded for coal mining businesses when we consider lending. Through this, environment and social risks are identified and evaluated. In addition, we don't provide support for coal mining projects that are conducted using the Mountain Top Removal (MTR) method, as this method has a large environmental impact.

5. Tobacco Manufacturing

- (Background) Smoking can cause health hazards, such as lung cancer and respiratory dysfunction. In addition, with the cultivation of leaf tobacco (a raw material of cigarettes), it is important to consider human rights to eliminate illegal labor and child labor.
- (Policy) With regard for support for tobacco manufacturers, Sumitomo Mitsui Banking Corporation has confirmed that particular issues including health hazards and considering of human rights to eliminate illegal labor and child labor are being addressed.

6. Nature Conservation Areas

(Policy) SMBC Group does not provide support for new projects that are perceived to have a significant negative impact on wetlands specified in the Ramsar Convention and UNESCO-designated World Natural Heritage sites.

7. Palm Oil Plantation Development

(Policy) For palm oil plantation development projects, SMBC Group confirms that the palm oil which is produced is produced with due consideration for the environment and society and has been certified by the Roundtable on Sustainable Palm Oil (RSPO) or by an equivalent certifying body. Support is only provided after confirming that forest resources and biodiversity are protected when new plantations are developed and that there are no human rights violations, such as child labor. For those customers that have not yet been certified, SMBC Group encourages and supports them to obtain certification.

8. Deforestation

(Policy) For projects which involve deforestation, SMBC Group provides support after confirming that illegal logging and incineration are not carried out and the laws and regulations of each country are observed. For large-scale projects, environmental impacts, such as the destruction of primeval forests and ecosystems, are evaluated in accordance with the Equator Principles when we consider lending.

9. Manufacturing of Cluster Bombs and Other Weapons of Destruction

(Policy) Cluster bombs are considered inhumane, therefore SMBC Group prohibits credit to those manufacturers. In addition, it is confirmed that loans are not used for manufacturing of other weapons of destruction.

Reduction of Environmental Impacts

The three pillars of the environmental activities of the SMBC Group are Promotion of Environmental Businesses, Management of Environmental Risks, and Reduction of Environmental Impact. Each group company sets targets for Reduction of Environmental Impact and implements diverse measures.

Main Measures

- [SMBC Group Environmental Data](#)
- [Reducing Energy Consumption](#)
- [Reducing Environmental Impact Through Our Businesses](#)
- [Paper less initiatives](#)

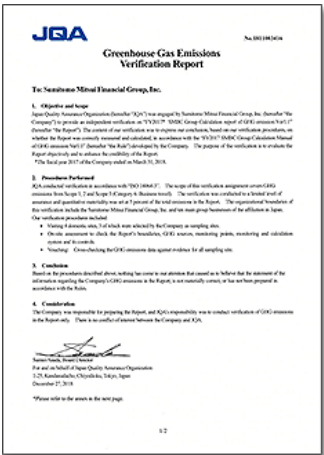
SMBC Group Environmental Data


SMBC Group

The SMBC Group is working to further promote environmental activities by visualizing them. As a part of this process of visualization, we have disclosed environmental impact data from company office activities. We have obtained third-party certification of our data from the Japan Quality Assurance Organization. As well, SMBC has expanded the scope of disclosure to environmental accounting.

Environmental Impact Data of SMBC Group Companies

Environmental Accounting at SMBC



 **Fiscal 2018 Greenhouse Gas Emissions Verification Report (188KB)**

Total CO₂ Emissions of SMBC Group

Measurement Items		Units	Fiscal 2017	Fiscal 2018	Fiscal 2019
Direct energy consumption	City gas	Thousand m ³	2,479	2,225	1,930
		t-CO ₂	5,566	4,993	4,329
	Liquefied petroleum gas (LPG)	t	10	10	9
		t-CO ₂	31	29	27
	Heavy fuel oil	kl	131	94	112
		t-CO ₂	355	256	303
	Light oil	kl	3	3	3
		t-CO ₂	7	7	8
	Kerosene	kl	46	44	37
		t-CO ₂	114	109	93
	Gasoline(automobile)	kl	4,759	4,080	3,776
		t-CO ₂	11,047	9,470	8,765
Indirect energy Consumption	Electricity(*3)	Thousand kWh	323,731	291,045	275,868
		t-CO ₂ (emission coefficient)	162,148	135,916	121,732
	Steam	GJ	30,538	30,785	30,835
		t-CO ₂	1,740	1,755	1,758
	Hot water	GJ	3,600	3,397	6,607
		t-CO ₂	205	194	377
	Cold water	GJ	45,680	48,986	42,797
		t-CO ₂	2,604	2,792	2,439
Other energy consumption	CO ₂ emissions from business trips(*4)	t-CO ₂	17,780	18,432	44,582
	Water supply	Thousand m ³	34	36	39
	Sewage	Thousand m ³	34	36	39
	Total water and sewage	Thousand m ³	2,594	2,662	2,303
		t-CO ₂	1,165	1,195	1,033

Measurement Items		Units	Fiscal 2017	Fiscal 2018	Fiscal 2019
Total	Direct energy CO ² emissions	t-CO ₂	17,120	14,863	13,526
	Indirect energy CO ² emissions	t-CO ₂ (emission coefficient)	166,697	140,657	126,305
	Other CO ² emissions	t-CO ₂	18,945	19,628	45,615
	Total CO ² emissions	t-CO ₂ (emission coefficient)	202,762	175,148	185,447
	Total CO ² emissions (per m ²)	t-CO ₂ /Thous and m ² (emission coefficient)	119	106	115

*The main reason for the increase in results of FY2019 compared to that of FY2018 is that the CO₂ conversion factors for business trips have been updated to ver 3.0 in the "Database of emission intensity for calculating greenhouse gas emissions of the organization throughout its supply chain", developed by MINISTRY OF THE ENVIRONMENT.

[Scope of data]

*Each item is simply the sum of the values of the following group companies. Sumitomo Mitsui Banking Corporation, SMBC Trust Bank, Sumitomo Mitsui Finance and Leasing, SMBC Nikko Securities, SMBC Friend Securities(*1), Sumitomo Mitsui Card Company, SMBC Finance Service, SMBC Consumer Finance, The Japan Research Institute, Sumitomo Mitsui DS Asset Management Company, THE MINATO BANK(*2), and Kansai Urban Banking Corporation(*2)

(*1)Merged with SMBC Nikko Securities as of January 2018.

(*2)Excluded from the Group as of April 2018.

[CO₂ conversion method]

(*3)Actual emission factor for each electric business company is used.

(*4)Refer to MINISTRY OF THE ENVIRONMENT's "Database of emission intensity for calculating greenhouse gas emissions of the organization throughout its supply chain".

Ver 2.2 is applied until FY2018, and ver 3.0 from FY2019.

(*5)Others uses "Support tool of Calculating CO₂ Emissions from Energy Use" provided by the Agency for Natural Resources and Energy.

[Third party verification]

These data are being tested third-party certification from the Japan Quality Assurance Organization.

Reducing Energy Consumption

Medium/Long-Term Reduction Target for Electricity Consumption

SMBC

SMBC Nikko

Approximately 90% of the energy used by SMBC is electricity. The bank is therefore prioritizing efforts to reduce power consumption in order to lower its overall energy consumption. Since fiscal 2013, SMBC has conducted these initiatives with a target of reducing its electricity consumption intensity (electricity consumption / total floor area) in fiscal 2020 by 10.5% compared to fiscal 2009. This target has been established by the Japanese Bankers Association for the banking industry as a whole in the Japan Business Federation's "Commitment to a Low-Carbon Society" action plan. In fiscal 2015, a new target was established, reducing the electricity consumption intensity (electricity consumption / total floor area) in fiscal 2030 by 19.0% compared to fiscal 2009. SMBC is continuing its efforts to conserve electricity and achieve the target.

SMBC Nikko Securities has set an environmental goal to reduce the amount of electricity used per 1 m² of floor space by more than 10% by fiscal 2020 as compared against fiscal 2009, and reduce usage by more than 20% by fiscal 2030. This goal is a standard set for the securities industry by the Japan Securities Dealers Association in their Securities Industry Action Plan for Environmental Issues.

Compliance with Amended Energy Saving Act

SMBC

As a company (enterprise) with annual energy consumption (crude oil equivalent) of 1,500 kiloliters or more, under the Energy Saving Act SMBC is required to develop an energy management system, create a medium/long-term plan and reduce its energy consumption intensity by 1% or more each year. SMBC is not only firmly fulfilling these obligations but also conducting measures that include management practices based on the act and reduction of energy consumption at individual branches and offices.

Publication of Carbon Reduction Report for Small and Medium-Sized Facilities

SMBC

Global warming countermeasures at offices and branches in Tokyo are reported along with CO₂ emissions in accordance with the Tokyo Metropolitan Government's Tokyo Carbon Reduction Reporting Program.



Bureau of Environment, Tokyo Metropolitan Government: Tokyo Carbon Reduction Reporting Program for small and medium-sized (Data of SMBC) (Japanese only)

Reducing Environmental Impact through Products and Services

Paperless Initiative Through Devices in Store Operations

Paperless application procedures not only reduce environmental impact and raise customer convenience, they also eliminate the risk of information leaks connected with disposal of paper application forms. Rigorous management of the digitized data through access restrictions and other measures also further strengthens protection of customers' personal information. There are advantages in terms of administrative efficiency as well, such as a smoother screening process, so a number of Group companies are actively involved in this initiative.

SMBC

SMBC has been undertaking efforts to improve hospitality by implementing paperless branches that utilize cutting-edge technology to improve services for our customers. The Ginza branch that was reopened inside GINZA SIX in April 2017 achieved digitalization of store services by using in-store transaction navigation, electronic signatures, and electronic seals.

In addition, this initiative was evaluated by the Japan Institute of Information Technology and received an award of excellence in the Service & Hospitality Awards from the Institute in 2017, and the highest award of merit for the same program in 2018.



Paperless Application Procedures

SMBC

SMBC Finance Service

SMBCCF

SMBC Finance Service has been promoting conversion from conventional duplicate application forms to paperless credit card application tools that reduce environment impact. The company provides affiliated merchants with systems and so forth for completing applications using Internet products and tablet devices, such as the online credit system Cedyna C-Web, which enables applications to be completed online, and the Digital Pen ECO pen with an infrared camera, which is used with a specialized contract form (application form). When a tablet device is used, the entry method is simple, corrections are easy, and member application procedures are simplified, which reduces the burden on customers as well.

SMBC Consumer Finance is improving customer convenience through digitalization as well as reducing the consumption of resources by actively expanding the App Loans service to promote cardless transactions. The SMBC account opening app for smartphones allows customers to open an account easily with just ID and a smartphone. All of these services not only offer greater convenience to our customers, but help to cut usage of paper resources.



Paperless Statements

SMBC

SMCC

SMBC Finance Service

SMBCCF

SMBC, SMCC, SMBC Finance Service and SMBC Consumer Finance encourages customers to switch to the "Web Account Statement Service" and "Web passbook" which allow customers to view their statements online rather than receiving a paper version by mail, as a way for them to participate in environmental initiatives.

SMBC provides an e-report service that enables customers to use the Internet to view reports that would normally be sent in the mail, such as for investment products and loan products.

"SMBC Green Program" through Selling JGBs to Retail Clients

SMBC

SMBC is pursuing the "SMBC Green Program" through selling JGBs to retail clients, in which SMBC implements certain measures to reduce carbon emissions (e.g., donations for tree-planting projects) by using part of the profit earned in such sales. In this Program, SMBC endeavors to ensure environmental conservation for the Earth jointly with clients through the following: ① reduction in carbon emissions equal to 100kg; or ② tree planting for the equivalent of 1m² of forest (forest improvement, etc.) per client.

Please refer to the link below for more details:

 **SMBC: "SMBC Green Program" (JGB sales to retail clients) (Japanese Only)**

Issue of Chikyuni Yasashii Card for Environmental Contributions through Credit Cards

SMBC Finance Service

SMBC Finance Service issues the Chikyuni Yasashii Card to allow people to make donations for the environment through simple, everyday use. The company issues 14 types of cards based on specific themes related to global environmental protection. When people use the Chikyuni Yasashii Card for shopping, SMBC Finance Service automatically donates 0.5% of the card usage amounts to protection and research organizations based on those themes through The Defense of Great Earth Foundation.

For details regarding various activities, please refer to the following website


 **SMBC Finance Service: Initiatives for the environment through business activities (Japanese only)**

Environmental Considerations in Leasing

SMFL

Sumitomo Mitsui Finance and Leasing is completely in compliance with environment-related laws and regulations to prevent contamination of the environment due to illegal disposals of industrial waste materials triggered by the expiration of leases. In addition, multi-phased assessments of disposal contractors, mainly in terms of compliance, local research and interviews, are conducted annually in order to prudently select the most appropriate company that handles transportation and disposing of waste materials at the time of the expiration of a lease.

For details regarding various activities, please refer to SMFL's website.

 **SMFL: Environmental Activities (Compliance with Environment-Related Laws and Regulations) (Japanese only)**

Reduction of environmental impact within the company

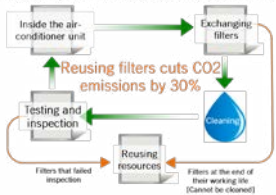
Environmental Features in Buildings

SMBC

Implementing company rules to reduce environmental impact

SMBC actively selects buildings with environmental friendly features for its branches and offices. The head office building has rainwater storage tanks, solar power facilities, a rooftop garden and human sensors, and makes use of recycled materials. These various environmental features and facilities are designed to give the building 30% lower annual CO₂ emissions than the average leased office building in Tokyo. For example, SMBC reduces 187 tons in carbon per year as a result of recycling high efficiency filters for air conditioning systems and energy-saving effects.

Cleaning and recycling system for air-conditioner filters supplied by UNIPAC used at SMBC head office



SMBC East Tower, which opened in the summer of 2015, has the environmental features on the head office building with the addition of all LED lighting and high-performance exterior walls performance. These features enable a 35% reduction in annual CO₂ emissions compared to the average leased office building in Tokyo. Thanks to these environmental facilities and features, the building has earned an "S" rank in the CASBEE rating system for building environmental performance and a "Platinum" rating from LEED-CI, an international environmental certification program.

Part of the power used by the East Tower was switched to non-carbon-emitting power by hydroelectric plants ("Aqua Premium"(*)) by TEPCO Energy Partner).

(*) Aqua Premium represents the power generated by general hydroelectric facilities of the TEPCO Group (excluding power generated by pumped storage power plants and FIT electricity). It represents the power generated only by hydroelectric plants that do not emit carbon in the process of generation, and stable power supply is enabled throughout the day by procuring power from many hydroelectric plant sites. (FIT stands for the "Feed-in Tariff" system, whereby the government ensures that the power generated by renewables is purchased by utility companies at a fixed price.)



The Osaka head office building underwent a major renovation that finished in fiscal 2015. We installed high performing exterior wall frames, LED lighting, and solar panels to substantially improve the environmental performance while retaining the original charm of the facilities.



Initiatives are also being conducted overseas to select and use buildings with environmental features and facilities. The Brussels Branch in Belgium is housed in a building certified through the BREEAM method (Building Research Establishment Environmental Assessment Method) for assessing building environmental performance.



Other Initiatives

✓ company rules to reduce environmental impact ✓ Green Purchasing

✓ Internal Recycling of Documents that are No Longer Needed ✓ Ban on Plastic Straws

✓ Utilizing monitors and recycling office supplies

company rules to reduce environmental impact

SMBC

SMCC

SMBC Finance Service

SMBCCF

Within the Group, various measures for resource-saving are being pursued concerning merchandise, ranging from the procurement stage to use, disposition and recycling stages.

For instance, at the stage of purchasing paper sheets in large quantity for use in copiers, SMBC selects and purchases sheets that are environment-friendly (e.g., products that meet the requirements of the Act on Promoting Green Purchasing) after confirming that material procurement and production were carried out adequately for the products in accordance with the environmental conservation criteria publicly disclosed by suppliers. Also, at the use stage, SMBC endeavors to reduce the quantity of use as per the rules specifically set internally (e.g., through the promotion of paperless meetings). At the stage of disposition and recycling as well, SMBC takes certain measures to achieve targeted reduction in the volume of paper waste to be processed.

Also, each individual company, including Sumitomo Mitsui Card, SMBC Finance Service, and SMBC Consumer Finance, endeavors to ensure resource-saving, energy-saving and waste segregation by type in compliance with the internal rules specific to each respective company.

Green Purchasing

SMBC

SMBC Nikko

SMCC

SMBC Finance Service

Concerning the purchase of office goods, etc., a “green purchasing” system is adopted by the Group, whereby it is ensured that items that impose less of a burden on the environment are chosen and purchased to the extent possible, for the purpose of protecting the environment.

Internal Recycling of Documents that are No Longer Needed

SMBC

In addition to proactively pursuing measures such as reduction in waste volume and promotion of paperless customs processing, we are attempting to recycle parts of documents no longer needed at the head office to produce new paper for reuse within the bank by setting a “PaperLab” (an office-use paper production machine) in the head office building.

Developed by Seiko Epson, “PaperLab” can produce new paper by recycling documents no longer needed, without having to ship old documents externally for recycling. It enables a significant reduction in the volume of water used for production compared to conventional paper producing machines. Such a process will enable a greater decline in the level of environmental burden during procurement than purchasing new paper sheets. As for the paper produced through such recycling, not only is effective use promoted both inside and outside the bank, but the system can also function as a trigger to raise employees’ awareness of waste segregation and recycling from the viewpoint of the importance of recycling in the office.



Ban on Plastic Straws

SMBC

The use of plastic straws was banned in the dining and cafeteria areas for employees. (This applies only to the head office building.

Utilizing monitors and recycling office supplies

SMBC Trust

Various measures for resource saving and for reducing waste volume are being pursued: e.g., reduction of printing needs through more effective use of PC monitors; reduction in the number of paper sheets through encouraged use of dual-sided printing; installation of a recycle box or some recycling boxes in the office for stationery items.

Response to climate change(Working on TCFD Recommendations)

Climate change is one of the primary global issues to be addressed in the 21st century. Based on this recognition, the Paris Agreement was adopted and came into force in 2016. In order to attain the long-term goals set under this agreement, including restricting the rise in average global temperature to within two degrees Celsius above preindustrial levels, countries have presented their greenhouse gas emission reduction targets to the United Nations and are implementing relevant measures. Developed countries are pressing forward with measures to create a decarbonized society while according to the report by International Energy Agency (IEA), constructions of new coal-fired power plants are still underway in some Asian countries. In addition, the Japanese government has set the target of reducing the country's greenhouse gas emissions by 80% by 2050.

We have announced our support of the TCFD (*1) at the "One Planet Summit" held in Paris in December 2017. Simultaneously, we will continuously support our customers in their efforts to reduce greenhouse gas emissions by such measures as promoting the introduction of environment-friendly technologies through their business operations. Being committed to reducing greenhouse gas emissions, we will conduct business in a manner that contributes to the growth of both our customers and society, and will further enhance our actions towards climate change.

(*1) The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board(FSB) in April 2015 to urge individual companies to disclose their impact on climate change in their financial reports.

[Working on the Task Force on Climate-Related Financial Disclosures \(TCFD\) Recommendations ▼](#)

[Governance on Climate Change ▼](#)

[Impact of Climate-Related Risks and Opportunities on the Organization's Businesses ▼](#)

[Management of Climate-Related Risks ▼](#)

Working on the Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations ▼

We have summarized our thinking on climate change, which has also been categorized into the four thematic areas of disclosure set out by the TCFD (Governance, Strategy, Risk Management, and Metrics and Targets).

Content and Location of Disclosure Consistent with TCFD Recommendations

Overview of TCFD Recommendations	References (click on link to relevant page)
Disclose the organization's governance regarding climate change-related risks and opportunities.	
Describe the board's oversight of climate change-related risks and opportunities.	<ul style="list-style-type: none"> • Governance on Climate Change • Sustainability Management
Describe management's role in assessing and managing climate change-related risks and opportunities.	<ul style="list-style-type: none"> • Governance on Climate Change • Sustainability Management

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning where such information is material.

Describe the climate-related risks and opportunities that the organization has identified over the short, medium, and long term.

- [Impact of Climate-Related Risks and Opportunities on the Organization's Businesses](#)
- [Promotion of Environmental Businesses](#)
- [SMBC Group Green Bond](#)

Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

- [Impact of Climate-Related Risks and Opportunities on the Organization's Businesses](#)
- [Promotion of Environmental Businesses](#)
- [SMBC Group Green Bond](#)

Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

- [Impact of Climate-Related Risks and Opportunities on the Organization's Businesses](#)

Disclose how the organization identifies, assesses, and manages climate-related risks.

Describe the organization's processes for identifying and assessing climate-related risks.

- [Management of Environmental Risks](#)

Describe the organization's processes for managing climate-related risks.

- [Management of Environmental Risks](#)

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

- [Management of Climate-Related Risks](#)

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

- [Reduction of Environmental Impacts](#)

Disclose greenhouse gas emissions and the related risks of Scope1, Scope 2, and Scope 3 if appropriate.

- [Reduction of Environmental Impacts](#)

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

- [Reduction of Environmental Impacts](#)

Governance on Climate Change

Our Group Environmental Policy recognizes the importance of realizing a sustainable society. To this end, the SMBC Group is making continuous efforts to harmonize environmental preservation and pollution prevention with corporate activities.

Our policies on climate change are reflected in our business strategy based on discussions of the Corporate Sustainability Committee and Management Committee, while details of our sustainability initiatives are regularly reported to the Board of Directors. Under this structure, we capture business opportunities and control the risks presented by climate change.

Impact of Climate-Related Risks and Opportunities on the Organization's Businesses

[Physical Risks]

There is a risk that the increase in extreme weather associated with climate change will negatively affect our customers' business. In light of frequent climate change-related natural disasters in Japan in recent years, SMBC performed a climate change scenario analysis for physical risks to assess impacts through 2050.

Our analysis specifies as the risk event water disasters such as storms and flooding, which account for the majority of climate change-related natural disasters. We apply the RCP (*2) 2.6 (2°C scenario) and RCP8.5 (4°C scenario) scenarios used by the Intergovernmental Panel on Climate Change (IPCC) as greenhouse gas concentration pathways used as the basis for research. SMBC uses this analysis to calculate the estimated increase in credit-related costs for its corporate customers associated with water disasters in Japan through 2050, taking into consideration the effects on collateral held by SMBC and customers' financial condition as well as the probability of a water disaster occurring (*3) in each climate change scenario. Based on our analysis, the estimated increase in credit-related costs through 2050 was 30-40 billion yen, or a simple annual average of approximately 1.0 billion yen. We thus conclude that at this stage, climate change-related water disasters will have a limited impact on SMBC's financial condition in a particular year.

The results of the above calculations are tentative, based on certain assumptions for natural disasters and analysis targets. Going forward we intend to analyze risk volume in greater detail while expanding the scope of analysis.

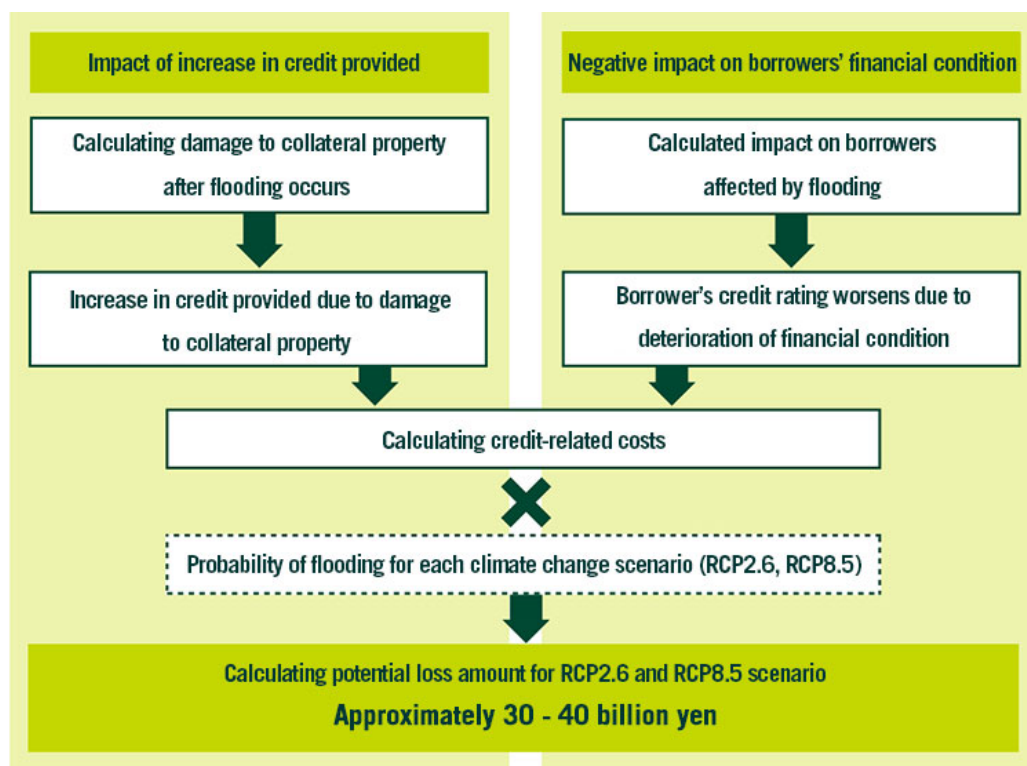
(*2) Representative Concentration Pathways Scenario

For example, RCP2.6 assumes radioactive forcing (the difference between energy absorbed by the earth and radiated back into space, which influences changes to the earth's climate system) is 2.6w/m².

(*3) Based on data from the paper below

"Hirabayashi Y, Mahendran R, Koirala S, Konoshima L, Yamazaki D, Watanabe S, Kim H and Kanae S (2013) Global flood risk under climate change. Nat Clim Chang., 3(9), 816-821. doi:10.1038/nclimate1911.

