

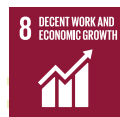


Please see below for details.

<https://www.smfg.co.jp/english/responsibility/>

SDGs Communication Book

Vol.1



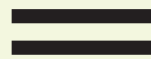
Group Companies

Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation
SMBC Trust Bank Ltd.
Sumitomo Mitsui Finance and Leasing Company, Limited
SMBC Nikko Securities Inc.
Sumitomo Mitsui Card Company, Limited
Cedyna Financial Corporation
SMBC Consumer Finance Co., Ltd.
The Japan Research Institute, Limited
Sumitomo Mitsui DS Asset Management Company, Limited



SDGs

Sustainable Development Goals



Delivering a world where no one is left behind



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.

Process up to SDGs adoption

The predecessors of the SDGs were the MDGs (Millennium Development Goals) adopted at the UN Summit in 2000. The MDGs comprised eight goals to be achieved by 2015, mainly focused on developing countries, such as “Eradicate extreme poverty and hunger” and “Achieve universal primary education.” Based on the achievements of the MDGs, the SDGs go one step further and call on all countries, including developed nations, to solve various social issues while pursuing prosperity.

Relationship between companies and SDGs

The SDGs should be promoted by all countries including both, developed and developing countries, but it is not only countries that should shoulder the SDGs. All types of organizations including private-sector companies and NGOs should join hands to help achieve the SDGs. Companies can play their part in contributing to solving various social issues through their businesses or a variety of activities of their employees.

SDGs focus targets of the SMBC Group

The SMBC Group strives to enhance its corporate value by providing high quality service to its customers.
We also work on solving various social issues as one corporate group.

Sources of Value Creation for SMBC Group



Provision of Value to Stakeholders

Shareholders

Maximization of our shareholders' value

Customers

Greater value of services

Employees

Work environment that allows employees to fully exert their ability

Environment / Society

Positive contribution to society as a good corporate citizen

Aim for the SDGs focus targets together with our stakeholders

Environment



Next Generation



Community

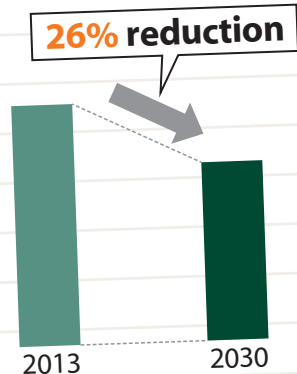


Environment

Social Issues

In response to the Paris Agreement, Japan is aiming to reduce its emissions by **26%** by 2030 compared to the 2013 levels.

*Source: "Japan's Intended Nationally Determined Contribution (INDC)" by the Ministry of the Environment



Toward a sustainable planet earth that we all share

We believe that we can contribute to the realization of a sustainable earth by providing financial services that are helpful to our environment. Through our activities, we will contribute to Goal 7 (Affordable and clean energy) and Goal 13 (Climate action) of the SDGs.



Our Approach

Support projects that will lead to reducing greenhouse gas emissions from a financial aspect

Sumitomo Mitsui Financial Group
Corporate Treasury Dept.
Shoma Aosaki



The Paris Agreement, which targets keeping global temperature rise within 2°C above pre-industrial levels, has taken effect. In response, the world is accelerating its movement toward a low-carbon/non-carbon-based society. Under these circumstances, the Sumitomo Mitsui Financial Group (SMFG) has issued green bonds in overseas markets. The funds procured from these bonds are used for environmentally friendly projects such as solar power or wind power generation.

Track Record of Green Bond Issues

Issuance date	Issuer	Issue amount
October 20, 2015	SMBC	USD500 million
October 11, 2017	SMFG	EUR500 million

Point 1 Road show for European investors



For the issuance of SMFG green bonds, we organized a roadshow and visited European investors who have a keen interest in ESG.

Point 2 Environmental impact of reduction of CO₂ emissions

An annual reduction in CO₂ emissions of approximately 4.2 million tons, achieved by projects to which funds procured by green bonds are used. Of these, financing by SMFG green bonds led to the equivalent of an annual reduction in CO₂ emissions of 440,000 tons.



*Calculated by proration of financing amount. The reduction effect is an estimate as of the end of March 2018.

Point 3 Contribution through capital markets



SMBC Nikko also originates and sells green bonds, and promotes ESG investment. We will actively work on solving social issues through our business in the financial and capital markets.