< Process of Analyzing Physical Risks >

**[Transition Risks]**

In the process of transition to a low-carbon society, we anticipate risks of a decline in the value of affected assets (asset stranding). SMBC conducted a climate change scenario analysis for transition risks based on Carbon-related assets^{(*)4}, which account for 7.8% of all loans by SMBC. In this analysis, We apply Stated Policies Scenario^{(*)5} and 2°C Scenario^{(*)6}, which are stated by the International Energy Agency (IEA).

In addition, by estimating the impact on credit risk of each sector from the expected changes in resource prices and demands including crude oil and natural gas, and power generation costs^{(*)7} in each scenario, total credit costs expected by 2050 is estimated. Under the 2°C scenario, estimated credit costs are expected to increase approximately 2~10bln yen per fiscal year on or before 2050, compared with stated policy scenarios. This is first step in the scenario analysis, and SMBC Group will continue to strive to enhance it.

In the future, we will support for the customers' efforts to their climate change resilience in the period of transition to a low-carbon society.

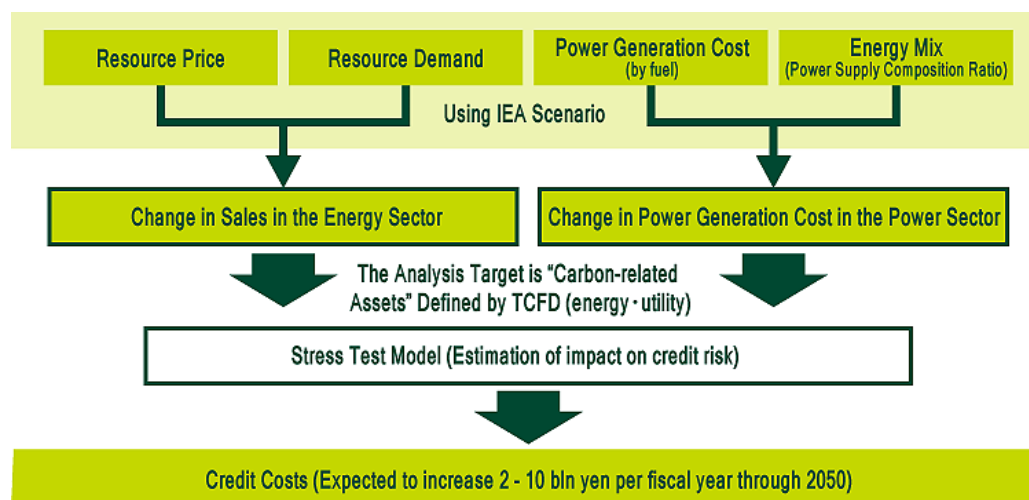
^{(*)4} TCFD: The Task Force on Climate-related Financial Disclosures defines carbon-related assets as those of the energy and utilities industries (excluding water companies, independent power producers, and renewable energy companies) in the Global Industry Classification Standard (GICS).

^{(*)5} A scenario assuming that energy plans currently stated by governments will be implemented

^{(*)6} A scenario in which the global average temperature increase from before the Industrial Revolution to 2100 is held to 2°C with a probability of at least 50%

^{(*)7} In Japan, the restarting of nuclear power plant is considered in align with the IEA scenario.

< Process of Analyzing Transition Risks >



[Opportunities]

As we work toward realizing a low-carbon society, we support businesses that help mitigate the effects of climate change such as renewable energy and green building projects, the creation of cities and regions with infrastructures resilient to natural disasters, and efforts to build sustainable lifestyles. Amid expectations that the market for these climate change-related businesses will grow, we arranged project finance of around 520 billion yen in renewable energy in fiscal 2018. We are actively supporting these projects, having made it to the top of the Project Finance league table (*8) in this category.

We also issue Green Bonds in accordance with the green bond framework pursuant to the Green Bond Principles established by the International Capital Market Association (ICMA) and Green Bond Guidelines published by the Ministry of the Environment, Japan, as a way to contribute toward the promotion of environmental businesses and reduce environmental impact in Japan and overseas. We will continue our efforts to work with our customers to solve climate change-related problems by supporting the issue of Green Bonds by our customers and providing investment support services.

(*8) Results of IJ Global's 2018 Project Finance League Table

Physical Risks	Transition Risks	Opportunities
Physical Risks Based on Scenario Analysis (Credit-related costs expected to increase) 30-40 billion yen (Accumulated through 2050)	Transition Risks Based on Scenario Analysis 2~10 billion yen (Per year through 2050) Exposure to carbon-related assets (As of March 2019) 7.8%	Value of renewable energy projects financed 520 billion yen

Management of Climate-Related Risks

As a framework for risk management, SMBC Group follows the procedures of PDCA (Plan, Do, Check, Act) to identify external environmental and risk events, analyze their impact, and establish a system to undertake necessary management.

Recently, events related to climate change, such as the occurrence of large-scale disasters due to extreme weather and the deterioration of carbon-related assets in accordance with transition to a low-carbon society, have been newly selected as top risks. Under this framework, efforts to strengthen scenario analysis and consider countermeasures at the management level have begun. These measures are reported to the Management Committee and the Risk Committee and reviewed by external directors at Board of Directors meetings.

Going forward we remain aware of the increasing emergence of the effects of climate change, strive to understand the external environment and the risks on our business, and take action as appropriate.

SMBC Group Green Bond

Sumitomo Mitsui Banking Corporation (SMBC) Group is a major issuer of green bonds both domestically and in international markets. SMBC Group strives to further contribute to the sustainability and improvement of the global environment through green bonds issuance.

SMBC Group applies the net proceeds of green bonds to finance qualifying renewable energy generation and energy efficiency projects.

SMBC Group has a strong track record in providing project finance for renewal energy (solar energy, wind energy, etc.) both domestically and internationally.


Track Record of Green Bond Issues

In October 2015, SMBC, SMBC Group's main operating bank, issued USD denominated green bonds. It was the first green bond issuance among Japanese private financial institutions. Since then, SMBC Group regularly issues green bonds; as of March 2020, the outstanding amount of the five issuances stands at EUR 1.7billion equivalent.

 [Green Bonds Issued by SMBC Group](#)








Green Bond Framework

The green bonds were issued and managed by SMBC Group in accordance with its green bond framework pursuant to "Green Bond Principles" established by the International Capital Market Association (ICMA) and "Green Bond Guideline" published by the Ministry of the Environment, Japan.


Framework	Opinion
SMBC Group Green Bond Framework	 SMBC Group Green Bond Framework-opinion

Annual Reporting

As of Mar.2020

Notes	External Review	Management Assertion	Investor Report
SMBC USD500mn 2.450% due2020	 KPMG Assurance Report	 SMFG  SMBC	 Annual Report
SMFG EUR500mn 0.934% due2024	 Sustianalytics Review SMFG 2017		
SMBC USD227.8mn 3.370% due2023 SMBC AUD83.2mn 2.900% due2023	 Sustianalytics Review SMBC 2018		
SMFG EUR500mn 0.465% due2024	 Sustianalytics Review SMFG 2019		





Reporting Archive

Close 



As of Mar.2019

Notes	External Review	Management Assertion	Investor Report
SMBC USD500mn 2.450% due2020	 KPMG Assurance Report SMBC 2015		 FY3/2019 Annual Report
SMFG EUR500mn 0.934% due2024	 Sustainalytics Annual Review SMFG 2017	 Management Assertion SMFG	
SMBC AUD83.2mn 2.900% due2023 SMBC AUD83.2mn 2.900% due2023	 Sustainalytics Annual Review SMBC 2018	 Management Assertion SMBC	



As of Mar.2018

Notes	External Review	Management Assertion	Investor Report
SMBC USD500mn 2.450% due2020	 KPMG assurance report (467KB)	 SMBC Green Bonds impact Report 2018	
SMFG EUR500mn 0.934% due2024	 Annual Review 2018	 SMFG Green Bonds Monitoring Report (As of March 31, 2018)	

As of Mar.2017

Notes	External Review	Management Assertion	Investor Report
SMBC USD500mn 2.450% due2020	 KPMG assurance report (1,261KB)	 SMBC Green Bonds impact Report 2017	

As of Mar.2016

Notes	External Review	Management Assertion	Investor Report
SMBC USD500mn 2.450% due2020	 KPMG assurance report (3,210KB)	 SMBC Green Bonds impact Report 2016	

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SMBC Group Green Bond Framework

SMBC Group i) sets criteria for eligible Green Project, ii) evaluates and selects Eligible Green Projects, iii) manages green bond proceeds, and iv) publishes relevant reporting, under the green bond framework detailed below.

1. Eligibility criteria to qualify as a green project

To qualify as an Eligible Green Project, a project must meet all of the following conditions.

- (1) The project is categorized as at least one of the Eligible Green Project Categories (A) to (E) below.
- (2) The project is categorized as Category (B) or Category (C) under the Equator Principles as published by the Equator Principles Association.
- (3) An existing or new project which SMFG (or, SMBC, as the case may be) has agreed to lend (a) during the 24 months prior to the relevant issue date of a green bond or (b) after the issue date of a green bond.

Eligible Green Project Categories

(A) Renewable energy	Projects to develop, construct and operate solar, wind, geothermal and biomass power generation facilities (restricted to sustainable feedstock and/or waste materials) and small-scale renewable hydropower generation facilities with capacity of 25 megawatts or less
(B) Energy efficiency	Projects related to energy conservation equipment, such as LED lighting, efficient HVAC, building insulation materials and power consumption control systems
(C) Green buildings	Projects to construct and repair green buildings with a rating of at least Gold by LEED, ^{*1} Excellent by BREEAM ^{*2} or A Level by CASBEE ^{*3}
(D) Clean transportation	Projects related to public transportation, rail transport, non-motorized transport (automobiles, etc.), manufacturing of electric vehicles and the development, operation and upgrade of infrastructure/technology for the expansion and improvement of integrated transport
(E) Pollution prevention and control	Projects related to the development, construction and operation of facilities for pollution prevention and waste management, such as waste recycling and power generation from waste

*1 LEED: Leadership in Energy and Environmental Design

*2 BREEAM: Building Research Establishment Environmental Assessment Methodology

*3 CASBEE: Comprehensive Assessment System for Built Environment Efficiency

For clarification purposes, the following are excluded from the Green Bond Framework: fossil fuel based assets, fossil fuel based transportation / infrastructure and transportation with the main objective of transporting fossil fuel, defense and security, palm oil, wood pulp, nuclear power generation, coal-fired power generation as well as all mining and tobacco sectors.

2. Project evaluation and selection process

SMFG's Corporate Treasury Department and SMBC's Planning Department, Treasury Unit worked together with SMFG's Corporate Sustainability Department to establish the criteria for Eligible Green Projects, including Project Categories (A) to (E) above, in conjunction with the support provided by The Japan Research Institute (JRI), the think tank subsidiary of the group with extensive experience and knowledge in environmental fields. SMBC's Structured Finance Department selects the projects which meet the criteria. SMFG's Corporate Treasury Department and SMBC's Planning Department, Treasury Unit decide the eligible project for the green bond. Net proceeds of the green bond are to be allocated to selected eligible projects

SMBC's credit policy, which describes underlying principles in making credit decisions and incorporates environmental risk, stipulates the bank's determination not to lend to projects that may seriously damage the environment. For large-scale projects, SMBC conducts social and environmental risk assessment based on the Equator Principles and implements environmental monitoring through the Environment Analysis Department.

3. Management of bond proceeds

SMBC uses the net proceeds to finance existing or new Eligible Green Projects. The pending allocations will be invested in short-term financial instruments until allocated to Eligible Green Projects.

Also, any of green bond proceeds allocated to projects that have been sold, prepaid, amortised or otherwise become ineligible will be reallocated to other Eligible Green Projects. Further, the payment of principal and interest of relevant green bonds will be made from general funds of SMFG and will not be directly linked to the performance of related Eligible Green Projects.

4. Reporting

(1) Reporting on proceeds allocation

During the term of any relevant green bonds, SMFG/SMBC will publish on a dedicated website information regarding the allocation of bond proceeds and keep such information available at any time. The information shall be updated at least annually until the bond proceeds are fully allocated to Eligible Green Projects and as necessary thereafter in the event of any new development.

The information includes i) allocation amount and loan execution date for each funded Eligible Green Project, and ii) management assertions that bond proceeds are duly allocated to Eligible Green Projects or invested in short-term financial instruments.

(2) Impact reporting

As long as any relevant green bonds are outstanding, SMFG will quantify and publish on a dedicated website the environmental impact of funded Eligible Green Projects, such as the amount of CO₂ reduced, with the support of The Japan Research Institute (JRI). SMFG will keep such information available at any time and update it annually.

Contribution Activities to Environment

Main Measures

[Issuing "SAFE," an environmental magazine ▼](#)

[Sponsoring for the Furano Field ▼](#)

[SMBC Group clean up campaigns ▼](#)

[Tree Planting in Areas Damaged by the Great East Japan Earthquake of 2011 ▼](#)

Issuing "SAFE," an environmental magazine

SMFG

SMFG has regularly published "SAFE" magazine since 1996, which contains a variety of articles such as top interviews with companies advanced in handling environmental issues, and articles on business trends and recent legal/regulatory moves that could help promote corporate environmental activities.

Also, since 2015, SMFG has been publishing "JUNIOR SAFE" magazine, which provides children, who will inherit the Earth of the future, with opportunities to learn more about the relationship between money and the environment and about the work being conducted by various companies that are pursuing certain measures to improve the environment. In the Fifth Issue of "JUNIOR SAFE" published in December 2019, "Comparison of ecological living among countries of the world as viewed from card use" was adopted as the main subject, which teaches about the background behind the differences in ways of living between Japan and other countries. It gives readers some episodic triggers to think about issues concerning environmental problems and diversity in the world in an enjoyable manner, whereby readers can ask themselves: "What type of living is ecological?"; "How are ways that are viewed as ecological in Japan perceived overseas?" and so forth.



Sponsoring for the Furano Field

SMBC

Having started at the site of a former golf course in the spring of 2006, Furano Field, led by So Kuramoto (book author) comprises two categories of activities: the "nature restoration project," which involves reconstruction of an original forest through tree planting; and the "educational program on the environment," in which the field at the site itself is used as a classroom. SMBC supports these activities as the "SMBC Environmental Program: NPO C.C.C. Furano Field" based on a deep compassion for Mr. Kuramoto's thoughts and vision.



[Furano Field\(Japanese only\)](#)

(You will be taken to the Furano Field site.)

SMBC Group clean up campaigns

SMBC Group

The SMBC Group conducts cleanup events through the efforts of officers and employees of Group companies.

In fiscal 2019, cleanups were held in Suma Coast (Hyogo) on October 26th. A total of 200 officers and employees from SMBC Group companies and their families took part in the activities, working beyond workplace and company boundaries, to help protect the environment.



Tree Planting in Areas Damaged by the Great East Japan Earthquake of 2011

SMBC Group

The SMBC Group continues to pursue tree planting activities as a part of volunteer work to support areas damaged by the Great East Japan Earthquake of 2011. Every year, volunteer officers and employees undertake weed uprooting at planting sites to create tide prevention forests and seedling planting thereon in Yamamotocho, Watari-gun, Miyagi Prefecture, which was significantly damaged by the tsunami, in cooperation with the NPO Watari Green Belt Project.



For Community

SMBC Group's Commitment

SMBC Group



We are committed to working as a citizen of the country and the community to help create a society where senior citizens and people with disabilities can live with complete peace of mind and safe communities where members help and support one another in times of disaster. Recognizing that the role of a global financial group is to be a bridge to the future, we work with various organizations involved in social issues both in the regions where we do business and more broadly and intend to continue voluntary, employee-led social contribution activities in diverse fields such as finance and education.

Through these activities, we will contribute to achieving SDGs No.1 (No Poverty), No.11(Sustainable Cities and Communities).

Below are SMBC Group's main activities that support communities through volunteer work and donations by employees.



Contribution to Achieving and
➤ Developing Safe and Secure Communities

Promotion of Social
➤ Inclusion in Collaboration

Contribution
➤ Activities to Community

Contribution to Achieving and Developing Safe and Secure Communities

SMBC Group is also promoting better branch design so that the elderly and people with disabilities can feel comfortable using these facilities. Below are some examples of group companies' branch design initiatives, including employee education and introduction of universal design services.

Main Initiatives

Policy recommendation

Public policy for a super-aging society

JRI

The year 2025, when baby boomers reach the age of 75, is fast approaching. Japan continues to see its population shrink and the percentage of elderly people increase. The government is establishing an integrated community care system so that elderly people can live out their lives in their familiar communities and extend their lifespans so that all citizens can stay healthy throughout their lives.

To achieve these goals, a complex structure is needed that involves not only social security systems such as healthcare and long-term care, but also health promotion and disease prevention, working style and employment systems, and social infrastructure such as housing and transport.

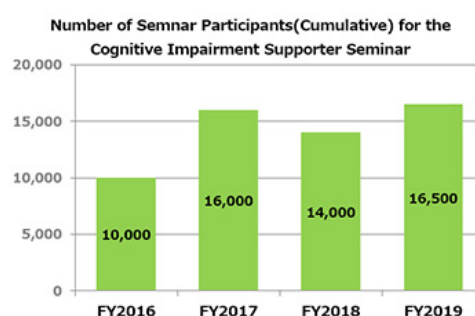
With the theme of "public policy for a super-aging society," the Japan Research Institute harnesses the knowledge of both public researchers and consultants on social security, long-term care and businesses targeting senior citizens, medicine and healthcare, urban planning, etc., to promote recommendations and implementation of new policies and business.

 Japan Research Institute: Public policy for a super-aged society

Employee education

SMBC Group

The SMBC works to create branches that can be visited with confidence by seniors and people with disabilities by incorporating universal design principles and conducting a variety of other initiatives. We also put particular emphasis on training employees who directly interact with customers so that our branches and services can be used with total peace of mind. We have approximately 2,800 care service assistants, who undergo service care cast training, universal etiquette and other training to ensure appropriate assistance is provided. Since fiscal 2014, we have also engaged in full-scale training of cognitive impairment supporters to prepare for the aging of society. As of March 31, 2020, there are approximately 16,500 specialized staff members to assist people with cognitive impairment assigned mostly at its branches.



*The decline in FY2018 is due to two major subsidiaries being removed from the list of Group companies.

Implementation of Universal Design and Universal Service at Branches

SMBC Group

SMBC is working to advance universal design compliance at branches. When installing new equipment or facilities at branches, we check whether it will be easy for people with disabilities to use them during the development stage, and also ask for feedback from customers after installation. SMBC Trust Bank is also conducting Web-based training for all bank employees regarding universal manners, as we work to improve services as a group.

Customer feedback and specific service examples can be found at the following link.

[SMBC: Utilizes Customer Feedback in its Operations \(Japanese only\)](#)

Universal Design (Equipment Response)

- ▼ [Pictogram Display](#) ▼ [Braille Blocks for Visually Impaired](#) ▼ [ATMs for the Visually-Impaired](#)
- ▼ [Improvement of Reception Number Display Devices \(EQ displays\)](#) ▼ [Writing Tools](#)
- ▼ [More Convenient Form Entry](#) ▼ [Installation of Automated External Defibrillators \(AEDs\)](#)
- ▼ [Universal Design Introduction - Enhancing Facilities that All People Can Use with Ease](#)

Pictogram Display

SMBC

Visual indicators related to barrier-free information are posted in the branch information section of the SMBC website as well as at branch entrances to allow customers to confirm in advance when using branch facilities.



Braille Blocks for Visually Impaired

SMBC

Guidance tiles and rivets are placed to mark the path from a branch's entrance to its ATM area to assist people with visual impairments to enter and use the branch.

(Installed at 420 of 420 branches as of March 31, 2020)



ATMs for the Visually-Impaired

SMBC

All ATMs at domestic branches and in non-branch locations are equipped with handset-based audio guidance to serve customers with visual impairments.

More information on upgrading to ATMs for people with disabilities can be found at the following link.



 [SMBC: ATM Upgrades for People with Visual Impairments \(Japanese only\)](#)

Improvement of Reception Number Display Devices (EQ displays)

SMBC

We received feedback that reception number display devices were difficult to read, so we installed EQ display devices that incorporate universal design principles for color, making them easier to read for seniors and people with visual impairments.



Writing Tools

SMBC

Writing tools are also made available at branches to ensure that we are able to accurately and smoothly determine the needs of customers with hearing impairments



Writing board



Guidance plate with "ear" mark



Communication board displays customer procedures in pictograms

More Convenient Form Entry

SMBC

Branches also make available cane and umbrella holders and lap tables for filling out forms so that customers can comfortably use both hands when filling out forms and operating devices.



Cane holders



Lap tables for writing



Installation of Automated External Defibrillators (AEDs)

SMBC

SMBC Finance Service

We have progressively installed AEDs in staffed ATM areas since August 2007 and are utilizing our nationwide branch infrastructure to help people in emergency situations. Even though AEDs are now more readily available, there have been few cases of them being used by the general public, and awareness of first aid techniques has become a society-wide issue. SMBC Finance Service holds basic life-saving classes to strengthen its in-office crisis management system and has been increasing the number of personnel who have acquired life-saving certification, which allows them to perform life-saving procedures using an AED.



AED



Basic life-saving class

Universal Design Introduction - Enhancing Facilities that All People Can Use with Ease

SMBC Nikko

Since May 2015, we have been installing a desktop communication support system called "comuoon (Commune)" on service counters at branches. "comuoon" is developed and manufactured by Universal Sound Design Inc. (Headquarters: Minato-ku, Tokyo, Representative Director: Shinichiro Nakaishi). It is a communication support system that improves communication with people with hearing difficulties. Its high-performance microphone accurately picks up the speaker's voice, and the system then creates sounds that are easy for hearing-impaired people to hear through its egg-shaped speakers.

In addition, we have installed gently-sloped ramps and writing boards at all branches nationwide. We are also installing cane holders as well as customer service counters, interphones, and other objects at heights that are easy for people in wheelchairs to use.

Universal Service

- ✓ [Braille Services](#) ✓ [Voice recognition password card](#) ✓ [Lower Fees for Counter Transfer Orders](#)
- ✓ [Reading and Writing Assistance](#) ✓ [Utilizing Customer Feedback](#)
- ✓ [Acquisition of "Omotenashi Standard Certification 2019"](#) ✓ [Introduction of multilingual support tools](#)
- ✓ [Establishment of global branches](#)

Braille Services

SMBC

We also have Braille versions of contractual terms for regular and time deposits, etc., end-of-month balance notices and time deposit transaction notices.

Voice recognition password card

SMBC

SMBC provides voice recognition password cards to customers with vision impairments.

 For more information on voice recognition password cards, visit: (Japanese only)

Lower Fees for Counter Transfer Orders

SMBC

When customers who have difficulty ordering bank transfers using an ATM machine, such as customers with visual impairments, visit the bank and order a transfer at a teller counter, after the customer's intention is confirmed, the same fee as the fee charged for ATM transfers is applied.

Reading and Writing Assistance


SMBC

Procedures have also been established to provide reading and writing services for customers who are not able to read a contract or enter their signatures due to a disability (how this is handled differs depending on the nature of the transaction).

Utilizing Customer Feedback

SMBC

We conduct various initiatives to sincerely consider customer feedback and provide greater levels of customer satisfaction.

 SMBC: Utilizes Customer Feedback in its Operations (Japanese only)

Acquisition of "Omotenashi Standard Certification 2019"

SMBC Nikko

Omotenashi Standard Certification is a certification system established by the Ministry of Economy, Trade and Industry to promote and revitalize Japan's service industry and regional vibrancy. Companies from sectors other than the service sector are also obtaining this certification. SMBC Nikko received the Omotenashi Standard Certification in 2019 in recognition of efforts to improve the quality of services and to develop branches where all people can use services with ease.



Introduction of multilingual support tools

SMBC

We provide multilingual communication boards and leaflets on how to open an account, etc., to help foreign customers understand registration procedures.



Communication board
(Example: Chinese)



Leaflets about opening an account, etc.
(Example: Chinese)

Establishment of global branches



SMBC Trust

We have positioned the Akasaka and Hiroo branches as "global branches" for customers with global businesses. These branches offer English-language pamphlets and product brochures to customers who wish to make transactions in English, as well as providing competent consultations about products and services in English.



Establishing an Inquiry Desk for People with Disabilities

▼ [Dedicated forms for customers with visual or language impairments](#) ▼ [Sign language / written inquiry](#)

<div>Dedicated forms for customers with visual or language impairments</div> <div>SMBC</div> <div>Dedicated inquiry forms are made available for customers that have visual or language impairments.</div> <div> SMBC: Dedicated forms for customers with visual or language impairments (Japanese only)</div>
<div>Sign language / written inquiry</div> <div>SMCC</div> <div>SMCC provides a sign language and written inquiry service that uses a specialized video communication system for people who have difficulty with phone conversations due to a hearing or speech disability.</div> <div> SMCC Sign Language and Written Inquiry Service (Japanese only)</div>

Promotion of Social Inclusion in Collaboration

Social inclusion is a principle whose objective is for all people to live healthy lives as members of their local community by ensuring that no one is left behind in employment and community relations. The SMBC Group runs diverse programs aligned with this principle, such as regional revitalization and other businesses and community contributions through sports, food, and sponsorships, as shown below.

Main Measures

[Structuring of Social Impact Bonds ▼](#)

[Handling of “Mirai 2030™,” a Leasing Service for SDGs ▼](#)

[Regional Revitalization Business ▼](#)

[Donations through Products and Services ▼](#)

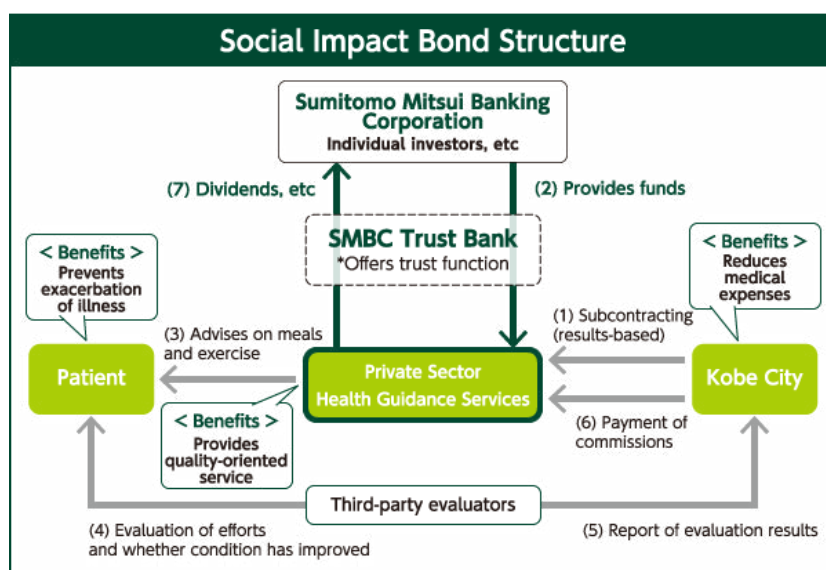
Structuring of Social Impact Bonds

SMBC

SMBC Trust

SMBC and SMBC Trust Bank are jointly pursuing measures for the “social impact bonds” that typify a scheme for public-private partnership. In July 2017, social impact bonds were structured for Kobe City’s project to prevent diabetic nephropathy, etc. from becoming a serious issue, and in September 2019, social impact bonds were also structured for Toyonaka City’s project to ensure smoking cessation; both were the first such projects in Japan. Through the said scheme, Group companies will continue to provide financial support to solve social problems that modern society and respective regional communities are facing going forward.

Structure of a social impact bond (e.g. project of Kobe City to prevent the diabetic nephropathy, etc. from becoming a serious issue)



Handling of “Mirai 2030™,” a Leasing Service for SDGs

Support for GoalBall

SMFL

JRI

Sumitomo Mitsui Finance and Leasing (hereinafter “SMFL”) began providing Mirai 2030™, which is a leasing service for SDGs to enable their achievement, jointly with the Japan Research Institute (hereinafter “JRI”). SMFL is offering two types of Mirai 2030™: Mirai 2030™ (donation type), where a part of the lease charge is donated by SMFL to public interest incorporated foundations and NPOs that contribute to achieving the SDGs; and Mirai 2030™ (certification type), whereby a certificate is issued if visible effects from facility adoption or effective measures for SDGs are confirmed with regard to facilities related to renewables and/or energy saving.



SMFL: SMFL, jointly with JRI, began providing Mirai 2030™ as the first SDG leasing service in Japan. (Japanese only)

Regional Revitalization Business

SMBC Trust

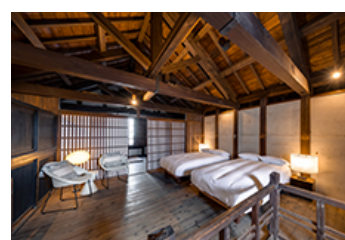
SMFL

SMBC Trust Bank received the land and buildings of an aquarium in trust and is involved in a regional revitalization business through design, management, and operational support of the aquarium.

In January 2019, Sumitomo Mitsui Finance and Leasing established Dazaifu Co-Creation through joint investment with Nishi-Nippon Railroad Co., Ltd., and The Bank of Fukuoka, Ltd. Dazaifu Co-Creation, and operates a dispersed traditional Japanese dwelling lodging business via coordination with Dazaifu City, Fukuoka Prefecture, and Dazaifu Tenmangu Shrine, which entails renovating traditional Japanese dwellings located throughout the region to function as lodging facilities and restaurants. Sumitomo Mitsui Finance and Leasing supports this business by leasing interior fixtures, lodging facilities, kitchen equipment, and equipment and machinery used in restaurants and by providing other financial services. SMBC Group is supporting tourism and subsequently the development of regional economies by participating in such tourism projects as a partner and by providing leasing and various financial services.



Shikoku Aquarium



Traditional Japanese dwelling converted into lodging facility

Donations through Products and Services

Handling of ESG Investment Trusts and Social Contribution Bonds

SMBC Nikko

In June 2016, SMBC Nikko launched sales of the Schroder Asia Pacific Excellent Companies Fund, a mutual fund that invests in stocks in the Asia Pacific region focusing on ESG (Environment, Social, Governance). The fund is the first ESG fund with Asia-Pacific stocks and received the Outstanding Fund Award in the domestic equity (global) category at the Morningstar Award Fund of the Year 2017. Since 2017, the company has been donating a portion of obtained profits through funds to support sports development and provide financing for disabled sports (para-sports). In July 2019, the company donated 2,849,108 yen to the Japan Sports Association and Japanese Para-Sports Association. In addition, Nikko Asset Management provides opportunities for investing in environmentally and socially conscious companies through its handling of green bonds and other social contribution bonds.

Social Contribution Through Credit Card Use

SMBC Finance Service

SMBC Finance Service issues a credit card for social contribution through its credit card operations together with cardholders. When members use their cards, a portion of the spent money will be donated to organizations at no cost to the members. The "Atom Card" issued since 2003 is donating to charities that qualify as "activities that make children's dreams come true" and "activities that help children." Approximately 2.53 million yen was donated in fiscal 2019, a cumulative total of approximately 56.0 million yen.

Contribution Activities to Community

Main Measures

[Pro Bono by Officers and Employees of the SMBC Group ▼](#)

[System to Ensure Matching Gifts for Funds Donated by Officers and Employees ▼](#)

[Participation in or Support through TABLE FOR TWO and WFP ▼](#)

[Participation in the FIT Charity Run ▼](#)

[In-company Charity Sales Event ▼](#)

[Support for the Vitalization of Sports Activities ▼](#)

[Co-sponsorship of Promise Essay Contest for a Future Filled with Smiles ▼](#)

[Social Contribution Activities in Emerging Countries ▼](#)

[Support for Reconstruction in Areas Impacted by Large-scale Natural Disasters ▼](#)

Pro Bono by Officers and Employees of the SMBC Group

The SMBC Group is undertaking a "pro bono"(*) project, where skills and experience accumulated over time through business operations can effectively be put into use.

*What is Pro Bono?

"Pro bono" is from the Latin "pro bono publico," meaning "for the public good." In practice it is a volunteer activity in which people in the working world utilize the skills and experience they have acquired through sales, planning, development, marketing, PR, and other areas to provide support from a business standpoint, which tends to be a weakness of NPOs. People who lend their talents in this way are said to work pro bono, and in Japan the practice is drawing attention as a new form of social contribution by businesspeople that also raises awareness.

SMBC Group Pro Bono Project

SMBC Group

The SMBC Group Pro Bono Project promotes attempts to support NPOs that endeavor to solve various social problems. It was initiated by SMBC in fiscal 2011, and its participation scope was expanded to officers and employees of SMBC Group companies starting in fiscal 2014. The activity range of this Project includes the following: provision of advice and proposals concerning improvement in operational flow needed to manage donated funds and their use as well as operational base improvement (e.g. information management of those who donated funds); pursuit of marketing surveys and analysis to provide basic data necessary for solving social problems and forming mid to long-term strategies, etc.

In fiscal 2019, ten volunteers were chosen from among officers and employees of relevant SMBC Group companies and were grouped into two teams. On behalf of the NPOs that the SMBC Group supports, the participants pursued the program to manage the donated funds as well as the program to evaluate projects in progress, and specific proposals were presented in both cases.

As for the activity report of fiscal 2019, please refer to the following:

➤ [CSR Activity Report for Fiscal 2019\(Japanese only\)](#)

➡ [SMBC Group Pro Bono Project \(Japanese only\)](#)

(You will be taken to the NPO Service Grant site.)



Introduction of a Pro Bono Work System

SMBC Nikko

In March 2020, SMBC Nikko introduced a “pro bono work” system, where part of employees’ working time is sacrificed, a rare case for a Japanese financial institution. Considering the situation with regard to NPOs, which tend to lack manpower, SMBC Nikko is contributing to society through providing certain NPOs with a variety of support, leveraging the characteristics of the securities business during weekday working hours.

➡ [SMBC Nikko: Social Contribution Activities\(Japanese only\)](#)

System to Ensure Matching Gifts for Funds Donated by Officers and Employees

SMBC Volunteer Fund

SMBC

The SMBC Volunteer Fund is a donation fund that collects money from willing SMBC officers and employees on a monthly basis through automatic debit from their salary. As of March 2020, there were about 8,200 participating members. It is operated as per the “matching gift” scheme, where SMBC donates an additional amount of money on top of the total amount of funds gathered from members.

For this Fund, participating officers and employees can proactively get involved in the process of selecting fund recipients. Moreover, participation by certain external institutions and experts is also encouraged from the viewpoint of leveraging their expertise. After the implementation of donations, reporting opportunities are provided for each of the recipients of the donated funds to directly provide a briefing on their activities. Also, starting in fiscal 2013, a new program commenced in relation to the Fund whereby willing officers and employees participate in volunteer works available from recipients of the donations.

Note that the total amount of donated funds in fiscal 2019 was ¥15.5 million.

➡ [SMBC: SMBC Volunteer Fund\(Japanese only\)](#)

"Yakusoku no Mori" Initiatives

SMBCCF

SMBC Consumer Finance introduced the "Yakusoku-no-Mori" donation matching program* in 2007 to enable employees to think about and participate in social contributions in a more familiar way. Through the "Yakusoku-no-Mori" program, support is provided for grants to children's homes that help children, the bearers of the future, (Zenkoku Jido Yougo Shisetsu Kyogikai), for assistance in helping children become self-reliant (Zenkoku Jiritsu Enjo Home Kyogikai), and for the breeding and training of hearing assistance dogs (Japan Hearing Dogs for Deaf People). In addition, nine "donation vending machines" have been installed in the company's offices, and a portion of their takings are donated to support Japan Hearing Dogs for Deaf People.

* "Yakusoku-no-Mori" is a donation matching program that enables the company's employees to determine donation recipients and the amount of monthly contributions. Money is raised by making deductions from employees' salaries, and the company provides an additional gift of a certain amount on top of that. The total is then donated to the recipient organization.

Participation in or Support through TABLE FOR TWO and WFP

Participation in the "TABLE FOR TWO" Program

SMBC

SMFL

SMBC Nikko

SMCC

SMBCCF

JRI

"Table for two" means two people sharing the same table for a meal, and based on this concept the TFT movement seeks to bring health both to children in developing countries suffering from hunger or a lack of nutrition and people in developed countries suffering from lifestyle diseases such as obesity. When employees purchase one of the healthy meal options at the staff cafeteria, a donation of 20 yen, worth one school lunch in a developing country, is made via the NPO "TABLE FOR TWO International." SMBC has introduced this program at all of its domestic offices and branches and its New York Branch*.

Sumitomo Mitsui Card has done likewise at five offices including the head office, while SMBC Consumer Finance and Japan Research Institute have introduced this program at their respective head offices.

In addition, "Global Connection TABLE FOR TWO" vending machines make it possible to donate just by buying a low-calorie drink, sports drink or other high-function beverage or a vegetable juice or healthy 100% juice drink, for example. The vending machines have been installed at SMBC group companies, including SMBC, SMFL and SMBC Nikko Securities.

* Participates through a bento lunch box sales provider that is a partner company of TFT

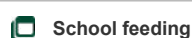


Donation to WFP School Meal Programs

SMBC Trust

SMBC Trust Bank donates a portion of sales from beverage vending machines (10 yen per drink) located in both the Higashi-Shinjuku Office and the Okinawa Office to the School Meals Program* operated by the United Nations World Food Programme (WFP).

*The United Nations WFP School Meals Program has provided school meals in developing countries for more than 40 years. A donation of 30 yen provides a day's worth of meals, and providing these meals improves the nutritional status of children. In addition, parents can send their children to school because they can eat free meals there, which also leads to better learning opportunities for children.



School feeding

Participation in the FIT Charity Run

SMBC Trust

SMBC Nikko

SMBC Trust Bank and SMBC Nikko are participating members of the FIT Charity Run (Financial Industry in Tokyo for Charity Run), whose mission is to contribute to society through running activities. The program was started and is being run by certain volunteers who work for companies in the financial service sector or who are deploying related businesses. The companies support organizations involved in socially valuable activities through donating sponsorship fees for FIT Charity Run events and admission fees paid by participating officers and employees.

In-company Charity Sales Event

Fair Trade Products Sale

SMBC Trust

SMBC Finance Service

SMBC Trust Bank held a "Fair Trade Marche" at its head office and the Higashi-Shinjuku Liaison Office in cooperation with NGO Shapla Neer (an international cooperation entity). Addressing the problem of poverty, gender issues and so forth in Nepal and Bangladesh, the bank is attempting to help solve such international challenges by purchasing locally produced handicrafts, daily necessities and food products as well as through donations from officers and employees.

SMBC Finance Service partnered with Wakachiai Project Inc. to hold its fair trade products sale since 2016 to help address societal problems in developing countries, including issues related to human rights, the environment, and child labor. The company will continue holding the sale to deepen understanding of fair trade among employees and contribute to the international community by aiding the expansion of the fair trade market.



Holding a vocational program products sale

SMFL

SMFL has held special sales of vocational program products produced by the Setagaya Community Workshop and Cookie Studio Orange house for a total of 16 times since fiscal 2015, and each time many employees have purchased their products.

Vocational program products are products produced as a part of work training programs at local community centers and facilities for people with disabilities. A portion of the sales proceeds from the products is used to pay the wages of the people with disabilities who make them, and so the program also helps the workers establish independence. Through purchases of vocational training products by employees, SMFL will continue this effort to help build a society where everyone can live together safely and securely.

Support for the Vitalization of Sports Activities

Support for GoalBall

SMBC Trust

SMBC Trust Bank is a supporter of the Japan GoalBall Association as a part of its work to support sports for persons with disabilities. SMBC Trust Bank supports the expansion and further development of sports for people with disabilities by hosting trial sessions, sending employee volunteer staff to tournaments, and other efforts.



Donation to Japanese Para-Sports Association (JPSA)

SMBC Trust

SMBC Trust Bank has been donating to the Japan Para-Sports Association (JPSA) since fiscal 2016 with the aim of contributing to the spread and development of sports for people with disabilities.

JPSA trains and develops players who can be active on the global stage, and the association is also a member of the GoalBall Association, which the bank supports. Through JPSA, donations are used to support the smooth operation of the athletic bodies that partner with the Japanese Paralympic Committee, to improve programs, to train and develop candidate athletes, and other initiatives.

Support for Blind Soccer

SMBC Nikko

SMBC Nikko is supporting blind soccer as one example of its support for sports for people with disabilities in advance of the 2020 Tokyo Paralympic Games. The Japan Blind Football Association envisions realizing a society through blind soccer in which people with and without visual impairments interact with each other as a matter of course, and this aspiration matches SMBC Nikko's management philosophy of respect for diversity and its stance towards diversity. SMBC Nikko and the Japan Blind Football Association have concluded a partnership agreement, and company executives and employees volunteer as staff at tournaments and at kids' training events.



Consulting Partner Agreement with the Japan Football Association

JRI

JRI and the Japan Football Association (a public interest incorporated foundation; JFA) mutually exchanged a consulting partner agreement concerning the improvement and promotion of football grounds and related facilities as well as a supporter agreement for the "JFA Youth & Development Programme" (hereinafter "JYD"). The JYD program commenced in 2016 for the purpose of further enhancing the visibility of football and nurturing next-generation players. JRI will continue to support various related projects for the purpose of improving the athletic environment for football going forward.

Co-sponsorship of Promise Essay Contest for a Future Filled with Smiles

SMBCCF

SMBC Commercial Finance has co-sponsored the Promise Essay Contest held by the Sankei Shimbun since the first time it was held in 1996.

The contest was started based on the idea of re-examining life and the importance of human relationships in contemporary society and reaffirming the importance of promises. The contest solicits essays on promises, whether promises to oneself, promises to loved ones, or promises for the future.

Over 6,000 essays are submitted each year from students and others in a wide range of age groups. In fiscal 2018, the SMBC Group established the Promise Customer Service Plaza Award to contribute toward regional revitalization and inspire young people.

 [Promise Essay Contest Website \(Japanese only\)](https://www.promise-essay.com/)



Social Contribution Activities in Emerging Countries

Signing a Memorandum of Understanding on CSR Activities with Indonesian Company

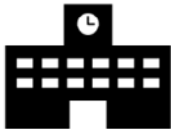
SMBC

In Indonesia, SMBC is promoting vocational training programs at the national and regional government level for the purpose of economic development. On March 26, 2015, SMBC and PT Bank Sumitomo Mitsui Indonesia(current BTPN) signed a memorandum of understanding on promotion of CSR activities in Indonesia with the Djarum Foundation in the Djarum Group, one of Indonesia's major corporate conglomerates. With the signing of the memorandum, the two banks have collaborated to support training program improvements and made monetary donations, or employees have donated items, to vocational schools in various types of industries, including maritime, nursing and animation schools, contributing in the education field. In 2017, the respective training schools were recognized as model cases in the country, and SMBC's initiatives were evaluated favorably at their locations. Going forward, we intend to carry out CSR activities in various fields, such as supporting human resource development and Japanese language education.



Supported vocational schools
6 curricula

Number of enrolled student Approx.
2,400 (total)



Promoting CSR Activities in Myanmar

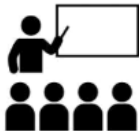
SMBC

In November 2015, SMBC signed a memorandum of understanding with the Japan Committee for UNICEF ("UNICEF Japan") related to support for a teacher training program being conducted by the Myanmar office of the United Nations Children's Fund ("UNICEF"). Myanmar teachers face a variety of issues such as classes in regions where Burmese is not the mother tongue and combined classes in which a single teacher simultaneously teaches students of different ages and levels. This program provides training to raise skill levels with respect to how to teach in multi-language settings and how to handle mixed-grade classes will therefore help to improve the quality of instruction given to children and also significantly contribute to the development of human resources for the country's future development. We received a medal of honor with a dark blue ribbon from the Japanese Cabinet Office for this CSR activity. SMBC will continue to be actively engaged in helping develop human resources through teachers, and thereby contribute to the country's further development.



Number of faculty members enrolled in training Approx.
8,000 (total)

Number of students who received guidance Approx.
10,000 (total)



Details on the memorandum of understanding related to support for the teacher training program in Myanmar can be found at the following link.



SMBC: Memorandum of understanding concluded with UNICEF Japan on education support in Myanmar (Japanese only)

Please see the link below for the Dark Blue Ribbon Honorable Award

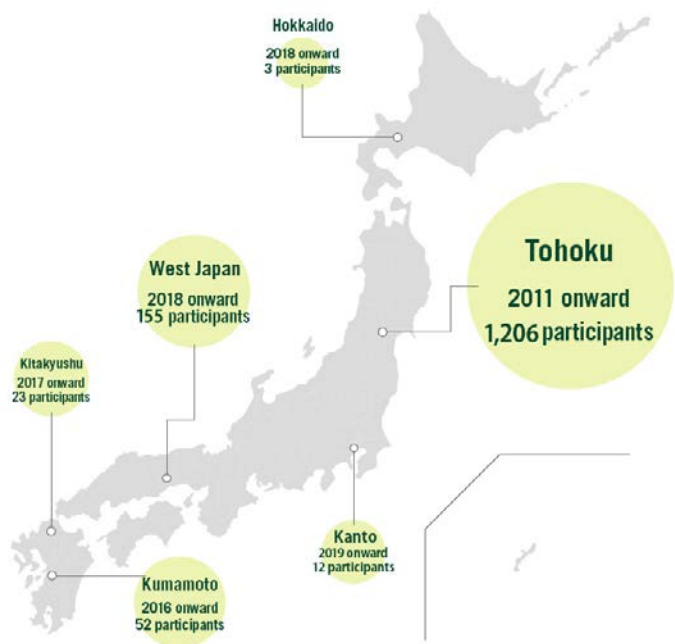


SMBC: Dark Blue Ribbon Honorable Award for the support to teacher training program in Myanmar (Japanese only) (81KB)

Support for Reconstruction in Areas Impacted by Large-scale Natural Disasters




SMBC Group

SMBC Group provides areas extensively damaged by large disasters with a wide range of support. The Group provides support not only through the core businesses of the respective Group companies (e.g. support for recovery via lending, resettlement through favorable modified terms for repayment) but also support through fund donation and volunteer work by officers and employees. During the period between 2011 and the end of fiscal 2019, a cumulative total of 1,451 officers and employees of SMBC Group companies plus their family members devoted their time and energy to volunteer work in disaster-stricken areas.



Measures Being Taken by Relevant SMBC Group Companies

Measures Being Taken by Relevant SMBC Group Companies		Close
SMBC	Since November 2013, the SMBC Group has been sponsoring the “Tour de Tohoku” for the purpose of supporting Tohoku’s recovery and redevelopment by having a bicycle tour every year where people can directly get a feel of the current situation in the region.	

SMBC Nikko	<p>To support people affected by natural disasters throughout the world, SMBC Nikko Securities donates a portion of its income from funds connected with regions where disasters have occurred in addition to voluntary donations of relief provisions. The company also opens disaster support bank accounts and encourages executives and employees to make donations, working together with employees to make a difference.</p> <p>East Japan</p> <p>At SMBC Nikko, from 2011 to 2013, new professional employees (Class II) and executives and employees in leading roles visited the affected areas and carried out reconstruction support activities such as agricultural support and coastal clean-ups. From 2014, SMBC Group companies have been jointly dispatching support volunteers to help in affected areas.</p> <p>Kumamoto</p> <p>Seiya Norimatsu, an SMBC Nikko employee-athlete (2016 Rio Paralympic Games bronze medalist in wheelchair rugby) visited temporary housing in Mashiki Town and Mifune Town in Kumamoto Prefecture. He showed attendees his bronze medal, and spoke about his life and dreams as an athlete. Through these visits, he strengthened ties with local residents in disaster affected areas.</p>
SMBC Finance Service	<p>In support of people impacted by the 2016 Kumamoto Earthquake and the July 2018 heavy rain disaster, SMBC Finance Service provides ex-lease vehicles that had been used for sales at no charge through an affiliated company as a part of its support for the "Disaster Area Car Sharing Project" being conducted by the Japan Car Sharing Association. The vehicles provided by the company are used by people in disaster affected areas when they are needed.</p> 
JRI	<p>JRI supports the reconstruction by administrating the "Imokoji" discussion group for people affected by the nuclear disaster, which is sponsored by the NPO Ukifuneno-sato.</p> <div data-bbox="628 1554 1287 1624">  Ukifuneno-sato (specified non-profit corporation) (Japanese only) </div> <div data-bbox="628 1644 1099 1693">  Imokoji discussion group (Japanese only) </div>

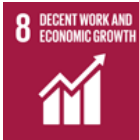
For Next Generation

SMBC Group's Approach

SMBC Group



Ensuring the sustainability of our society and economy amid the changing social environment will require the cultivation of human resources who can support society with the necessary knowledge and technologies. SMBC Group is promoting sustainability by fostering the next-generation human resources and industries that will shape the society of the future together with us.



➤ Support for Growth Industries

Promotion of
➤ Financial Literacy Education

Contribution
➤ Activities to Next Generation

Support for Growth Industries

SMBC Group is working on various measures to foster the next generation to build a vibrant society that strikes a balance between maturity and growth. One of these is support for growth industries, helping new businesses create new technologies and services.

Main Measures

- [Establish state-of-the-art SMBC Startup Hub to support new startups▼](#)
- [Supporting Commercialization as the Foundation of Japan's Growth Strategy▼](#)
- [Real Tech Fund: Support for R&D Ventures▼](#)
- [Supporting Small and Medium Enterprises \(SMEs\) Install Cashless Payment Systems▼](#)

Establish state-of-the-art SMBC Startup Hub to support new startups

SMBC Group

The SMBC Group has established SMBC Startup Hub, an activity base in Shibuya (home to many startups) to improve and develop services for startups where we can work closely with them. SMBC Group head office employees with specialist knowledge of supporting startups are deployed in Shibuya to help startups that are potential global players of tomorrow by providing a range of services dedicated to these companies and offer collaborative open innovation opportunities for startups, major corporations, and overseas organizations.

Supporting Commercialization as the Foundation of Japan's Growth Strategy

SMBC


JRI

The Japan Research Institute (JRI) and SMBC has launched the "Incubation & Innovation Initiative," a business consortium of cross-sector alliances, together. The consortium will support the commercialization of highly progressive technologies and business ideas that will form the foundation of Japan's growth strategy. The consortium will also research factors that inhibit innovation and make policy recommendations, for example on designing legal systems and making regulatory reforms that reflect actual conditions, thereby contributing to the further invigoration of Japan's economy.

Please see below for details.

 [Incubation & Innovation Initiative](#)

(You will be transferred to the Incubation & Innovation website.)

 [Acceleration program "MIRAI"](#)

(You will be transferred to the Acceleration program "MIRAI" website.)

Real Tech Fund: Support for R&D Ventures

SMBC Nikko

The Real Tech Fund supported by SMBC Nikko is a venture capital fund created in April 2015 with euglena Co., Ltd. and Leave a Nest Co., Ltd. The aim of the fund is to address social and environmental issues that we face, revitalize Japanese economy and promote greater investment in Japan by providing comprehensive support of human, finance and material resources for venture companies with exceptional technologies.

The fund targets venture companies seeking to integrate into society innovative, R&D-oriented technologies ("real tech") that address social and environment issues, in fields such as robotics, biotechnology, the environment and energy, agriculture, new materials and IoT. It plans to conduct investment and development using a total 7.5 billion yen from funds invested by private companies in various industries.



Supporting Small and Medium Enterprises (SMEs) Install Cashless Payment Systems

SMCC

We support SMEs around the country in installing cashless payment systems by promoting a payments service provided by U.S. business alliance partner Square, Inc.