Topics

Efforts on leasing for "Solar Sharing" in which agriculture and power generation are carried out at the same time

SMFL

SMFL provided solar power generation equipment system for solar sharing. Solar sharing is a project of mounting a raised framework on farmland and installing solar panels above and growing crops underneath at the same time. With this undertaking, solar power is generated while growing Japanese ginger on idle farmland in Fukushima Prefecture. In this way, farmers can earn income from sales of electricity while growing crops, ensuring a stable stream of income. This method is gaining attention as a promotion measure for rural areas where people are aging and quitting farming.



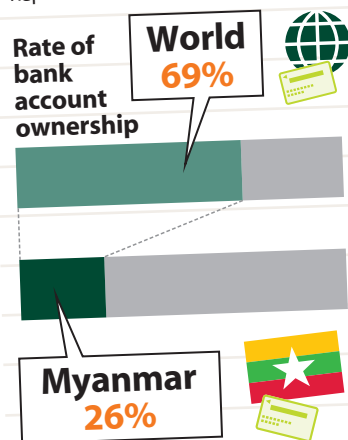
Solar panels mounted on a framework above farmland (Toyo Energy Farm Co., Ltd.)

Next Generation

Social Issues

Globally, **69%** of adults hold a bank account. In comparison, only **26%** of adults are bank account holders in Myanmar, one of Asia's developing countries (as of 2017).

*Source: World Bank "Financial Inclusion Database (Global Findex)" Report



A vigorous society with a good balance between maturity and growth

Our Approach

Creating a credit guarantee system to nurture the financial market in Myanmar!

Sumitomo Mitsui Banking Corporation
Planning Dept., Asia Pacific Division. (Yanagon)

Kenichi Izumi

Myanmar, where democracy has been rapidly spreading since 2011, is dubbed the "last frontier." However, social infrastructure, including the financial sector, is still underdeveloped compared to that of neighboring countries owing to economic sanctions imposed on the nation until recently. In response to a request from the government of Myanmar, SMBC started to provide support for building a credit guarantee system* from 2013 for the promotion of lending to small and medium-sized enterprises. For me, as someone working outside Japan for the first time, the challenge to take part in the process of building a country's system marks a culmination of my career of twenty-some years as a SMBC banker.

*A system that supports financing of SMEs by financial institutions by the credit guarantee association becoming a public guarantor



We support the growth of the next generation for the development of a sustainable society. Through our activities, we will contribute to Goal 4 (Quality Education), Goal 8 (Decent Work and Economic Growth), and Goal 9 (Industry, Innovation and Infrastructure) of the SDGs.



Point 1 First, drafting laws

Approximately 800 policies are issued as "bankruptcy insurance" for a national insurance corporation. For the establishment of a credit guarantee association in the future, the government committee has created a draft bill, and preparation is under way for parliamentary deliberation.



Point 2 Burmese is my "tool for work"

I travel the length and breadth of Myanmar to spread lending to small and medium-sized businesses. But rural Burmese people do not speak English. So I have now become fluent in Burmese, although I never imagined I would become trilingual.



Point 3 Support improvement of child education



SMBC supports a training program for teachers in Myanmar organized by UNICEF. Through this program, we support improvement of the quality of child education, and the further development of talent that will sustain the development of Myanmar in the future.

Topics

Support real tech ventures that possess research & development-type innovative technology

SMBC Nikko

"Real Tech Fund," supported by SMBC Nikko, is a venture capital fund established together with Euglena Co., Ltd. and Leave a Nest Co., Ltd. in April 2015. The investors in the fund are experts in their respective fields, comprising mainly the major companies that understand the significance of nurturing real tech* ventures. We invest in and nurture venture companies that strive to implement innovative technologies conducive to solving issues relating to the earth and mankind, in our societies.

*Research & development-type innovative technology conducive to solving issues relating to the earth and mankind



Community

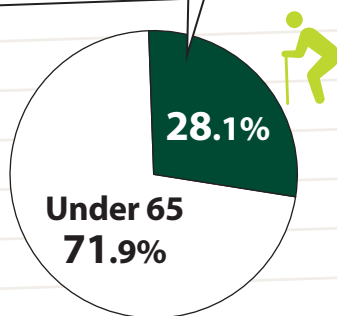
Social Issues

The percentage of elderly people aged 65 or over in the total Japanese population is **28.1%**

(as of September 15, 2018).