Square Readers is a simple card payment system in smartphones or tablets that can be installed anywhere, from retail stores to outdoor events. Signing up for the service is also simple, and the system can be used on the same day at the earliest. Payments will be deposited to the account on the next business day at the earliest, making the service almost the same as cash. Installing Square's POS register will facilitate smooth inventory management, sales analysis, and accounting software, helping to grow their business by streamlining payments and settlement.

SMBC Group will continue to support Japan's transition to a cashless society by supporting installation of cashless payment systems to SMEs.

Promotion of Financial Literacy Education

Our awareness of money is changing amid a widening gap between rich and poor and shifting economic conditions. Various problems related to money such as multiple debts and financial crime have emerged in recent years. SMBC Group seeks to create a society where everyone can live safely, equipped with an accurate knowledge of money, by providing financial literacy education for all ages as a group-wide program. Featured below is our hands-on accounting tool and some of our finance and economics education programs for all age groups available online.

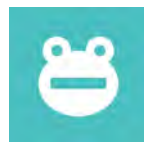
Financial information media and personal finance tools

SMBC Group

SMBC Group publishes articles on personal finance and provides a personal finance tool over the Internet.



Sumitomo Mitsui Banking Corporation:
Money VIVA, a Place to Enjoy Learning about Money (Japanese only)
Learn about money and take a step forward toward the future.



SMBC Nikko:
Investing information service "Nikko FROGGY" that allows you to buy stocks from the articles (Japanese only).



Sumitomo Mitsui DS Asset Management Company:
Learning (Japanese only)
Providing useful information for asset management, such as the basics of investment and financial systems

Financial and Economic Education

SMBC Group

Initiatives of SMBC Group companies

SMBC: Financial and Economic Education (Japanese only)

SMBC Nikko: Financial and Economic Education

SMCC : Financial Education (Japanese only)

SMBCCF: The Realization of a Lively Society and a Happy and Healthy Lifestyle for People (Japanese only)

For Elementary School Students

Initiatives for Elementary School Students

Close 

Events for Elementary school Students

SMBC Group Tankentai

SMBC Group

SMBC Group holds the SMBC group Tankentai event in which children and families of employees visit their workplaces and learn about the finance business through experience. The events in fiscal 2019 were held at the Tokyo and Osaka head offices of the SMBC and the head office of SMBC Nikko Securities (Shinmaru Building), with the participation of 215 people from 84 teams in Group companies. During the guided visit at the bank offices, visitors were brought to a bank vault normally unseen by customers and experienced the weight of 100 million yen in real bills, after attending lessons on the finance business and how to count paper money. The guided visit at SMBC Nikko Securities included an encounter with the Paralympic sport of blind soccer and workplace visits. Employees' families were able to better understand what their work entails by actually experiencing the workplace.



Natsuyasumi Kodomo Ginko Tankentai

SMBC

SMBC has conducted the "Natsuyasumi Kodomo Ginko Tankentai" program since 2006. The program that allows elementary school students to learn about and experience actual banking activities. On a tour of the bank, the students take classes from employees and are provided the opportunity to study the basics of finance and banking by experiencing bank teller operations and visiting the ATM and bank vault areas. In fiscal 2019, the program was conducted at two sites, in Tokyo and Kobe, and a total of 130 students in 59 groups participated.



 **SMBC: Natsuyasumi Kodomo Ginko Tankentai Bank Tour Program (Japanese only)**

Nikko Family Exciting Experience Day

SMBC Nikko

SMBC Nikko Securities has held the "Nikko Family Exciting Experience Day," a special hands-on social learning program, during children's summer break at its nationwide branches since 2006. For the program, elementary school students and their families visit the company's branches and learn about the economy, money flows, the social role of financial institutions and more in a fun and exciting way through quizzes, hands-on experiments using information terminals and talks by employees.

Visiting Lectures

SMBC Nikko

SMBC Nikko Securities has sent employees to elementary schools since 2016 to give visiting lectures and get children interested in the economy and finance. Elementary school is considered to be the time when children gradually come to understand the importance and role of money, and through various experiences begin to form a foundation for thriving in society in the future. Employees conduct classes using textbooks and experiential classes using card games for children in fourth through sixth grade.

Bank Tours and Vocational Workshops at Branches

SMBC

SMBC promotes independently planned local community contribution activities by sales branches, and branches around the country hold bank tours, conduct cleanup events around branches and at other outside locations, and participate in community events and other activities.

Support for Finance Seminars, etc,

Support for Student City, an Economics Education Program for Elementary School Student

SMBC Trust

SMBC Trust Bank supports an economics education program called Student City targeted towards elementary school students, with mock bank exhibits featured at institutions and employees dispatched as volunteer staff. Through this initiative, we support finance and economics education, and cultivate human resources who will bear responsibility for the future.



Support for KidZania Tokyo and KidZania Koshien

SMBC

As an official sponsor of KidZania Tokyo and KidZania Koshien, SMBC Group offers a vocational experience of banking for children. At KidZania Tokyo (in Koto Ward, Tokyo), SMBC has been a sponsor of the company since the park's completion in October 2006, and operates a bank branch that issues the Kidzania currency, "kidZos." At the KidZania Koshien branch, which opened in March 2008, in addition to issuing the currency, the bank also runs a program that lets children experience the jobs of bank employees in a fun and interesting way.



For further details, please refer to the following link.

 [KidZania \(Japanese only\)](#)

Parent-Child Financial Seminars at F. League Matches

SMCC

SMCC has held CSR-related events like financial education seminars at Japan Futsal League (F. League) matches since fiscal 2016. The events are for elementary school children and their parents or guardians, with programs that utilize skits to convey the importance of using money in a balanced manner and using it according to a plan in a way that is easy for children to understand. Futsal events are also held. Going forward, SMCC will continue conducting activities to help raise financial literacy while also enlivening local communities through sport.

Submitting a Tool Related to Finance and Economics Education

Hello! Money" Financial Education App

SMCC

SMCC has released the "Hello! Money" allowance management learning tool, a free app for parents and children for financial education. It helps children to learn the basics of personal finance through the management of their own allowances from an early age. It also provides parents and their children the opportunity to learn together the basics of money-spending, saving and increasing-in a fun way in order to help foster financial literacy in young people.



SMCC: "Hello! Money" allowance management learning app for parents and children for financial education (Japanese only)



Publication of "What Does a Bank Do?"

SMBC

In May 2007, in cooperation with Gakken Co., Ltd., we published "What Does a Bank Do?" as a part of a series on learning through comic books and donated copies to approximately 23,000 elementary schools and 3,000 public libraries throughout Japan. "What Does a Bank Do?" uses a comic book format to provide basic explanations of the social roles and history of banks, centering on the three main operations of a bank, deposits, loans, and currency exchange.



For Junior High School and High School Students

Initiatives for Junior High and High School Students

Close 

Hosting Seminars

Cooperation with Company Tours and Visiting Instructors

SMBC

SMBC cooperates with junior high and high schools by providing tours for students and sending employees to serve as visiting instructors. On the tours, students learn about bank operations and the banking vocation through tours of branch operations and the dealing rooms of market sales divisions.

Visiting lectures by public offering lecturers

SMCC

SMCC invites instructors from among its employees to visit junior and senior high schools and universities to lecture on "Cashless Society and Us" and "credit card literacy".

Finance and Economics Seminars for Forming a Sound Consumer Finance Market

SMBCCF

SMBC Consumer Finance holds finance and economics education seminars on topics such as managing household finances, loans and credit, and financial pitfalls. This initiative aims to provide students, the bearers of the future, and local residents accurate knowledge about money to enable them to make appropriate decisions. The seminars are provided primarily at 17 Customer Service Plazas nationwide. As the seminars are designed to meet the needs of local communities and educational institutions, they are requested by many organizations every year. Since their start in 2011, the seminars have been held over 16,000 times and over 1,000,000 people have participated (as of March 31, 2020).



Cooperating with Educational Facilities

Support for Financial Park

SMBC Group


SMBC

SMBC has supported the activities of Financial Park, which offers economic training programs for junior high school students operated by the economic education organization Junior Achievement Japan. Financial Park is a fictitious town where partner companies in various sectors, such as finance, telecommunications, restaurants, and supermarkets, and use specialized facilities to set up booths that simulate actual offices, branches and stores. Students experience and learn about various economic activities through the booths set up within the park to develop their economic understanding. Following the Shinagawa Financial Park that opened in June 2005, a new Financial Park opened in Iwaki City, Fukushima Prefecture in June 2014, and SMBC has set up a booth there as well. In 2019, SMBC Group organized SMBC Group Financial Park Day for Tokyo public junior high school students, offering experiential learning and group discussions with SMBC Group employees about the meaning of work and what makes their careers worthwhile.



For College Students

Initiatives for University Students

Close 

Internships and Lecturer Dispatch

Internships for University Students

SMBC

Since 2006, SMBC has been accepting internships as an opportunity for students to consider options for their future occupations. In fiscal 2019, 81 students from 46 universities participated in internships where they experienced on-the-job training in the investment banking business, individual business planning, and market trading.

Visiting Instructors

SMBC

SMBC sends employees to various universities to serve as instructors. They provide lectures based on the needs of each university, ranging from specialized case studies such as environment-related structured finance to topics like women's empowerment. In fiscal 2019, we presented lectures to approximately 3,600 students at 79 universities.

Collaborating with Educational Institutions

Creating Newly Added Value by Cultivating Data Scientists and the Use and Application of Data

SMBC Trust

SMBC Trust Bank, along with the Sumitomo Mitsui Financial Group, concluded an agreement with Shiga University in September 2017 for collaboration and cooperation in education and research fields related to data science. SMBC is also cultivating human resources with expertise and skills in data science by jointly establishing Japan's first data science department with Shiga University in April 2017, dispatching lecturers to the university and accepting student internships. The Group is also undertaking initiatives to create newly added value by the use and application of data collected through shared research in business fields.



Seminar at Kyoto Women's University

SMBC Trust

SMCC

SMBC Trust Bank and SMCC held a "Trusts and the Trust Business", credit cards, and cashless services lecture at Kyoto Women's University as part of an endowed course.

For Working Adults

Initiatives for Working Adults

Close 

Company Tours and Training Sessions

SMBC Nikko

SMBC Nikko Securities provides company tours and training for students and the general public to help them deepen their knowledge of finance and economics. Through program seminars, tours of the company's head office, branches, overseas offices, and other facilities, participants deepen their understanding of lifestyle and money in our society and acquire a variety of knowledge about the role of financial institutions and financial transactions.

Contribution Activities to Next Generation

Main Measures

[Provision of Educational Materials on SDGs for Children ▼](#)

[Music Concerts for Children Presented by SMBC ▼](#)

[Support through the SMBC Foundation for International Cooperation ▼](#)

[Support for Young Artists ▼](#)

[Co-sponsoring Shiki Theatre's "Kokoro no Gekijo" ▼](#)

Provision of Educational Materials on SDGs for Children

SMFG

SMFG provides case examples in the form of an "SDGs Start Book," which is an educational material for children on SDGs. For example, in the SDGs Start Book, an easy-to-understand explanation is given on how banks are working to solve environmental problems (e.g. climate change issue). Copies of the Book are being distributed to elementary schools and junior high schools free of charge. Its content is also disclosed at the "EduTown SDGs" which is a website dedicated for learning about SDGs.

[EduTown SDGs: Top page \(Japanese only\)](#)

[EduTown SDGs: Create a sustainable society through activating "green money flow" \(Japanese only\)](#)

(You will be taken to the EduTown SDGs site.)



Music Concerts for Children Presented by SMBC

SMFG

SMBC regularly hosts "Music Concerts for Children," whereby professional musicians are sent to event halls for children or the like in cooperation with the New Japan Philharmonic (a public interest incorporated foundation). The main purpose of these music events is to provide children with opportunities to have direct exposure to real classic music to cultivate a sophisticated mind and senses. In addition to live performances of classical music, the events provide other attractions that can be enjoyed by smaller children, such as a body percussion trial challenge for all participants, and a briefing on the structure of musical instruments.



Support through the SMBC Foundation for International Cooperation

SMFG

In 1990, the SMBC Foundation for International Cooperation was established for the purpose of developing capable individuals and facilitating intercultural exchange that could contribute to economic growth in the Asian region. Since its outset, the Foundation has been providing seven or eight Asian graduate students with an opportunity to study at Japanese universities via a scholarship every year. Also, the Foundation provides financial support to research institutions and researchers that are involved in activities for economic growth in developing countries.

 [SMBC Foundation for International Cooperation\(Japanese only\)](#)

Support for Young Artists

SMBC Trust

SMBC Trust Bank supports the activities of young artists by displaying works created by students from Joshibi University of Art and Design at the Bank's Head Office, as well as works created by students from Osaka University of Arts in Osaka representative offices.



Co-sponsoring Shiki Theatre's "Kokoro no Gekijo"

SMBC Nikko

"Kokoro no Gekijo" (Theatre of the Heart) is a project that the Shiki Theatre Company has been running since 2008. Under this project, children from all over Japan are invited to theaters for free, where through drama they learn the importance of life, compassion, and the joy of trusting other people, among other important lessons for life. SMBC Nikko has been a special sponsor since August 2015, and employees volunteer to provide operational support and venue set-up assistance for performances held near SMBC Nikko offices and branches.




Photographer: Atsutoshi Shimosaka



▼ Message from the Group CEO	▼ Outline of Diversity Promotion	▼ Support for various work styles	▼ Interviews
▼ SMBC Group initiatives in figures	▼ SMBC Group company initiatives	▼ Diversity-related topics	


SMBC Group regards "Diversity and Inclusion" as an important strategy for growth. Management is promoting greater diversity and inclusion to create a working environment where people from various backgrounds can fulfill their potential based on strong mutual respect, and where synergy borne of diversity generates new value. In this way, we can help to create greater value for customers.



SMBC Group Message from the Group CEO

Diversity Is Possibility

Sumitomo Mitsui Financial Group, Inc.
Director President and Group CEO
(Representative Executive Officer)




▶ Message from the Group CEO

SMBC Group
Outline of Diversity Promotion

A workplace where all employees can continue to grow with high motivation

▶ Outline of Diversity Promotion

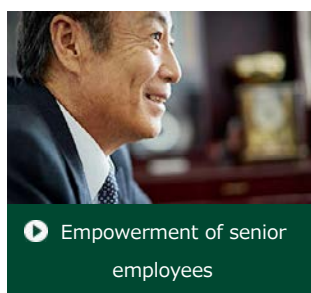




Creating a corporate culture which derives strength from diversity

Creating conditions for diverse human resources to support growth

SMBC Group sees diversity in its workforce as a source of growth. We are developing a range of activities to ensure our workplace culture thrives on diversity and enthusiasm. Below we will introduce programs from some of the SMBC Group companies.



Creating a dynamic workplace that maximizes the strengths of employees

To maximize the strengths of individual employees, nurture motivation and foster growth, SMBC Group strives to promote healthy work-life balance, workplace reforms and health management.



[Confirming initiatives for the human resource strategy](#) >



Interview

Diversity as a source of competitiveness

SMBC Group
Employee interviews

Diversity as a source of competitiveness

▶ employees share their thoughts and discuss Group initiatives



SMBC Group initiatives in figures

Extracting examples from the ESG Data Book

These figures provide an insight into the promotion of diversity by the SMBC Group.

SMBC Group
initiatives in figures

▶ View data on initiatives

▶ [Link to details in ESG Data Book](#)

▶ [Click to see historical diversity data](#)

SMBC Group company initiatives

SUMITOMO MITSUI BANKING CORPORATION	SMBC TRUST BANK	Sumitomo Mitsui Finance and Leasing
SMBC NIKKO	SUMITOMO MITSUI CARD	SMBC FINANCE SERVICE
SMBC CONSUMER FINANCE	Japan Research Institute	Sumitomo Mitsui DS Asset Management



SMBC Group employs more than 100,000 people working in about 40 countries and regions worldwide. The Group is comprised of many companies, each having unique culture with highly diverse employees. This "diversity of people" is our greatest asset.

The environment surrounding the financial industry is changing at a very rapid pace.

Against this backdrop, what is expected of us is to create new values without being encumbered by past practices or fixed ideas.

Innovations towards the future will not be borne by only having employees with diverse background, such as gender, age, or nationalities. Innovations will be borne by collision and mixture of diverse thoughts and values of those employees.

Diversity is indeed the key to unlimited possibilities.

We aspire to be a vibrant corporate group where every employee enjoys good health, thinks freely and proactively challenges towards respective dreams or goals.

To realize this, my mission is to establish a corporate culture and workplace that embeds full diversity and inclusion, so that we can make the best use of diverse thoughts and values of our employees.

Sumitomo Mitsui Financial Group, Inc.
Director President and Group CEO
(Representative Executive Officer)
Jun Ohta



What does it take for a company to have employees who are highly motivated to achieve growth hand in hand with their organization?

We believe that "diversity" is the biggest key for achieving this, and is essential for the advancement of our organization.

▼ Diversity and Inclusion Statement	▼ Roadmap	▼ Diversity promotion framework
▼ Initiatives to reform employee awareness and behavior	▼ SMBC Group diversity initiatives	

Diversity and Inclusion Statement

At SMBC Group, our most valued resource is our people.

Our Mission Statement reflects this conviction: "We create a work environment that encourages and rewards diligent and highly motivated employees."

Ours is an organization in which employees of different backgrounds treat one another with respect and can apply their skills, express their individuality, and experience growth and fulfillment through their work, regardless of race, nationality, age, gender, sexual orientation or gender identity, religion, culture, disability, prior career or lifestyle. This is the source of SMBC Group's competitive strength.

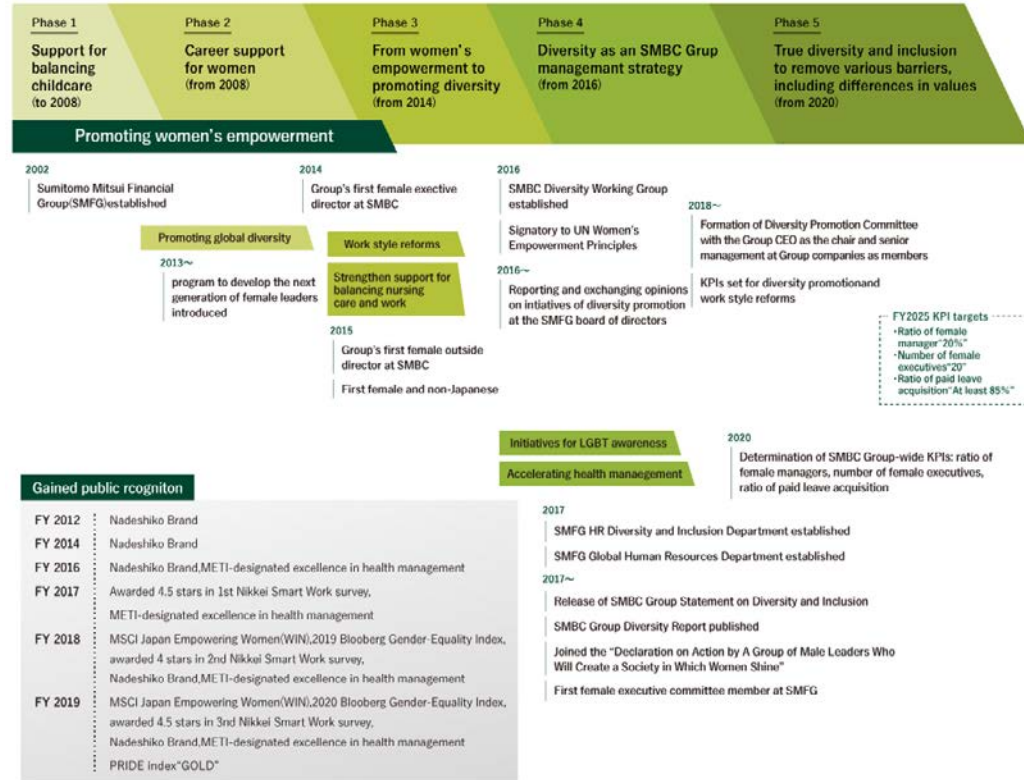
We believe that institutions that promote diversity and encourage their employees to contribute through their varied experience and talents are more dynamic and innovative than institutions in which employees tend to share only similar backgrounds and perspectives.

In order to offer our clients new and higher-value services and to continue to grow with our stakeholders, we are promoting diversity and inclusion throughout SMBC Group as the core to our growth strategy.

▶ Approach and initiatives for human rights



Roadmap



[Click to enlarge](#)

Diversity promotion system

SMBC Group companies are undertaking various internal diversity and inclusion initiatives. At the holding company (SMFG), efforts are focused on reinforcing diversity promotion across the Group. To that end, the SMFG Diversity Working Group was set up in 2016, and the HR Diversity Promotion Office was established as a specialized unit in SMFG in 2017.

The SMFG Diversity Promotion Committee was set up in 2018. It is chaired by the Group CEO and its members comprise senior managers from SMBC Group companies. Based on a strong management commitment, the committee is overseeing efforts to accelerate promotion of diversity across the entire SMBC Group.



SMBC Group diversity initiatives

Across the SMBC Group, alongside measures to boost participation by people of various backgrounds and foster related growth, we are promoting efforts to cultivate an environment that makes it easier for individual employees to work.





To ensure that all employees can live free from anxiety about balancing work and private life, and enable ambitious employees to continue pursuing their chosen careers, we are endeavoring to expand schemes for supporting work-life balance and nurture a positive workplace climate in which people understand the importance of balance and assist each other in achieving it.

System and initiatives for work-life balance support

Balancing work and childcare

In addition to a maternity and childcare leave system that exceeds statutory requirements, we have various training programs and systems in place at each company to support career formation and a smooth return to work for those who took childcare leave.

[Click for details](#)▼



Balancing work and nursing care

We have prepared a system to assist employees balancing a career with care responsibilities for other family members. We organize nursing care seminars and distribute materials on this topic to build employee awareness in this area. Our focus is to help people balance continuing work with care duties.

[Click for details](#)▼




Interview

SMBC Group

Employee interviews

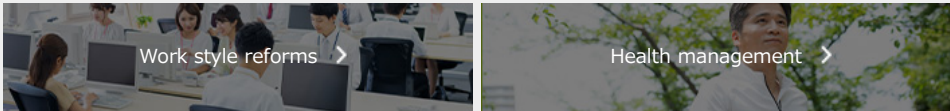
Diversity as a source of competitiveness

▶ employees share their thoughts and discuss Group initiatives



Creating an environment for all employees to thrive

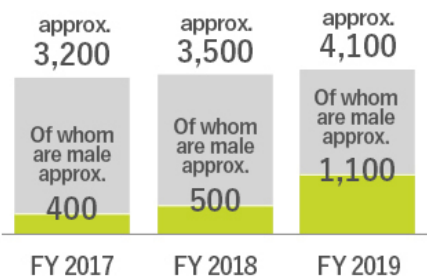
At the SMBC Group, we are working on health management and workplace reforms to give every employee the opportunity to fulfil their potential through strong productivity and enthusiasm for work.



Balancing work and childcare

SMBC Group provides training and support systems to help employees balance work and family commitments. We have also developed a range of initiatives to facilitate a smooth return to work from maternity leave or childcare leave as part of career development. These include programs across Group firms to support men in childcare participation.

Number of employees taking childcare leave



▶ [Link to details in ESG Data Book](#)

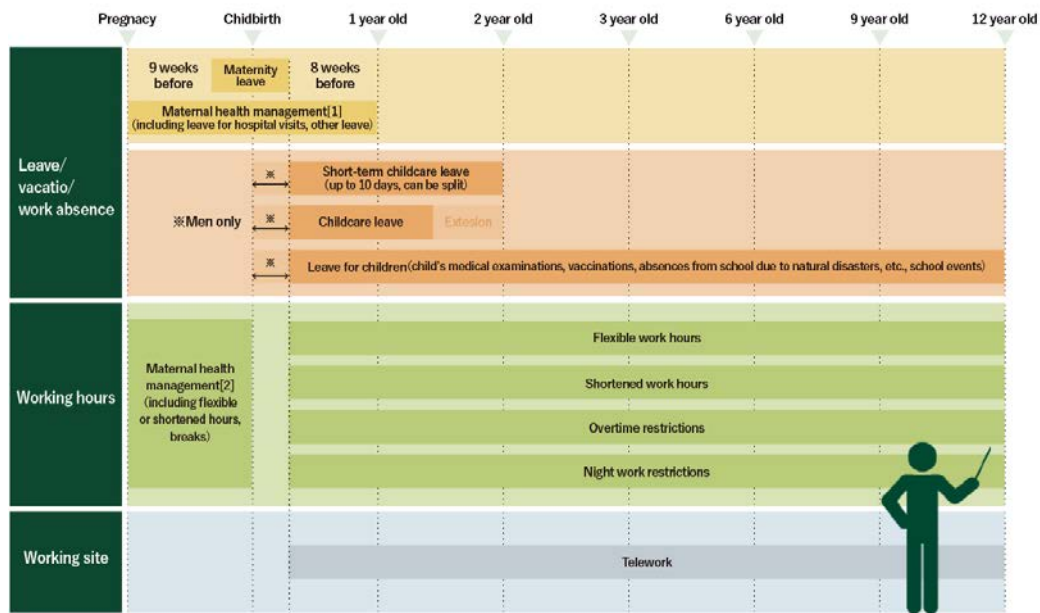
Major systems to support balancing work and childcare

We have introduced systems to provide economic assistance and other support to employees with pre-school children as part of creating workplaces that facilitate balancing work with childcare responsibilities.

Work-related systems

Systems that support a smooth return to work from maternity or childcare leave include childcare leave, leave to care for sick children, and flexible working practices.

Systems to support balancing work and childcare



[Click to enlarge](#)

(Example: SMBC)

A flexible personnel system matched to each life stage

We prepare systems to match each person's life plan at all our Group Companies. We have a system in which an employee's workplace can be changed if they move due to marriage or the job transfer of a spouse. Also, we rehire employees who left due to marriage, childbirth, childcare, nursing, or their spouse's job transfer. And we also allow temporary retirement due to the transfer of a spouse's job or for overseas study.

Partnership with a company-led childcare service provider

SMBC is partnering with NICHIIGAKKAN to develop a business to operate company-led childcare facilities in Tokyo and Osaka within bank-owned properties. The facilities provide childcare services to bank employees as well as local companies and residents. The partnership also covers a further company-led 70 childcare facilities across Japan operated by NICHIIGAKKAN, providing additional support to SMBC employees in returning to work.



Economic support for childcare

We offer allowances to assist employees with the costs of taking care of children outside of normal hours, including babysitting fees and the subsidy system aim to reduce burden of caring for sick children. The system provides economic assistance in other ways, such as allowing employees to access babysitting services at discounted rates based on contracts between the Group and babysitting agencies.

Major Initiatives to Balance Career and Childcare

Training and seminars

We have developed training on balancing career and childcare for employees in managerial positions. Training is designed to help employees planning to take maternity leave, those on childcare leave, and those who have returned from childcare leave. Consultations with a superior are also organized for those employees either going on, or returning from, maternity and childcare leave.



Training to support work-life balance

Development of guidebooks

We have created the "SMBC Group Career Guidebook for Mothers." Distributed to female employees, aiming to help them in preparing for the next stage of life. The Group has also created a special management guidebook containing communication pointers to distribute to managers with subordinates engaged in raising children.



Promoting male participation in childcare

We aim to cultivate a workplace culture that supports active childcare irrespective of gender. The SMBC Group's internal reporting line, "SMBC Group Alarm Line" for whistle-blowers is ready to receive information about any workplace discrimination shown against male employees who take paternity leave. We also encourage men to take advantage of the short-term childcare leave system, and organize management training sessions on this topic.



Encouraging an understanding of work within employees' families

To help employees' family members gain a better understanding of their work, we organize the event so that children can visit their parents' workplace. We also encourage employees to take leave in the summer holiday season and promote leaving the office earlier in the summer months.



External evaluation and accreditation

Platinum Kurumin accreditation

SMBC, Sumitomo Mitsui Card Company and Japan Research Institute have all been granted "Platinum Kurumin" accreditation by the Minister of Health, Labour and Welfare in recognition of the high level of support for childcare that they provide as companies.



▶ External evaluation/accreditation

Balancing work and nursing care

Even if it becomes necessary for an employee to care of a family member, our aim at the SMBC Group is to ensure employees do not have to leave the company or sacrifice their career out of a desire to provide care. We have put in place a range of support systems for careers, and we also provide opportunities for employees to gain information about nursing care. Our aim is to provide environment where employees can continue to work with peace of mind while being able to prepare for nursing care.

Major initiatives to balance work with nursing care for family members

We provide support to help employees continue working without giving up their career due to their nursing care responsibilities. The main support systems include nursing care leave and shortened working hours for these employees.

Systems to Support Work-Life Balance at SMBC Group Companies

Amount of work	Type of system *
Maintenance	<ul style="list-style-type: none"> Flexible working Night time work restrictions Overtime work restrictions Overtime work exemptions
Reduction	<ul style="list-style-type: none"> Shortened work hours
Zero	<ul style="list-style-type: none"> Days off nursing care → Half day leave also possible Existing leave → Half day leave also possible Work absence for nursing care
	<ul style="list-style-type: none"> Existing leave Work absence for nursing care Nursing care leave → Can also be taken in multiple blocks

(Example: SMBC)

Major Initiatives to Balance Career and Nursing Care

Training/seminar development

We have organized special seminars on nursing care every year since 2015. These events are held on Saturdays or weekday evenings so all employees can participate easily, including those who already have nursing care responsibilities while working. Family members are also encouraged to take part. With expert lecturers invited to present, the events aim to provide the basic knowledge required while helping those facing this challenge learn more.



Guidebook production

We have created guidebooks on how to balance nursing care responsibilities with a career. At SMBC, a book on this topic has been distributed to all employees. The book is divided into four sections on preparation, implementation, success stories, and advice. It is packed with useful information on balancing a career with nursing care responsibilities including articles on nursing care in Japan; a checklist of how to prepare for providing nursing care; details of various support systems and nursing care insurance services; case studies of providing nursing care at home, or through service providers located at a distance; and relevant contact numbers for use in emergency situations.



Nursing care help desk established

We have created a help desk to provide consulting services on nursing care to employees or family members. The desk is available 24 hours a day, 365 days a year.

Initiatives of Diversity Promotion

▶ Work-life balance support

▶ Empowerment of women

▶ LGBT inclusion

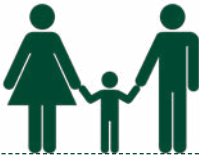
▶ Global HR development

▶ Empowerment of senior employees

▶ Empowerment of people with disabilities

▶ Work style reforms

▶ Health management



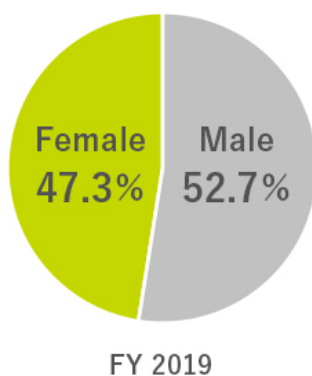


With women comprising around half of employees, the SMBC Group realizes that empowering women is essential to corporate growth. We are actively developing measures to support the careers of female employees.

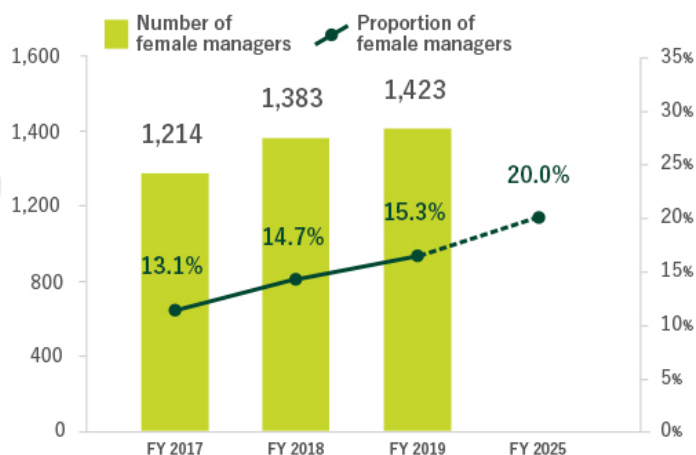
SMBC Group's women's empowerment in figures

Women comprise a high proportion of employees at the SMBC Group. We are actively promoting the appointment of more women in managerial positions.

Number of employees



Number and proportion of female managers



Number of female executives



※Including external directors
 AS of April 30, 2020

[Link to details in ESG Data Book](#)



Numerical targets/plans for Group companies

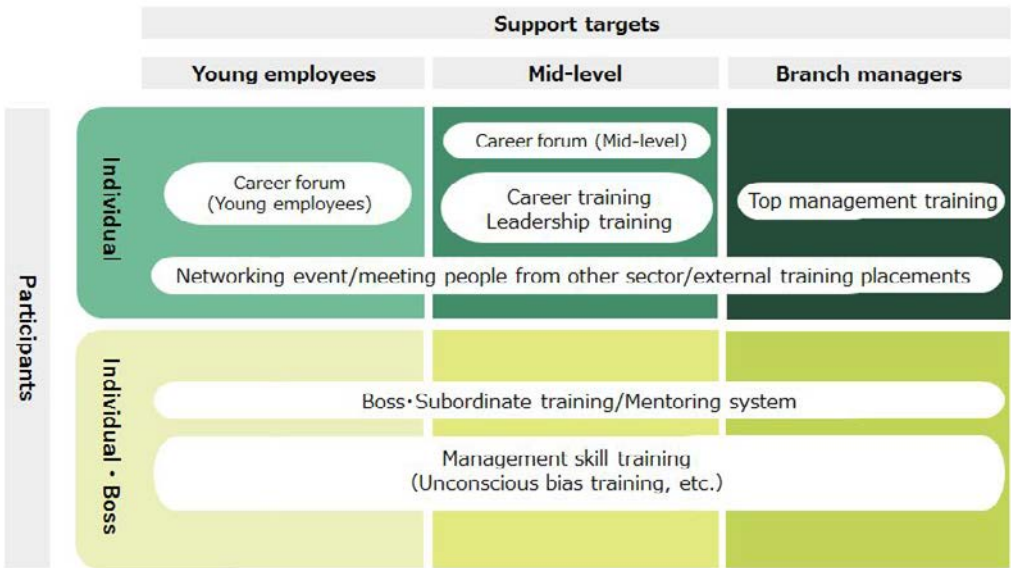
The Group has been proceeding with unified response when the Act on Promotion of Women's Participation and Advancement in the Workplace came into force on April 1, 2016. Each company produces an action plan to ensure steady implementation of initiatives.

Numerical targets/plans related to the promotion of women into managerial positions

SUMITOMO MITSUI BANKING CORPORATION	SMBC TRUST BANK	Sumitomo Mitsui Finance and Leasing
SMBC NIKKO	SUMITOMO MITSUI CARD	SMBC FINANCE SERVICE
SMBC CONSUMER FINANCE	Japan Research Institute	Sumitomo Mitsui DS Asset Management

Key Initiatives to Support Women's Empowerment

Career development support



Career support training

We hosted the SMBC Group joint women's career development forum for young female employees every year since 2013, with the aim of helping women gain "a stable axis for work" early on in their careers. The event features lectures on work styles and other work-related issues faced by women, along with group discussions.



Leadership training

In 2013, SMBC established the Women's Leader Program, a leadership seminar for upper management positions, aiming to develop a base to produce future female directors. The company established the Women's Leader Program Next for mid-level leaders, in order to build a "pipeline to the next generation" for women's career advancement to higher levels. In the program, top management members attend each session, creating an opportunity for the top management to directly communicate their expectations for participants and provide advice and support, chiefly through giving feedback to participants' commitment.



Mentoring systems

We have introduced mentoring systems so that senior female employees can provide guidance to junior female colleagues with the aim of cultivating women with high-class management skills and a managerial perspective. These Group companies are all actively seeking to develop female managers to assume leadership positions as branch managers or executives.

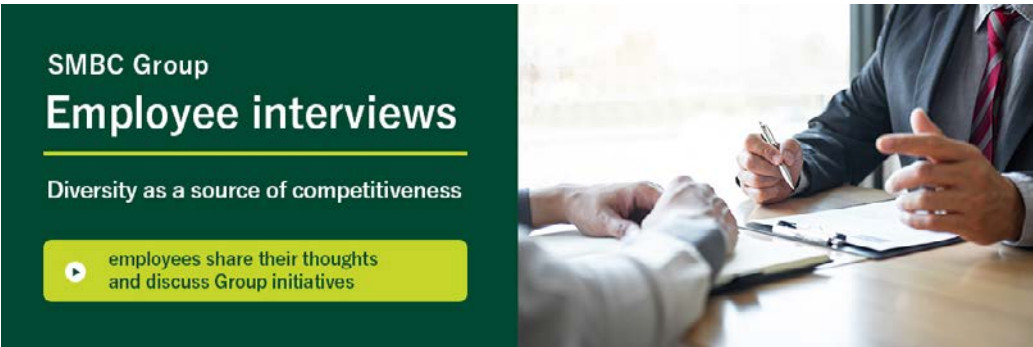


Support for continued employment



Work-Life Balance Support

Interview



External evaluation and awards

Our efforts to promote the empowerment of women have received positive external recognition from various sources. SMBC has been selected as a "Nadeshiko Brand" company by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for five times in the past, the most for our industry sector. SMBC also acquired "Eruboshi" rankings for companies certified by the Minister of Health, Labour and Welfare as having excellent initiatives in place to promote active participation by women.



Nadeshiko Brand



Listed companies jointly selected by the Ministry of Enterprise, Trade and Industry and Tokyo Stock Exchange for excellence in promoting active participation by women

Bloomberg Gender-Equality Index



Developed by Bloomberg in 2017, the BGEI ranks firms according to their actions on gender equality, as well as related disclosures and outcomes.

MSCI Japan Empowering Woman Index(WIN)

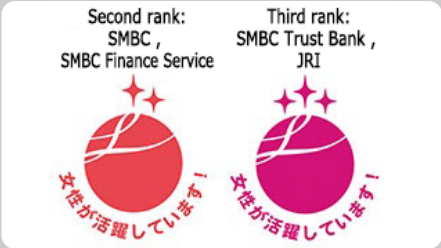


The index is designed by MSCI (Morgan Stanley Capital International) to represent the performance of companies that are highly recognized in terms of supporting women's participation and advancement in the workforce.

Disclaimer Close

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Eruboshi



Companies certified by the Minister of Health, Labour and Welfare as having excellent initiatives in place to promote active participation by women (*Acquired Second rank: SMBC, SMBC Finance Service; third rank: SMBC Trust Bank, JRI)

Catalyst Special Award



Received the Catalyst Special Award hosted by Catalyst, a non-profit organization established in the United States to globally support efforts to promote women's participation

[▶ Recognition and Accreditation](#)

Initiatives of Diversity Promotion

- ▶ Work-life balance support
- ▶ Empowerment of women
- ▶ LGBT inclusion
- ▶ Global HR development
- ▶ Empowerment of senior employees
- ▶ Empowerment of people with disabilities
- ▶ Work style reforms
- ▶ Health management





SMBC Group is working to deepen understanding of LGBT issues and provide support, while also ensuring our systems facilitate proper working environments.

Main initiatives to make it easier for LGBT employees to work

Statement on LGBT Inclusion

In accordance with the SMBC Group's Statement on Human Rights, we will strive to create working environment that are free of any harassment based on sexual orientation or gender identity, as well as any discriminatory recruitment or promotion processes.

Educational activities

All our employees receive training and attend study seminars to promote better understanding of sexual minorities, and to encourage greater awareness and behavioral changes towards LGBT issues.

Revision of work regulations

We have changed the work regulations at our Group Companies to conduct "same-sex partner registration" for LGBT employees, thus allowing their spouses and families to access the employee welfare program.



Establishment of consultation desks

SMBC Group companies have set up internal and external consultation desks to provide employees with the opportunity to consult any issues relating to workplace harassment.

Creating a society in which LGBT people are respected

Support for allies

Domestically, we support Tokyo Rainbow Pride, Asia's largest LGBT event. Through such efforts, we engage in employee enlightenment and networking with allies.

At overseas sites, too, we have put together teams to discuss ways of promoting understanding of LGBT issues and creating more diverse workplaces. The teams also regularly host events.

In the Americas, we've launched a team called "NIJI PRIDE." Niji is the Japanese word for rainbow, and the team organizes events for employees of SMBC and other financial institutions. The team's members also participate actively in volunteer activities organized by their local communities. In Europe, Middle-East, Africa meanwhile, there's a similar team (NIJI EMEA), which organized a panel discussion on the topic of allies*. A large number of employees were able to take part, as it was conducted remotely from offices across the region.

*An ally is a person who understands and supports sexual minorities. Sometimes refers to people who clearly advocate such a position.



Tokyo Rainbow Pride



NIJI PRIDE
(NYC World Pride celebration)



NIJI EMEA

Initiatives toward customers

SMBC has added "common-law spouse" and "same-sex partner" to the definition of spouse for customers taking out joint-liability housing loans*, and began offering home loans to same-sex partners in February 2020. We also provide training on how to interact with such customers at branches.

*A single loan taken out jointly by the occupants of a home that they will share ownership of

[Click here for information about SMBC home loans](#)

External evaluation and accreditation

PRIDE index "Gold" rank

In October 2019, the volunteer organization "work with Pride" granted the highest rank of "Gold" in its PRIDE Index in recognition of the bank's LGBT-related initiatives.



▶ Recognition and Accreditation

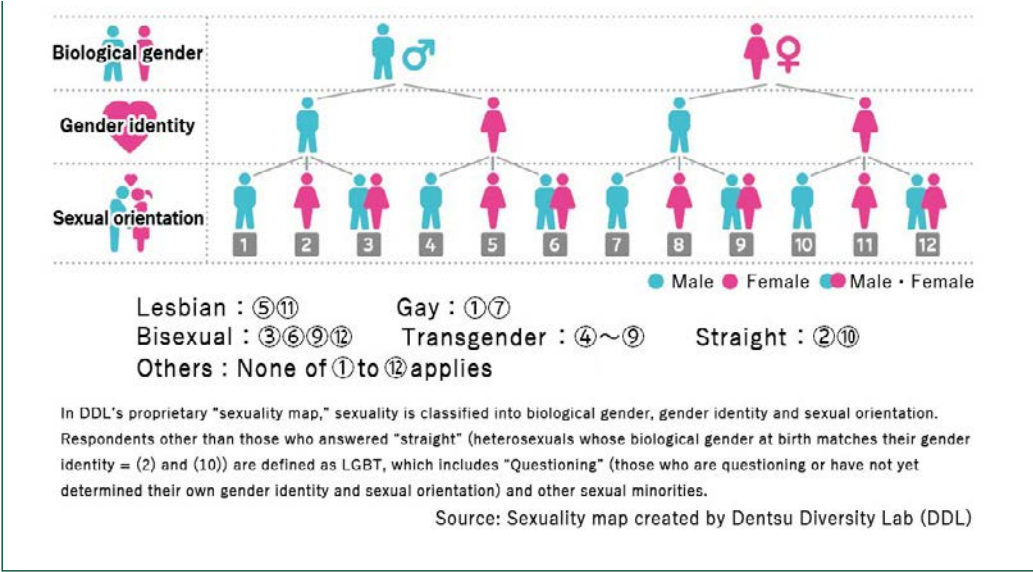
Understanding the LGBT community

Toward a society where sexual diversity is widely accepted.

LGBT is an acronym that stands for lesbian, gay, bisexual and transgender, and is used as a generic term to refer to sexual minorities. In addition to LGBT, there are various other sexual minorities in society.

Recently in the international community, a range of measures have been fostered to ensure that the human rights of LGBT people are respected and to eliminate unfair discrimination against them. In 2011, the United Nations made its first resolution on the human rights of LGBT, which Japan supported. Subsequently in 2015, the Olympic Charter clearly prohibited discrimination due to gender and sexual orientation.

Also, in Japan, spearheaded by the issuance of "partnership certificates" to same-sex partners by Shibuya City, Tokyo in 2015, municipalities across the country have been improving their legal framework to protect the rights of LGBT people. Companies are also building a corporate culture and systems to foster employees' understanding of LGBT, including providing internal training and establishing a same-sex partner registration system under which partners are entitled to enjoy welfare benefits on an almost equal footing with married couples. In order to accept sexual diversity and thereby enhance overall organizational strength, companies are working to make reforms in line with the principle of diversity and inclusion.



Initiatives of Diversity Promotion

▶ Work-life balance support

▶ Empowerment of women

▶ LGBT inclusion

▶ Global HR development

▶ Empowerment of senior employees

▶ Empowerment of people with disabilities

▶ Work style reforms

▶ Health management



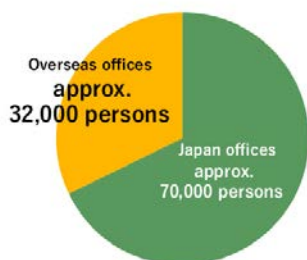


SMBC Group advances its operations in more than 40 countries and regions worldwide, and these overseas businesses are driving the growth of the Group. To support these businesses, we are developing talent management framework to enable optimal assignments and promotions, regardless of their location of hire.

Another area of focus is personnel exchanges between Japan and overseas, global training programs, helping employees gain experience in cross-cultural communication, and building a corporate culture that treats diversity as a source of competitiveness.

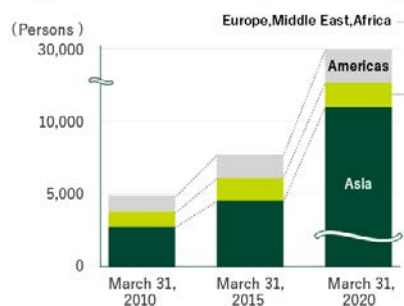
Globalization of human resources by in figres

Number of employees



* Consolidation of SMBC Group

Number of employees in overseas offices by Division



* Figures are for SMBC and its major subsidiaries

* The number of overseas employees in the Asia region rose substantially in FY2018 due to the mergers with BTPN (PT Bank Tabungan Pensiunan Nasional Tbk) and PT Bank Sumitomo Mitsui Indonesia.

Major initiatives for the active efforts of global human resources

Global HR Department

SMBC and SMBC Nikko Securities has established the Global Human Resources Dept. in FY 2014 and FY 2017, respectively, and the SMFG Global Human Resources Dept. was established in FY 2017. We are developing talent management framework to enable optimal assignments and promotions, regardless of the hired location.

We also established standardized talent review framework and developed a database to enable centralized management of talent information on overseas employees. In addition, we hold a Global Human Resources meeting annually in Tokyo, welcoming representatives such as regional HR Heads and Heads of L&D functions. In these ways and more, we are collaborating closely and working together as one global team to develop and promote our talents.

Various training systems

For talent development, we offer various training programs for employees from offices around the globe, including the leadership training for management-level employees delivered in partnership with The Wharton School of the University of Pennsylvania in the United States. Another area of focus is personnel exchanges, promoted through programs, under which, employees from overseas offices are assigned to departments in Japan for up to one year.

In addition, we promote overseas trainee programs and financial support for language skill improvement for employees working in the domestic dept., and branches.



Global Co-working Program

Overseas employee network

At SMBC Group's overseas companies, there are several employee networks. The Women's Inclusion Network and the Balance cover gender themes, NIJI Pride and NIJI EMEA advance enlightenment regarding LGBT issues, and UNIQUE supports people with disabilities. All Group Company employees are working together on initiatives to promote diversity and inclusion.



▶ NIJI Pride/NIJI EMEA

▶ SMBC Americas

▶ SMBC EMEA

Exchange with BTPN

In 2019, BTPN in Indonesia became a consolidated subsidiary of the SMBC Group. We are promoting various initiatives, such as the Future Leaders Program. This program is designed to promote a blend of cultures and mutual understanding for management-level employees



Interview

SMBC Group
Employee interviews

Diversity as a source of competitiveness

▶ employees share their thoughts and discuss Group initiatives

A photograph showing two individuals in a professional setting. One person, wearing a suit and tie, is seated at a desk and gesturing with their hands while speaking. The other person is partially visible, listening attentively.

Initiatives of Diversity Promotion

- ▶ Work-life balance support
- ▶ Empowerment of women
- ▶ LGBT inclusion
- ▶ Global HR development
- ▶ Empowerment of senior employees
- ▶ Empowerment of people with disabilities
- ▶ Work style reforms
- ▶ Health management





SMBC Group is developing a workplace that enables older workers to be active longer by making the most of their rich experiences and skills

Expansion of the support system

SMBC has a system that extends retirement age to 65, making possible a variety of challenges over one's lifetime.

Voluntary application system	We thoroughly apply our voluntary application system in order to support employees in taking on challenges for their desired work.
Support system for second careers	In order to support employees taking on challenges of voluntary work at other companies, we provide second career support payment (bonus severance pay).
Dual-career Support system	We introduced a flexible system involving a three-day work week for employees over the age of 60 to promote the compatibility of personal life and side jobs.

Career support program

For employees who have passed the determined age, we provide a program which explains the system after compulsory retirement and the mindset method at all Group Companies. While the top management sends messages expressing their expectations, we also offer a program that allows employees to think about the vision for the future and new ways of working.


Interview

SMBC Group

Employee interviews

Diversity as a source of competitiveness

▶ employees share their thoughts and discuss Group initiatives



Initiatives of Diversity Promotion ▼

▶ Work-life balance support

▶ Empowerment of women

▶ LGBT inclusion

▶ Global HR development

▶ Empowerment of senior employees

▶ Empowerment of people with disabilities

▶ Work style reforms

▶ Health management





SMBC Group has developed various types of administrative processes and work. Also, all companies maintain an employment rate of people with disabilities at or above the statutory employment rate (2.2% as of July 2020)

Numerical results

maintain an employment rate of people with disabilities at or above the statutory employment rate (2.2% as of July 2020)



	FY2017	FY2018	FY2019
Ratio of employees with disabilities	2.3%	2.4%	2.5%

* SMBC Group composite data

Provision of an environment where employees with disabilities can demonstrate their abilities

SMBC Green Service

Green Service Co., Ltd., a special subsidiary of SMBC, employs about 450 people with disabilities at eight sites across Japan. The company handles a range of back office operations such as telephone services for preparation of checks and promissory notes, and data-input processes. The Minister for Health, Labour and Welfare officially commended the company in September 2014 as an "Excellent Workplace for People with Disabilities."



Preparing checks and promissory notes (SMBC Green Service)

Nikko MiRun

Headquartered in Nihonbashi-Koamicho, the SMBC Nikko Securities special subsidiary Nikko MiRun Inc. has 20 employees with disabilities who do light work duties for other Group firms. The company also operates the MiRun Farm in Ichihara, Chiba Prefecture, where 22 employees with disabilities cultivate vegetable crops under the guidance of eight farming supervisors. The farm also hosts "normalization training," where SMBC Nikko Securities employees undertake manual farm labor alongside their colleagues with disabilities.



This initiative was selected as an example of best practice in March 2016 by the body* promoting the Principles for Financial Action for the 21st Century by Ministry of the Environment.

*Formulated by Japan's Ministry of the Environment, the principles provide a guide for financial institutions in the responsibilities and roles they must follow to help realize a sustainable society.

Employing athletes with disabilities

We includes many athletes with disabilities competing at the elite level in Japan and abroad. The company supports these athletes, and also organizes lecture events as part of promoting deeper understanding of people with disabilities.

SMBC signed an affiliation agreement with leading wheelchair tennis player Yui Kamiji in April 2019.