*Source: "Elderly people in Japan viewed from statistics" by the Statistics Bureau, Ministry of Internal Affairs and Communications

Percentage of elderly people aged 65 or over



Toward a healthy region with characteristics that allow everybody to participate

Our Approach

We are working on the social issue of aging, in collaboration with the public and private sectors

Sumitomo Mitsui Banking Corporation
Growth Industry Cluster Dept.

Yu Nakazawa



In modern society, a wide range of fields require solutions to social issues, such as medical care, nursing care and education. The public and private sectors should work as one to deal with these issues while taking advantage of their respective areas of expertise. SMBC and SMBC Trust supported funding for the "Diabetes Nephropathy and Other Diseases Prevention Program" introduced by the city of Kobe through Japan's first full-scale "Social Impact Bond."

Through this approach, the prevention of serious illnesses among patients and reduction in medical costs of the city are expected.

We provide support in the areas of finance and education, where we can take advantage of our business operations in order to build our society, in which we can live with a sense of assurance and make our cities and towns safe. Through our activities, we contribute to Goal 1 (No poverty) and Goal 11 (Sustainable cities and communities) of the SDGs.



Point 1 Provide new investment opportunities

Through this approach, public services are implemented based on collected funds, and the profits are returned to investors according to the outcome. Investors can contribute to the resolution of social issues through "Social Impact Bonds."

Point 2 Support for appropriate medical expenses in local governments

In Kobe City, it is expected that medical costs can be reduced by giving health guidance such as food and exercise advice and preventing the aggravation of diabetes patients by private-sector companies.

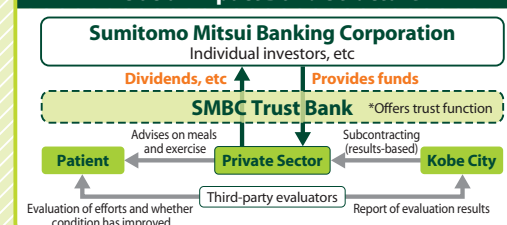
Point 3 Provide Trust Function



SMBC Trust Bank
Product Planning Dept.
Toshimitsu Senga

By providing a trust function to this scheme, SMBC Trust will clarify investment risk in the scheme, establish a strong asset management structure and investor protection system, and enable fund raising from a wide range of investors.

Social Impact Bond Structure

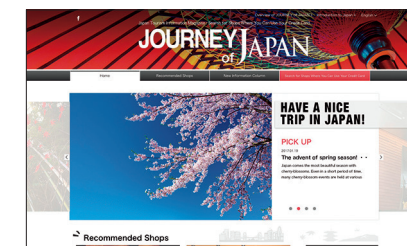


Topics

Web media for foreign tourists visiting Japan
Contribution to regional revitalization through "Journey of Japan"

SMCC

"Journey of Japan" is a web media for foreign tourists established by SMCC. Before travel, articles on topics such as sightseeing, culture and activities, and information on recommended shops that accept payment by credit card are sent to tourists. During a trip, the app provides useful information such as directions to shops in the surrounding area where special treatment coupons can be used with high convenience. All the information is available in multiple languages (Chinese (Traditional and Simplified), English, Korean and Thai). SMCC will continue to contribute to regional revitalization through tie-ups with local governments throughout the country.



"Journey of Japan" (English version)



Our activities to support the learning of “Money”

Create a place to learn “money”

Natsuyasumi Kodomo Ginko Tankentai

SMBC

SMBC is implementing the “Natsuyasumi Kodomo Ginko Tankentai” program, where elementary school children learn and experience actual banking operations.

This tour provides children with the opportunity to study the basics of finance and banking through classroom sessions led by our employees, experience of bank teller work, and visits to ATMs and vaults.



Above: experiencing the work of a bank teller
Left: classroom session

Company tours and visiting lectures

SMBC Nikko

We believe that the dissemination of financial literacy is an important mission of securities companies. SMBC Nikko accepts tours of our company, and offers visiting lectures and donation course, in order to deepen financial and economic knowledge. We will contribute to the development of correct asset formation and sound capital markets through financial and economic education activities for all generations.



Visiting lecture

PROMISE Financial and Economic Education Seminar

SMBCCF

At SMBCCF, we hold the “PROMISE Financial and Economic Education Seminar,” which is led by customer service plazas across 18 locations nationwide, with over 100,000 participants a year. In the seminar, themes such as “Life design and household budget management,” “Loans and credit,” and “Financial trouble” are offered to students who will shoulder our future as well as the people in the communities to learn correct knowledge about money and make appropriate decisions.