Creating branches that customers with impairments can easily visit

To enable customers who are elderly or have disabilities to visit our branches with peace of mind, we are introducing the principles of universal design at branches. We also run study sessions and distribute a manual aimed at equipping all employees with "universal manners."

▶ Contribution to Achieving
and Developing Safe and Secure Communities

Interview

SMBC Group

Employee interviews

Diversity as a source of competitiveness

▶ employees share their thoughts and discuss Group initiatives



Initiatives of Diversity Promotion

▶ Work-life balance support

▶ Empowerment of women

▶ LGBT inclusion

▶ Global HR development

▶ Empowerment of senior employees

▶ Empowerment of people with disabilities

▶ Work style reforms

▶ Health management





SMBC Group actively undertakes work style reforms to create working environments that foster enthusiasm and stimulate the motivation of every employee, including those working restricted hours. Reforms also aim to improve overall productivity.

Numerical results

To make sure that initiatives in the area of work style reform are implemented smoothly, we have set target for the acquisition rate for paid leave.

Target	Achievement time	FY2017	FY2018	FY2019
Paid leave acquisition rate 85% or more	FY2025	67.3%	70.6%	74.7%

Main initiatives for increasing productivity and motivation to work

Complying with laws and regulations and improving labor conditions

SMBC Group complies with all applicable laws and regulations, and improves labor conditions across the Group, by regularly monitoring working conditions and working hours. All companies are compliant with the requirements in the Act on the Arrangement of Related Acts to Promote Work Style Reform that went into force in Japan in April 2019.

[Monitoring items]

Overtime agreement violations

Minimum wage violations

No. of industrial accidents, etc.

Rectifying long working hours

Each company regularly monitors the numbers of overtime hours and employees working long hours as part of ongoing efforts to improve the working conditions across the Group.

At SMBC, as part of day-to-day working hours management, the times that employees log in and out of their PCs are recorded, which allows us to accurately gauge how many hours each individual is working. We have also established work intervals and set upper limits for working hours.

We are also working to reduce long working hours via the introduction of robotic process automation (RPA) for increased administrative efficiency, along with the management of total work hours by setting times for people to leave offices and designating days when workers are encouraged to leave early.



More flexible working hours

SMBC Group companies are utilizing a variety of systems to increase flexibility, including flextime, staggered start times, variable working hours, and discretionary working arrangements for planned or professional duties.

Work site flexibility

All SMBC Group Companies have a "Work from home system" in place, and are rolling out satellite office* duty.

*Office space established inside a facility, or external office space for which a usage contract has been signed.



Initiatives to increase work style reform awareness and productivity

At each Group Company, regarding changing thinking toward work styles and the importance of management, the management ranks dispatched a message, and we are conducting seminars and workshops for the purpose of increasing productivity and achieving business with higher added value. Also, we are incorporating accomplishments related to increasing productivity to the items we use to evaluate achievements.

Flexibility on work attire

We are working to make reforms to our corporate culture. In order to create an environment in which it is easy to take on new challenges that are not restrained by precedent or standard thinking, we introduced a "Dress Code Free" policy. This makes it possible for employees to freely choose their own garments in line with TPO.

Creating more innovative workplaces

In September 2017, the SMBC Group established "hoops links tokyo" as an innovation space located in Shibuya, Tokyo. Bringing together a variety of people from start-ups and larger firms, government, academia, research institutions and NPOs, the aim of this initiative is to forge connections to support the creation of dynamic, innovative businesses and services with a focus on addressing societal issues.



Interview

SMBC Group
Employee interviews

Diversity as a source of competitiveness

▶ employees share their thoughts and discuss Group initiatives

External evaluation and accreditation

4 stars awarded in the 4th Nikkei "Smart Work Management" survey

In November 2020, SMFG was awarded 4 stars in the 4th Nikkei "Smart Work Management*" survey conducted by Nikkei Inc.

NIKKEI Smart Work

★★★★ 2021

* "Smart Work Management" refers to maximizing the potential of workers through varied and flexible work styles, and developing strategies to maximize productivity and the broader performance of the organization using positive feedback loops, thereby fostering innovation and new market development.

▶ Recognition and Accreditation

Initiatives of Diversity Promotion

▶ Work-life balance support

▶ Empowerment of women

▶ LGBT inclusion

▶ Global HR development

▶ Empowerment of senior employees

▶ Empowerment of people with disabilities

▶ Work style reforms

▶ Health management





SMBC Group is undertaking health management to help support the physical and mental health and motivation of employees to underpin the continual provision of high value-added for customers.

Main initiatives to promote and accelerate health management

Statement on Health Management; Appointment of CHO

Each of our Group companies views the promotion of employee health as a management issue, and has instituted a Statement on Health Management.

The firm has also appointed a Chief Health Officer (CHO) and established a Health Promotion Office as part of systematic efforts to maintain and promote the health of employees and family members.

Various medical examinations

Alongside periodic health examinations, Group companies are active in providing specific health-related guidance as a means of preventing lifestyle diseases.

Mental health initiatives

To enable individuals to manage their own mental health, we carry out a stress check for all employees. Also, to support mental health self-care, line care (in which managers and supervisors who have daily contact with workers improve the working environment and consult with them) and reassignment, we have consultation services with outside specialist counselors. We perform follow up training for managers at offices that have particularly high stress numbers. In addition, at SMBC Nikko Securities, a mental health supporter is designated at branches in order to promote self-care and quick responses to those who are in poor mental health. In these ways and more, we are promoting efforts for the mental health of our employees.

Action on smoking

We work closely with the health-insurance society to help employees quit smoking by subsidizing their participation in an online smoking cessation program. Also, we have a "No Smoking Day" every month, and provide e-learning on tobacco and secondhand smoke.

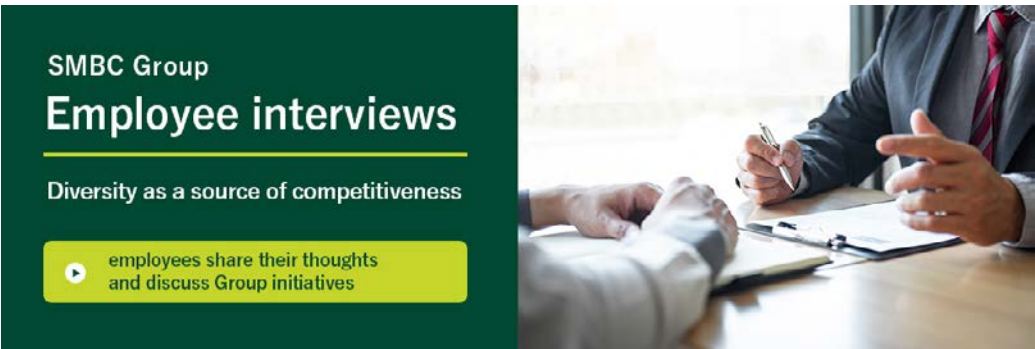
Health support for women

We are carrying out initiatives to raise awareness of women's health issues at all our Group Companies. These include providing health care seminars that teach specifics of the female constitution, illnesses that occur at different life stages, and self-care. Also, we offer educational programs and round table meetings with female industrial physicians by using e-learning and videoconferencing.



Seminar at SMBC Finance Service

Interview



External evaluation and accreditation

**Recognized as a 2020
Certified Health and
Productivity Management
Organization (large
enterprise category) by the
Ministry of Economy, Trade
and Industry**

In March 2020, we recognized for the Fourth year running as a 2020 Certified Health and Productivity Management Organization (large enterprise category) by the Ministry of Economy, Trade and Industry.



Note: Since FY2016, METI's Certified Health & Productivity Management Outstanding Organizations Recognition Program has recognized organizations with outstanding records in health management, based on their engagement with local community health initiatives or health promotion activities promoted by the Nippon Kenko Kaigi.



▶ Recognition and Accreditation

Initiatives of Diversity Promotion



▶ Work-life balance support

▶ Empowerment of women

▶ LGBT inclusion

▶ Global HR development

▶ Empowerment of senior employees

▶ Empowerment of people with disabilities

▶ Work style reforms

▶ Health management



List of Company Data

Main initiatives

- [1. Environmental Impact Data of SMBC Group Companies ▼](#)
- [2. SMBC Group Company Employee Data ▼](#)
- [3. Main systems for achieving a work-life balance at SMFG Group companies ▼](#)
- [4. Environmental accounting at SMBC ▼](#)

1. Environmental Impact Data of SMBC Group Companies

The figures of direct and indirect energy CO₂ emissions are calculated by each group companies, based on the method of amended energy saving act.

Figures of other energy consumption are based on respective group company's methodology.

Please refer to the link below for environmental performance data and goals of SMBC Group companies.

➤ [Performance Data and Goals of SMBC Group Companies](#)

✓ Sumitomo Mitsui Financial Group (SMFG)

✓ Sumitomo Mitsui Banking Corporation (SMBC)

✓ SMBC Trust Bank (SMBCTB)

✓ Sumitomo Mitsui Finance and Leasing (SMFL)

✓ SMBC Nikko Securities (SMBC Nikko)

✓ SMBC Friend Securities (SMBC Friend)(*1)

✓ Sumitomo Mitsui Card Company (SMCC)

✓ Cedyne Financial Corporation (Cedyne)(*2)

✓ SMBC Consumer Finance (SMBCCF)

✓ The Japan Research Institute (JRI)

✓ Sumitomo Mitsui DS Asset Management Company (SMDAM)

(*1) SMBC Friend Securities has formed a merger with SMBC Nikko Securities in January 2018.

(*2) Cedyne Financial Corporation changed the name in July 2020 to SMBC Finance Service after merger with SMBC Finance Service.

Sumitomo Mitsui Financial Group (SMFG)

Measurement Items		Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	0.0	0.0	0.0
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	0.0	0.0	0.0
	Other CO ₂ emissions	t-CO ₂	175.1	185.1	830.4
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	175.1	185.1	830.4
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	175.1	185.1	830.4

Sumitomo Mitsui Banking Corporation (SMBC)

Measurement Items		Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	9,227.9	8,454.8	7,336.7
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	81,335.2	74,390.5	64,265.0
	Other CO ₂ emissions	t-CO ₂	8,634.8	9,324.9	22,576.8
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	99,197.9	92,170.2	94,178.5

Measurement Items		Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019
Direct energy consumption	City gas	Thousand m ³	1,903.6	1,719.3	1,498.8
		t-CO ₂	4,270.9	3,858.0	3,363.3
	Liquefied petroleum gas (LPG)	t	10.3	9.6	9.0
		t-CO ₂	30.9	28.8	27.0
	Heavy fuel oil	kl	7.0	4.8	5.0
		t-CO ₂	19.0	13.0	13.5
	Light oil	kl	0.6	0.5	1.1
		t-CO ₂	1.6	1.3	2.8
	Kerosene	kl	5.9	6.6	6.8
		t-CO ₂	14.7	16.4	16.9
	Gasoline (automobile)	kl	2,106.3	1,954.0	1,685.2
		t-CO ₂	4,890.9	4,537.3	3,913.1
Indirect energy Consumption	Electricity	Thousand kWh	158,558.1	154,611.7	145,851.3
		t-CO ₂ (emission coefficient)	78,581.5	71,493.8	62,171.2
	Steam	GJ	22,412.8	24,298.1	24,127.5
		t-CO ₂	1,277.5	1,385.0	1,375.3
	Hot water	GJ	1,897.4	1,861.0	2,129.7
		t-CO ₂	108.2	106.1	121.4
	Cold water	GJ	11,213.1	11,206.8	10,474.9
		t-CO ₂	639.1	638.8	597.1
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	7,540.3	8,185.6	21,601.7
	Total water and sewage	Thousand m ³	2,432.2	2,531.7	2,166.9
		t-CO ₂	1,094.5	1,139.3	975.1

SMBC Trust Bank (SMBCTB)

Measurement Items		Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	107.6	159.5	144.2
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	3,895.0	3,985.0	2,966.6
	Other CO ₂ emissions	t-CO ₂	461.0	520.5	747.2
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	4,463.6	4,665.0	3,857.9
Direct energy consumption	City gas	Thousand m ³	42.8	65.1	60.7
		t-CO ₂	98.0	149.0	136.0
	Gasoline (automobile)	kl	4.1	4.5	3.5
		t-CO ₂	9.6	10.5	8.2
Indirect energy Consumption	Electricity	Thousand kWh	7,013.4	7,289.6	6,099.6
		t-CO ₂ (emission coefficient)	3,696.0	3,820.0	2,854.6
	Steam	GJ	283.2	176.1	110.6
		t-CO ₂	16.0	10.0	6.3
	Hot water	GJ	173.3	136.9	135.4
		t-CO ₂	10.0	8.0	7.7
	Cold water	GJ	3,037.3	2,585.9	1,725.9
		t-CO ₂	173.0	147.0	98.0

Measurement Items		Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	459.0	516.7	744.3
	Water supply	Thousand m ³	3.7	5.8	4.4
	Sewage	Thousand m ³	3.7	5.8	4.4
	Total water and sewage	Thousand m ³	7.4	11.6	8.8
		t-CO ₂	2.0	3.8	2.9

Sumitomo Mitsui Finance and Leasing (SMFL)

Measurement Items		Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	854.6	741.7	1,148.8
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	901.3	1,037.4	1,186.2
	Other CO ₂ emissions	t-CO ₂	1,388.7	1,424.0	3,905.9
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	3,144.6	3,203.1	6,240.9
Direct energy consumption	City gas	Thousand m ³	20.5	19.0	27.8
		t-CO ₂	45.2	42.0	61.4
	Light oil	kl	2.0	2.0	2.1
		t-CO ₂	5.3	5.3	5.5
	Gasoline (automobile)	kl	346.4	368.0	466.0
		t-CO ₂	804.1	854.4	1,082.0

Measurement Items		Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019
Indirect energy Consumption	Electricity	Thousand kWh	1,770.7	2,038.1	2,534.6
		t-CO ₂ (emission coefficient)	901.3	1,037.4	1,186.2
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	1,388.7	1,424.0	3,903.0
	Water supply	Thousand m ³	-	-	4.1
	Sewage	Thousand m ³	-	-	4.1
	Total water and sewage	Thousand m ³	-	-	8.2
		t-CO ₂	-	-	2.8

SMBC Nikko Securities (SMBC Nikko)

Measurement Items		Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	4,102.9	3,492.1	3,199.2
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	18,852.0	17,490.5	15,372.8
	Other CO ₂ emissions	t-CO ₂	3,825.0	4,191.2	9,166.5
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	26,779.9	25,173.9	27,738.4
Direct energy consumption	City gas	Thousand m ³	105.5	119.8	102.6
		t-CO ₂	235.7	267.6	229.2
	Heavy fuel oil	kl	5.9	2.2	2.1
		t-CO ₂	16.0	6.0	5.7
	Gasoline (automobile)	kl	1,660.0	1,387.3	1,277.7
		t-CO ₂	3,851.2	3,218.5	2,964.3

Measurement Items		Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019
Indirect energy Consumption	Electricity	Thousand kWh	30,889.5	32,778.4	29,886.6
		t-CO ₂ (emission coefficient)	17,300.4	15,723.4	13,626.8
	Steam	GJ	7,842.0	6,310.4	6,596.6
		t-CO ₂	447.0	359.7	376.0
	Hot water	GJ	873.1	918.5	3,816.4
		t-CO ₂	49.8	52.4	217.5
	Cold water	GJ	18,506.00	23,772.40	20,218.6
		t-CO ₂	1,054.8	1,355.0	1,152.5
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	3,799.2	4,165.0	9,141.3
	Water supply	Thousand m ³	28.6	29.1	28.0
	Sewage	Thousand m ³	28.6	29.1	28.0
	Total water and sewage	Thousand m ³	57.3	58.2	56.0
		t-CO ₂	25.8	26.2	25.2

SMBC Friend Securities (SMBC Friend)

* SMBC Friend Securities has formed a merger with SMBC Nikko Securities in January 2018.

Measurement Items		Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	41.2	-	-
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	1,837.5	-	-
	Other CO ₂ emissions	t-CO ₂	473.8	-	-
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	2,352.5	-	-
Direct energy	City gas	Thousand m ³	18.0	-	-
		t-CO ₂	41.2	-	-
Indirect energy Consumption	Electricity	Thousand kWh	3,304.8	-	-
		t-CO ₂ (emission coefficient)	1,837.5	-	-
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	473.8	-	-

Sumitomo Mitsui Card Company (SMCC)

Measurement Items		Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	516.2	484.9	342.1
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	4,200.0	3,690.0	3,091.6
	Other CO ₂ emissions	t-CO ₂	726.1	801.9	1,294.6
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	5,442.3	4,976.8	4,728.3
Direct energy consumption	City gas	Thousand m ³	187.0	173.3	110.8
		t-CO ₂	419.6	388.9	248.6
	Gasoline (automobile)	kl	41.6	41.4	40.3
		t-CO ₂	96.5	96.0	93.5
Indirect energy Consumption	Electricity	Thousand kWh	8,390.7	8,106.7	7,560.0
		t-CO ₂ (emission coefficient)	4,200.0	3,690.0	3,091.6
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	700.2	776.4	1,269.2
	Total water and sewage	Thousand m ³	59.1	58.1	57.7
		t-CO ₂	25.9	25.5	25.3

Cedyna Financial Corporation (Cedyna)

* Cedyna Financial Corporation changed the name in July 2020 to SMBC Finance Service after merger with SMBC Finance Service.

Measurement Items		Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	778.2	707.1	663.0
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	4,074.0	3,829.5	3,338.2
	Other CO ₂ emissions	t-CO ₂	921.2	827.8	1,109.1
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	5,773.4	5,364.4	5,110.3
Direct energy consumption	Gasoline (automobile)	kl	335.1	304.5	285.8
		t-CO ₂	778.2	707.1	663.0
Indirect energy Consumption	Electricity	Thousand kWh	8,265.9	8,141.1	7,681.0
		t-CO ₂ (emission coefficient)	4,074.0	3,829.5	3,338.2
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	921.2	827.8	1,109.1

SMBC Consumer Finance (SMBCCF)

Measurement Items		Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	0.0	0.0	0.0
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	1,928.9	1,709.9	1,646.6
	Other CO ₂ emissions	t-CO ₂	698.9	790.1	2,043.9
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	2,627.8	2,500.0	3,690.5
Indirect energy Consumption	Electricity	Thousand kWh	2,376.3	2,171.7	2,158.2
		t-CO ₂ (emission coefficient)	1,154.9	1,031.6	1,025.1
	Steam	GJ	0.0	0.0	0.0
		t-CO ₂	0.0	0.0	0.0
	Hot water	GJ	656.6	480.4	525.1
		t-CO ₂	37.4	27.4	29.9
	Cold water	GJ	12,923.3	11,420.5	10,377.6
		t-CO ₂	736.6	651.0	591.5
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	698.2	789.4	2,042.3
	Total water and sewage	Thousand m ³	2.3	2.2	4.8
		t-CO ₂	0.7	0.7	1.7

The Japan Research Institute (JRI)

Measurement Items		Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	567.8	477.0	505.9
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	37,956.2	34,814.7	33,957.2
	Other CO ₂ emissions	t-CO ₂	1,063.0	1,127.7	2,596.2
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	39,587.0	36,419.5	37,059.3
Direct energy consumption	City gas	Thousand m ³	52.3	47.7	48.9
		t-CO ₂	117.4	107.0	109.7
	Heavy fuel oil	kl	116.8	87.4	104.9
		t-CO ₂	316.5	236.8	284.2
	Kerosene	kl	34.5	37.2	30.6
		t-CO ₂	85.9	92.6	76.2
	Gasoline (automobile)	kl	20.7	17.5	15.4
		t-CO ₂	48.0	40.6	35.8
Indirect energy Consumption	Electricity	Thousand kWh	77,169.2	74,926.5	73,107.0
		t-CO ₂ (emission coefficient)	37,956.2	34,814.7	33,957.2
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	1,063.0	1,127.7	2,596.2

Sumitomo Mitsui DS Asset Management Company (SMDAM)

*1 Started from 2017, due to the reorganization.

*2 Sumitomo Mitsui Asset Management and Daiwa SB Investments merge to form Sumitomo Mitsui DS Asset Management Company in April 2019.

Measurement Items		Unit	Fiscal 2017	Fiscal 2018	Fiscal 2019
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	186.8	186.2	186.1
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	484.5	476.0	481.0
	Other CO ₂ emissions	t-CO ₂	452.5	434.3	1,344.8
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	1,123.8	1,096.5	2,011.9
Direct energy consumption	City gas	Thousand m ³	80.8	80.4	80.6
		t-CO ₂	181.4	180.4	181.0
	Gasoline (automobile)	kl	2.3	2.5	2.2
		t-CO ₂	5.4	5.8	5.1
Indirect energy Consumption	Electricity	Thousand kWh	996.9	979.4	989.8
		t-CO ₂ (emission coefficient)	484.5	476.0	481.0
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	452.5	434.3	1,344.8

2. SMBC Group Company Employee Data

* Sumitomo Mitsui Asset Management changed the name in April 2019 to Sumitomo Mitsui DS Asset Management Company after merger with Daiwa SB Investments

* Cedyna Financial Corporation changed the name in July 2020 to SMBC Finance Service after merger with SMBC Finance Service.

✓ Data for Employees

✓ Data for Executives/Managers

✓ Data for Recruitment

✓ Data for HR systems and leave

Status of employees

		(No. of people, %)		
		March 31, 2018	March 31, 2019	March 31, 2020
Sumitomo Mitsui Banking Corporation	Number of employees (*1)	27,935	27,154	26,457
	Male	12,989	12,471	12,021
	Ratio	46.50%	45.93%	45.44%
	Female	14,946	14,683	14,436
	Ratio	53.50%	54.07%	54.56%
	Average age	37 yrs 1 mos.	37 yrs 5 mos.	37 yrs 9 mos.
	Male	40 yrs 5 mos.	40 yrs 4 mos.	40 yrs 3 mos.
	Female	34 yrs 2 mos.	34 yrs 10 mos.	35 yrs 8 mos.
	Average years of service	13 yrs 1 mos.	13 yrs 6 mos.	13 yrs 11 mos.
	Male	15 yrs 10 mos.	15 yrs 11 mos.	16 yrs 0 mos.
	Female	10 yrs 9 mos.	11 yrs 4 mos.	12 yrs 1 mos.
	Voluntary separation rate	2%	3%	3%
	Ratio of employees with disabilities (As of March 1 of each year)	2.38%	2.47%	2.65%
	Total training hours/year	724,440 hours	559,743 hours	515,140 hours
	Average training per person (hours)	25.9 hours	20.6 hours	19.5 hours
	Annual training expenses	2,790 million yen	2,404 million yen	2,433 million yen
	Average training per person (yen)	99,875 yen	88,532 yen	91,961 yen

		March 31, 2018	March 31, 2019	March 31, 2020
SMBC Trust Bank	Number of employees (*1)	1,937	1,985	2,084
	Male	907	948	987
	Ratio	46.82%	47.76%	47.36%
	Female	1,030	1,037	1,097
	Ratio	53.18%	52.24%	52.64%
	Average age	42 yrs 5 mos.	44 yrs 7 mos.	44 yrs 3 mos.
	Male	44 yrs 4 mos.	46 yrs 11 mos.	46 yrs 3 mos.
	Female	40 yrs 9 mos.	41 yrs 4 mos.	42 yrs 5 mos.
	Average years of service	9 yrs 1 mos.	7 yrs 3 mos.	9 yrs 0 mos.
	Male	8 yrs 6 mos.	6 yrs 3 mos.	7 yrs 9 mos.
	Female	9 yrs 7 mos.	8 yrs 2 mos.	10 yrs 1 mos.
	Ratio of employees with disabilities (As of March 1 of each year)	1.96%	2.51%	2.31%

		March 31, 2018	March 31, 2019	March 31, 2020
Sumitomo Mitsui Finance and Leasing	Number of employees (*1)	1,683	2,434	2,448
	Male	1,072	1,581	1,590
	Ratio	63.70%	64.95%	64.95%
	Female	611	853	858
	Ratio	36.30%	35.05%	35.05%
	Average age	40 yrs 6 mos.	40 yrs 7 mos.	42 yrs 2 mos.
	Male	42 yrs 5 mos.	42 yrs 8 mos.	43 yrs 8 mos.
	Female	37 yrs 1 mos.	37 yrs 2 mos.	39 yrs 2 mos.
	Average years of service	15 yrs 0 mos.	15 yrs 0 mos.	15 yrs 0 mos.
	Male	16 yrs 10 mos.	16 yrs 11 mos.	16 yrs 3 mos.
	Female	11 yrs 11 mos.	11 yrs 10 mos.	12 yrs 6 mos.
	Voluntary separation rate	3%	2%	3%
	Ratio of employees with disabilities (As of March 1 of each year)	2.18%	2.05%	1.80%

		March 31, 2018	March 31, 2019	March 31, 2020
SMBC Nikko Securities	Number of employees (*1)	10,678	10,394	10,187
	Male	6,579	6,411	6,330
	Ratio	61.61%	61.68%	62.14%
	Female	4,099	3,983	3,857
	Ratio	38.39%	38.32%	37.86%
	Average age	40 yrs 0 mos.	40 yrs 7 mos.	41 yrs 4 mos.
	Male	41 yrs 4 mos.	41 yrs 9 mos.	42 yrs 5 mos.
	Female	37 yrs 11 mos.	38 yrs 8 mos.	39 yrs 7 mos.
	Average years of service	11 yrs 10 mos.	12 yrs 6 mos.	13 yrs 3 mos.
	Male	12 yrs 1 mos.	12 yrs 8 mos.	13 yrs 4 mos.
	Female	11 yrs 5 mos.	12 yrs 3 mos.	13 yrs 2 mos.
	Ratio of employees with disabilities (As of March 31 of each year)	2.16%	2.38%	2.49%

			March 31, 2018	March 31, 2019	March 31, 2020
Sumitomo Mitsui Card Company	Number of employees (*1)		2,482	2,495	2,533
	Male		1,151	1,141	1,159
		Ratio	46.37%	45.73%	45.76%
	Female		1,331	1,354	1,374
		Ratio	53.63%	54.27%	54.24%
	Average age		39 yrs 0 mos.	39 yrs 6 mos.	39 yrs 11 mos.
	Male		41 yrs 0 mos.	41 yrs 5 mos.	41 yrs 9 mos.
	Female		37 yrs 4 mos.	37 yrs 10 mos.	38 yrs 4 mos.
	Average years of service		14 yrs 8 mos.	15 yrs 0 mos.	15 yrs 3 mos.
	Male		15 yrs 11 mos.	16 yrs 2 mos.	16 yrs 3 mos.
	Female		13 yrs 8 mos.	14 yrs 0 mos.	14 yrs 5 mos.
	Ratio of employees with disabilities (As of March 31 of each year)		2.32%	2.45%	2.68%

		March 31, 2018	March 31, 2019	March 31, 2020
Cedyna Financial Corporation	Number of employees (*1)	3,425	3,349	3,252
	Male	1,971	1,897	1,820
	Ratio	57.55%	56.64%	55.97%
	Female	1,454	1,452	1,432
	Ratio	42.45%	43.36%	44.03%
	Average age	42 yrs 8 mos.	43 yrs 0 mos.	43 yrs 5 mos.
	Male	44 yrs 10 mos.	45 yrs 2 mos.	45 yrs 6 mos.
	Female	39 yrs 7 mos.	40 yrs 2 mos.	40 yrs 11 mos.
	Average years of service	18 yrs 2 mos.	18 yrs 6 mos.	19 yrs 0 mos.
	Male	20 yrs 6 mos.	20 yrs 9 mos.	21 yrs 1 mos.
	Female	15 yrs 1 mos.	15 yrs 7 mos.	16 yrs 3 mos.
	Voluntary separation rate	2%	2%	2%
	Ratio of employees with disabilities (As of March 1 of each year)	2.39%	2.32%	2.32%

		March 31, 2018	March 31, 2019	March 31, 2020
SMBC Consumer Finance	Number of employees (*1)	2,134	2,263	2,475
	Male	1,386	1,425	1,454
	Ratio	64.95%	62.97%	58.75%
	Female	748	838	1,021
	Ratio	35.05%	37.03%	41.25%
	Average age	41 yrs 0 mos.	41 yrs 2 mos.	41 yrs 8 mos.
	Male	42 yrs 7 mos.	42 yrs 8 mos.	43 yrs 1 mos.
	Female	38 yrs 1 mos.	38 yrs 8 mos.	39 yrs 7 mos.
	Average years of service	16 yrs 8 mos.	16 yrs 4 mos.	16 yrs 1 mos.
	Male	18 yrs 7 mos.	18 yrs 1 mos.	18 yrs 1 mos.
	Female	13 yrs 3 mos.	13 yrs 6 mos.	13 yrs 2 mos.
	Voluntary separation rate	3%	2%	3%
	Ratio of employees with disabilities (As of March 31 of each year)	2.32%	2.43%	3.00%

		March 31, 2018	March 31, 2019	March 31, 2020
The Japan Research Institute	Number of employees (*1)	2,357	2,427	2,510
	Male	1,710	1,773	1,841
	Ratio	72.55%	73.05%	73.35%
	Female	647	654	669
	Ratio	27.45%	26.95%	26.65%
	Average age	40 yrs 6 mos.	40 yrs 9 mos.	41 yrs 1 mos.
	Male	41 yrs 4 mos.	41 yrs 6 mos.	41 yrs 8 mos.
	Female	38 yrs 6 mos.	38 yrs 10 mos.	39 yrs 3 mos.
	Average years of service	12 yrs 6 mos.	12 yrs 8 mos.	12 yrs 10 mos.
	Male	12 yrs 10 mos.	13 yrs 1 mos.	13 yrs 3 mos.
	Female	11 yrs 7 mos.	11 yrs 10 mos.	11 yrs 8 mos.
	Ratio of employees with disabilities (As of March 31 of each year)	2.40%	2.27%	2.23%

			March 31, 2018	March 31, 2019	March 31, 2020
Sumitomo Mitsui DS Asset Management Company (*2)	Number of employees (*1)		551	552	845
	Male		388	386	614
		Ratio	70.42%	69.93%	72.66%
	Female		163	166	231
		Ratio	29.58%	30.07%	27.34%
	Average age		44 yrs 1 mos.	44 yrs 7 mos.	45 yrs 11 mos.
	Male		45 yrs 10 mos.	46 yrs 3 mos.	47 yrs 5 mos.
	Female		39 yrs 10 mos.	40 yrs 6 mos.	42 yrs 0 mos.
	Average years of service		8 yrs 5 mos	9 yrs 3 mos	15 yrs 3 mos
	Male		8 yrs 10 mos	9 yrs 9 mos	16 yrs 6 mos
	Female		7 yrs 5 mos	8 yrs 2 mos	11 yrs 8 mos

*1 The number of full-time employees. The following list of employees is deducted from the total number of employees: executive officers, part-time employees, employees of temporary employment agencies, and national staff at overseas branches.

*2 Figures for March 31, 2018 and 2019, include those for the former Sumitomo Mitsui Asset Management Company, Limited.

Data for Executives/Managers

			(No. of people)		
			April 30, 2018	April 30, 2019	April 30, 2020
Sumitomo Mitsui Financial Group (SMFG) (*1)	Directors/executives	Total (of whom are female)	21 (1)	23 (1)	24 (1)
		Outside directors (of whom are female)	7 (1)	7 (1)	7 (1)
	Executive officers	Total (of whom are female)	50 (2)	51 (2)	63 (3)
Sumitomo Mitsui Banking Corporation (*2)	Directors	Total (of whom are female)	11 (0)	13 (0)	17 (1)
		Outside directors (of whom are female)	3 (0)	3 (0)	5 (1)
	Executive officers	Total (of whom are female)	84 (3)	86 (3)	87 (3)
	Corporate auditors	Total (of whom are female)	6 (0)	6 (0)	-
		Outside corporate auditors (of whom are female)	3 (0)	3 (0)	-

*1 New holding company-based management structure adopted in April 2017; governance shifted to Company with Committees model in June 2017

*2 Transitioned to the Company with Audit and Supervisory Committee in June 2019

			(No. of people, %)		
			March 31, 2018	March 31, 2019	March 31, 2020
Sumitomo Mitsui Banking Corporation (*1)	No. of managers	Dept. head level	1,190	1,163	1,104
		Female	66	82	96
		Ratio	5.5%	7.1%	8.7%
		Section chief level	3,332	3,309	3,206
		Female	630	722	728
		Ratio	18.9%	21.8%	22.7%
	Total no. of managers		4,522	4,472	4,310
		Female	696	804	824
		Ratio	15.4%	18.0%	19.1%
	Newly appointed managers	Total	431	470	382
		Female	115	136	93
		Ratio	26.7%	28.9%	24.3%
SMBC Trust Bank	No. of female managers	Female	90	95	84
		Ratio	29.3%	28.1%	27.6%
Sumitomo Mitsui Finance and Leasing (*1)	No. of managers		428	598	667
		Female	19	36	38
		Ratio	4.4%	6.0%	5.7%

			March 31, 2018	March 31, 2019	March 31, 2020
SMBC Nikko Securities	No. of female managers		166	171	178
Sumitomo Mitsui Card Company (*1)	No. of female managers	Female	5	17	23
		Ratio	1.5%	4.9%	6.2%
Cedyna Financial Corporation	Total no. of managers		866	863	855
		Female	75	88	94
		Ratio	8.7%	10.2%	11.0%
SMBC Consumer Finance	Total no. of managers		879	900	906
		Female	112	118	126
		Ratio	12.7%	13.1%	13.9%
The Japan Research Institute	Ratio of female manager		11.0%	12.0%	11.7%
Sumitomo Mitsui DS Asset Management Company (*1)(*2)	No. of female managers (Ratio)		10 (8.8%)	9 (8.0%)	11 (10.5%)

*1 Retroactive revisions have been made to previous fiscal years due to change in definition.

*2 Figures for March 31, 2018 and 2019, include those for the former Sumitomo Mitsui Asset Management Company, Limited.

Recruitment Status

		(No. of people, %)		
		April, 2018	April, 2019	April, 2020
Sumitomo Mitsui Banking Corporation	New graduate recruits	803	667	622
	Management track	595	574	622
	Number of newly employed female graduates	372	269	201
	Management track	164	176	201
	Ratio of newly employed female graduates	46.3%	40.3%	32.3%
	Ratio of newly employed female graduates in managerial positions	27.6%	30.7%	32.3%
	Number of career hires	32 (Fiscal 2017)	16 (Fiscal 2018)	25 (Fiscal 2019)
SMBC Trust Bank	New graduate recruits	54	44	52
	Newly employed female graduates	28	18	16
	Ratio of newly employed female graduates	51.9%	40.9%	30.8%
	Number of career hires	35 (Fiscal 2017)	28 (Fiscal 2018)	25 (Fiscal 2019)
Sumitomo Mitsui Finance and Leasing	New graduate recruits	56	76	81
	Number of newly employed female graduates	28	43	33
	Ratio of newly employed female graduates	50.0%	56.6%	40.7%
	Number of career hires	7 (Fiscal 2017)	16 (Fiscal 2018)	18 (Fiscal 2019)

		April, 2018	April, 2019	April, 2020
SMBC Nikko Securities	New graduate recruits	354	325	341
	Number of newly employed female graduates	133	114	118
	Ratio of newly employed female graduates	37.6%	35.1%	34.6%
	Number of career hires	89 (Fiscal 2017)	59 (Fiscal 2018)	56 (Fiscal 2019)
Sumitomo Mitsui Card Company	New graduate recruits	69	54	78
	Number of newly employed female graduates	42	28	36
	Ratio of newly employed female graduates	60.9%	51.9%	46.2%
	Number of career hires	22 (Fiscal 2017)	16 (Fiscal 2018)	48 (Fiscal 2019)
Cedyna Financial Corporation	New graduate recruits	60	51	53
	Number of newly employed female graduates	38	25	32
	Ratio of newly employed female graduates	63.3%	49.0%	60.4%
	Number of career hires	0 (Fiscal 2017)	0 (Fiscal 2018)	0 (Fiscal 2019)

		April, 2018	April, 2019	April, 2020
SMBC Consumer Finance	New graduate recruits	55	48	57
	Number of newly employed female graduates	24	24	37
	Ratio of newly employed female graduates	43.6%	50.0%	64.9%
	Number of career hires	1 (Fiscal 2017)	1 (Fiscal 2018)	0 (Fiscal 2019)
The Japan Research Institute	New graduate recruits	105	110	119
	Number of newly employed female graduates (General hires)	32	30	35
	Ratio of newly employed female graduates	30.5%	27.3%	29.4%
	Number of career hires	33 (Fiscal 2017)	46 (Fiscal 2018)	60 (Fiscal 2019)
Sumitomo Mitsui DS Asset Management Company (*1)	New graduate recruits	11	15	12
	Number of newly employed female graduates	5	6	6
	Ratio of newly employed female graduates	45.5%	40.0%	50.0%
	Number of career hires	32 (Fiscal 2017)	15 (Fiscal 2018)	2 (Fiscal 2019)

*1 Figures for March 31, 2018 and 2019, include those for the former Sumitomo Mitsui Asset Management Company, Limited.

Data for HR Systems and Leave Acquisition

		(No. of people, %)		
		March 31, 2018	March 31, 2019	March 31, 2020
Sumitomo Mitsui Banking Corporation	Number of people taking childcare leave (*1)	2,217	2,370	2,948
	Number of male employees	223	316	838
	Number of male employees taking childcare leave	33.5%	53.7%	100.0%
	Paid leave acquisition rate	67.5%	69.8%	74.5%
	Average paid leave taken (days)	13.5 days	14.0 days	14.9 days
	Overtime (average hours/month)	17.4 hours	17.3 hours	16.5 hours
	Proportion of employees working over 60 hours of overtime per month (*2)	0%	0%	0%
SMBC Trust Bank	Number of people taking childcare leave	94	95	117
	Number of male employees	1	33	25
	Number of male employees taking childcare leave	3.4%	91.7%	100.0%
	Paid leave acquisition rate	82.5%	85.7%	90.9%
	Overtime (average hours/month)	11.1 hours	11.2 hours	9.2 hours
Sumitomo Mitsui Finance and Leasing	Number of people taking childcare leave (*1)	69	44	48
	Number of male employees	35	17	9
	Number of male employees taking childcare leave	56.5%	48.6%	16.7%
	Paid leave acquisition rate	78.0%	80.7%	82.2%
	Overtime (average hours/month)	12.3 hours	13.8 hours	8.2 hours

		March 31, 2018	March 31, 2019	March 31, 2020
SMBC Nikko Securities	Number of people taking childcare leave (*1)	399	409	446
	Number of male employees	62	64	101
	Ratio of paid leave acquisition	58.7%	61.7%	67.2%
Sumitomo Mitsui Card Company	Number of people taking childcare leave (*1)	187	202	218
	Number of male employees	29	33	36
	Number of male employees taking childcare leave	64.4%	70.2%	60.0%
	Paid leave acquisition rate	81.6%	81.9%	81.9%
	Overtime (average hours/month)	13.7 hours	14.0 hours	15.8 hours
Cedyna Financial Corporation	Number of people taking childcare leave (*1)	136	180	135
	Number of male employees	3	32	35
	Number of male employees taking childcare leave	6.4%	74.4%	100.0%
	Paid leave acquisition rate	65.0%	78.2%	78.7%
	Overtime (average hours/month)	6.2 hours	5.6 hours	5.9 hours

		March 31, 2018	March 31, 2019	March 31, 2020
SMBC Consumer Finance	Number of people taking childcare leave (*3)	59	58	85
	Number of male employees	3	3	7
	Number of male employees taking childcare leave	6.3%	6.4%	21.9%
	Paid leave acquisition rate	74.3%	77.5%	79.1%
	Overtime (average hours/month)	24.7 hours	23.5 hours	21.4 hours
The Japan Research Institute	Number of people taking childcare leave	64	75	84
	Number of male employees	21	30	35
	Number of male employees taking childcare leave	35.0%	46.9%	58.3%
	Paid leave acquisition rate	78.2%	78.6%	77.5%
	Overtime (average hours/month)	16.3 hours	14.4 hours	12.9 hours
Sumitomo Mitsui DS Asset Management Company (*4)	Number of people taking childcare leave	11	10	19
	Number of male employees	1	0	8
	Number of male employees taking childcare leave	8.3%	0.0%	40.0%
	Paid leave acquisition rate	58.3%	64.9%	68.0%
	Overtime (average hours/month)	17.0 hours	17.0 hours	18.6 hours

*1 Including short-term childcare leave

*2 Excluding management supervisors and discretionary laborers

*3 Retroactive revisions have been made to previous fiscal years due to change in definition.

*4 Figures for March 31, 2018 and 2019, include those for the former Sumitomo Mitsui Asset Management Company, Limited.

3. Main systems for achieving a work-life balance at SMFG Group companies

✓ Sumitomo Mitsui Banking Corporation (SMBC)	✓ SMBC Trust Bank (SMBCTB)
✓ Sumitomo Mitsui Finance and Leasing (SMFL)	✓ SMBC Nikko Securities (SMBC Nikko)
✓ Sumitomo Mitsui Card Company (SMCC)	✓ Cedyne Financial Corporation (Cedyne)(*)
✓ SMBC Consumer Finance (SMBCCF)	✓ The Japan Research Institute (JRI)
✓ Sumitomo Mitsui DS Asset Management Company (SMDAM)	

* Cedyne Financial Corporation changed the name in July 2020 to SMBC Finance Service after merger with SMBC Finance Service

Sumitomo Mitsui Banking Corporation

Parental leave	18 months or maximum of 2 years in case of inability to place in daycare center
Leave for taking care of sick children	Until March 31 of the 6th grade (10 days per annum per child, 20 days for two or more children) * Applicable for caring for sick children as well as for school events and other reasons
Shorter working hours	Employees can choose shorter working hours for each day or fewer days worked per week, both applicable until March 31 of the 6th grade
Restrictions on overtime	Until March 31 of the 6th grade
Exemption from late-night work	Until March 31 of the 6th grade

Other principal systems	<ul style="list-style-type: none"> • Short-term childcare leave • Work relocations • Primary Work Location Registration system • Work Location of Choice system • Childcare subsidies • Leave for nursing care • Shorter working hours allowed for nursing care • Nursing care leave system • Career design leave system • System for rehiring former employees • Special leave for childbirth • Carryover leave (infertility treatment) • Half day paid leave • Flexibility in the work place • Telework • Staggered working hours • Dual-Career Support system for side work
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SMBC Trust Bank

Parental leave	1 year or maximum of 18 months in case of inability to place in daycare center Up to 26 months if other conditions are met
Leave for taking care of sick children	Until March 31 of the 6th grade (10 days per annum per child; 20 days for two or more children)
Shorter working hours	Employees can work shortened hours equivalent to working a minimum of 6 hours per day until March 31 of the 6th grade
Restrictions on overtime	Until March 31 of the 6th grade
Exemption from late-night work	Until March 31 of the 6th grade
Other principal systems	<ul style="list-style-type: none"> • Flextime system • Flexibility in the work place • Paternity leave (3 days) • Leave for nursing care • Shorter working hours allowed for nursing care • Family care time off • Family support leave • Short-term childcare leave • Annual leave in hour increments

Sumitomo Mitsui Finance and Leasing

Parental leave	1 year or maximum of 2 years in case of inability to place in daycare center
Leave for taking care of sick children	Until entry into elementary school (5 days per annum per child, 10 days for two or more children)
Shorter working hours	Employees can reduce daily working hours to a minimum of 5 hours 30 minutes until March 31 of the 6th grade
Restrictions on overtime	Until entry into elementary school
Exemption from late-night work	Until entry into elementary school
Other principal systems	<ul style="list-style-type: none"> • Work relocation • System for rehiring former employees • Short-term childcare leave • Leave for nursing care • Shorter working hours allowed for nursing care • Half day paid leave • Staggered start times • Nursing care leave • Flextime system • Flexibility in the work place • Life support leave system

SMBC Nikko Securities

Parental leave	Until 3 years of age
Leave for taking care of sick children	Until the entry into junior high school (5 days per annum per child, 10 days for two or more children)
Shorter working hours	Employees may reduce daily working hours in increments of 30 minutes up to 2.5 hours until March 31 of the 6th grade
Restrictions on overtime	Until March 31 of the 6th grade
Exemption from late-night work	Until March 31 of the 6th grade
Other principal systems	<ul style="list-style-type: none"> • Short-term childcare leave • Discounted rates for daycare center • Nursing care leave • Special days off for nursing care • Shorter working hours allowed for nursing care • Short-term leave for nursing care • Staggered working hours (working in shifts) • Rehiring former employees • Childcare subsidies • Work-from-Home Policy • Half-day paid leave • Hourly paid leave • Amortized Holiday Reserving Policy • Side business • Long-Term Self Development Leave Policy a.k.a. "Challenge Leave" • Three-day and four-day workweeks

Sumitomo Mitsui Card Company

Parental leave	18 months or maximum of 2 years in case of inability to place in daycare center
Leave for taking care of sick children	Until March 31 of the 6th grade (5 days per annum per child, 10 days for two or more children)
Shorter working hours	Employees can choose to reduce daily working hours by 30, 60, or 90 minutes or reduce the number of days worked a week until March 31 of child's 3rd-grade year
Restrictions on overtime	Until March 31 of the 3rd grade
Exemption from late-night work	Until March 31 of the 3rd grade
Other principal systems	<ul style="list-style-type: none"> • Work relocation • Staggered start times • Half-day paid leave • Special leave for childbirth • Childcare subsidies • Nursing care leave, days off for nursing care • Shorter working hours allowed for nursing care • Rehiring former employees • Telework • Flextime system • Health-purpose or anniversary leave

Cedyna Financial Corporation

* Cedyna Financial Corporation changed the name in July 2020 to SMBC Finance Service after merger with SMBC Finance Service

Parental leave	Until 3 years of age
Leave for taking care of sick children	Until completion of the 6th grade (40 hours per annum per child; 80 hours for two or more children)
Shorter working hours	Until completion of the 6th grade Employee can choose to work 5, 6 or 7 hours per day.
Restrictions on overtime	Until entry into elementary school
Exemption from late-night work	Until entry into elementary school
Other principal systems	<ul style="list-style-type: none"> • Work relocations • Staggered working hours • Half-day paid leave • Special leave for childbirth • Maternity leave • Maternity work system • Short-term childcare leave • Leave for nursing care • Shorter working hours allowed for nursing care • Nursing care and sick child care leave system (by the hour) • System for rehiring former employees

SMBC Consumer Finance

Parental leave	18 months or maximum of 2 years in case of inability to place in daycare center
Leave for taking care of sick children	Until entry into elementary school (5 days per annum per child, 10 days for two or more children)
Shorter working hours	Employees can choose to work 6, 6.5, 7, or 7.5 hours a day until March 31 of 6th grade
Restrictions on overtime	Until the entry into junior high school
Exemption from late-night work	Until the entry into junior high school
Other principal systems	<ul style="list-style-type: none"> • Area-limited employment system • Rehiring retirees • A grace period for job rotation • Leave for nursing care • Shorter working hours allowed for nursing care • Paid leave by the hour • Half-day paid leave • Leave for supporting return-to-work after childcare leave • Childcare leave (2 days) • School-visiting day (2 days a year) • Rehiring of former employees who quit for childcare or care-giving reasons • Paternity leave (3 days) • Rollover of unused paid vacation • Nursing care leave • Adjustment of work start and end times

The Japan Research Institute

Parental leave	18 months or maximum of 2 years in case of inability to place in daycare center
Leave for taking care of sick children	Until March 31 of the 6th grade (5 days per annum per child; no upper limit)
Shorter working hours	Employees can choose to work 4, 5, 6 or 7 hours per day until March 31 of the 3rd grade (this system can be combined with flextime)
Restrictions on overtime	Until entry into elementary school
Exemption from late-night work	For employees who are pregnant or have given birth within previous 12 months
Other principal systems	<ul style="list-style-type: none"> • Childcare subsidies • Telecommuting • Flextime system • Nursing care leave • Shorter working hours (for nursing care, etc.) • Time off and shorter working hours • Days off for nursing care • Special leave for childbirth • Paid leave for initial 15 days of childcare • Half day leave • Leave system for receiving treatment while working • Career design leave system

Sumitomo Mitsui DS Asset Management Company

Parental leave	1 year or maximum of 36 months in case of inability to place in daycare center
Leave for taking care of sick children	Until the entry of child into elementary school (5 days per annum per child, 10 days for two or more children)
Shorter working hours	Until March 31 of the 6th grade (Employees can choose to work 5, 6, 6.5, or 7 hours a day)
Restrictions on overtime	Until child completes 6th grade of elementary school
Exemption from late-night work	Until child completes 3th grade of elementary school
Other principal systems	<ul style="list-style-type: none"> • Leave for childbirth by spouse • Leave for taking care of sick children • Annual leave in half-day increments • Telecommuting • Leave for nursing care • Shorter working hours allowed for nursing care • Lifestyle enriching leave • Paid leave for initial 15 days of childcare • Annual leave in hour increments • Flextime system • Daycare subsidies • Celebratory gifts for birth of 3rd child • Leave for accompanying spouse undergoing job relocation • Job return system

4. Environmental accounting at SMBC

SMBC tracks environmental protection costs, notably the costs of installing more energy-efficient lighting and air-conditioning equipment, as well as the environmental benefits accrued due to reduced energy consumption.

1. Environmental Conservation Costs

Figures here reflect initiatives at four head office buildings (Tokyo, East Tower, Osaka and Kobe head offices).

(Millions of yen)

Cost Category	Description of Key Actions Taken	2017 Fiscal	2018 Fiscal	2019 Fiscal	YoY change (*1)
(1) Business area costs	-	1,125	2,178	841	-1,337
Breakdown	(1)-1 Pollution prevention	11	310	234	-76
	(1)-2 Global environmental conservation	1,085	1,841	581	-1,260
	(1)-3 Resource re-use/recycling	29	27	26	-1
(2) Upstream and downstream	-	-	-	-	-
(3) Administrative costs	Development and operation of environmental management framework, disclosure of environmental information, etc.	17	16	0	-16
(4) Research and development costs	-	-	-	-	-
(5) Social activity costs	Donations related to environmental protection, etc.	50	50	51	1
(6) Environmental damage repair costs	-	-	-	-	-
Total		1,192	2,244	892	-1,352

*1 Year-on-year change = FY2019 - FY2018. A negative figure indicates

2. Environmental Conservation Benefits

Figures here reflect initiatives at our 50

Measurement Items		Unit	2017 Fiscal	2018 Fiscal	2019 Fiscal	YoY change (*2)
Direct energy consumption	City gas	Thousand m ³	1,903.6	1,719.3	1,595.8	-123.5
	Liquefied petroleum gas (LPG)	t	10.3	9.6	8.2	-1.4
	Heavy fuel oil	kl	7.0	4.8	4.4	-0.4
	Light oil	kl	0.6	0.5	1.1	0.6
	Kerosene	kl	5.9	6.6	6.8	0.2
	Gasoline (commercial vehicle, etc.)	kl	2,106.3	1,954.0	1,685.2	-268.8
Indirect energy consumption	Electricity	Thousand kWh	158,558.1	154,611.7	148,426.9	-6,184.8
	Steam	GJ	22,412.8	24,298.1	24,350.7	52.6
	Hot water	GJ	1,897.4	1,861.0	1,773.4	-87.6
	Cold water	GJ	11,213.1	11,206.8	10,932.3	-274.5
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	7,540.3	8,185.6	7,390.4	-795.2
	Total water and sewage	Thousand m ³	2,432.2	2,531.7	2,166.9	-364.7

*2 Year-on-year change = FY2019 - FY2018. A negative figure indicates a decrease in consumption.
Both cost and consumption decreases show data by SMBC.