“PROMISE Financial and Economic Education Seminar”

The SMBC Group offers financial and economic education for all generations, from children to adults, working together as part of our group efforts. Through this activity, we aim to realize a society in which everyone can acquire a correct knowledge of “money” and live with a sense of assurance.



Tool to learn “Money”

Financial information media and tool for income and expenditure experience

SMBC
SMBC Nikko
SMDAM

The web media “Money VIVA” provided by SMBC provides free, useful daily money tips. In addition, SMBC Nikko offers the free investment information service “FROGGY” based on the concept of “changing common sense regarding money.” SMDAM also strives to spread knowledge through the delivery of financial information by preparing various contents for investment novices such as “Simulation of Asset Formation” on its website.



SMDAM
“First-time Asset Formation”



SMFG
Promotion of Financial Literacy Education
https://www.smfg.co.jp/english/responsibility/issue/new_generation/literacy/

Financial Education App “Hello! Money”

SMCC

SMCC has released the “Hello! Money” allowance management learning tool, a free app for parents and children for financial education. The app features functions that allow parents and children to learn together how to “Use,” “Save” and “Increase” money through pocket money management and depositing in virtual banks, in an enjoyable manner.



iOS



Android



“Hello! Money” app screen

SMCC
“Hello! Money” allowance management learning app

Card Game “Economica”

SMDAM

SMDAM is holding a national competition for the competitive card game “Economica,” which allows people to learn financial economics in a fun and easy way. Through battles that make full use of economic terms, we offer participants the opportunity to familiarize themselves with economics, with a particular focus on children and their parents.



Economica national competition



Our activities aimed at producing an affluent society and environment

In addition to contributing to society through business, the SMBC Group is engaging in various social contribution activities to fulfill our social responsibility as a “good corporate citizen” to realize an affluent society.

Environment

Community cleaning activities by officers and employees

SMBC Group



Every year, we conduct the “SMBC Group Cleanup,” in which the executives and employees of each company participate throughout the country. While cleaning beaches and riverbeds, we work to beautify the local environment, and every officer and employee has the opportunity to raise their awareness of environmental conservation.



Cleaning activity at Fujimae Higata (Nagoya City, Aichi Prefecture)

Contribution to the environment by credit cards

Cedyna



Cedyna issues the Chikyuni Yasashii Card to allow people to make donations for the environment through simple, everyday use. When people use the Chikyuni Yasashii Card for shopping, Cedyna automatically donates 0.5% of the card usage amounts to the relevant organizations based on those themes through The Defense of Green Earth Foundation.



“Chikyuni Yasashii Card”

Next Generation

Volunteer activities utilizing business skills

SMBC Group



We are implementing the “SMBC Group Pro Bono Project,” which supports NPOs working on solving social issues, by utilizing the skills and experiences that executives and employees have acquired through their work. Executives and employees support the acquisition of NPO certification and maintenance for organizations through the development of administrative flow of donations and expense management, etc.



Pro Bono final report meeting

Contribution to communities through food

SMBC Group



Each SMBC Group company participates in the “Table For Two Program.” In this program, school meals are delivered to developing countries through the NPO “TABLE FOR TWO International” when executives and employees purchase healthy menu items and beverages from the dining room and vending machines.

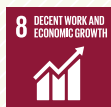


©TABLE FOR TWO

Community

Reconstruction support activities in large-scale disaster-stricken areas

SMBC Group



Executives and employees carry out various support activities in the affected areas in various places. In addition to the reconstruction assistance for the Great East Japan Earthquake and the Kumamoto Earthquake, in activities in the area affected by heavy rainfall in Kitakyushu in July 2017, SMBC Group executives, employees and their families engaged in volunteer activities, such as carrying away valuables and belongings from collapsed houses and separating waste.



Activity in the area affected by heavy rainfall in Kitakyushu

Supporting sports for the disabled

SMBC Nikko
SMBC Trust



The SMBC Group companies support the spread and development of sports for the disabled. SMBC Nikko offers support for blind football, and lectures by employee athletes with disabilities throughout the country, and holds experiential sport sessions for the disabled. SMBC Trust supports goalball, holds experiential sessions, and dispatches executives and employees as volunteers to competitions.

Above : blind football
Below : goalball
experiential session



©Japan Blind Football Association