Recognition and Accreditation for SMBC Group sustainable initiatives

➤ **Recognition and Accreditation**






A list of external recognition and awards for SMBC Group's sustainable initiatives.





Recognition and Accreditation

SMFG and its Group companies have earned recognition for their sustainable activities in the form of various certifications and awards, detailed below.

SMFG's Inclusion in ESG Indices

SMBC Group's proactive sustainable activities have been well-received by the markets. SMFG is included in the world's major ESG indices as shown below.

Index	Details
<p>● FTSE4Good Global 100 Index</p>  <p>FTSE4Good</p>	<p>The FTSE 4 Good Global Index Series was created by FTSE International Limited, a joint venture set up by the Financial Times newspaper of the United Kingdom and the London Stock Exchange</p> <p> FTSE4Good Global 100 Index</p>
<p>● FTSE Blossom Japan Index</p>  <p>FTSE Blossom Japan</p>	<p>This index comprises Japanese stocks with relatively high ESG ratings from among the 500 top ranking Japanese companies in terms of market capitalization. The Government Pension Investment Fund (GPIF) of Japan has selected the index as a core ESG benchmark</p> <p> FTSE Blossom Japan Index</p> <div> <p>Detail: Close </p> <p>This verifies that FTSE Russel has included SMFG Group in the FTSE Blossom Japan Index, having met the conditions for inclusion based on an independent survey. The FTSE Blossom Japan Index is created by the global index provider FTSE Russel. It is designed to measure the performance of Japanese companies that have made an outstanding response to environment, social, and governance (ESG) issues. FTSE Blossom Japan Index is widely used in the creation and evaluation of sustainable investment funds and other financial products.</p> </div>

Index	Details
<p>● MSCI Japan ESG Select Leaders Index</p> 	<p>An index created by US company MSCI (Morgan Stanley Capital International), comprising stocks of companies that are highly evaluated from an ESG perspective.</p> <p>MSCI Japan ESG Select Leaders Index</p> <div> <p>Disclaimer Close</p> <p>THE INCLUSION OF SUMITOMO MITSUI FINANCIAL GROUP IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF SUMITOMO MITSUI FINANCIAL GROUP BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.</p> </div>
<p>● MSCI Japan Empowering Woman Index(WIN)</p> 	<p>The index is designed by MSCI (Morgan Stanley Capital International) to represent the performance of companies that are highly recognized in terms of supporting women's participation and advancement in the workforce. GPIF has adopted the index as a benchmark for its ESG investment strategy.</p> <div> <p>Disclaimer Close</p> <p>THE INCLUSION OF SUMITOMO MITSUI FINANCIAL GROUP IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF SUMITOMO MITSUI FINANCIAL GROUP BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.</p> </div>
<p>● SOMPO Sustainability Index 2020</p> 	<p>An ESG asset management index created by Sompo Japan Nipponkoa Asset Management</p> <p>SOMPO Sustainability Index(Japanese only)</p>
<p>● Bloomberg Gender-Equality Index</p> 	<p>An index developed in 2017 by Bloomberg that assesses initiatives, attitude to information disclosure, results, etc., of companies regarding gender equality</p>


For other details, please see the link below.

[Investor Relations](#)

Awards and Certifications (SMBC Group)

Cs and Quality

Certification Received

Recipient company	Certification	Details
Sumitomo Mitsui Banking Corporation	COPC® CSP Standard Release 5.2	Obtained certification for two call centers in Japan (Kobe, Fukuoka) for the international quality assurance standard "COPC® Standard Release 5.2" as the first Japanese bank to acquire the standards
SMBC Trust Bank	COPC® CX Standard CSP 6.1 version	The company obtained the certification of the "COPC® CX Standard CSP 6.1 version," which is an international quality-assurance standard concerning contact center operation.
SMBC Nikko Securities	COPC® Customer Service Provider (CSP) Standard	The company obtained certification in terms of suitability with the "COPC® CSP Standard," which is an international quality-assurance standard concerning contact center operation.
SMBC Nikko Securities	<p>Obtained certification as 5-Star Recognized Center under the HDI Five-Star Certification Program provided by HDI-Japan.</p> 	<p>In the HDI Five-Star Certification Program provided by HDI-Japan, the Japanese affiliate of the Help-Desk Institute, an international organization in the support-service industry, the company was the first in Japan to obtain certification in two divisions: the inquiry-desk segment, which evaluates call-center in-call telephone reception, and the Web-support portal segment, which evaluates Web support.</p>
SMBC Nikko Securities	Self-suitability Declaration and Consumer-oriented Declaration (as per ISO10002)	<p>In accordance with the international standard "ISO10002/JIS Q 10002 (Quality management --- Customer satisfaction --- Guidelines for complaints-handling in an organization)" compiled by ISO concerning the organizational handling of customer complaints, an adequate organizational system was established, responding to the voices of customers, and the "Self-suitability Declaration (as per ISO10002)" was formulated.</p> <p>At the same time, a "Consumer-oriented Declaration" (to reflect the corporate thoughts and handling policy of the company towards realization of consumer-oriented management that is being promoted by the Consumer Affairs Agency, whereby all enterprises should prioritize the benefits of consumers) was made.</p> <p>This was the first case in which a securities company implemented both declarations.</p>

Recipient company	Certification	Details
SMBC Consumer Finance	COPC® CX Standard for Customer Service Providers (CSPs), Release 6.0a	For three of their domestic client service centers (Tokyo, Osaka, and Fukuoka), the company obtained the certification of "COPC® CX Standard CSP version Release 6.0a," an international quality-assurance standard for contact center operation. This was the first case of such certification in the domestic nonbank sector (including sales on credit and credit cards). For assurance centers in the two domestic offices (Tokyo and Fukuoka) as well, the company obtained the certification of "COPC®CX Standard CSP version Release 6.0a" (international quality-assurance standard for the contact center and BPO(*) operations). This was the first case of COPC certification concerning BPO operation as a domestic company. *Operation for business process outsourcing

Awards and Certification Received

Year received	Recipient company	Name of award/commendation	Details of award/commendation
2020	SMBC Trust bank	Obtained certification as 3-Star Recognized Center (top ranking in Japan) under the HDI-Japan Certification Program in the inquiry desk and Monitoring category.	Quality of call center operator response
2019	Sumitomo Mitsui Card Company	Awarded a three-star rating in Japan for two consecutive years since 2018 in the Quality Monitoring category of the HDI-Japan Monitoring-Desk Ratings	Quality of call center operator response
2018	Sumitomo Mitsui Card Company	Won silver award in Best Customer Service category of Contact Center World Awards competition (sponsored by Contact Center World.com)	Call center operation reform measures centered on strengthening and improving customer experience (CX)
2018	Sumitomo Mitsui Banking Corporation	Awarded grand prize in Japan Institute of Information Technology's Service Hospitality Awards 2018	Initiatives to improve hospitality by using the latest digital technologies to provide paperless stores
2018	Sumitomo Mitsui Banking Corporation	Recognized as a "Tokyo Barrier-free Mindsets Support Corporation" by the Tokyo Metropolitan Government	Initiatives to promote barrier-free mindset among employees
2018	Sumitomo Mitsui Banking Corporation	Ranked first three years running in J.D. Power Japan's Retail Banking Customer Satisfaction Study (Japanese bank sector)	Customer satisfaction rating among asset management customers
2017	Sumitomo Mitsui Banking Corporation	Received Universal Manners Award 2017 (Sustainability division)	Initiatives such as hardware that incorporates universal design and promoting employment of disabled people by the SMBC Group

Year received	Recipient company	Name of award/commendation	Details of award/commendation
2017	Sumitomo Mitsui Banking Corporation	Awarded "highly commended" prize in Japan Institute of Information Technology's Service Hospitality Awards 2017	Initiatives to improve hospitality by using the latest digital technologies to provide paperless stores
2017	Sumitomo Mitsui Banking Corporation	Received gold awards at the Contact Center World Awards in Technology Innovation and Outbound Campaign categories at the Global Conference sponsored by ContactCenterWorld.com	Technology Innovation: Initiatives to streamline operations and improve customer satisfaction and employee satisfaction by the use of AI in contact centers Outbound Campaign: Initiatives involving strategy, planning, and human resources to ensure the success of outbound operations
2017	Sumitomo Mitsui Banking Corporation	Obtained "highly commended" prize in Best Customer Support of the Year held by the Japan Institute of Information Technology	Initiatives to improve customer satisfaction, contribute to sales activities, and streamline operations using remote channels
2017	Sumitomo Mitsui Banking Corporation	Awarded Technology category prize in the Call Center Awards 2017 run by RIC Telecom Co., Ltd.'s Computer Telephony Editing Department, publisher of "Computer Telephony" magazine	Initiatives to streamline contact centers and improve customer satisfaction by the use of technology
2017	Sumitomo Mitsui Banking Corporation	Obtained certification as 3-Star Recognized Center (top ranking in Japan) under the HDI-Japan Certification Program in the inquiry desk and Web support portal divisions.	Inquiry desk: Survey of inquiry desk quality and performance Web support portal: Survey of Web support features and performance
2017	Sumitomo Mitsui Banking Corporation	J.D. Power Asia Pacific's Call Center Satisfaction Study 2017 Ranked first among national banks in Japan	Customer satisfaction, including call center response to customers
2015	Sumitomo Mitsui Banking Corporation	Received a gold award at the Contact Center World Awards, Asia-Pacific Conference, and a silver award at the Global Conference sponsored by ContactCenterWorld.com	Initiatives to link branches and contribute to sales activities using remote channels
2015	Sumitomo Mitsui Banking Corporation	Received an award in the CRM Best Practice Award sponsored by CRM Association Japan for the second consecutive year since 2014.	contribute to sales activities using remote channels
2015	Sumitomo Mitsui Banking Corporation	Awarded judges' special prizes in the "Call Center Awards 2015" held by RIC Telecom Co., Ltd.'s Computer Telephony Editing Department, publisher of Computer Telephony magazine.	Initiatives to improve customer satisfaction, contribute to sales activities, and streamline operations using remote channels
2015	Sumitomo Mitsui Banking Corporation	Obtained recommendation prize under the Best Customer Support of The Year held by the Japan Institute of Information Technology for the second consecutive year since 2014.	Initiatives to improve customer satisfaction, contribute to sales activities, and streamline operations using remote channels.

Year received	Recipient company	Name of award/commendation	Details of award/commendation
2014	SMBC Nikko Securities	Received a silver award at the Contact Center World Awards, Asia-Pacific Conference sponsored by ContactCenterWorld.com, for the fourth successive year since 2011.	For operating methods at contact centers and contributions to increasing customer satisfaction and management
2013	SMBC Nikko Securities	Certified as a Gold Rank Company designated by the Japan Telegraph and Telephone Users Association	Quality of telephone service at contact centers
2013	SMBC Nikko Securities	Received an Award for Excellence, the highest honor, in the Best Contact Center of the Year Awards sponsored by the Japan Institute of Information Technology, for the fourth successive year since 2010.	Operating method of contact centers, enhanced customer satisfaction, and contribution to management
2013	SMBC Nikko Securities	Received an award in the CRM Best Practice Award sponsored by CRM Association Japan, for the sixth successive year since 2008.	Sales business model using contact centers
2013	SMBC Nikko Securities	Received an award in the Nationwide Telephone Service Contest sponsored by the Japan Telegraph and Telephone Users Association, for the ninth successive year since 2005.	Quality of telephone service at contact centers
2013	SMBC Nikko Securities	Received an award in the Nationwide Corporate Telephone Service Contest sponsored by the Japan Telegraph and Telephone Users Association, for the fifth successive year since 2009.	Quality of telephone service at contact centers
2013	SMBC Nikko Securities	Received a Three-Star Prize, the highest evaluation in Japan, in the HDI-Japan Inquiry-Desk Ratings, for the eighth successive year since 2006.	Quality of telephone service at contact centers
2012	Sumitomo Mitsui Banking Corporation	In the 2012 Japan Investor Satisfaction Study conducted by J.D.POWER SMBC ranked highest in customer satisfaction in the full-service bank segment.	Levels of customer satisfaction for account offerings, customer interaction, etc.
2010	SMBC Nikko Securities	Judge's special prize in the 2010 Contact Center Awards sponsored by the monthly Computer Telephony	Operating methods at contact centers and contributions to increasing customer satisfaction and management
2010	SMBC Nikko Securities	Okinawa Prefecture IT Business Award sponsored by Okinawa Prefecture	Contribution to the development of information and communications industries in Okinawa Prefecture

The Environment


Awards and Certification Received

Year received	Recipient company	Name of award/commendation	Details of award/commendation
2020	Sumitomo Mitsui Financial Group	Received the Excellence Award for Environmental Reporting at the 23rd Environmental Communication Awards co-organized by the Ministry of the Environment and the Global Environmental Forum 	SMBC Group Report 2019 and Sustainability Report
2020	SMBC Nikko Securities	Environment Minister Award (Silver Medal) was given in the category of financial service of the "ESG Finance Award" hosted by the Environment Ministry. 	Support system for green bond issuance
2020	Sumitomo Mitsui Banking Corporation	Received the Bronze Prize in the financial service Category of "ESG Finance Awards" sponsored by the Ministry of the Environment. 	Green loan
2018	Sumitomo Mitsui Financial Group	Won Principles for Financial Action for the 21st Century* Special Award *Financial action initiatives that aim to create a sustainable society devised by the Ministry of the Environment and over 250 financial institutions and other organizations 	Environmental magazine JUNIOR SAFE
2016	Sumitomo Mitsui Financial Group	Received the Kids Design Award in the category of designs that develop children's creativity and shape their future at the Tenth Kids Design Award 	Environmental magazine JUNIOR SAFE
2013	Sumitomo Mitsui Banking Corporation	Pronounced regional winner Asia/Pacific category of the Sustainable Bank of the Year category of the Sustainable Finance Conference & Awards 2013 sponsored by the Financial Times (FT) in conjunction with the IFC 	Contributions, through corporate activity and business, to sustainability in the three fields of the environment, society, and governance

Year received	Recipient company	Name of award/commendation	Details of award/commendation
2012	Sumitomo Mitsui Banking Corporation	Nominated for shortlist in the Asia/Pacific segment of the Sustainable Bank of the Year category of the Sustainable Finance Conference & Awards sponsored by the Financial Times (FT) in conjunction with the International Finance Corporation (IFC).	All initiatives to achieve sustainability in the three fields of the environment, society, and governance
2011	Sumitomo Mitsui Finance and Leasing Company	Received the highest-rank rating in the DBJ Environmental Ratings, for which the Development Bank of Japan undertakes environmentally responsible management evaluation and provides financing at preferential interest rates in accordance with the resultant credit ratings.	Environmental management
2011	Sumitomo Mitsui Banking Corporation	Nominated for shortlist in the Cross-Regional segment of the Sustainable Bank of the Year category of the Sustainable Finance Awards sponsored by the Financial Times (FT) in conjunction with the International Finance Corporation (IFC).	All initiatives to achieve sustainability in the fields of environment, society, governance
2011	Sumitomo Mitsui Banking Corporation	Green IT Promotion Council Chairman Award at the 2011 METI Green IT Awards (Commends services/systems with excellent energy-conservation impact)	ATM Journal electronic storage system (Reduces paper use by 28 million A4 sheets per year)
2010	Sumitomo Mitsui Banking Corporation	7th Eco Products Awards Eco-service Environment Minister's Prize (eco-products grand prize)	SMBC Environmental Assessment Loan/Private Placement Bond
2010	Sumitomo Mitsui Banking Corporation	The IT General Award, one of the IT Awards sponsored by the IT Institute (Japan Institute of Information Technology)	"CUTE" next-generation branch system
2009	Sumitomo Mitsui Banking Corporation	Nikkei Veritas Superiority Award (Nikkei Superior Products and Services Awards)	SMBC Environmental Assessment Loan/Private Placement Bond
2009	Sumitomo Mitsui Banking Corporation	Review Board Special Award at the 2009 METI Green IT Awards (jointly with NEC and Oki)	"CUTE" next-generation branch system (Reducing paper use by 3 million A4 sheets per year)
2009	Sumitomo Mitsui Banking Corporation	At the 18th Global Environmental Awards, sponsored by the Fuji Sankei Group, the Fuji Sankei Communications Group Prize for excellence	Emission-rights business and all other environment-related initiatives

Security Compliance

Certification Received

Recipient company	Certification	Details
Sumitomo Mitsui Card Company	Privacy Mark 	Acquisition of authorization for the Japan Institute for Promotion of Digital Economy and Community (JIPDEC) Privacy Mark granted to enterprises that have systems for devising appropriate measures to protect personal information
SMBC Finance Service		
Japan Research Institute		
SMBC Consumer Finance		
SMBC Finance Service	Certification for the whistleblowing system (WCMS certification)	The company was registered in the certification system for the whistleblowing system (i.e. WCMS certification), which was introduced by the Consumer Affairs Agency in order to promote adequate establishment and operation of the whistleblowing system, an important element of internal control and corporate governance.

Awards and Certification Received

Year received	Recipient company	Name of award/commendation	Details of award/commendation
2018	SMBC Consumer Finance	Award for companies that contribute to the PrivacyMark system	Recognized for many years of maintaining and improving measures to protect personal information as an enterprise granted use of the PrivacyMark and efforts to promote the PrivacyMark system
2011	Sumitomo Mitsui Banking Corporation	Nominated for shortlist for 2011 Compliance Innovator of the Year in the 7th Annual Compliance Awards sponsored by Thomson Reuters.	Initiatives to strengthen stances with regard to money laundering and the severing of relations with anti-social forces


Social Contribution Activities




Awards and Certification Received





Year received	Recipient company Name of award/commendation	Name of award/commendation	Details of award/commendation
2019	SMBC Nikko Securities	Excellent Company Award for Employment of Persons with Disabilities (Director-General of the Industrial Labor Bureau Award)	Evaluate unique initiatives to create an environment where people with disabilities can work actively in the workplace
2017	Sumitomo Mitsui Banking Corporation	SMBC received a letter of appreciation from the Tokyo Metropolitan Board of Education as a "Fiscal Year 2017 Company contributing to the Tokyo Teaching Committee"	Achievement in after school activity such as support in Tokyo Metropolitan Special Support School District
2009	Sumitomo Mitsui Banking Corporation	Received certificate of commendation from the governor of Tokyo for contributions to a Tokyo metropolitan social welfare initiative.	Meritorious service to enhance the welfare of the Tokyo metropolis

Employees





Awards and Certification Received

Year received	Recipient company	Name of award/commendation	Details of award/commendation
2020	Sumitomo Mitsui Financial Group	<p>Selected as a "Nadeshiko Brand" in the Ministry of Economy, Trade and Industry (METI) and Tokyo Stock Exchange (TSE) Nadeshiko Brand Initiative for the purpose of selecting and publicizing enterprises that encourage women's success in the workplace</p> 	Initiatives to encourage women's success in the workplace

Year received	Recipient company	Name of award/commendation	Details of award/commendation
2020	Sumitomo Mitsui Financial Group (Sumitomo Mitsui Banking Corporation)	Recognized as a 2020 Certified Health and Productivity Management Organization (large enterprise category) 	Recognized for adopting business management approach to employees' health management and taking strategic measures to address it
	SMBC Consumer Finance		
	Japan Research Institute		
	Sumitomo Mitsui DS Asset Management Company		
	SMBC Nikko Securities	2020 Certified Health and Productivity Management Organizations (Large Enterprise Category (White 500)) (Top 500 enterprises of the recognized enterprises)	
	SMBC Finance Service		
2019	Sumitomo Mitsui Financial Group	Acquired 4.5stars (Top 50 Companies) at "3rd Nikkei Smart Work Management Survey" that Nihon Keizai Shimbunsha evaluates companies' initiatives for Smart Work management  * "Smart Work Management" refers to maximizing the potential of workers through varied and flexible work styles, and developing strategies to maximize productivity and the broader performance of the organization using positive feedback loops, thereby fostering innovation and new market development.	Implementation of Smart Work management





Year received	Recipient company	Name of award/commendation	Details of award/commendation
2019	Sumitomo Mitsui Financial Group	Acquired the highest "Gold" rank in 'PRIDE index' where the arbitrary organization "work with Pride" evaluates initiatives related to sexual minority issues. 	Creating a workplace where the people of LGBT can work comfortably
2019	Sumitomo Mitsui Financial Group	Selected as a "Nadeshiko Brand" in the Ministry of Economy, Trade and Industry (METI) and Tokyo Stock Exchange (TSE) Nadeshiko Brand Initiative for the purpose of selecting and publicizing enterprises that encourage women's success in the workplace 	Initiatives to encourage women's success in the workplace
2019	Sumitomo Mitsui Financial Group, Sumitomo Mitsui Banking Corporation, SMBC Nikko Securities, SMBC Finance Service, Japan Research Institute	Recognized as a 2019 Certified Health and Productivity Management Organization (large enterprise category)	Recognized for adopting business management approach to employees' health management and taking strategic measures to address it
2018	Sumitomo Mitsui Financial Group	Acquired 4stars at "2nd Nikkei Smart Work Management Survey" that Nihon Keizai Shimbunsha evaluates companies' initiatives for Smart Work management 	Implementation of Smart Work management
2018	Sumitomo Mitsui Banking Corporation	Acquired the highest "Gold" rank in 'PRIDE index' where the arbitrary organization "work with Pride" evaluates initiatives related to sexual minority issues. 	Creating a workplace where the people of LGBT can work comfortably

Year received	Recipient company	Name of award/commendation	Details of award/commendation
2018	Sumitomo Mitsui Financial Group	Recognized as 2018 Certified Health and Productivity Management Organization (large enterprise category)	Acquired Recognized as 2018 Certified Health and Productivity Management Organization (large enterprise category) from the Ministry of Economy, Trade and Industry to companies with particularly outstanding health management practices
2018	Sumitomo Mitsui Financial Group	Acquired 4.5 stars (Top 40 Companies) at "1st Nikkei Smart Work Management Survey" that Nihon Keizai Shimbunsha evaluates companies' initiatives for Smart Work management 	Implementation of Smart Work management
2017	Sumitomo Mitsui Banking Corporation	Acquired the highest "Gold" rank in 'PRIDE index' where the arbitrary organization "work with Pride" evaluates initiatives related to sexual minority issues. 	Creating a workplace where the people of LGBT can work comfortably
2017	Sumitomo Mitsui Banking Corporation	Received the Catalyst Special Award hosted by Catalyst, a non-profit organization established in the United States to globally support efforts to promote women's participation 	Strong commitment from top management to promoting participation by women, development of measures suited to each operating unit, and initiatives focused on improving flexibility of work styles
2017	Sumitomo Mitsui Financial Group	Selected as a "Nadeshiko Brand," which are listed companies jointly selected by the Ministry of Enterprise, Trade and Industry and Tokyo Stock Exchange for excellence in promoting active participation by women 	Initiatives to promote active participation by women
2017	Sumitomo Mitsui Financial Group	Recognized as 2017 Certified Health and Productivity Management Organization (large enterprise category)	Acquired Recognized as 2017 Certified Health and Productivity Management Organization (large enterprise category) from the Ministry of Economy, Trade and Industry to companies with particularly outstanding health management practices

Year received	Recipient company	Name of award/commendation	Details of award/commendation
2015	Sumitomo Mitsui Banking Corporation	Received the "Diversity Management Selection 100" from the Ministry of Economy, Trade and Industry to companies with particularly outstanding diversity management practices 	Appraised that SMBC is promoting and considering diversity as a part of important corporate management.
2015	Sumitomo Mitsui Financial Group	SMFG was designated a "Nadeshiko Brand" by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as an excellent listed company encouraging women to play active roles in the workplace 	Initiatives for promoting women's roles in the workplace
2013	Sumitomo Mitsui Financial Group	SMFG was designated a "Nadeshiko Brand" by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as an excellent listed company encouraging women to play active roles in the workplace. 	Initiatives for promoting women's roles in the workplace
2012	Sumitomo Mitsui Banking Corporation	Named one of the best 25 companies to work for in Japan in the "Great Place to Work" ranking conducted by the Great Place to Work® Institute Japan. 	Internal systems and corporate culture

Development of the Next Generation

Certification Received

Recipient company	Certification	Details
Sumitomo Mitsui Banking Corporation	<p>"Kurumin" certification for the next generation</p> 	Received "Kurumin" certification awarded by prefectural labor bureaus to companies recognized to be taking active steps to support the development of the next generation.
Sumitomo Mitsui Finance and Leasing Company		
SMBC Nikko Securities		
Sumitomo Mitsui Card Company		
SMBC Finance Service		
SMBC Consumer Finance		
Japan Research Institute		
Sumitomo Mitsui Banking Corporation	<p>"Platinum Kurumin Certification" platinum kurumin mark</p> 	In addition to the previous "Kurumin Certification," SMBC and JRI acquired the "Platinum Kurumin Certification" for companies certified by the Minister of Health, Labour and Welfare as taking the lead in supporting the nurturing of the next generation at an even higher level, including numbers of men using children raising leave systems. (T The color differs by company. Light Green: SMBC; Light Blue: JRI; Yellow : SMCC)
Sumitomo Mitsui Card Company		
Japan Research Institute		
Sumitomo Mitsui Banking Corporation	<p>Eruboshi (second rank) certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace</p> 	Acquired "Eruboshi" for companies certified by the Minister of Health, Labour and Welfare as having excellent initiatives in place to promote active participation by women (*Second rank: SMBC, SMBC Finance Service; third rank: JRI, SMBC TB)
SMBC Finance Service		
Japan Research Institute	<p>Eruboshi (third rank)</p> 	
SMBC Trust bank		

Awards and Certification Received

Year received	Recipient company	Name of award/commendation	Details of award/commendation
2018	SMBC Nikko Securities	12th Kids Design Award	Received the 12th Kids Design Award for finance and economic education in the category of designs that develop children's creativity and shape their future, a first for a securities company

*Commendation titles and the like are those used at the time they were bestowed.

